



Credit: Laure Stephenson

ANNUAL REPORT 2021

ADM Aéroports
de **Montréal**



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CORPORATE PROFILE



01

CORPORATE PROFILE

ADM Aéroports de Montréal, the Greater Montréal airport authority, is responsible for the management, operation and development of YUL Montréal-Trudeau International Airport and YMX International Aerocity of Mirabel under a lease entered into with Transport Canada in 1992 and expiring in 2072. ADM is committed to succeeding in its various business sectors – airport, real estate and commercial services – and to developing each of its two sites to their full potential. Accordingly, YUL serves as a hub for domestic, transborder and international passenger transportation, while YMX serves as an all-cargo airport and a world-class aerospace and innovation hub. Montréal-Trudeau International Airport and the International Aerocity of Mirabel are major centres of economic activity and development drivers for Greater Montréal.



ADM'S MISSION

From a sustainable development perspective, ADM's mission is to:

- Connect Montréal and the world through the talent and passion of its teams;
- Offer a remarkable, safe and efficient experience while ensuring the development of its facilities;
- Contribute to the prosperity of the community by embodying the vitality of Greater Montréal.



**PASSIONATE
EFFICIENT
COMMITTED**

FINANCIAL HIGHLIGHTS



02

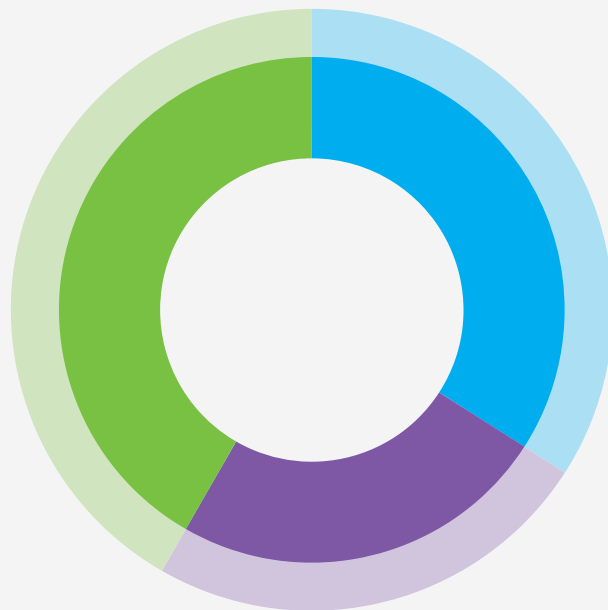
REVENUE SOURCES

In millions of dollars (and compared with 2020 and 2019)

Non-Aeronautical Activities
 \$115.8
 41.7%
 ↓ -10.7% vs 2020
 ↓ -47.4% vs 2019

Aeronautical Activities
 \$94.8
 34.1%
 ↑ +4.0% vs 2020
 ↓ -62.2% vs 2019

Airport Improvement Fees
 \$67.1
 24.2%
 ↑ +9.4% vs 2020
 ↓ -71.6% vs 2019



TYPES OF EXPENSES

In millions of dollars (and compared with 2020 and 2019)

Net Financial Expenses
 \$132.8
 26.1%
 ↑ +28.5% vs 2020
 ↑ +37.4% vs 2019

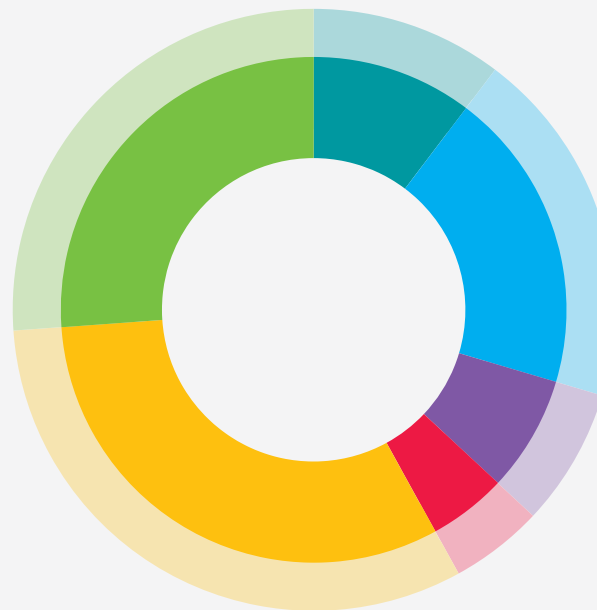
Salaries and Benefits
 \$52.4
 10.3%
 ↑ +12.7% vs 2020
 ↓ -31.5% vs 2019

Depreciation and Impairment
 \$162.6
 31.9%
 ↓ -5.4% vs 2020
 ↑ +1.6% vs 2019

Operating Expenses
 \$98.5
 19.3%
 ↓ -12.2% vs 2020
 ↓ -38.6% vs 2019

Transport Canada Rent
 \$25.3
 5.0%
 ↑ +436.1% vs 2020
 ↓ -67.0% vs 2019

Payments in Lieu of Municipal Taxes and Other Taxes
 \$37.9
 7.4%
 ↓ -0.6% vs 2020
 ↓ -4.8% vs 2019



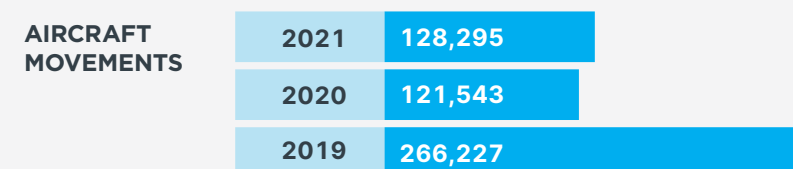
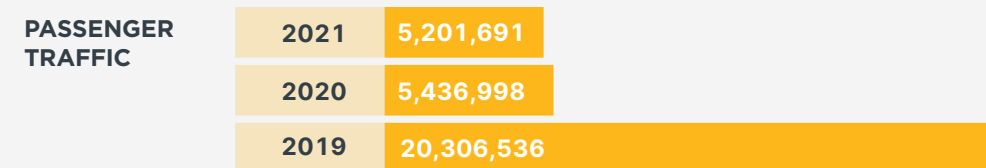
FINANCIAL RETROSPECTIVE

In thousands of dollars

	2021	2020	2019	2018	2017*
Revenues	\$ 277,745	\$ 282,160	\$ 707,049	\$ 645,021	\$ 582,886
Excess (deficiency) of revenues over expenses	\$ (230,819)	\$ (233,994)	\$ 97,799	\$ 68,174	\$ 42,916
EBITDA	\$ 63,605	\$ 40,780	\$ 353,607	\$ 322,867	\$ 285,087
Investments	\$ 51,838	\$ 247,709	\$ 351,706	\$ 219,803	\$ 229,351

*Comparative financial results have not been restated following the initial application of IFRS 16 on January 1st, 2019.

OPERATIONS 2019-2021



MESSAGE FROM MANAGEMENT



03

WAITING FOR BETTER TIMES

The airline industry faces all kinds of risks. A simple snowstorm can derail the travel plans of thousands, if not millions, of passengers around the world. There have been many incidents over the years that have hit hard and shaken both airport authorities and airlines. Aside from the sad events of September 11, 2001, the hard knocks have generally been tied to changes in the economic cycle. Everything goes up and down with the GDP. This is the reality, and more importantly, it is factored into the business plans of the many companies that operate in the industry.

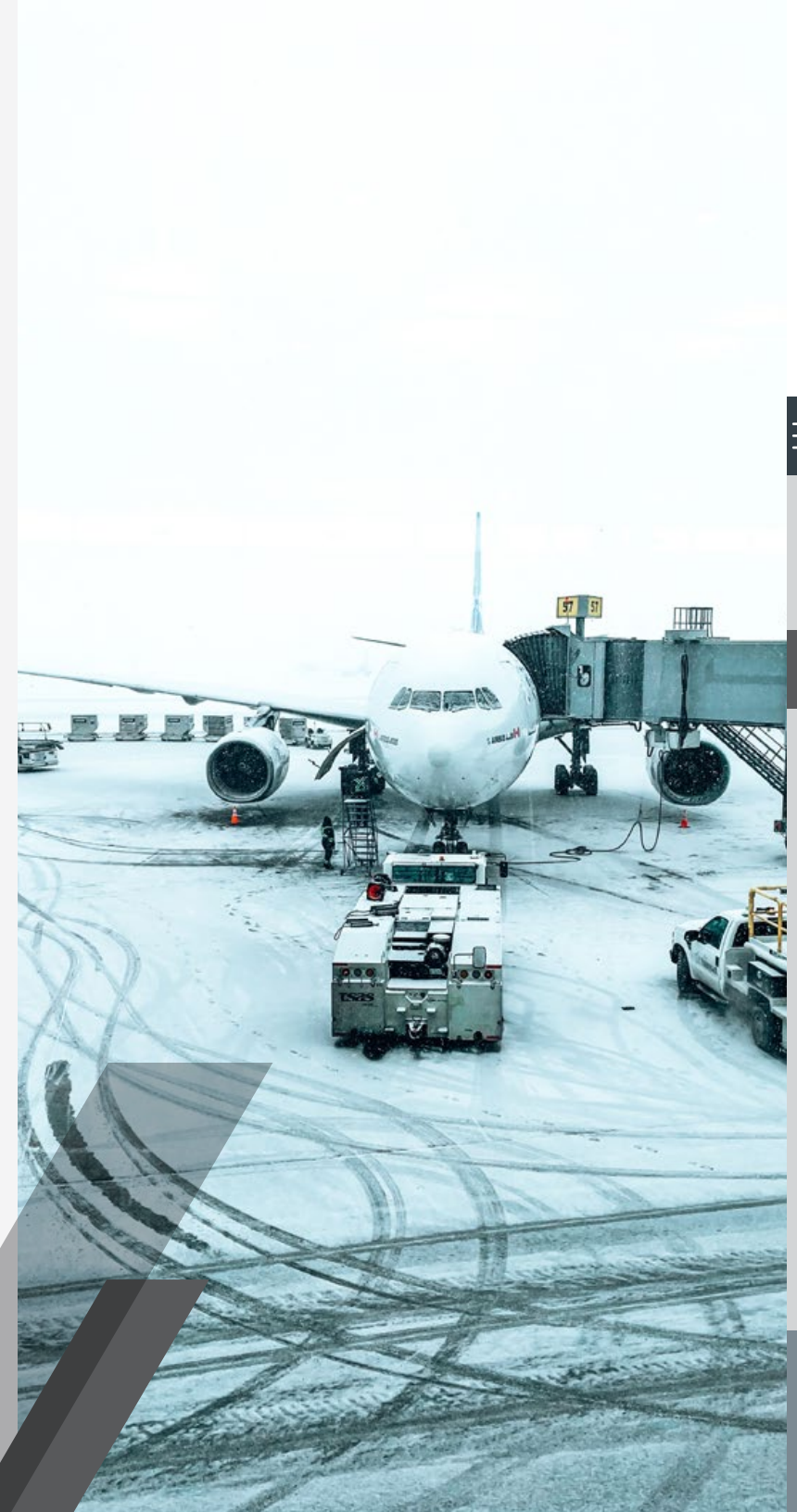
But COVID-19 is a health crisis of unprecedented magnitude that does not follow this time-tested pattern. Disruptions related to the emergence of variants make predictions about a recovery for our business difficult, especially at YUL, our international airport.

The economy gradually recovered in 2021, but the airline industry lagged behind. Mass vaccinations during the summer gave us renewed hope. Travellers again started

planning their vacations abroad. Our fear of the virus faded with the arrival of milder weather and a decline in COVID cases in many parts of the world. But the emergence of a new variant late in the year and the federal government's advisory against non-essential travel disrupted everything.

While our employees and those in the aviation community are well trained to handle any weather or emergency situation, this development hit them like a ton of bricks.

Fortunately, ADM approached the situation with caution, in keeping with its long-held principles. We kept our expenditures and investments to a minimum until the end of the year. This prudence has served us well.



Cut Off in Mid-flight

In December 2021, some 55 international destinations were served from YUL. In addition, there were about 20 flights to the United States. In 2019, this data would have certainly worried us. In 2021, there were signs that better days were ahead. As for passenger traffic, it was gaining about five percentage points every month since the summer. The forecast for the holiday season was encouraging. After months of sluggishness, our international airport was back on track. Our partners were scrambling to hire new staff and restart their operations. And ADM teams were updating their action plans to prepare for more passengers at our facilities starting in 2022.

These hopes were then dampened.

But we are resolutely optimistic and will not give up.

We believe more than ever of the resilience of our industry. Despite all the obstacles, we are confident that by 2024 these challenges will be a thing of the past and that our organization and our partners can truly look forward to the future. At least this is our dearest hope.

In 2022 we should be able to recover 50% of pre-pandemic passenger traffic. This is still a conservative and cautious forecast based on the information we have at the time of writing.

Ups and Downs

2021 was therefore a roller-coaster year, as the popular expression goes. On the other hand, for every disappointment experienced we had opportunities to celebrate small victories. You'll read about the many positive actions and achievements that have benefited our community over the past 12 months in this annual report's review of activities.

Securing funding for the construction of the YUL REM station is definitely at the top of the list. We would like to thank the federal government, the Canada Infrastructure Bank and the Québec government for enabling the REM to continue its journey to YUL. This alternative, but above all sustainable, transportation solution will facilitate access to the airport site for travellers and employees and ensure a rapid connection with our city's downtown.

The tunnel boring machine (TBM) operated by CDQP Infra will start its underground drilling on the airport site this spring. This will result in the temporary closure of runway 06G-24D, located north of the airport, and provide a golden opportunity to carry out important and necessary rehabilitation work. This is one of the few projects that has not been shut down, and for good reason: the safety of our infrastructure and its users will always remain our top priority.

Our YMX site was also very successful during the year. The occupancy rate of ADM's cargo warehouses is close to 100%. New agreements were signed with partners who have chosen to grow their activities there. We are looking forward to welcoming the battery plant of our new partner, Lion Electric. This is excellent news for the entire region since quality jobs will be created in Mirabel by a company operating in a booming industry and a new industrial sector will be created at the Aerocity.

Vaccination was on everyone's lips in Québec in 2021. ADM is proud to have contributed to this unprecedented campaign by quickly putting its facilities at the service of the community. First, by creating clinics accessible to employees of the airport community, in collaboration with our partners. Then, by offering our P11 parking lot at YUL so that a "drive-through" clinic could be set up by Public Health. A first in Québec! Finally, in the fall, we required all members of the airport community coming in contact with the travelling public at our two airport sites, as well as all ADM employees, to be fully vaccinated. This was a necessary, albeit difficult, decision that was particularly important to us.

THE PANDEMIC WILL LEAVE ITS MARK. IT HAS ALREADY LED TO THE IMPLEMENTATION OF NEW SCREENING MEASURES IN CANADIAN AIRPORTS.



Our organization was one of the first to take such a drastic measure to ensure the collective well-being. After all, boldness is a value that is an integral part of our DNA. ADM managers make it a point of honour to stay ahead of the curve and to position themselves quickly on certain issues. Like mandatory mask wearing in the spring of 2020, the issue of mandatory vaccination for all could not be an exception.

Looking Forward

Like you, we are looking forward to a future where the last few months are just a bad memory. Until then, our teams will continue to work to ensure the safe arrival of our passengers at YUL and cargo at YMX.

The pandemic will leave its mark. It has already led to the implementation of new screening measures in Canadian airports. These measures are reducing the flow of traffic, particularly during peak periods. Are these measures permanent? All this complexity, which adds to the passenger's journey, must be mitigated through the use of facilitating technologies. We also expect to see some easing in the short term.

At the same time, this health crisis will have allowed us, together, to take the time to slow down, the time to reflect. It has demonstrated the importance of taking care of our own well-being and that of future generations. For ADM, this has translated into a reflection on the place of sustainable development at the heart of its activities. We have taken advantage of the last few months to accelerate our shift in this direction.

With the best GHG emissions record of any major Canadian airport, we are continuing to update our plans to improve energy efficiency at our sites and significantly reduce greenhouse gas emissions.

This is a widespread and necessary trend: all industry players are increasingly questioning themselves and working together on the journey to sustainable innovation.

This is ADM's first fully integrated report. It includes a review of operations, the organization's financial situation, and a section on the progress of our sustainable development action plans. This is a new way to report annually on our sustainability initiatives.

United in Adversity

The airline industry is going through a period of profound transformation. Our ability to adapt and innovate will be more essential than ever. We would therefore like to take this opportunity to salute the dedication of ADM's team members, who have once again demonstrated tremendous flexibility and resilience through the many turbulent times we have experienced. The creativity shown by our employees, who have managed to do great things with limited means, amazes us every time, without surprising us!

New players joined the great ADM family in 2021 and we are grateful to have their energy, which enables those who have been holding down the fort for many months to catch their breath a little.

There is an old French proverb that says *L'adversité grandit ceux qu'elle n'abat point* (adversity grows those whom it does not destroy). We agree. Our employees have risen to great heights in recent months. They have our gratitude.

Thank you for continuing the journey with us!



Danielle Laberge
Chair of the Board of Directors



Philippe Rainville
President and Chief Executive Officer



**ADAPTATION
INNOVATION
DEDICATION**

REVIEW OF ACTIVITIES



2021 AT A GLANCE

The following business review explores the chronology of significant events that marked the 12 months of 2021. It highlights the actions taken by ADM to ensure the health and safety of the travelling public and employees at YUL, to maintain operations at both airport sites, and to contribute to the efforts to revive the airline industry in the city.

The vast vaccination campaign conducted in Québec, the gradual opening of the borders, and the lifting of the federal government's advisory asking Canadians to avoid non-essential travel outside the country for a few months enabled YUL to reconnect with its passengers, leading to signs of an increase in traffic at the beginning of the summer. This momentum was slowed down with the emergence of a new COVID-19 variant, leaving a bitter taste in the mouths of the teams at the end of the year and a feeling of déjà vu.



JANUARY

INTERNATIONAL RESTRICTIONS + REM FILE IMPASSE + EQUIPMENT SHIPMENTS

- The year starts on a rather sombre note as the federal government announces new restrictions on international air travel. All flights to and from Mexico and Caribbean countries are suspended until the end of April 2021. In addition, starting in February, travellers will be required to undergo testing upon arrival at YUL and isolate themselves in one of the federally designated hotels while awaiting their results.
- While discussions have been underway for months with federal and provincial government representatives, the issue of the REM station in YUL is at an impasse. ADM refuses to give up and continues to increase efforts so that its request for a loan to finance the construction costs of this highly strategic station, estimated at \$600 million, is heard.
- Québec is preparing to launch its major vaccination campaign for the general population. Every week for months, doses are being shipped and received at the YMX site, which has played a leading role in the transportation of medical goods since the very beginning of the crisis. Large shipments of Personal Protective Equipment (PPE) are transported through the facility throughout the year.

FEBRUARY

INTERNATIONAL ARRIVALS SCREENING + NEW MEASURES + TV REPORT

- In order to comply with federal government requirements, the ADM team opens a COVID-19 screening clinic in the international arrivals hall in collaboration with its partner Biron Groupe Santé. About 15 sampling stations are installed there.
- As the outlook for the recovery of international air travel becomes increasingly bleak, ADM is taking further exceptional measures to ensure its continued operations. These include an increase in airport improvement fees, higher aeronautical fees at YUL and YMX, and an adjustment to the landing fee for all-cargo flights.
- A team of Radio-Canada television reporters looks at the impact of the pandemic on current airport operations and is given unprecedented access behind the scenes at YUL. Representatives from corporate partners, including Avjet, SSP, Newrest and Peace+, collaborate on the filming. The result is a touching and human story that highlights the passion and challenges of the airport community.



SEE VIDEO

Radio-Canada TV report

MARCH

MULTI-LEVEL PARKING CONSTRUCTION + PLANT DONATION

- Work starts on the multi-level parking deck, located in front of the terminal building. The first objective is to secure the structure, which has reached the end of its useful life. The work is being carried out according to a schedule that will allow it to be tied in later in the year with the first stages of construction of the REM station at YUL-Montréal-Trudeau. This part of the project will require the demolition of a significant portion of the structure, including the tower and the west walkway.
- With a majority of its office employees performing their duties from home since March 2020, ADM decided to dispose of many of the plants that decorated the workspaces at its headquarters in order to save on maintenance and watering costs. A donation of 140 plants was made to the Teresa Dellar Palliative Care Residence in Kirkland. A small gesture that brings a little colour and sweetness to the lives of residents and their families.

APRIL

VACCINATION CENTRE + INAUGURATION OF THE ECOLOGICAL PARK + REM: AGREEMENT IN PRINCIPLE

- ADM, in collaboration with Air Canada and Bombardier, responds to the call of the Québec Minister of Health and Social Services by contributing to the vaccination effort and announces the creation of the YUL vaccination centre. A vaccination site is set up in the terminal and a second one in the Bombardier hangar for employees of the airport community. The clinics will welcome their first appointments in May. Not to be outdone, the YMX site also has its own clinic, thanks to our partner Airbus.
- The Sources Ecological Park, located north of the YUL airport site, is officially inaugurated on April 22 to mark Earth Day. This 24-hectare area is a unique place to observe birds and wildlife. It is an area of high ecological value that ADM is committed to protecting and enhancing for the benefit of the community.
- An agreement in principle is finally reached on the financing of the REM station in YUL. In addition to a \$100 million contribution from the Government of Canada, loans of \$100 million and \$300 million are granted by the Government of Québec and the Canada Infrastructure Bank, respectively. ADM will therefore be able to begin construction on this major project, which is necessary to improve accessibility to the site.
- After being audited to ensure that its application still meets the requirements established by the BOMA BEST Green Building program, YUL renews its Gold level certification, previously achieved in 2017, with an overall score of 84.6%. Indeed, the terminal's performance has improved since the last certification, especially in energy management, potable water consumption and maintenance services.




MAY
**DRIVE-IN VACCINATION
+ SUSTAINABLE AIR FUEL
+ NEW SCHEDULES AND
DESTINATIONS**

- A first-ever drive-through vaccination site in Québec is set up at YUL's P11 parking lot. This concept complements the province's traditional vaccination centres. ADM is extremely proud to make its facilities available for this important project, which will benefit the entire community. In the end, this clinic made it possible to administer close to 50,000 doses of vaccine.
- Air France makes the first long-haul flight using sustainable aviation fuel, also known as SAF. The 16% incorporation of this particular type of fuel, which replaces kerosene and is derived from waste and residues from the circular economy, avoids the emission of 20 tons of CO₂ and demonstrates the efforts being put in place by the big players in the industry to reduce their greenhouse gas emissions.
- Airlines are preparing their flight schedules for the coming months and announce the addition of popular destinations to YUL's air service, including Air Canada, which plans to launch a route between Montréal and Honolulu in December. In the coming months, the carrier will also activate routes to Kelowna, Cairo, New Delhi and Bogota.



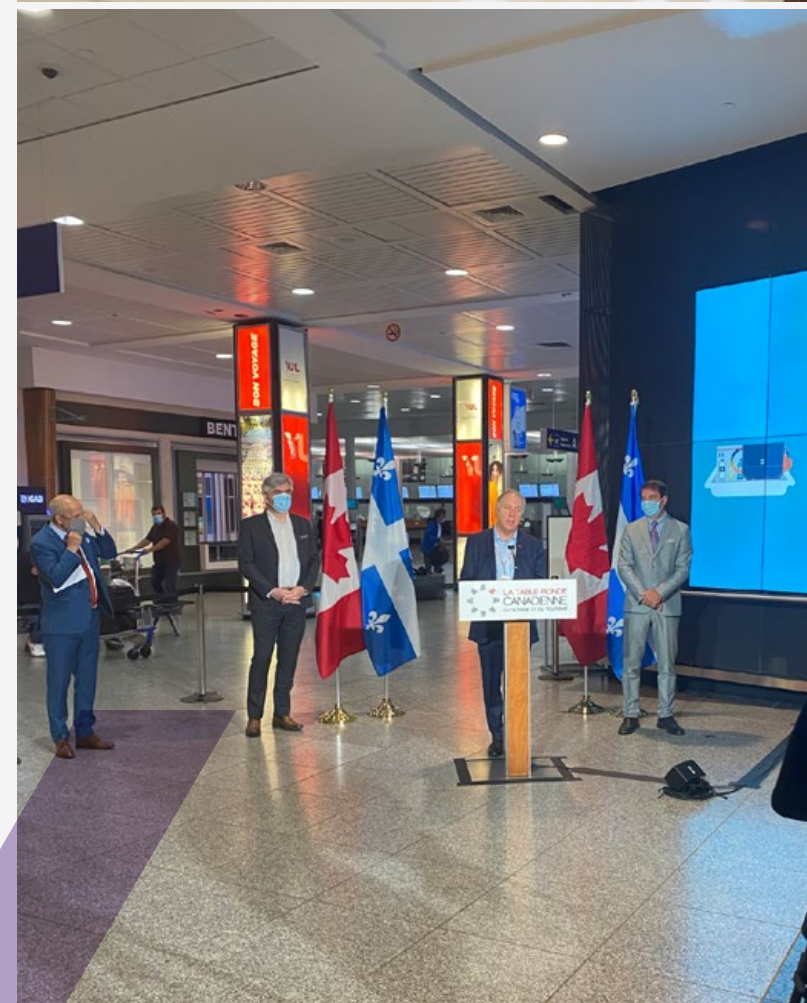

JUNE
**LION ELECTRIC AT YMX
+ OSM OUTDOOR
CONCERT + HUMOROUS
VIGNETTES**

- After several months of discussions with various potential partners, Lion Electric (Lion) chooses the aeronautical and industrial park at YMX International Aerocity at Mirabel to build its new battery plant. In doing so, Lion will be able to further develop its expertise in the field of electrical innovation and benefit from the many advantages the site offers, including landing strips, an ideal location at the intersection of Highways 50 and 15, and access to major cargo carriers.
- Stanley Cup playoff fever is taking hold of the city. With the Canadiens going all the way to the finals, YUL quickly displays its colours with a red-white-and-blue facade!
- Following the success and interest generated by the benefit concert “Classical Flight”, presented in August 2020, the Orchestre symphonique de Montréal is doing it again and transforming the airport’s P5 parking lot into a concert venue for one evening, in full compliance with current health directives. Musicians and spectators are once again charmed by the site, with planes flying overhead further enhancing this musical journey.
- Humorous vignettes, produced for social networks, are filmed at the airport terminal under the theme “Meanwhile at YUL”. They show various employees of the airport community carrying out their daily tasks while waiting to welcome passengers again. These highly popular clips generate a record number of views, over 2.2 million, on ADM’s social platforms.




JULY
**TRANSAT RESUMES ITS
FLIGHTS + ADVOCATING
FOR OPEN BORDERS +
NEW AIR CARRIER**

- Six months after grounding its aircraft, Transat resumes commercial flights from YUL. On its first day of operation, the carrier is offering departures to Punta Cana and Vancouver. These destinations kick off a summer schedule that will include, at the height of the season, 24 routes to 16 destinations in Canada, the United States, the South and Europe.
- YUL plays host to a press conference organized by the Canadian Travel and Tourism Roundtable, bringing together various players in the sector, including Philippe Rainville, President and CEO of ADM. The objective of this event: to ask the federal government to reopen Canada's borders to fully vaccinated international travellers and allow Montréal to regain its economic vitality.
- A new COVID-19 screening clinic opens at YUL. The clinic segregates the passenger journey according to the vaccination status of travellers.
- A new airline starts operations at YUL. Flair is a low-cost airline offering direct flights to Toronto, Vancouver, Halifax and Abbotsford, British Columbia. Its service offering is enhanced a few weeks later with the addition of routes to six U.S. vacation destinations.



AUGUST

**BORDERS OPEN
+ PET AREAS + SKYTRAX:
YUL STANDS OUT**

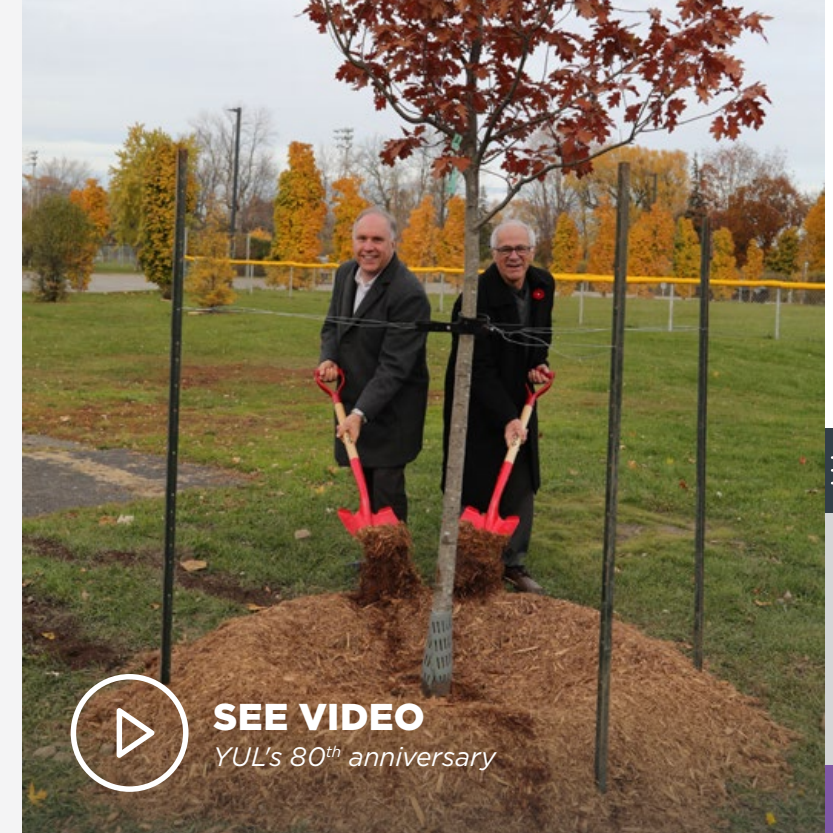
- The federal government finally announces the opening of the border to fully vaccinated American travellers. A month later, in September, it will be the turn of international travellers to be able to land in the country, after being banned in March 2020. This is good news and promises significant growth in passenger traffic at YUL.
- In order to make the experience of passengers - young, old and furry - even more pleasant, two new areas are inaugurated in the terminal. First, a play area is created in the restricted area for departures to the United States in collaboration with Québec author and illustrator Marilou Côté. Then, a new dog relief area is added in the domestic restricted area, in addition to the one set up near the parking garage outside the terminal. Cat and dog owners can also leave with peace of mind by entrusting their pets to the care of the **Manoir Kanisha** team for the duration of their trip, a pet boarding facility located near the airport site.
- YUL is recognized in the 2021 Skytrax World Airport Awards. The airport community's employees are ranked third in the Best Airport Staff Service category in North America. In addition, YUL places fifth for the first time in the World's Cleanest Airport category for the same geographic area. Finally, in the overall Best Airports in North America category, Montréal-Trudeau remains in the top 10, as it has for several years.



SEPTEMBER

YUL'S 80TH ANNIVERSARY + VACCINE PASSPORT + BIKE STOP + NEW BUSINESS

- YUL celebrates its 80th anniversary. A video featuring some of the highlights of the airport since its inauguration is presented to mark this historic milestone. An oak tree – which represents an 80-year union in matrimonial language – is also symbolically planted at the Peace Park Arboretum in the City of Dorval. ADM continues its involvement in the community by participating in the beautification of the neighbourhood and its parks.
- As vaccine passports come into effect in Québec, YUL requires all passengers and customers wishing to eat in table service restaurants or enter the National Bank and Desjardins lounges to show proof of vaccination. This is also a way to limit the spread of COVID-19 in airport facilities.
- An agreement with Tourisme Mirabel makes it possible to announce the creation of the YMX Bike Stop at the Aerocity, which will be part of a bicycle path project linking the city of Mirabel to various attractions in the region. The rest stop will allow many visitors to discover a unique airport site, while offering employees of the airport community an alternative to the automobile to get to their workplace.
- As part of the rehabilitation of the former YMX firefighting training areas, an open house event is held to showcase Phase 1 of the facilities to the citizens of Mirabel. The first phase of the project consists of the construction of a hydraulic barrier at the southwestern boundary of the site, which will be used to pump groundwater and treat it to remove chemical compounds that may be present.
- A new business opens at YUL. The Mr. Pretzel restaurant is located on the international jetty and its offering of freshly made, hand-rolled soft pretzels is delighting the taste buds of many travellers.



SEE VIDEO

YUL's 80th anniversary





OCTOBER

VACCINATION OF THE AIRPORT COMMUNITY

- + HYGIENE ACCREDITATIONS
- + FLEXI-WORK

- A new directive requires that all members of the airport community in contact with the travelling public at YUL and YMX, as well as all ADM employees, be adequately vaccinated. The federal government also makes vaccination mandatory for all travellers aged 12 years or older wishing to fly from a Canadian airport.
- YUL is once again recognized for the quality of its international hygiene measures. For the second year in a row, the airport is awarded Airport Health Accreditation (AHA) by Airports Council International (ACI), as well as “GBAC STAR™” accreditation by the Global Biorisk Advisory Council®. These certifications are a testament to the hard work of the maintenance teams in maintaining the highest standards of sanitation procedures to provide a safe environment for passengers and employees using the airport facilities.
- ADM employees who have been working from home since March 2020 start returning to the office on a part-time basis in a hybrid arrangement called Flexi-Work. Telework will resume on a full-time basis for this group in mid-December, as required by the Québec government.





NOVEMBER

FELLO'FLY + MONARCH DEDICATED SPACES + AGREEMENT WITH SOFIAC

- A partnership with Airbus allows YUL to host the first-ever transatlantic flight using a promising procedure to reduce the environmental impact of aviation activities. Thanks to a brand new flight configuration called *fello'fly*, and to flight control systems developed by the European aircraft manufacturer, an A350 successfully positions itself safely in the wake of another aircraft of the same type that is three kilometres ahead of it. This allows it to reduce the thrust of its engines and save more than six tonnes of CO₂ emissions on a trip between Toulouse and Montréal.
- ADM is starting to create spaces dedicated to monarch butterflies in the Sources Ecological Park by planting 150 plants and 300 seeds of milkweed, a flowering plant that is essential to the monarch's life cycle, since it is the caterpillars' sole source of food. Originally scheduled for 2020, this project was postponed due to the pandemic.
- An agreement is reached between ADM and SOFIAC to develop a major offensive to improve energy efficiency and reduce GHG emissions. Decarbonization, the implementation of innovative energy solutions and a significant reduction in energy consumption and costs will be at the heart of this major project, which will cover the entire airport infrastructure of the YUL and YMX sites.



SEE VIDEO

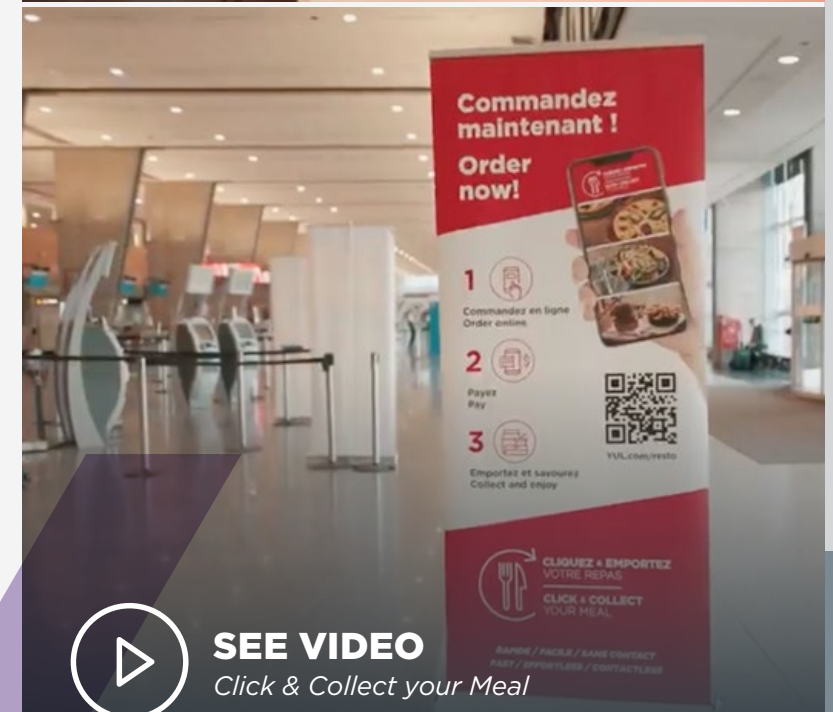
Fello'fly



DECEMBER

ONLINE ORDERING SERVICE + OMICRON VARIANT + RAPID TEST SHIPMENTS

- In an effort to continuously improve passenger processes through the use of technology, a new service is being launched at YUL. Called Click & Collect your Meal, this service allows travellers to order their meals online from select restaurants in the terminal and then pick them up directly at the designated pick-up areas. All this without having to wait in line, while limiting points of contact between individuals!
- While the health situation seems to be improving all over the world, the emergence of the Omicron variant is causing concern and directly affecting the tourism industry. In response to the meteoric rise in cases detected in the country, the federal government announces new measures. As a result, all passengers from international destinations must be tested upon arrival in Canada, regardless of their vaccination status or history of positive test results. Despite the addition of 16 check-in stations and 16 testing stations by the ADM team, the addition of this measure will cause significant delays in the passenger screening process at the border during the holiday season.
- Shipments of rapid tests for COVID-19 land at YMX aboard an Antonov AN-225. Once again, the Aerocity site demonstrates its essential contribution to the transportation of goods needed to manage the ongoing health crisis.
- A travel advisory advising against non-essential travel abroad is issued by the Government of Canada in mid-December. Although passenger traffic at the beginning of the month was following a growth curve that had been in place since the summer, a downturn in travel plans is felt following this announcement. This downward trend continues into late December and will unfortunately continue into early 2022.



SEE VIDEO

Click & Collect your Meal

CUSTOMER EXPERIENCE

Again in 2021, the YULSatisfaction team was an invaluable source of information for passengers trying to navigate through the various measures and restrictions surrounding air travel issued by federal authorities. The return of the ambassador team, easily identifiable by their red jackets, also provided a reassuring and comforting presence in the terminal.

During the year, a record 8,300 tickets were opened and processed through the comment management tool. Of these, more than 68% were inquiries and 6% were expressions of dissatisfaction. By comparison, in 2020, the proportion of tickets dealing with dissatisfactions was higher (8%) and ADM received fewer requests for information (60%).

In addition, to improve service to passengers, ADM added the Talk tool to its feedback management system in May 2021. This integrated call centre solution is used by ambassadors working at the terminal's information desk. The objective of this new configuration is to centralize all calls received in order to obtain a better overview of the needs of passengers and their companions and thus determine the actions required to improve their experience. In a few months, 95,257 calls with an average duration of 4 minutes were received, as well as 17,690 voice messages.

The YULchat service marked its two-year anniversary. A total of 145,188 instant chats were recorded, with an average response time of 33 seconds. Customers using the service can rate their satisfaction with the agents managing the chat and 96.7% of them mentioned that they were satisfied with the help they received. In addition, the hours of operation of the service were extended mid-year to cover evening and weekend periods.

The significant decline in the number of passengers served at the airport led ADM to suspend its quarterly customer satisfaction survey program in 2020, a decision that was renewed for the same reason in 2021. However, ADM was able to restart its mystery shopper program in December.

YULSATISFACTION

more than 8,300 tickets



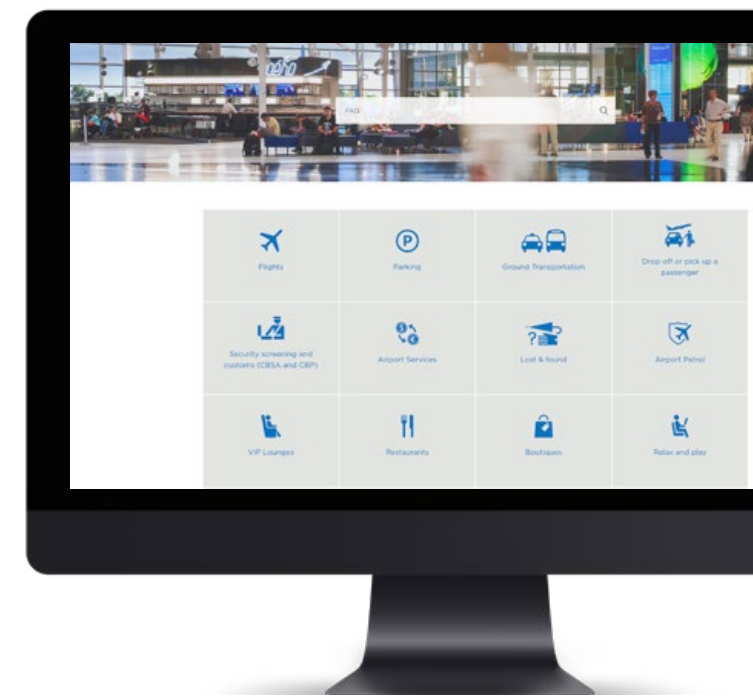
Information
request tickets

68%
(2020: 60%)



Dissatisfaction
tickets

6%
(2020: 8%)



REAL ESTATE DEVELOPMENT

2021 was undoubtedly an exceptional year in terms of real estate development at YMX. More than 3 million square feet of land for industrial purposes was leased, on which new buildings totalling more than 930,000 square feet will be built or expanded. This performance is due to the arrival of Lion Electric, SEC Foliot-Robitaille and PMR, as well as the expansion of companies already well established on the site such as Meubles Foliot, Métautek and STELIA Aerospace.

The latter company continued to expand its activities related to the Airbus A-220 value chain at the Aerocity. ADM supported this investment, which strengthens the position of its aeronautics hub, by expanding the building it leases to STELIA, a project financed by the federal government's National Trade Corridors Fund.

To further strengthen its industrial hub, ADM and the City of Mirabel signed a Memorandum of Understanding in 2021 to build a new access road essential to the development of the western section of the territory. The opening of this new sector, combined with a property tax credit program adopted by the city, will make it possible to build a hub related to the electrification of transportation and innovation based around Lion Electric.



AIRPORT OPERATIONS



05

PASSENGER TRAFFIC

In this second pandemic year, passenger traffic at YUL in the January to June period followed the trend seen in the last months of 2020 before increasing significantly in the second half of 2021. While government measures to limit the spread of COVID-19 across the country resulted in a significant reduction in aviation activity in the winter and spring, the opening of Canadian borders to fully vaccinated U.S. travellers in August, and then to international visitors in September, enabled YUL to begin a recovery.

In 2021, more than 5.2 million passengers were handled at YUL, a 74.4% decrease from 2019 and a 4.3% drop from 2020, which had enjoyed steady growth in the first two months of the year. The last two quarters of 2021 were a busy time, with nearly 4.3 million passengers welcomed at YUL. While 25% of 2019 traffic was recovered in July, that number had jumped to 55.6% by December.

	2021	2020	2019	Variance 2021-2020	Variance 2021-2019
1 st quarter	436,069	4,091,301	4,677,459	-89.3%	-90.7%
2 nd quarter	475,364	165,157	5,010,242	187.8%	-90.5%
3 rd quarter	1,979,373	610,356	6,046,763	224.3%	-67.3%
4 th quarter	2,310,885	570,184	4,572,072	305.3%	-49.5%
Total	5,201,691	5,436,998	20,306,536	-4.3%	-74.4%

The two sectors most affected by air travel restrictions, transborder and international, experienced total declines of 17.8% and 20.3%, respectively, compared to 2020, while the domestic sector grew by 21.6%. Compared to 2019, however, all three sectors experienced declines in demand of 81.1%, 77.9%, and 66.0%, respectively.

5.2M
passengers



a decrease of ↓
74.4%
compared to 2019

a decrease of ↓
4.3%
compared to 2020

AIR SERVICES AND MOVEMENTS

ADM's air service development teams at YUL worked hard over the past year to reactivate some of the suspended routes in order to improve service to popular destinations, economic hubs and tourist destinations. All of this in the hope of enabling Montréal-Trudeau to retain its title as Canada's most international airport.

As part of its recovery, Air Canada, a major partner of ADM, strengthened its service offering with new routes to Delhi, Cairo and Bogotá, while adding flights to a popular destination, Honolulu.

At year-end, a total of 115 scheduled and seasonal destinations, comprised of 59 international, 24 U.S. and 32 Canadian destinations, were available from YUL.

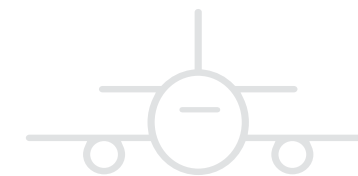
In addition, the airport re-established links with some of the airlines that had to cease regular operations in 2020, namely Porter and Austrian Airlines. Air Transat and Sunwing also resumed operations during the year after several months of complete shutdown.

New Canadian carriers set up shop in Montréal during the year, with the arrival of PASCAN Aviation as well as the low-cost carrier Flair Airlines.

This brought the total number of carriers that operated at YUL in 2021 to 31, compared to 27 in 2020 and 35 in 2019.

As for commercial passenger aircraft movements at YUL, decreases of 6.2% and 68.5% were noted compared to 2020 and 2019.

At year-end, a total of 115 scheduled and seasonal destinations



Carriers operating at YUL

31

compared to 27 in 2020 and to 35 in 2019

Commercial passenger aircraft movements at YUL

a decrease of



6.2%

compared to 2020

68.5%

compared to 2019

AIR CARGO

The cancellation of several flight routes to Montréal had an impact on the capacity available for air cargo and, as a result, on the amount of cargo that moved through YUL compared to 2019, which remains the base year for ADM. On the YMX side, cargo activity showed strong growth over 2020, even slightly surpassing the level recorded in 2019. The Aerocity site was thus able to reaffirm its position as a true hub for the transportation of goods of all kinds.

Volume of cargo passing through the airport sites (t)

	2021	2020	2019	Variance 2021-2020	Variance 2021-2019
YMX	104,575	94,694	102,831	10%	2%
YUL	110,088	107,389	126,489	3%	-13%
Total	214,663	202,083	229,320	6%	-6%

AIRSIDE OPERATIONS SAFETY MANAGEMENT SYSTEM

The airside safety management system (SMS) includes the establishment of robust defences to identify risks before they become incidents. ADM is very confident in the robustness of the system in place, which includes a quality assurance program supported by an annual internal audit and an external audit every three years. It is also reported on to the Board of Directors twice a year.

ADM makes significant efforts to control wildlife around its facilities and can count on Falcon Environmental Services (FALCON), a unique multidisciplinary team in Canada that specializes in wildlife management and has over 25 years of experience. FALCON monitors over 150,000 birds and mammals annually at ADM's two sites. Wildlife management actions were maintained to preserve a safe level of bird risk.

SMS processes are reviewed on a regular basis to ensure compliance with Transport Canada's regulatory requirements. In 2021, no specific risks to the safety of airport operations were identified in the operational procedures at either YUL or YMX.

SUSTAINABILITY REPORT



06

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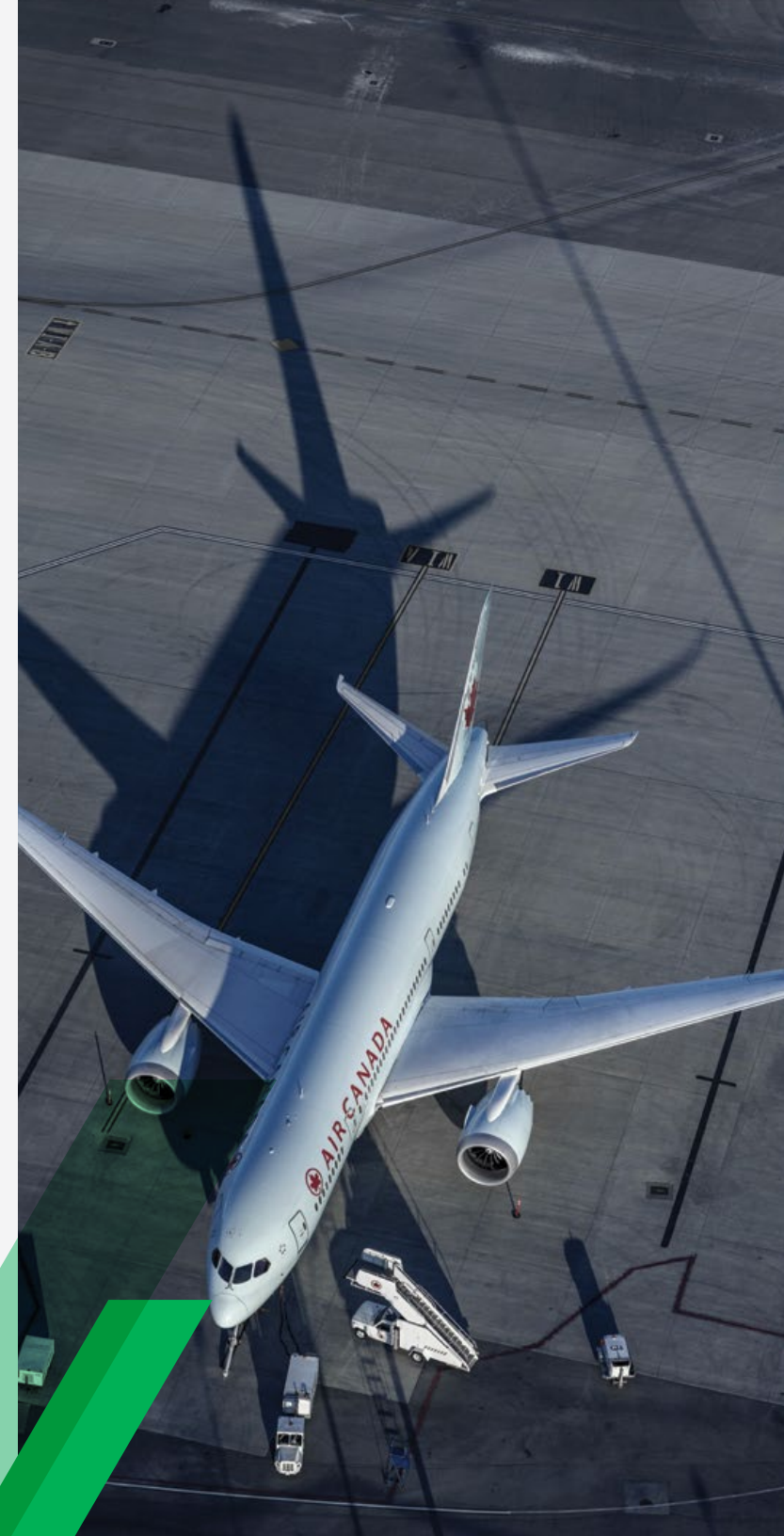
ADM'S COMMITMENT AND VISION

In 2021, ADM continued to move its YUL and YMX sites toward sustainability. Driven by the sustained efforts of engaged employees and a determined leadership team, significant progress was made during the year to improve the organization's environmental, social and governance (ESG) performance.

First, the update of its **Commitment** and Action Plan for Sustainable Development allowed ADM to strengthen its approach. In line with its organizational objectives, and taking into consideration the United Nations' sustainability goals, this plan defines a dozen priorities aimed at significantly reducing greenhouse gas emissions, lowering water consumption, reaching the ultimate target of zero waste, achieving high standards in terms of responsible procurement, strengthening employee commitment, promoting employee health, the customer experience, service culture and positive community impact.

The social and environmental challenges facing all major players in the aviation industry are immense and require a profound transformation in the way we do business. ADM has made a firm commitment to go beyond basic considerations to do its part, and will continue to work closely with its partners to help them achieve their goals in this regard.

In an effort to be transparent to the general public, ADM developed its first-ever Sustainability Report based on Global Reporting Initiative (GRI) standards. Seven ESG topics were selected to determine the disclosure indicators within the **GRI content index**, which can be found in this document. These were identified based on impact assessments from internal enterprise risk analyses as well as the assessment of relevant topics as expressed by stakeholders following a consultation conducted in 2019. Three additional topics were also selected to be addressed from a Management approach. Indicators specific to our sector are also included in this disclosure by default.



MATERIALITY MATRIX OF ESG TOPICS

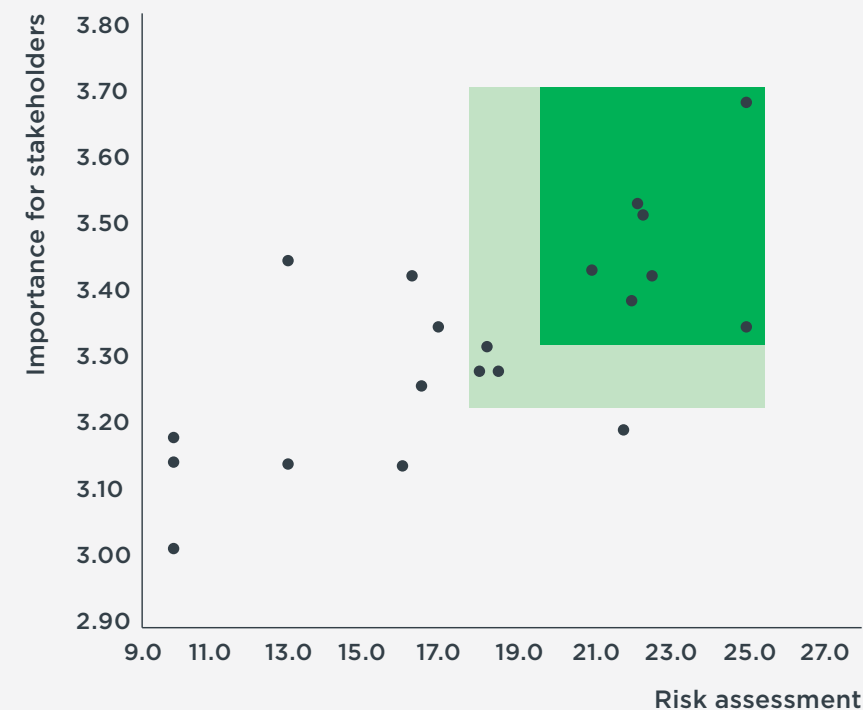
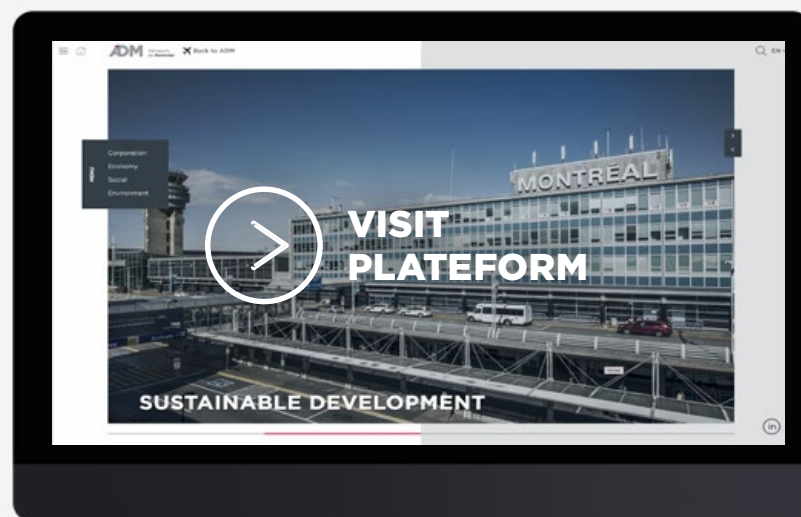
Relevant topics

- Greenhouse gas emissions management
- Stream quality at airport sites
- Residual materials management
- Land access: intermodality and connectivity
- Users and employees health and safety
- Customer experience and service culture
- Cybersecurity

Additional topics

- Energy efficiency of ADM's operations
- Climate change adaptation and resilience
- Soundscape

In addition, in order to report on its actions, the organization has continued to update its [sustainable development indicator platform](#). Accessible via its website, this platform presents a complete picture of its performance in this matter, in addition to presenting various highlights of interest.



ADM AIMS TO HAVE AN ENERGY MASTER PLAN AND A CARBON NEUTRALITY ROADMAP.



PROTECTION OF THE ENVIRONMENT

Energy Efficiency and Greenhouse Gas (GHG) Reduction Related to Buildings

Throughout the year, ADM undertook a variety of initiatives to decarbonize its sites and meet its ambitious targets of reducing GHG emissions from stationary sources (boilers, furnaces and generators) by 20% by 2025 from 2015 levels, and reducing GHG emissions from mobile sources (heavy and light duty vehicles and parking shuttles) by 50% by 2030 from 2015 levels.

These include:

- The use of renewable natural gas (RNG), produced from organic waste, to fuel the boilers used to heat the main terminal building at YUL. In 2021, nearly 42,000 m³ of RNG were purchased.
- The continuation of its electrical load shedding strategy as part of its participation in Hydro-Québec's power demand management program. Under this program, ADM receives a credit in exchange for a reduction in demand for electrical power during peak winter periods.
- The rehabilitation of two additional boarding bridges at the domestic jetty at YUL, a project that led to the addition of several energy-saving measures, including the replacement of lighting fixtures, improved envelope sealing (walls and doors), and the connection of tunnel temperature and heating control sensors to the building control system.

- Participation in the Real Estate Energy Challenge (REEC), a BOMA Québec initiative to reduce energy consumption and GHG emissions in commercial, institutional and multi-residential buildings in Québec.
- While airport operations were significantly reduced at YUL in the first quarter of 2021, several actions were put forward to reduce energy consumption.

Thus:

- Ventilation systems, escalators and walkways, cooking equipment, and ventilation systems were shut down in unoccupied areas of the terminal, including retail, VIP lounges, return corridors, and boarding areas.
- Outside, the walkways and their associated equipment, including ground power equipment, were shut down. Lighting in the unused outdoor parking lots as well as lighting on runway 06G-24D, which was not in operation during this period, were shut down.

In addition, while waiting for the opening of the EconoParc parking lot (P4), energy efficiency measures implemented the previous year were maintained, including keeping room temperatures at a minimum (10°C) and controlling the temperature of electrical rooms by ventilation rather than air conditioning.

ADM aims to have an Energy Master Plan and a Carbon Neutrality Roadmap that will consider the development needs and sustainability goals that ADM has set for itself, as well as the energy supply vision for YUL and YMX. These are currently being developed and will be submitted in 2022.

Finally, ADM is involved with the Montréal Climate Partnership, an independent initiative that aims to mobilize key players in the Montréal community to help reduce GHG emissions by 55% by 2030 and put the city on the path to carbon neutrality by 2050.

Sustainable Transportation

In terms of public and sustainable transportation, ADM maintained a varied offer at YUL despite the significant decrease in passenger traffic in 2021. In addition to the range of services already offered, including taxis, the majority of which are electric or hybrid, Uber, STM bus routes 747, 204 and 209, car-sharing, car rentals and private shuttles, the extension of bus route 460 along Highway 40 (Metropolitan Blvd.) to the airport site was added. It is accessible from the Crémazie and Du Collège metro stations.

Various incentives to encourage the use of alternatives to driving alone for ADM employees were also reactivated in the fall of 2021, including the OPUS & Cie. program that had been put on pause for telecommuting employees. This includes several discounts on transit passes.

The construction of the YUL-Montréal-Trudeau station, which will be connected to the REM network, will enhance the site's intermodality and allow users to reach downtown in approximately 20 minutes. In late January 2022, Connect Cité, a general partnership formed by AECON and EBC, was chosen as the project contractor and construction manager (CCM) following a rigorous bidding process conducted by ADM in collaboration with a fairness officer. Work began in the first quarter of the year 2022.

In terms of partnerships, in 2019 ADM joined EV 100, an initiative launched by the international non-governmental organization The Climate Group, which aims to accelerate the adoption of electric vehicles within companies. As a result, ADM has committed to increasing the proportion of its light-duty electric vehicles to 100% by 2030. Currently, 12 of its 69 vehicles are electric.

ADM is also a member of the SAF+ consortium, which is working to bring to market a low-carbon alternative to fossil fuel that offers an 80% reduction in lifecycle GHG emissions. One of the first productions of sustainable PtL (Power to Liquids) aviation fuel in North America was produced in 2021, and the consortium expects a 30-million-litre plant to be operational in 2025-2026.



Water Quality

Preventive measures are in place at both YUL and YMX to protect streams from hazardous activities. Each site has a dedicated aircraft de-icing facility and oil separators (seven at YUL and three at YMX).

Environmental incidents are compiled and analyzed annually. All uncontained spills that affect the stormwater system or soils are followed up with the responsible parties and immediate action is taken to recover and restore the affected area.

In order to improve water quality, ADM carried out work at its YMX de-icing facility in the Lecompte Creek watershed, which is located on its site. Nearly \$2.87 million was invested in 2021 to seal the control chamber, replace underground piping, and install sumps under the snow storage area and the snow melter to optimize the recovery of used de-icers. Temporary storage tanks for used de-icers were also added by Aéro Mag, the centre's operator.

Water quality is also monitored regularly for each of the three watercourses located on the sites. The water is sampled in accordance with the *Guide d'échantillonnage à des fins d'analyses environnementales* of the Centre d'expertise en analyse environnementale du Québec.



Biodiversity and Greening

ADM planted milkweed gardens as part of the development of the Sources Ecological Park in the fall of 2021. Some 180 *Asclepias incarnata* milkweed plants and approximately 300 milkweed seeds were planted in two areas of the park that cover a total area of 200 m². A native seed selection was also added to 10% of these sectors. This is a 100% native seed mix specifically for wetlands. The objective of this planting, carried out in collaboration with the non-profit cooperative Miel Montréal, is to provide resources for wild pollinators, particularly the monarch butterfly, and thus contribute to improving the biodiversity of the park.

In the spring, 45 trees were planted in a wooded area along Sources Boulevard, more specifically behind homes on Kanata Avenue in Pointe-Claire. This planting will compensate for the felling of ash trees severely affected by the Emerald Ash Borer (EAB) that took place the previous year.

It should also be noted that ADM requires that a minimum amount of tree cover be maintained on land developed as part of partner projects at YUL and YMX. Its goal is to maintain 25% of the canopy on the site, which excludes the canopy occupied by buildings.

Residual Materials

In 2021, ADM continued its collection efforts for recyclables and compostables at YUL and YMX. Specifically, it:

- Conducted an analysis of the residual materials produced on the two sites to facilitate the implementation of an action plan allowing it to reach a Zero Waste target.
- Installed bins at various locations in the terminal at YUL for the collection of Personal Protective Equipment (PPE) and its recovery. Approximately 25 tons of PPE were recovered in eight months.
- Purchased 20 three-way bins (recyclables, organics, landfill) for the YUL dropoff area.
- Deployed nearly 10,000 hours of sorting at the domestic jetty compactor room.
- Made donations to multiple organizations, including 26,287 kg of food, 9,956 kg of hygiene products and 1,041 kg of clothing to Le Chaînon in addition to 1,525 kg of computer equipment to Insertech, 68% of which was deployed for reuse.

The efforts made during the year have paid off. In one year, the waste recovery rate increased from 48% to 59% at YUL.

The awarding of a grant of nearly \$500,000 by Recyc-Québec under a call for proposals to support projects aimed at reducing, recovering and recycling organic materials from the industrial, commercial and institutional sector – the first installment of which was received in 2021 – will enable ADM to take its waste management strategy to another level. Ultimately, these funds will be used to implement an enhanced strategy to maximize the quantities sorted, support food concessions in their efforts, and equip public areas to sort organic materials.

ADM TEAM INITIATED A STRUCTURED CLIMATE CHANGE VULNERABILITY ANALYSIS OF ITS BUILDINGS, INFRASTRUCTURE AND AIRPORT OPERATIONS.



Climate Change Adaptation

During the year, the ADM team initiated a structured climate change vulnerability analysis of its buildings, infrastructure and airport operations. This will allow us to understand the physical risks associated with climate change and to establish an initial climate change adaptation plan for the two sites in 2022.

Development Projects and Tenant Permits

All proposed development projects on the YUL and YMX sites are reviewed by an environmental professional to ensure that they comply with environmental regulations and incorporate ADM's strict requirements for sustainable development and environmental protection in both design and construction activities. In 2021, ADM updated its requirements in this regard.

In addition, it:

- Conducted environmental assessments of nine of its projects, three of which were subject to the Impact Assessment Act (IAA);
- Conducted environmental assessments for 25 tenant projects at YUL and YMX, including nine new buildings. Of these, 15 were subject to the IAA.
- Registered all projects subject to the Canadian Impact Assessment Registry.

Ecological studies are also carried out for projects that are to be implemented on undeveloped sites at the airport. These aim to identify the presence of species of concern, wetlands, migratory birds or any other environmental issue, and to implement the required mitigation measures. In some cases, compensation measures for special-status species are put in place. For example, a plantation of white trillium and Canadian bloodroot is planned for 2022 as part of the STELIA Aerospace plant expansion project at YMX.

Awards and Recognition

- Maintained **ISO 14001** certification for ADM's environmental management system. A re-certification audit is scheduled for 2022.
- Renewal of the **Airport Carbon Accreditation**, Optimization level, a program conducted by Airports Council International (ACI) that evaluates the steps taken by airports to reduce their greenhouse gas emissions.
- Renewal of the **BOMA BEST** Gold certification (2021-2024) attesting to the good energy and environmental performance of the terminal building. This level is awarded to buildings that meet BEST practices and score 80-89% on the questionnaire.

SOCIAL RESPONSIBILITY

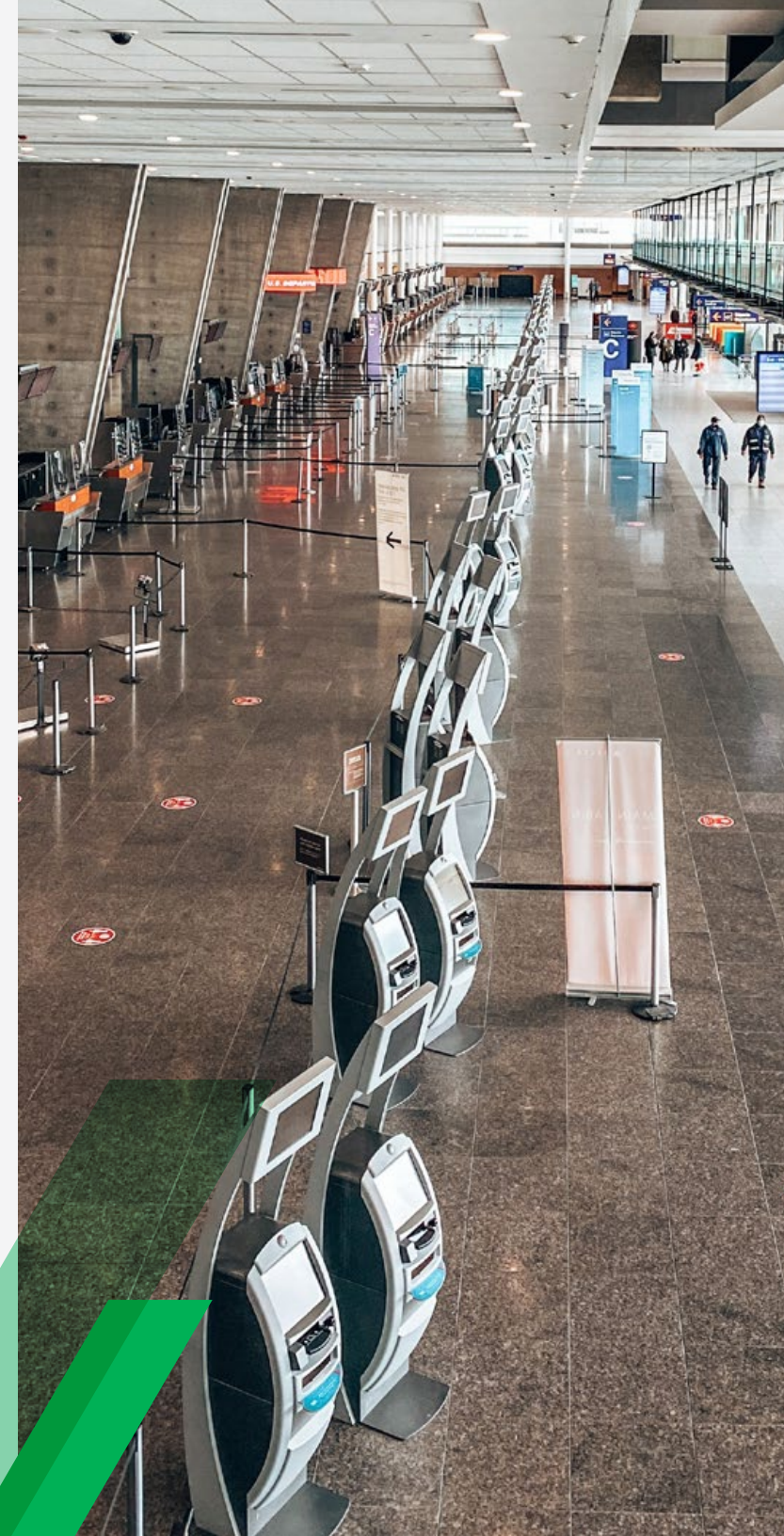
Sustainable Procurement

For many years, ADM has been committed to using its purchasing power as a lever for change and has been progressively improving its business processes to move towards a more sustainable procurement policy.

This approach, combined with rigorous training of its teams, has enabled it to invest more in local and social economy enterprises and to develop lasting business relationships with them. In 2021, ADM committed 71.6% of its expenditures on goods and services to organizations in the Greater Montréal area. At the Québec level, this proportion rises to 76.7%.

During the year, ADM also participated in the *L'économie sociale, j'achète!* program run by the Conseil d'économie sociale de l'île de Montréal, with which it has been involved since the latter's launch in 2017.

Note that ADM has achieved an average level of "4 - Maturity" on the 2020 Sustainable Procurement Barometer of the Espace de concertation en approvisionnement responsable (ECPAR), which is updated every four years. The Barometer reports on the practices of organizations according to five levels of maturity (little concern, commitment, progress, maturity, exemplarity) for each of the five components of sustainable procurement: vision, policy and governance, stakeholder engagement, operationalization and measurement. ADM is part of the top 10% of the 142 respondents, made up of companies, agencies or departments, municipalities and various non-profit organizations in Québec.



THE COVID-19 PANDEMIC ACCELERATED THE NEED FOR TECHNOLOGICAL INNOVATION AT ADM.



Cybersecurity

The COVID-19 pandemic accelerated the need for technological innovation at ADM. It also demonstrated the importance of modernizing IT systems to enable them to evolve and deliver services quickly and securely at a time when cybercrime activity is on the rise around the world.

During the year, various initiatives were deployed by ADM's innovation and technology (IT) teams to enhance the protection of information assets and airport operations, including :

- The appointment of a Director of Information Systems Security with a mandate to strengthen security governance, adapt the roadmap to the latest developments and centralize security expertise within a single team.
- The implementation of new technological security mechanisms:
 - Work equipment, i.e., fixed workstations and laptops, have been encrypted. This maneuver protects the organization's data in case of loss or theft of equipment;
 - The use of USB sticks was limited to a few rare cases to minimize the possibility of malware transmission and the leakage of sensitive documents;
 - Data sharing sites available online have been made inaccessible. The exchange of files must now be done exclusively via the corporate platform.
- Strengthening infrastructure security through a variety of projects ranging from the implementation of an IT infrastructure with improved resiliency and disaster recovery capabilities to multi-factor authentication, the expansion of ADM's Operational Security Centre oversight, the deployment of a new VPN, and the implementation of automated vulnerability scans.

- The holding of a tabletop exercise, bringing together representatives from various sectors of the company in order to test the agility of the teams and the processes in case of a cyber attack. Corrective actions were taken following this work session.
- The implementation of a cybersecurity awareness program for employees, covering topics such as phishing, password management, and the importance of locking one's work session. Phishing simulations are carried out regularly to test everyone's reflexes and improve system protection.

In addition, ADM's senior management approved and supported an updated information systems security policy in 2021. This policy reiterates the importance of cybersecurity for the organization and sets the course for its implementation in its various spheres of activity.

ADM's information systems have also been monitored for many years by a Security Operation Centre (SOC), outsourced to a specialized firm. This monitoring is carried out 24 hours a day, every day of the year. Log collection, event correlation and incident detection mechanisms are in place to provide advanced threat protection.

Soundscape Management

As the airport authority, ADM is responsible for developing a soundscape management plan, establishing the Soundscape Advisory Committee, and handling noise complaints. Soundscape management remains a priority for ADM, which must ensure a balance between YUL's role as a player in the development of Greater Montréal and the maintenance of harmonious cohabitation with neighbouring communities. Sustained efforts are being made to foster this balance.

Soundscape management is a shared responsibility and ADM works with its partners Transport Canada, NAV CANADA and the airlines to reduce the impacts of international airport operations on nearby communities.

ADM enforces existing flight schedule restrictions at YUL and analyzes all requests for exemptions. In addition, ADM meets regularly with air carriers that have flown outside of operating hours to require action plans to remedy these situations.

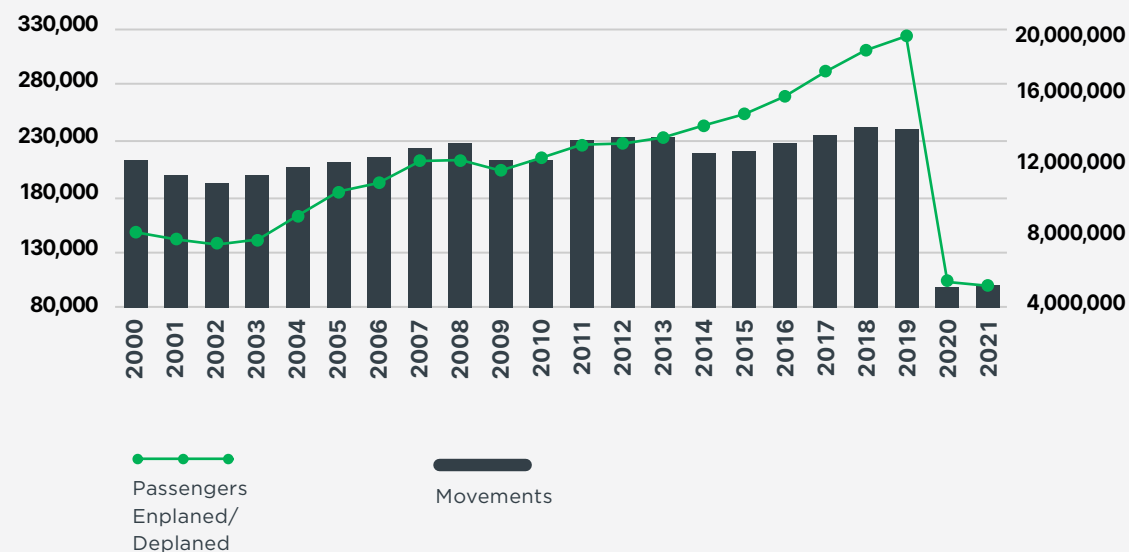
In 2021, ADM granted 146 exemptions to air carriers, including for delays caused by reasons beyond the carrier's control, such as weather conditions, mechanical checks and operational delays. In addition, 27 requests for exemption were denied and 24 files were referred to Transport Canada for investigation. Transport Canada is the regulatory body responsible for enforcing noise control and mitigation rules and has the authority to impose penalties on violators of these rules. The list of violating companies, a summary of the violations and the penalties imposed are posted on the [Transport Canada](https://www.transportcanada.gc.ca) website.

Aircraft Movements

Prior to the drastic drop in the number of air movements in March 2020, the number of air movements had remained relatively stable despite the significant increase in the number of passengers in recent years.

In 2021, the number of movements remained well below the number of movements recorded in 2019.

Montréal-Trudeau International Airport (YUL) - 2000 to 2021



Complaints Related to Air Operations

Despite the fact that the number of movements at YUL remained relatively stable compared to 2020, complaints associated with a YUL flight increased by 18%. However, the number of complainants decreased by 46%.

Monthly indicators on complaints related to flight operations as well as an annual report on the soundscape are published in the [Indicators](#) section of the ADM website.

Measuring Noise Levels

ADM has eight noise measuring stations, one of which is mobile. ADM publishes the Leq noise levels recorded at the various measuring stations around the airport in the annual soundscape report.

Soundscape Consultation

To adopt a more efficient management method as well as the best practices in this area, ADM developed an action plan to optimize soundscape management and to promote the social acceptability of its activities.

The action plan was subject to an online consultation and the results of the consultation are available on the ADM website.

The action plan priorities were reviewed in 2021, taking into account the results of the consultation held in 2020 and the constraints related to human and financial resources in the context of the pandemic. Non-prioritized actions will be resumed in 2023.

The following actions were identified as priorities. A complete list of actions is available on the ADM website.

• Complaints management:

In a context where the majority of participants in the consultation expressed the need to enhance the tools and responses to complaints, efforts were made to improve the tools already available to allow citizens to be heard. For example, a new feature has been implemented that allows for the rapid transmission of comments via the ADM complaint form (Viewpoint). Users of the mobile version of the platform can now use the “Submit Now” button to automatically register their complaint. This will also be linked to the air movement since it is part of the automated system.

In 2019, ADM released its Soundscape [Complaint Management Commitment](#), which outlines current operating procedures, complaint handling, analysis and follow-up that may result, in addition to deploying the WebTrak system.

• Nighttime operations:

Reducing off-hours operations is a priority for ADM and much attention is being paid to reducing operations during restricted hours. Although air traffic has been greatly affected by the pandemic, this work continues.

• Quieter fleets:

As a first step in the development of a “Fly Quiet” program, ADM is conducting an audit of other airports’ evaluation criteria to determine which ones can be applied to YUL.

• Report on the work of the Soundscape Advisory Committee:

A summary of the Soundscape Advisory Committee meetings has been [published online](#) since 2014. Committee members continue to explore other ways to report on their work.

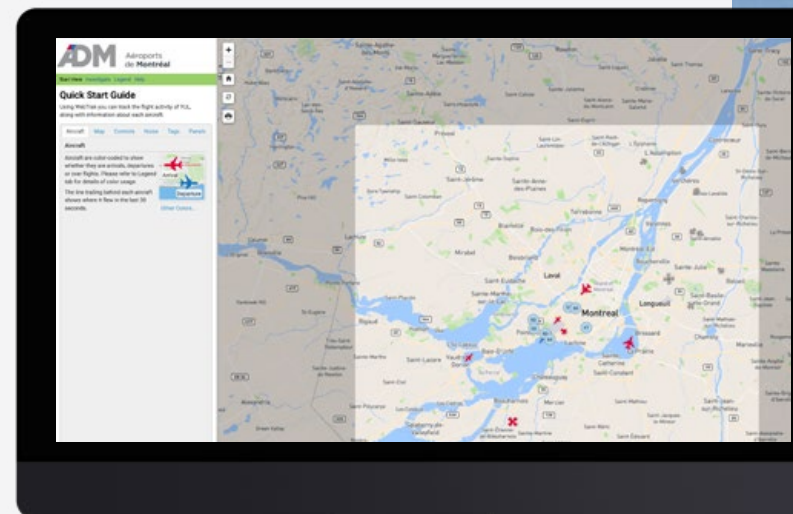
Information for Citizens

ADM offers several tools to better inform citizens about activities that may affect the soundscape around the airport:

- A newsletter sent by email and published on admtl.com.
- **WebTrak**, which displays aircraft movements, noise measurements and flight paths and allows citizens to easily submit a noise complaint. This interactive data system also displays information on runway work, short-term runway closures and weather conditions.
- **A form** (Viewpoint) facilitating the submission of complaints and comments, accessible on the ADM website or directly via cell phone. Complaints are automatically recorded in the soundscape management system and linked to the corresponding air movement.
- The publication of **monthly interactive indicators** on operational complaints and air movements at YUL as well as an annual soundscape report.
- A phone line (514-633-3351) and a dedicated email address (info@admtl.com).

- A section of the website that includes **frequently asked questions** about the soundscape.

Particular attention is being paid to the potential impacts of the runway rehabilitation work on flight operations. Information meetings were held in March 2022 to inform citizens and answer their questions for the work phase planned for this spring.



SMALL SYMBOLIC GESTURES ALSO ENABLED ADM TO SUPPORT IMPORTANT CAUSES.



Community and Social Involvement

ADM's precarious financial situation forced it to review its partnership, donation and sponsorship program in 2021. Despite a smaller budget, it made it a point to support major events or very active organizations in the city that generate significant spin-offs and raise its profile. ADM identifies with its city, sees itself as an active member of its community, and is committed to maintaining a close relationship with the public.

Small symbolic gestures also enabled ADM to support important causes and, above all, to mobilize and raise awareness about these causes among travellers and employees of the airport community.

For example, ADM:

- Changed the "MONTRÉAL" sign on the front of the YUL façade on numerous occasions. The Bell Let's Talk and the Québec Breast Cancer Foundation's Pink October campaigns benefitted from a unique showcase for their logo. The colours of Autism Month and Remembrance Day were also given a customized display in front of the terminal.

- Contributed to the Centraide fundraising campaign in order to do its part in the fight against poverty and social exclusion. Thanks to the generosity of its employees, it was able to donate a total of \$100,000 to Centraide of Greater Montréal and \$5,156 to Centraide Laurentides.
- Supported the efforts of the Hochelaga Community Centre's Operation Sub-Zero, whose mission is to provide warm clothing to children in need. For the third year in a row, ADM decided to match all donations made by its employees to this campaign. Some \$5,400 were donated to the organization, which led to the purchase of more than 50 snowsuits and enabled an equal number of children to fully enjoy the winter.
- Supported the Fondation de l'UQAM in the holding of its annual benefit evening. Some 200 guests gathered in the airport's international jetty to raise funds and celebrate the commitment of the outgoing chair of its board of directors, Jean-Marc Eustache, a legendary leader in the airline industry. In October, Philippe Rainville was appointed chair of the board of directors of the foundation after having been involved as a member for nearly three years. His goal is to contribute to the success of the most ambitious fundraising campaign in its history, the 100 Million Ideas Campaign.
- Continued its commitment to the transportation of organs, tissues and medical teams to various hospitals in Montréal. In 2021, more than 25 transports were performed by members of the Airport Patrol. One of these employees was honoured by the Organ Donation Association of Canada for his remarkable involvement, which has led him to volunteer for more than 100 transports over the past decade.
- Encouraged airport community employees who participated in the 2021 Torch Run, a run to benefit Special Olympics Québec organized by the Law Enforcement Torch Run. Representatives from the Canada Border Services Agency, Airport Patrol and the SPVM ran for the cause on the roof of the parking garage at YUL, along with athlete Lena Baldoni.

ADM also continued its active involvement in its community and industry by ensuring representation on the boards of directors of:

- Aéro Montréal;
- The Union of French Airports;
- Montréal International;
- Le Conseil des entreprises en technologies environnementales du Québec;
- The West Island of Montreal Chamber of Commerce;
- The American Chamber of Commerce in Canada (AmCham – Section Québec).

ADM sits on the transportation committees of the Chamber of Commerce of Metropolitan Montreal and the Fédération des chambres de commerce du Québec, in addition to being a member of numerous associations, including Airport Councils International – North America (ACI-NA), the Conseil du patronat, the Alliance touristique du Québec, the Conseil des infrastructures and the Consortium de recherche et d'innovation en aérospatiale du Québec.

In 2021, ADM participated in the activities of Earth Day and Trajectoire Québec and collaborated with MtLab and the YUL 375 Ideas Fund of the Junior Chamber of Commerce of Montréal, thanks to which young entrepreneurs received a loan to carry out an innovative project.

Finally, ADM makes it a point to encourage the participation of its executives and employees in major conferences so that they can share their expertise and know-how. In 2021, for example, members of the organization's senior management team were speakers at the ACI Customer Experience Global Summit, which focused on the importance of the passenger experience in the context of the resumption of aviation activities and was held in Montréal.



HUMAN CAPITAL

In 2021, the Human Resources team continued its efforts to support the organization and its employees in the face of this unprecedented crisis, while at the same time beginning a long process of reflection that will lead to a review of its business processes and structure. The workforce adjustment made the previous year in the wake of the dramatic decline in passenger traffic, combined with the loss of talent due to the industry's instability, took a toll and a change of direction was needed to put ADM on the road to recovery.

Now known as Human Capital, the team reorganized its activities around the concepts of value creation, integration of initiatives and workforce investments, allowing the organization to capitalize on the valuable asset of a skilled, engaged and mobilized workforce.

Thanks to specialized business partners, ADM's managers were able to count on constant support in their efforts to develop know-how and implement actions to promote the well-being of their resources. The team also reviewed its talent acquisition strategies in the context of a labour shortage, a daunting task at a time when recruitment is more difficult than ever for employers in all sectors.

Talent Management and Acquisition

The Talent Acquisition team had to support the organization in establishing workforce needs in the context of planning for the airport's recovery. Starting in the fall of 2021, the team developed a talent attraction strategy to fill more than 115 positions in a matter of months. These positions were all filled within an average of 6 weeks, despite the unstable airport industry environment.

Efforts to support ADM in its talent acquisition needs within the teams of major infrastructure projects continued throughout the year. This was done in parallel with the implementation of measures to enable the retention of existing resources, the consolidation of teams, as well as the welcoming and integration of new employees to ensure the success of the REM station construction project. In 2022, these same efforts will be extended to all of the organization's teams, as the recruitment plans for the relaunch have been completed.

In addition, recruitment processes continued to be improved in a context of budgetary restraint. Optimizing the use of digital tools and systems continued to be a major focus in 2021 while allowing for the renegotiation of contracts with suppliers. In addition, the application evaluation process continued to be done virtually, resulting in significant productivity gains.

Among the strategies adopted, the new partnership with LinkedIn and the integration of talent attraction activities into all ADM recruitment campaigns and initiatives were beneficial. With increased participation in virtual job fairs, the technology shift continued in the Talent Acquisition team, providing privileged access to certain talent pools that are essential to the organization. The Talent team was also restructured to include an expert dedicated to recruitment campaigns and the attraction strategy for all open positions.

Finally, ADM began to revise and deploy its employer brand. The year 2021 allowed us to analyze the current situation and set efficiency targets.

Working Relationships

Three collective agreements expired in 2021, covering first-level managers, white collar workers and firefighters. A fourth, associated with trades employees, will be reviewed in early 2022. While the year 2020 was marked by the accelerated renewal of three collective agreements due to the health and economic context that prevailed at the time, the year 2021 allowed for a formal negotiation process with the union partners so that the parties could discuss their respective concerns and issues in greater depth. The collective agreement with the first-level managers' unit, represented by the CSN, was renewed for a period of two years and will expire on December 31, 2023. Negotiations with the white collar unit and the firefighters unit are ongoing.

Once again, the pandemic enabled ADM to strengthen its relationship with its union partners. In the summer of 2021, all trades employees were recalled to work as the Canada Emergency Wage Subsidy ended. An agreement had been reached the previous year with this unit to maintain the employment relationship of home-based employees while allowing ADM to adjust its workforce to meet the minimal operations of YUL and YMX.



A NEW HYBRID WORK ARRANGEMENT WAS IMPLEMENTED FOR ELIGIBLE EMPLOYEES.



Global Health

Health in all its forms was once again a major priority during a year marked by the continuing health crisis.

With the goal of continuing to contribute to the collective effort to limit the spread of COVID-19 and, above all, to ensure a safe work environment for employees, procedures and directives related to the health situation were constantly adjusted to respond to the evolving directives of government authorities. A mandatory vaccination policy was adopted in the fall of 2021. Not surprisingly, the vast majority of employees adhered to this policy and contributed to the collective effort by being adequately vaccinated, which was a source of great pride for ADM.

To help its teams get through this period of instability and change, ADM leveraged various communication tools to promote its Employee Assistance Program (EAP), which provides access to numerous resources in complete confidentiality.

The importance of properly managing work-life challenges for employees also continued to be a focus for ADM as an employer. As a result, a new hybrid work arrangement was implemented for eligible employees (Flexi-Work), offering them a certain amount of freedom in managing their time and choice of work location. It should also be noted that

priority is given to the children of employees working on airport sites at YUL's Aéroport daycare and YMX's Petit Équipage daycare.

In the area of occupational health and safety (OHS), efforts were again made to maintain a safe and compliant workplace. Among these:

- A policy health and safety committee (PHSC) as well as local occupational health and safety committees (LOHSC) held regular meetings to perform, among other things, risk analysis and identify corrective measures.
- Mandatory ADM OHS awareness training was provided to construction contractor employees on ADM projects during the year.
- ADM maintained its risk assessment program related to the presence of asbestos in buildings, through which it conducts sporadic analyses in order to ensure a healthy environment for employees.
- Vaccines that can prevent the occurrence of an occupational disease following exposure to biological agents were made available to employees who are exposed to hazardous biological substances. Vaccination is obtained on a voluntary basis.

- ADM continued its workstation assessments. These are conducted internally, or in conjunction with an external expert in certain specific situations, depending on the request or following the identification of a problem.

Finally, various health and safety courses accessible through a single portal are offered to ADM employees by government-accredited instructors on an ongoing basis. Needs assessments regarding the knowledge to be acquired are carried out with immediate superiors and the LOHSCs, allowing priorities to be identified. Some teams can also rely on a complementary training process, adapted to their operations. Feedback processes are in place to evaluate the quality of the training received.

NUMEROUS INITIATIVES WERE LAUNCHED TO ENGAGE AND MOBILIZE EMPLOYEES.



Employee Experience

ADM measures the level of engagement of its employees through a survey conducted every two years. The questions cover many facets of the employee experience and perception of the employer's resources, including its commitment to sustainable development.

The analysis tool and method (Aon, Qualtrics) ensure the confidentiality of respondents. The results are communicated and discussed with employees, allowing for the development of action plans to improve team management practices. The Human Capital team supports managers in this process. All ADM employees and members of the Management Committee (excluding non-employees) are invited to complete the survey. The goal of the process is to reinforce the level of commitment. This is an indicator that represents an important lever in the achievement of ADM's business objectives since it contributes to ensuring the retention and attraction of talent, improving employee performance and the quality of customer service, as well as reducing the level of absenteeism.

New Work Organization (Flexi-Work)

Encouraged by the improved health situation in Québec, ADM's Human Capital team began working on a policy to allow non-operational employees to return to the workplace starting in the spring.

After many weeks of discussions and analysis of best practices, the organization decided on a hybrid formula, requiring the physical presence of resources at a frequency of two to three days per week, according to the guidelines issued by ADM and validated by each manager.

In order to lay the foundations for this new work organization, work spaces were reinvented to foster interactions. Employees had to depersonalize their workspace and an online office reservation platform was created. Closed rooms of varying sizes were also created and made available to all for confidential calls or team meetings.

In addition, numerous initiatives were launched to engage and mobilize employees impacted by Flexi-Work. These include:

- The creation of an exclusive online discussion platform via Sharepoint. With information documents, articles of interest and a discussion forum, the consultation of this constantly updated site has proven to be a must for many.

- The creation of a code of conduct to ensure the proper cohabitation of resources in shared spaces, as well as the updating of ADM's dress code, which now relies on good judgment based on the professional obligations of each person.
 - The production and distribution of videos featuring employees presenting their vision of FLEXI-work and offering advice to their colleagues.
 - The development of a schedule of virtual training activities addressing paper management challenges as well as document management in general, and offering tips to encourage better use of technological tools for the return to work in FLEXI mode.
 - Providing all employees with an ADM-branded backpack, allowing them to properly carry their computer, headphones and other stationery and to be well-equipped for every visit to the office.
- After a few weeks of postponement to finalize the creation of an adapted but safe work environment, "Rentrée ADM" (Back-to-work) was celebrated with great emotion and excitement in mid-October. Employees reconnected with their colleagues for a few weeks, until a resurgence of COVID-19 infection cases in the general population forced the Québec government to require a return to telework at the end of the year.

Employee Communications

With many employees forced to work remotely for most of the year, it was necessary to improve team communication strategies and tactics to maintain the sense of belonging and closeness that has always characterized ADM's culture.

The intranet remained the main reference tool for all employee communications. Easily accessible on both computers and mobile devices, this platform was enriched with interesting content on an almost daily basis. The intranet's flagship program, called "Coup de cœur," was in greater demand than ever during this challenging year. Employees from all levels of the organization were able to take advantage of this forum to recognize and highlight the remarkable actions initiated by their colleagues.

An email with highlights and news of interest shared on the intranet was sent twice a week to all teams.

In 2021, in addition to its intranet, ADM also:

- Held virtual meetings to update employees on the evolution of the organization's business environment and strategies put forward to restart its operations.
- Set up a new virtual exchange forum called "The CEO's Good News." This spontaneous format allowed employees to hear from the ADM president and CEO about the progress of certain projects in the news. For example, the agreement on the financing of the REM station in YUL was announced to them half an hour before the official press conference held by federal authorities.
- Held monthly virtual briefings for directors and management committee members.

These sessions ensured the alignment of the teams in the face of the changing context and helped to strengthen the management team.

- Brought together, in full compliance with current health measures, the group of directors for a face-to-face work session to update the sectoral action plans of the organization.
- Invited operational employees to an outdoor recognition meal at the end of the summer season. The purpose of this special event was to thank the operational employees of YUL and YMX who have ensured the continuity of activities on the front lines since the beginning of the pandemic under sometimes difficult conditions.

Key Human Resources Indicators

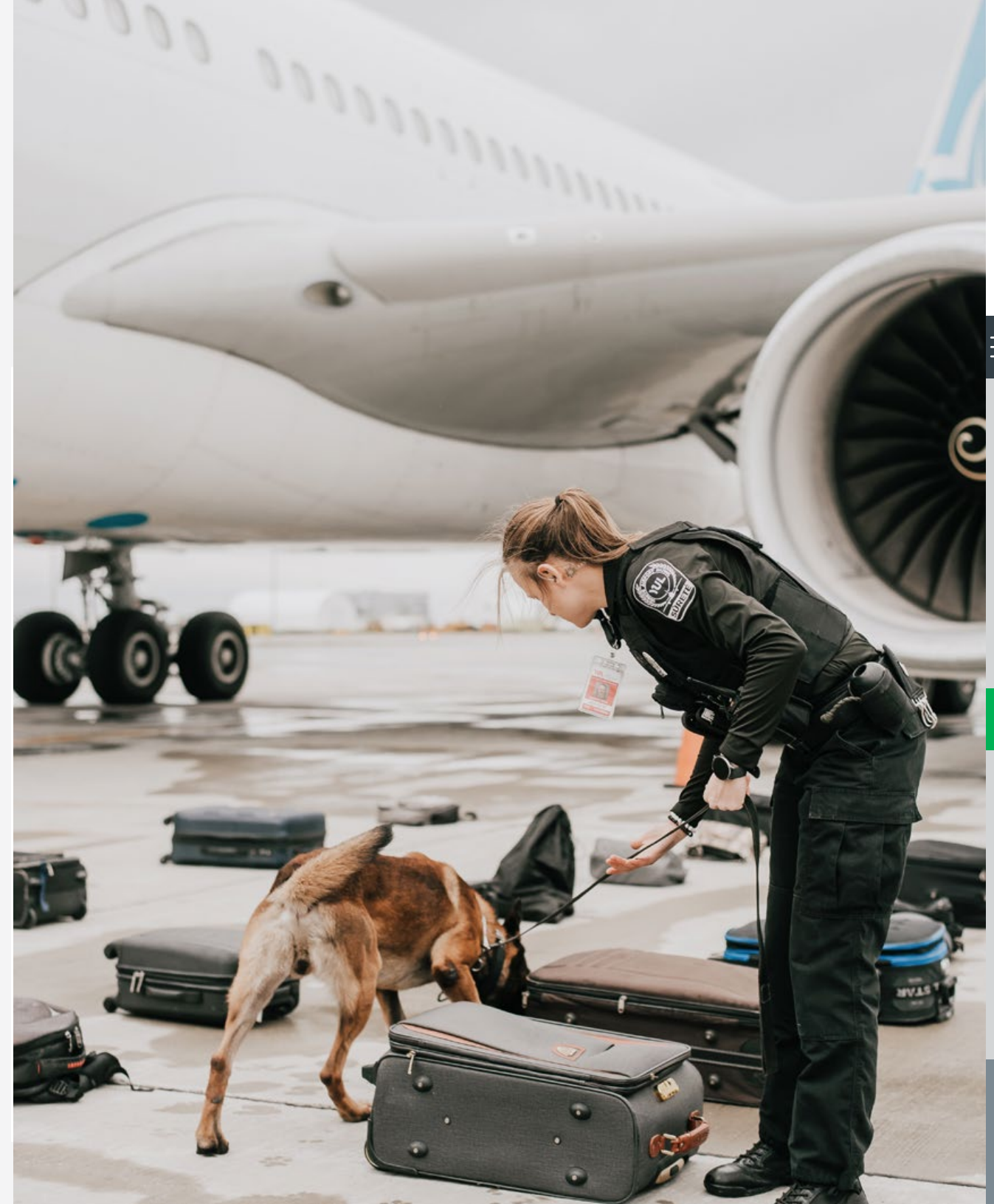
INDICATORS	2021	2020
Regular employees	482	481
Training (hours)	6,396	3,800
Positions filled	144	79
Retirements	13	30
Turnover rate ¹	15.99	14.6
Absenteeism rate	5.16	4.54
Injury frequency ²	1.68	2.39
Severe injury rate ³	42.50	34.36
Incidence rate ⁴	12.3	11.7

¹ Turnover rate: Percentage of the workforce that leaves the organization in a year.

² Injury frequency: Number of accidents (CNESST claims) per 200,000 hours worked.

³ Severe injury rate: Number of days lost per 200,000 hours worked.

⁴ Incidence rate: Number of employees absent annually per 1,000 insured.



GRI CONTENT INDEX

(GLOBAL REPORTING INITIATIVE)

ADM has reported the information cited in this GRI Content Index for the period of January 1 to December 31, 2021, with reference to the GRI Standards (GRI 1 used: Foundation 2021).

General Disclosures >	Water and Effluents >
Material Topics >	Emissions >
Service Quality >	Noise >
Transport >	Waste >
Intermodality >	Occupational Health and Safety >
Economic Performance >	Customer Health and Safety >
Energy >	Customer Privacy >

Standard	Disclosure	Reference or response	
General Disclosures	2-1	Organizational details	Aéroports de Montréal, a Corporation without share capital (ADM) <u>Corporate Profile</u> <u>Head Office, YUL and YMX addresses</u>
	2-2	Entities included in the organization's sustainability reporting	The sustainability report covers the activities of Aéroports de Montréal and its subsidiaries.
	2-3	Reporting period, frequency and contact point	Period: January 1 to December 31, 2021 Frequency: Annual dissemination corresponding to the financial information report Publication: May 2022 <u>How to reach us</u>
	2-4	Restatements of information	None. This is the first time Aéroports de Montréal has used the GRI standards.
	2-5	External Audit	<u>Independent Auditors' Report</u>
	AO-1	Total number of passengers annually	<u>Passenger Traffic</u> <u>Number of Passengers (detailed)</u> Transit passenger information is not compiled by ADM.
	AO-2	Total annual number of aircraft movements	<u>Day and night flight statistics (YUL, ref: question 16)</u> - Reference year 2019 <u>Monthly statistics by site</u> By category (commercial passenger, commercial all-cargo, general aviation and state aviation): the information compiled is not reliable enough to be released.
	AO-3	Total amount of cargo tonnage	<u>Air Cargo</u> <u>Cargo Tonnage</u>

Standard	Disclosure	Reference or response	
General Disclosures	2-6	Activities, value chain and other business relationships	<p>ADM's main sectors of activity are airport operations and maintenance, and commercial buildings (economic activity codes 4521 and 4022 in the Québec business register).</p> <p><u>2021 at a Glance</u></p> <p><u>Airport Operations</u></p> <p>List of <u>carriers</u> and <u>direct destinations</u> active in YUL</p> <p>YMX: <u>Business</u></p> <p>Real Estate / General Information: <u>Real Estate Development</u></p> <p>Highlights 2021: <u>Real Estate Development</u></p> <p><u>Sustainable Procurement</u></p>
	2-7	Employees	<p>ADM had a total of 604 employees (in terms of headcount, as of December 31, 2021), including the Management Committee officers.</p> <p><u>By Category</u></p> <p><u>Other Information</u></p>
	2-8	Workers who are not employees	<p>ADM had 16 workers who are not employees (in terms of headcount, as of December 31, 2021). These are professionals or administrative staff for whom we are experiencing difficulties in hiring due to the specialized expertise sought, or who are called upon to meet increased needs for a limited period of time. There were no volunteers involved in 2021.</p>
	2-9	Governance structure and composition	<p><u>Governance Report</u></p> <p><u>Organization</u></p>
	2-10	Nomination and selection of the highest governance body	<p><u>Governance Report</u></p> <p><u>Governance and Transparency</u></p>
	2-11	Chair of the highest governance body	<p>The Chair of the ADM Board of Directors is not an officer of the Management Committee.</p>
	2-12	Role of the highest governance body in overseeing the management of impacts	<p><u>Governance Report</u></p> <p><u>Governance and Transparency</u></p>
	2-13	Delegation of responsibility for managing impacts	<p><u>Governance Report</u></p> <p><u>Governance and Transparency</u></p>

Standard	Disclosure	Reference or response	
General Disclosures	2-14	Role of the highest governance body in sustainability reporting	<p>Prior to publication, this integrated report was reviewed by the Audit and Risk Management Committee.</p> <p><u>Governance Report</u></p> <p>The selection of relevant ESG topics, which was approved by the Management Committee, was presented for information to the members of the Audit and Risk Management Committee and the Governance and Social Responsibility Committee.</p>
	2-15	Conflicts of interest	<p><u>Ethics</u></p> <p><u>Employee Code of Ethics</u></p>
	2-16	Communication of critical concerns	<p><u>Governance Report</u></p> <p>Concerns raised (ref: 2-26) from internal or external stakeholders are reported to the Audit and Risk Management Committee. The Governance and Social Responsibility Committee, which ensures that a whistleblower policy and process are in place to protect the identity of the whistleblower, monitors this annually. In 2021, there was one whistleblower related to a contract given by ADM. The file was processed, completed and closed.</p> <p>In the area of labour relations, there were nine accusations, three of which were made through a formal mechanism (harassment complaints). The files were handled through internal mechanisms. Six cases were settled and three are being discussed between the parties according to the mechanisms specified in the collective agreements.</p>
	2-17	Collective knowledge of the highest governance body	<u>Competencies of Members of the Board</u>
	2-18	Evaluation of the performance of the highest governance body	<p><u>Governance and Social Responsibility Committee</u></p> <p><u>Audits under the lease with Transport Canada</u> Obligations to Transport Canada and monitoring</p> <p>ISO 140001 Certification: <u>Awards and Recognition</u></p>
	2-19	Remuneration policies	<p>Compensation of the members of the Board of Directors: <u>Compensation of Directors in 2021</u></p> <p>Compensation of members of the Management Committee: <u>Executive Compensation</u></p> <p>Executives' compensation is composed of the annual salary, a short-term bonus (annual, depending on performance*) and a long-term bonus (1 time/3 years, depending on performance*).</p> <p>There was no signing bonus or recruitment incentive payment made in 2021. There is no severance bonus or clawback clause in the employment contract.</p> <p>Management Committee officers have a supplemental retirement plan.</p> <p>*The bonus program is based on the achievement of objectives.</p>

Standard	Disclosure	Reference or response
General Disclosures	2-20 Process to determine remuneration	<p><u>Compensation of Directors in 2021</u></p> <p><u>Executive Compensation</u></p> <p>The compensation of the officers of the Management Committee is benchmarked using data provided by a compensation consulting firm. This firm is independent of the organization and provides a recommendation. The exercise is conducted at least every three years, or sooner if the market or the context requires it.</p>
	2-21 Annual total compensation ratio	<p><u>Annual Salaries</u> Top earners = \$461,295 Median (excluding top earners) = \$85,205 Ratio = 5.4:1</p> <p><u>Salary Increases 2021</u> Top earners = 2.5% Median (excluding top earners) = 2.5% Ratio = 1:1</p> <p>Information calculated on annual salaries only, for full-time, permanent employees and officers. No bonuses were paid in 2021.</p>
	2-22 Statement on sustainable development strategy	<p><u>ADM's Mission</u></p> <p><u>Message from Management</u></p> <p><u>ADM's Commitment and Vision</u></p> <p><u>Board of Directors</u></p> <p><u>Audit and Risk Management Committee</u></p> <p><u>Development and Innovation Committee</u></p> <p><u>Governance and Social Responsibility Committee</u></p> <p><u>Infrastructure Projects Analysis and Evaluation Committee</u></p> <p><u>Sustainable Development Challenge</u></p>

Standard	Disclosure	Reference or response
<p>General Disclosures</p>	<p>2-23 Policy commitments</p>	<p>Signatory to the <u>Aviation Industry Commitment to Action on Climate Change</u> <u>Airports Sustainability Declaration</u> Signatory Commitment to Sustainable Development Commitment on the Management of Soundscape Complaints Commitment to Security Excellence* Internal policies in place:* Employment Equity Airport Operations Safety Management (OSM) Harassment and violence prevention in the workplace Protection of personal information and electronic documents Protection of the personal information of ADM customers Integrated Risk Management Information Security Procurement of goods and services Award and approval of revenue contracts External auditor independence Investment policy Prevention of COVID-19 – mandatory vaccination Environmental policy <i>*These policies and commitment can be found on ADM’s intranet site, which is accessible to employees, managers and non-employees.</i> ADM complies with all applicable regulations, including: Canadian Environmental Protection Act Canadian Impact Assessment Act Aeronautics Act Canadian Aviation Regulations Canada Aviation Security Regulations, 2012 Canada Labour Code Canadian Charter of Rights and Freedoms</p>
	<p>2-24 Embedding policy commitments</p>	<p><u>Governance Report</u></p>
	<p>2-25 Processes to remediate negative impacts</p>	<p><u>Protection of the Environment</u> ADM’s Integrated Risk Management Policy addresses the various categories of risk in the organization, which are also addressed to cover the environmental, social and governance (ESG) topics to which the organization is exposed. It applies to all of ADM’s managers, processes and business lines. Management identifies and assesses the risks inherent to its sector, and develops and implements mitigation strategies and measures to reduce the risks to an acceptable level.</p>

Standard	Disclosure	Reference or response	
General Disclosures	2-26	Mechanisms for seeking advice and raising concerns	<p><u>Community Advisory Committee Information</u></p> <p><u>Employee Code of Ethics</u></p> <p>The Integrated Risk Management Policy requires employees to immediately communicate to their immediate supervisor any new significant risk that may affect the achievement of ADM's strategic objectives. The heads of the various divisions assist their respective vice-presidencies in identifying risks that could significantly affect the achievement of their objectives.</p>
	2-27	Compliance with laws and regulations	Omission. This information will be included in the next annual report.
	2-28	Membership associations	<u>Community and Social Involvement</u>
	2-29	Approach to stakeholder engagement	<p><u>Employee Experience</u></p> <p><u>Community Advisory Committee</u></p> <p><u>Development Projects and Tenant Permits</u></p> <p><u>Environmental Management System</u></p>
	2-30	Collective bargaining agreements	<p><u>Number of Unionized Employees</u></p> <p>A specific handbook for employees not subject to a collective agreement describes their working conditions. As ADM is federally regulated, the provisions of the Canada Labour Code apply to any terms and conditions of employment that are not covered in the handbook or collective agreements.</p>
	AO8	Displacement and resettlement of people	<p>Entities or individuals displaced due to current or future YUL or YMX developments (total 2021):</p> <p>Real estate acquisitions = 0</p> <p>Termination of current leases = 0</p> <p>Non-renewal of expiring leases = 0</p>
Material Topics	3-1	Process to determine material topics	<p>Materiality matrix of ESG topics: <u>ADM's Commitment and Vision</u></p> <p>Stakeholder consultation: See validation of sustainable development topics. <u>Consultation</u></p> <p>Impact assessment: see Audit and Risk Management Committee mandate. <u>Governance Report</u></p>
	3-2	List of material topics	<p>Relevant and Secondary topics: <u>ADM's Commitment and Vision</u></p> <p>Aspects specific to our sector (G4-AO Airport Operators) are also included.</p>

Standard	Disclosure	Reference or response
Material Topics	3-3 Management of material topics	<p>General Approach</p> <p><u>Message from Management</u></p> <p><u>Sustainability Report</u></p> <p><u>Governance Report</u></p> <p><u>Strategic Review</u></p> <p><u>Transparency</u></p> <p>Management Approach by Relevant ESG Topics:</p> <p>Greenhouse gas emissions management (GRI 305)</p> <p>Stream quality at airport sites (GRI 303)</p> <p>Residual materials management (GRI 306)</p> <p>Land access: intermodality and connectivity (GRI AO Transport and intermodality)</p> <p>Health and safety of users and employees (GRI 403 and GRI 416)</p> <p>Customer experience and service culture (GRI AO Quality of service)</p> <p>Cybersecurity (GRI 418)</p> <p>And Additional Topics:</p> <p>Energy efficiency of ADM's operations (GRI 302)</p> <p>Climate change adaptation and resilience (GRI 201-2)</p> <p>Soundscape (GRI AO7-DMA)</p>
Service Quality	AO Management approach	<p><u>Customer Experience</u></p> <p><u>Customer Experience Challenge</u> and <u>Technological Challenge</u></p> <p><u>User Guide</u></p>
Transport	AO Management approach	<p><u>Public Access Modes</u></p> <p><u>Access Modes for YUL's employees</u></p> <p><u>Public Transit Incentive Program (ADM employees)</u></p>
Intermodality	AO Management approach	<u>Sustainable Transportation</u>
Economic Performance	201-2 Financial implications and other risks and opportunities due to climate change	<u>Climate Change Adaptation</u>

Standard	Disclosure	Reference or response
Energy	302 Management approach	<u>Energy Efficiency and Greenhouse Gas (GHG) Reduction Related to Buildings and Sustainable Transportation Agreement between ADM and SOFIAC</u> <u>BOMA BEST Certification: Awards and Recognition</u> <u>Energy Performance</u>
	302-AO Management approach	<u>Partner of SAF+ Consortium Inc.</u> and member of the Canadian Council for Sustainable Aviation Fuels (C-SAF) <u>Airport Carbon Accreditation</u>
Water and Effluents	303 Management approach	<u>BOMA BEST Certification: Awards and Recognition</u> <u>New Water Treatment Facilities at YMX</u> <u>Water Quality</u> <u>Environmental Protection</u>
	303-AO4 Quality of stormwater	<u>Water Quality</u> <u>Surface Water Quality in 2021</u> The main causes of suspended solids (SS) are the type of substrate (fine sediments) found in the streams and bank erosion. An annual report detailing monitoring, results and action plans is sent to the respective municipal authorities.
	303-2 Management of water discharge-related impacts	Ref: 303-AO4 for stream water quality and 303-4. There are no other discharges than these.
	303-3 Water withdrawal	YUL: 123,666,272 litres of groundwater were pumped in 2021. This pumping is done to avoid flooding the interior of a building. YMX: No pumping was done in 2021.
	303-4 Water discharge	The amount of groundwater pumped in 2021 at YUL was discharged directly to a drainage ditch. The amount of water discharged to the storm system is the same as the amount pumped.
	A06 Aircraft and pavement de-icing /anti-icing fluid	<u>Winter Operations Material Consumption</u>

Standard	Disclosure	Reference or response	
Emissions	305	Management approach	Reduction of GHG Emission and Ref:302 and 302-AO
	A05	Ambient air quality levels	ADM does not collect data for this indicator.
	305-1	Direct (Scope 1) GHG emissions	Scopes 1 and 2 GHG Emissions
	305-2	Energy indirect (Scope 2) GHG emissions	
	305-3	Other indirect (Scope 3) GHG emissions	GHG Emissions Data compiled for the YUL site only (excluding YMX)
	305-4	GHG emissions intensity	Select unit kg CO ₂ eq/PAX: Scopes 1 and 2 GHG Emissions Data calculated for the YUL site only (excluding YMX)
	305-5	Reduction of GHG emissions	Omission. This information will be included in the next annual report.
Noise	A07-DMA	Management approach	Soundscape Management Soundscape
	A07	Number and percentage change of people residing in areas affected by noise	There is currently no such indicator available in Canada. ADM is closely following Transport Canada's work to develop a new indicator.
Waste	306	Management approach	Residual Materials
	306-AO	Management approach	Residual Materials from Aircraft Management
	G4-EN23	Waste from international flights	Residual Materials from Aircraft
	306-1	Waste generation and significant waste-related impacts	Recovery Rate
	306-2	Management of significant waste-related impacts	Recovery Rate
	306-3	Waste generated	Total Waste Materials Generated
	306-4	Waste diverted from disposal	Waste Materials Diverted from Disposal Hazardous Waste Materials Diverted from Disposal
	306-5	Waste directed to disposal	Waste Materials Directed to Disposal Hazardous Waste Materials Directed to Disposal

Standard	Disclosure	Reference or response
Occupational Health and Safety	403 Management approach	Health measures: Global Health Several OHS indicators are updated monthly. They are presented to the Governance and Social Responsibility Committee .
	403-AO Management approach	Global Health ADM does not have any other systematic program to evaluate pollutants or substances that could affect its employees. Prevention involves the application of work methods and the use of personal protective equipment to mitigate any risks that may arise. Permits are issued for hot work, lockout and confined space work. Work procedures govern the issuance of these permits.
	GA-LA6 Airside staff	Ref: 403-9
	403-1 Occupational health and safety management system	ADM has not implemented a recognized system, but ensures compliance with the regulations and standards applicable to its jurisdiction. The policies, guidelines and procedures in place approximate the requirements of occupational health and safety management systems proposed by recognized organizations.
	403-2 Hazard identification, risk assessment, and incident investigation	The OHS directives and procedures can be found on the ADM Intranet site, accessible to employees, managers and non-employees. They are revised or updated as needed, especially when the situation or equipment changes. This is done in collaboration with superiors, employees, LOHSC members and the Senior OHS Business Partner. Accidents and near misses are reported in a health and safety management software (SMAAT) for trades employees. Investigations are conducted, in collaboration with the LOHSCs, to identify corrective actions to be taken. For other employees, there are also processes for reporting hazardous situations or refusals to work, and for follow-up.
	403-3 Occupational health services	Global Health The LOHSCs are the reference sources for employees. Following an employment injury, in certain situations, the employee must undergo a medical examination. The purpose of this examination is to follow the evolution of the employee's medical condition related to a CNESST claim, in accordance with section 209 of the <i>Act respecting industrial accidents and occupational diseases</i> (AIAOD). All information is kept confidential in the employee's file. All of the above is framed by procedures.

Standard	Disclosure	Reference or response
Occupational Health and Safety	403-4	Worker participation, consultation, and communication on occupational health and safety Ref: 403-AO and 403-2
	403-5	Worker training on occupational health and safety Global Health A single registration system is used for training. When the training is completed by the employee, the results are recorded in this portal. Training is offered during working hours.
	403-6	Promotion of worker health Global Health ADM, a corporation under federal jurisdiction, as well as several of its business partners under federal or provincial jurisdiction, must be registered with the Commission des normes, de l'équité, de la santé et de la sécurité du travail (CNESST) for occupational health and safety insurance coverage. Confidentiality: Access to files is restricted to the Human Capital team. When awarding contracts, one of the verification steps consists of validating whether suppliers are properly registered with the CNESST.
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships ADM oversees the Airside Operations Safety Committee (AOSC), which addresses airside safety issues with its main partners at the sites, as well as health and safety situations that may impact all workers of the airport community present at the sites.
	403-8	Workers covered by an occupational health and safety management system Ref: 403-1
	403-9	Work-related injuries Annual Statistics Main type of accident: back pain due to "lift, push and pull" issues. All accidents are investigated and corrective measures are implemented. The majority of risky tasks are documented with specific work procedures.
	403-10	Work-related ill health Annual Statistics Three most important sources of risk (and mitigation measures): noise exposure (mandatory hearing protection in designated areas); presence of asbestos (identification, information, intervention and personal protection program); and ergonomics (office equipment provided, information and customized adjustment follow-up available).

Standard	Disclosure	Reference or response
Customer Health and Safety	416 Management approach	<p><u>Airside Operations Safety Management System</u></p> <p>In the context of the SMS Quality Assurance Program, an internal audit was conducted in late 2020/early 2021, validating YUL and YMX compliance with CAR 302.400. Administrative non-conformances were found and a corrective action plan was implemented.</p> <p>Sanitation measures: In 2020 <u>YUL received a global certification for sanitation implementation, renewed in 2021.</u></p>
	416-AO9 Management approach	<p><u>Airside Operations Safety Management System</u></p> <p><u>Wildlife Management</u></p>
	416-AO9 Wildlife strikes	Ratio of confirmed wildlife impacts in 2021: YUL = 3.68 impacts/10,000 aircraft movements YMX = 7.21 impacts/10,000 aircraft movements
	416-1 Assessment of the health and safety impacts of product and service categories	Airside accident ratio in 2021: YUL = 5.63 accidents/10,000 aircraft movements YMX = 1.97 accidents/10,000 aircraft movements
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Non-conformances identified in the context of the recent internal audit of the SMS Quality Assurance Program did not pose a risk to the safety of operations.
		Total number of runway incursions in 2021: YUL = 16 YMX = 25
Customer Privacy	418 Management approach	<p><u>Cybersecurity</u></p> <p><u>Privacy Policy</u></p>
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	ADM did not detect or become aware of any customer data breach incidents during 2021. No complaints regarding the protection of customer data were received in 2021.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

A photograph of a modern Marriott hotel building with a curved glass facade. The building features a prominent 'Marriott' logo in red. In the foreground, there is a curved walkway with a metal railing and a glass-roofed entrance area. A white bus and a dark car are visible near the entrance. The sky is overcast.

07

OVERVIEW

ADM Aéroports de Montréal is the airport authority of Greater Montréal responsible for the management, operation, and development of YUL and YMX, under a lease signed with Transport Canada in 1992 with a term ending on July 31, 2072. As a not-for-profit organization without share capital, ADM does not pay dividends. ADM is fully responsible for financing its capital investment programs and pays rent to Transport Canada based on a percentage of revenues.

FINANCIAL SUMMARY

(in millions of dollars)	Years ended December 31		
	2021	2020	Variance ¹ (%)
Revenues	\$ 277.7	\$ 282.2	\$ (1.6)
Salaries and benefits	\$ 52.4	\$ 46.5	\$ 12.7
Operating expenses	98.5	112.1	(12.2)
Pandemic-related costs	-	39.9	(100.0)
Payments in lieu of municipal taxes (PILT)	37.9	38.2	(0.6)
Transport Canada rent	25.3	4.7	436.1
Depreciation and impairment of property and equipment and right-of-use assets	162.6	171.8	(5.4)
Financial expenses (net)	132.8	103.4	28.5
Total expenses	\$ 509.5	\$ 516.6	\$ (1.4)
Deficiency of revenues over expenses before share in the results of a joint venture and income taxes	\$ (231.8)	\$ (234.4)	\$ 1.1
Share in the results of a joint venture net of income taxes	1.0	0.5	90.1
Income taxes	-	(0.1)	(111.1)
Deficiency of revenues over expenses	\$ (230.8)	\$ (234.0)	\$ 1.4
EBITDA	63.6	\$ 40.8	\$ 56.0

¹ The % variances in this table are calculated with the results in thousands.

EBITDA, a non-GAAP financial measure (refer to section "Non-GAAP Financial Measures" for more information), is defined by ADM as the excess of revenues over expenses before income taxes, financial expenses, depreciation and impairment and share in the results of a joint venture.

The following table presents the reconciliation of EBITDA with the deficiency of revenues over expenses:

(in millions of dollars)	2021	2020
Deficiency of revenues over expenses	\$ (230.8)	\$ (234.0)
Depreciation and impairment of property and equipment and right-of-use assets	162.6	171.8
Financial expenses (net)	132.8	103.4
Share in the results of a joint venture net of income taxes	(1.0)	(0.5)
Income taxes	-	0.1
EBITDA	\$ 63.6	\$ 40.8

HIGHLIGHTS

COVID-19 Pandemic

The COVID-19 pandemic, and consequently, the different travel restrictions and intermittent sanitary measures imposed by Canada and governments around the world, have had, and could continue to have, a negative impact on global air travel demand. Despite this challenging situation, activities have begun to pick up, resulting in an increase in passenger traffic and revenues in the second half of 2021, but it is still difficult to predict when airport activity will experience a sustained recovery.

EBITDA

EBITDA stood at \$63.6 million for the year ended December 31, 2021, an increase of \$22.8 million or 56.0% compared to 2020. EBITDA as a percentage of revenue was 22.9% in 2021 compared to 14.5% for 2020.

Investments

ADM's investments in the airport program were \$32.8 million in 2021 (\$216.5 million in 2020) in addition to \$19.0 million (\$31.2 million in 2020) for the REM station (net of Transport Canada subsidy), for a total of \$51.8 million (\$247.7 million in 2020). At YMX, investments related mainly to Phase I of the glycol management at the de-icing centre and to airside road rehabilitation. At YUL, capital projects included, notably:

- Airside road rehabilitation;
- Periphery work for the REM station;
- Improvement of the baggage handling system;
- Rehabilitation of the multi-level parking.

Over the course of 2021, investments in the airport facilities were financed by cash flows from operating activities, including airport improvement fees (AIF), as well as long-term debt.

REVENUES

(in millions of dollars)	2021	2020	Variance ¹ (%)
Aeronautical activities	\$ 94.8	\$ 91.2	4.0
AIF	67.1	61.3	9.4
Parking and ground transportation	27.5	37.7	(27.0)
Concessions	35.7	43.9	(18.7)
Real estate and other	52.6	48.1	9.4
Total revenues	\$ 277.7	\$ 282.2	(1.6)

¹ The % variances in this table are calculated with the results in thousands.

Revenues rose to \$277.7 million in 2021, a slight decrease of \$4.5 million, or 1.6%, compared to 2020.

Aeronautical Activities

Revenues from aeronautical activities totalled \$94.8 million in 2021, up \$3.6 million, or 4.0%, from 2020. Consisting mainly of landing and general terminal fees paid by airlines, these revenues accounted for 34.1% of total ADM revenues (32.3% in 2020). This slight increase is mainly attributable to rate hikes as well as to the growth in cargo and private air carrier activities. Various travel restrictions and intermittent sanitary measures imposed by Canada and governments worldwide since March 2020 continue to have a negative impact on global air travel demand.

AIF

AIF revenues totalled \$67.1 million in 2021, up \$5.8 million or 9.4% compared with 2020. AIF revenues accounted for 24.1% of total ADM revenues (21.7% in 2020) and were used solely to fund airport infrastructure improvements and development, including capital and interest payments on long-term debt. This fee is paid by all passengers departing from YUL, except for connecting passengers. The increase is due to the rate hike from \$30 to \$35 per passenger implemented on February 1, 2021, partially compensated by the decrease in passenger traffic resulting from the pandemic.

Parking and Ground Transportation

Parking facilities and ground transportation generated \$27.5 million in 2021, down \$10.2 million or 27.0% from 2020. These revenues accounted for 9.9% of total ADM revenues (13.4% in 2020). This revenue stream's decline is directly attributable to the negative impact of the COVID-19 pandemic on the level of activities, in addition to the 2020 contract renegotiations with certain lessees for whom the pandemic had a significant impact.

Concessions

Revenues derived from concessions totalled \$35.7 million in 2021, down \$8.2 million or 18.7% from 2020, and accounted for 12.9% of total ADM revenues (15.6% in 2020). This decrease is mainly attributable to the 2020 lease renegotiations with multiple tenants for which the pandemic had a significant impact on their financial capacity to pay the minimum guaranteed rent given the reduced level of activity.

Real Estate and Other

Revenues from real estate and other sources totalled \$52.6 million in 2021, up \$4.5 million or 9.4% from 2020, and accounted for 18.9% of total ADM revenues (17.0% in 2020). These revenues are derived mainly from land, building and space leasing. The year-over-year growth is mainly due to the signing of new lease agreements during 2021 and those signed in 2020.

EXPENSES

(in millions of dollars)	2021	2020	Variance ¹ (%)
Salaries and benefits	\$ 52.4	\$ 46.5	12.7
Operating expenses	98.5	112.1	(12.2)
Pandemic-related costs	-	39.9	(100.0)
PILT	37.9	38.2	(0.6)
Transport Canada rent	25.3	4.7	436.1
Depreciation and impairment of property and equipment and right-of-use assets	162.6	171.8	(5.4)
Financial expenses (net)	132.8	103.4	28.5
Total expenses	\$ 509.5	\$ 516.6	(1.4)

¹ The % variances in this table are calculated with the results in thousands.

Total operating costs, including salaries and benefits and operating expenses, stood at \$150.9 million in 2021, a decrease of \$7.7 million or 4.9% compared to 2020. This variance reflects the significant cost-cutting measures implemented by ADM to reduce expenses, as well as government assistance received through the Canada Emergency Wage Subsidy and the Tourism and Hospitality Recovery Program due to the impact of the COVID-19 pandemic on the level of activities.

Salaries and Benefits

Salaries and benefits are higher by \$5.9 million or 12.7%, from \$46.5 million in 2020 to \$52.4 million in 2021. The increase is due, on the one hand, to ADM putting on hold the bonus program in 2020, and on the other hand, to lower capitalized salaries to work in progress due to a reduced capital program and, consequently, the reduction in staff assigned to projects.

Operating Expenses

Operating expenses were \$98.5 million in 2021, down by \$13.6 million or 12.2% compared to 2020. This variation is explained by measures implemented by ADM to reduce operating costs, such as those related to the reduction of airport activities and the temporary closure of certain areas of the terminal building while gradually reopening them based on passenger traffic.

Pandemic-Related Costs

ADM had incurred additional expenses in 2020, totalling \$39.9 million, considered to be non-recurring due to their uniqueness in the pandemic context. These included relief granted to certain tenants for whom the pandemic had a significant impact, additional costs to terminate contracts with certain suppliers and to close various construction sites, as well as severance costs to reduce its workforce by nearly 30%.

PILT

PILT remained relatively stable at \$37.9 million, \$0.3 million or 0.6% less than the previous year. This was mainly due to revised property value estimates by Public Services and Procurement Canada. It should be noted that a 2021 payment of \$25.5 million is deferred to 2022.

Transport Canada Rent

Rent to Transport Canada totalled \$25.3 million, up \$20.6 million or 436.1% from 2020. Due to the COVID-19 pandemic, the federal government granted ADM a waiver for ground lease rent to Transport Canada from March to December 2020. Furthermore, the 2021 rent payment of \$24.8 million is deferred and payable in equal payments over a ten-year period beginning in 2024.

Transfers to governments, which include rent paid to Transport Canada and PILT, totalled \$63.2 million in 2021, representing 22.8% of total revenues (\$42.9 million and 15.2% respectively in 2020).

Depreciation and Impairment of Property and Equipment and Right-of-use Assets

Depreciation and impairment of property and equipment and right-of-use assets totalled \$162.6 million in 2021, which represents a decrease of \$9.2 million or 5.4% from the previous year, primarily the result of accelerated depreciation taken in 2020 for certain projects that have changed in scope.

Financial Expenses (net)

Financial expenses are presented net of financial income. Financial expenses increased to \$132.8 million in 2021 compared to \$103.4 million in 2020, a \$29.4 million or 28.5% variance. This is explained, on the one hand, by the \$14.1 million increase in interest expense following the issuance of Series R and S revenue bonds in April 2020 and 2021 respectively, and on the other hand, by the decrease in capitalized interest on work in progress.

Deficiency of Revenues Over Expenses

The year ended December 31, 2021 resulted in a deficiency of revenues over expenses of \$230.8 million compared to \$234.0 million for 2020.

FINANCIAL SITUATION

ADM had \$608.3 million of net liquidity¹ as at December 31, 2021 compared to \$260.2 million as at December 31, 2020. This liquidity balance includes \$417.9 million in cash (\$179.4 million in 2020) mainly from the net proceeds of the Series S revenue bonds issued on April 26, 2021. It also includes a credit facility for general use with an available balance of \$190.4 million (\$80.8 million in 2020) but excludes the \$56.5 million of debt service reserve fund and the \$37.0 million of operating and maintenance contingency fund.

ADM also has access to additional credit facilities for a total of \$400 million as at December 31, 2021 related to the REM station, which is estimated to cost \$600 million. Furthermore, ADM will also benefit from a \$100 million subsidy via the Airport Critical Infrastructure Program in order to finance this project.

ADM's net debt¹ as at December 31, 2021 was \$2.5 billion compared to \$2.3 billion as at December 31, 2020.

In March 2021, ADM obtained consent from its bondholders to amend the master trust indenture, relieving it temporarily of its obligations to comply with or satisfy certain covenants required by the master trust indenture for the years 2021 and 2022. This temporary waiver was requested due to the persisting uncertainty surrounding the significant decline in passenger traffic and flight activity resulting from the COVID-19 pandemic.

¹ Refer to section "Non-GAAP Financial Measures" for more information.

FINANCIAL OUTLOOK FOR 2022

The last few months of 2021 allowed ADM to reconnect with passengers and resume some level of activity at YUL. The gradual recovery during the second half of the year will enable YUL to recover a passenger traffic equivalent to 50% of the 2019 level in the fourth quarter of 2021, and this, despite the measures put in place in mid-December 2021 by the Government of Canada to control the new wave associated with the Omicron variant of COVID-19 that led to a downturn in travel plans at the very end of the year 2021. Fortunately, the situation is changing rapidly and the easing of border regulations with the end of testing for fully vaccinated travellers seeking to enter the country as of April 1st means YUL will be back on the road to recovery. After two years, passengers, employees and those in the airport community have been greatly looking forward to this moment.

Considering that the evolution of the epidemiological situation remains difficult to predict and given the uncertainty linked to the geopolitical situation in Europe which resonates throughout the world, ADM must remain cautious in its approach for the 2022 financial year. ADM will continue to control operating expenses by deploying them gradually based on passenger traffic and to limit itself to essential capital investments again this year, while aiming to protect liquidity.

Planned investments in airport infrastructure are estimated at \$160 million. The main projects include the rehabilitation of runway 06L-24R at YUL, work in the domestic/ international baggage room and the REM station project.

Although it is difficult to predict when passenger traffic will experience a sustained recovery, ADM expects to be able to meet its financial obligations regardless of the context.

NON-GAAP FINANCIAL MEASURES

ADM's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). ADM references financial measures with no standardized meaning under IFRS, otherwise called non-GAAP financial measures. They are therefore unlikely to be comparable to similar measures used by other entities.

EBITDA

EBITDA is defined as the excess of revenues over expenses before income taxes, financial expenses, depreciation and impairment and share in the results of a joint venture. It is used by Management as an indicator to evaluate ongoing operating performance. EBITDA provides additional information and should not be used as a substitute for other performance measures prepared in accordance with IFRS.

Net Liquidity

Net liquidity is defined as the sum of cash and cash equivalents and the available balance on ADM's credit facility for general use (excluding the debt service reserve fund and the operating and maintenance contingency fund).

Net Debt

Net debt is defined as the difference between the gross balance of long-term debt, including lease liabilities, and the amount available in cash and cash equivalents as well as in the debt service reserve fund.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Certain new standards, amendments to and interpretations of existing standards have been published and have been effective since January 1, 2021, but they had no impact on ADM's consolidated financial statements.

The International Accounting Standards Board continues to propose changes to IFRS. In Management's opinion, there is no new standard or amendment effective January 1, 2022 that will impact ADM's consolidated financial statements.

GOVERNANCE REPORT

Enregistrement
Check-in

Canada / International	Canada / International
001-822	
101-114	
118-118	
226-227	
235-229	
231-221	
251-238	
438-452	

Enregistrement
Check-in 500-599

08

MEMBERS OF THE BOARD OF DIRECTORS



Danielle Laberge
Chair of the Board
 Professor Emeritus,
 Université du Québec
 à Montréal



Hélène V. Gagnon
Vice Chair of the Board
 Chief Sustainability Officer
 and Senior Vice President,
 Stakeholder Engagement,
 CAE



Yves Beauchamp
Director
 Chair, Infrastructure Projects
 Analysis and Evaluation
 Committee
 Vice-Principal,
 Administration and Finance,
 McGill University



Marc G. Bruneau
Director
 Executive Vice President
 and Partner, WhiteHaven
 Securities Inc.



Alain Côté
Director
 Chairman of the Audit
 and Risk Management
 Committee
 Corporate Director



Yves Dufresne
Director
 Corporate Director



Mélanie Kau
Director
 Chair of the Governance
 and Social Responsibility
 Committee
 Corporate Director



Robert Lefebvre
Director
 Corporate Director



Ann MacDonald
Director
 Chair, Development and
 Innovation Committee
 Chief Operating Officer,
 BONE Structure



Marie-Hélène Nolet
Director
 Chief Operating Officer,
 Desjardins Capital



Louise Roy
Director
 Chancellor Emeritus,
 Université de Montréal
 Chair of the Board, CIRANO



Philippe Rainville
Director
 President and Chief
 Executive Officer, ADM
 Aéroports de Montréal

THE BOARD OF DIRECTORS IS CURRENTLY COMPOSED OF 12 DIRECTORS.



GOVERNANCE REPORT

Corporate Governance Practices

Although not subject to the governance rules that regulate public companies, ADM complies with the disclosure and governance practices required of public companies, adapting them to its status as a corporation without share capital. For more information, visit admtl.com.

Board of Directors

The Board of Directors is responsible for managing ADM. It exercises full authority and power and executes all actions that ADM is authorized to take according to the law and ADM's articles and by-laws, unless the law or the articles and by-laws require that they be exercised by ADM's assembly of members.

The Board of Directors assumes responsibility for corporate governance and accountability to ADM's governing bodies. The Board of Directors is currently composed of 12 directors, 2 of whom are appointed by the Government of Canada. In accordance with public accountability principles for Canadian airport authorities and with its by-laws, four nominating entities are called upon to submit, upon request, the names of three candidates whose profiles match the qualifications being sought by the Board for each position to be filled. These nominating entities are the Government of Québec, the Communauté métropolitaine de Montréal, the Chamber

of Commerce of Metropolitan Montreal, and the main carriers operating at YUL. The President and Chief Executive Officer is a de facto director of ADM, and the Board may appoint an additional director.

In accordance with ADM's by-laws, members of the Board of Directors must meet very specific criteria, including:

- being a Canadian citizen or permanent resident of Canada and have their principal residence in Québec;
- not being an active elected official or an active employee of a municipality, nominating agency or air carrier;
- being independent, which includes not being a shareholder of a company in which ADM has an interest or having an interest that could be perceived to interfere with their ability to act in ADM's best interests.

In addition, collectively, the members of the Board of Directors must possess a set of key competencies that the Board needs to perform its duties. When appointing a new member, his or her skills are analyzed to ensure that the new member meets the requirements to ensure ADM's interests.

The director's term is a maximum of 3 years and is renewable on condition that the total duration of mandates entrusted to the director does not exceed 9 years or, by derogation of the above, does not exceed 12 years.

The Board of Directors met 10 times in 2021. The most important aspects of ADM's strategic plan were addressed by its members, who also ensured that the organization's mission and vision statements were met. Of course, the COVID-19 pandemic and its major impacts on ADM's finances and operations remained particularly important issues, as did the recovery scenarios that could be envisaged. The approval of major contracts and the follow-up of the REM file and its financing are also issues that continue to receive special attention from the Board of Directors.

Following the implementation of the new mandates of the Board's committees, the Board of Directors devoted much energy during the year to defining ADM's approach to sustainable development and enterprise risk management. The Board is also kept informed of all of ADM's major concerns, both through reporting on certain topics and through briefing notes that are updated at each meeting.

Competencies of Members of the Board

	Management	Finance	Governance	Construction/ Major Project Management	Commercial Aviation	HR and Labour Relations	Sustainable Development	Information Technology	Communications and Public Affairs	Customer Experience	Real Estate Development
Yves Beauchamp	●			●							●
Marc G. Bruneau		●								●	
Alain Côté	●	●	●								
Yves Dufresne	●				●				●		
Hélène V. Gagnon					●		●		●		
Mélanie Kau			●			●				●	
Danielle Laberge	●		●			●					
Robert Lefebvre	●		●	●							
Ann MacDonald	●		●	●							
Marie-Hélène Nolet		●	●						●		
Louise Roy	●		●		●						
Philippe Rainville	●	●								●	

- Primary skill
- Secondary skills

Ethics

In accordance with its lease with Transport Canada, ADM has adopted conflict-of-interest rules and ethics guidelines in its by-laws that are applicable to its directors, officers and employees and are designed to prevent any real or perceived conflict of interest. Members of the Board of Directors are subject to these guidelines and must, in the performance of their duties, respect the obligations imposed by law, ADM's by-laws and the policies, directives and standards issued by the organization from time to time. They must act within the limits of their authority, in the best interests of ADM and in accordance with the highest standards of honesty and loyalty.

In addition, directors shall disclose at a meeting of the Board of Directors the facts, nature and extent of any conflicts that may arise, directly or indirectly, between their duties and interests with respect to ADM and their duties and interests with respect to the holding of any other office or the ownership of any property.

In 2021, ADM complied with conflict-of-interest rules and ethics requirements.

Audit and Risk Management Committee

The Audit and Risk Management Committee plays a key role in the sound financial governance of ADM, including oversight of (i) the quality, integrity and disclosure of financial information, (ii) internal controls, and (iii) internal and external audits.

It ensures that an analysis grid is presented annually to the Board of Directors on the hierarchy of business risks, the assessment of the probability of their occurrence, the overall impact of these risks and the residual impact following the implementation of mitigation measures. It ensures that environmental, social and governance (ESG) criteria are integrated into the contractual agreements under its responsibility, as well as in the Corporation's financial communications and financing, in accordance with the sustainable development objectives adopted by the Board.

More specifically, the Audit and Risk Management Committee reviews and recommends for Board approval the annual budgets and the quarterly and annual financial statements. It recommends any form of financing required by ADM. It ensures that effective financial controls and reporting procedures are in place. It ensures the integrity of ADM's financial information, its compliance with applicable accounting standards and ADM's compliance with its obligations under its lease, regulations and any financing platform. Other responsibilities include the external audit

plan, the appointment of the external auditors, management certification, contract awards requiring Board approval and revenue contracts, as well as policies on the procurement of goods and services, the awarding of revenue contracts, and the independence of the external auditor. In addition, the Committee establishes an annual internal audit program, ensures its execution and reviews the report. With respect to pension plans, the Committee ensures that the related objectives and strategies are established and approved, that sound governance is in place, and that transparent communications are maintained with stakeholders, including the Pension Committee. In doing so, it prepares decision-making files related to the pension plans and, more specifically, regarding the governance plan, plan rules, financial management (investment and capitalization) and compliance. It periodically reviews ADM's insurance program. Finally, the Audit and Risk Management Committee receives regular reports on the application of the security management system and airport security issues, and ensures that business continuity plans are in place.

The Audit and Risk Management Committee is composed of: Alain Côté (Chair), Marc G. Bruneau and Marie-Hélène Nolet.

Development and Innovation Committee

The Development and Innovation Committee supports the Board of Directors on issues related to the environmental component of sustainable development (greenhouse gas reduction, energy efficiency, optimization of waste management, biodiversity recovery and protection, protection of surface and ground water, reduction of drinking water consumption, resilience to the effects of climate change). The Committee also supports the Board in the approval and follow-up of the five-year capital program and in the alignment of infrastructure projects with the master plan. In addition, the Committee supports the Board on issues related to governance and information technology development. Finally, the Committee ensures that ADM is at the forefront of its field of business and sees to the adoption of innovative practices in sectors deemed to be priorities, particularly with respect to sustainable development and the use of information technology to enhance the customer experience.

The members of the Development and Innovation Committee are: Ann MacDonald (Chair), Yves Beauchamp, H el ene V. Gagnon and Robert Lefebvre.

Governance and Social Responsibility Committee

The Governance and Social Responsibility Committee supports the Board of Directors in matters of governance and ethics. It focuses on aspects of social responsibility that are priority areas of intervention related to the social component of sustainable development (relations with communities, stakeholders and political authorities, soundscape management, responsible procurement, employee experience, customer experience, service culture). In addition, the Governance and Social Responsibility Committee reviews, approves and recommends the adoption of policies, practices and programs related to human resources management, including those related to succession planning, total compensation for senior management and employees, and occupational health and safety (both within ADM and on construction sites).

Specifically, the Committee assists the Board and reports periodically to the Board on the results of its work, including issues relating to (i) governance, including ADM's governance practices, the Board's operations and size, the selection criteria for directors, the communication and consultation process with nominating bodies, director compensation, the code of ethics and the whistleblower policy; (ii) communications and public affairs, ensuring

that these policies and strategies are suitable for maintaining ADM's credibility and good reputation among its stakeholders; and (iii) human resources, including global compensation policies and programs, the annual salary policy, as well as the job description, compensation and performance evaluation of the President and Chief Executive Officer. In this capacity, it recommends to the Board of Directors the adoption of the annual objectives of the President and Chief Executive Officer and is informed of the annual objectives of all members of the ADM Management Committee.

It is responsible for establishing an appropriate and periodic process for evaluating the performance of the Board of Directors, its committees and its members. To this end, the Committee will proceed on an alternating basis, one year by means of individual interviews of all directors with the Committee Chair, and the other year by means of a written questionnaire. This evaluation covers the following topics: the responsibilities of the Board, the functioning of the Board, the performance of the Board, the performance of the committees, the performance of the Chair of the Board, and other issues or comments.

The Governance and Social Responsibility Committee is composed of the following directors: M elanie Kau (Chair), Yves Dufresne and Louise Roy.

Infrastructure Projects Analysis and Evaluation Committee

The Infrastructure Project Analysis and Evaluation Committee of the Board of Directors is a joint committee composed of ADM directors and external experts. Its role is to review and recommend, for approval by the Board, infrastructure maintenance and development projects that require a technical analysis or a complex evaluation, including their technical aspects, management model, integration of sustainable development objectives, implementation schedule and budget. It monitors the budget for infrastructure maintenance and development projects approved by the Boards, regularly reviews their execution and the risks associated with their implementation, and reports periodically to the Board. It also provides appropriate and timely advice to ADM management.

The members of the Infrastructure Projects Analysis and Evaluation Committee are: Yves Beauchamp (internal member and Chair), Robert Lefebvre (internal member), Alain Bonnot (external expert member), and Réal Laporte (external expert member).

Community Advisory Committee

The Community Advisory Committee supports the management of ADM. Its mandate is to submit, when required, pertinent observations regarding any project or decision affecting the subjects mentioned in the ADM by-laws. The Community Advisory Committee is composed of members from organizations that share an interest in airport development and that represent the various regions of Greater Montréal. The Committee reports annually to the Board of Directors. The operating budget of the Community Advisory Committee is determined annually by the Board of Directors. Members are appointed for a three-year renewable term. In 2021, the Community Advisory Committee met twice and discussed major issues facing ADM. Specifically, the Committee considered conditions for the recovery of air travel and sustainability priorities.

The Community Advisory Committee is chaired by Denis Leclerc, President and CEO of Écotech Québec, and is composed of representatives from the following organizations:

- Aéro Montréal
- Association of Travel Agents of Québec¹
- Chamber of Commerce of Metropolitan Montreal (CCMM)
- Chamber of Commerce and Industry of Saint-Laurent-Mont-Royal
- City of Dorval

- City of Mirabel
- City of Montréal
- Conseil du patronat du Québec
- Earth Day (Québec)
- Écotech Québec²
- ESG UQÀM
- FADOQ
- FondAction¹
- Hotel Association of Greater Montréal (AHGM)
- Institut de tourisme et d'hôtellerie du Québec (ITHQ)
- Junior Chamber of Commerce of Montréal
- Kéroul
- Mirabel Chamber of Commerce and Industry
- Montréal international
- MtLab
- Palais des congrès de Montréal
- Polytechnique
- Québec Manufacturers and Exporters (MEQ)
- Regroupement des événements majeurs internationaux (RÉMI)
- Tourisme Montréal
- Trajectoire Québec
- West Island Chamber of Commerce

¹ New member organization

² Chair

COMPENSATION OF DIRECTORS IN 2021

	Attendance					Compensation		
	Board of Directors	Audit and Risk Management Committee	Development and Innovation Committee	Governance and Social Responsibility Committee	Infrastructure Projects Analysis and Evaluation Committee	Retainers	Fees	Total
Yves Beauchamp	10	-	5	-	4	\$ 60,437.50	\$ 35,750.00	\$ 96,187.50
Marc G. Bruneau	10	6	-	-	-	\$ 35,437.50	\$ 23,250.00	\$ 58,687.50
Michel A. Brunet ¹	2	-	-	2	-	\$ 5,833.33	\$ 6,000.00	\$ 11,833.33
Alain Côté	10	6	-	-	-	\$ 45,437.50	\$ 23,250.00	\$ 68,687.50
Yves Dufresne	10	-	-	6	-	\$ 35,437.50	\$ 23,250.00	\$ 58,687.50
Hélène V. Gagnon	10	-	5	-	-	\$ 39,604.17	\$ 21,750.00	\$ 61,354.17
Mélanie Kau	10	-	-	6	-	\$ 45,437.50	\$ 23,250.00	\$ 68,687.50
Danielle Laberge	10	6	5	6	4	\$ 177,187.50	\$ -	\$ 177,187.50
Robert Lefebvre	10	-	5	-	4	\$ 45,437.50	\$ 35,750.00	\$ 81,187.50
Ann MacDonald	10	-	5	-	-	\$ 43,770.83	\$ 21,750.00	\$ 65,520.83
Marie-Hélène Nolet	9	6	-	-	-	\$ 35,437.50	\$ 22,500.00	\$ 57,937.50
Philippe Rainville	10	6	5	6	4	-	-	-
Suzanne Rancourt ²	2	-	1	-	-	\$ 8,333.33	\$ 4,500.00	\$ 12,833.33
Louise Roy	10	-	-	6	-	\$ 35,437.50	\$ 23,250.00	\$ 58,687.50
Total						\$ 613,229.17	\$ 264,250.00	\$ 877,479.17

¹ End of term: February 22, 2021

² End of term: February 22, 2021

MANAGEMENT COMMITTEE¹



Philippe Rainville
President and Chief
Executive Officer



Sylvain Choinière
Vice President
Legal Affairs and Corporate
Secretary and Vice President,
Real Estate Affairs



Myrrha Dubé
Vice President
Human Capital



Aymeric Dussart
Vice President
Technology and Innovation



Stéphane Lapierre
Vice President
Air Operations and Air
Services Development



Ginette Maillé
Vice President
Finance and Administration
and Chief Financial Officer



Martin Massé
Vice President
Public Affairs and
Vice President,
Sustainability

Executive Compensation

The annual salaries of the President and other current members of the Management Committee range from \$180,000 to \$461,295. Since the performance bonus program was paused in 2020, no such payments were made in 2021.

Directors who are Board Members of a “Reporting Issuer”

Mélanie Kau, Alimentation Couche-Tard Inc.; Alain Côté, Goodfellow Inc.

¹ The positions of Vice President, Commercial Services and Real Estate Development, and Vice President, Airport Infrastructure are being left vacant until ADM regains greater financial stability.

STRATEGIC REVIEW



09

STRATEGIC REVIEW

With the public health situation remaining precarious during the year and the outlook for air traffic recovery becoming increasingly bleak, a cautious approach was taken in 2021.

Nevertheless, the ADM team continued to work to implement the priority actions identified in 2020 to ensure that the YUL and YMX sites are well positioned in the effort to revive the airline industry for the benefit of the community.

With the aim of making judicious use of resources in an environment marked by instability, particular attention was paid to the following elements:

- Maximizing cash flow, without additional financing;
- Basic level of service for passengers, with tolerable wait times;
- Responding to passenger information needs (in preparation and on site);
- Providing passengers with a clean, safe and welcoming airport.

At the same time, an exercise to identify the challenges to be monitored in the short and medium term was carried out, leading to the identification of seven challenges that the organization will have to face on the way to the recovery of its activities.

1- Financial Challenge

The drastic decline in passenger traffic led to a significant drop in revenues for ADM. The capital investment plan was virtually halted and debt levels approached \$3 billion by 2021. Capacity needs are temporarily on hold with the decline in traffic, but will soon resurface as ADM gets back up to speed.

The challenge is to identify the turning point at which ADM's financial capacity is sufficient to allow for a resumption of capital investments to enhance the handling capacity of its facilities.

2- Airport Infrastructure Development Planning Challenge

In 2019, it seemed obvious to immediately address cityside capacity challenges (access and drop-off) and to launch projects to increase passenger and baggage handling capacity in the terminal a few years later while rehabilitating our airside assets on an ongoing basis. Today, the situation is different now that the capital investment plan has been virtually halted.

This challenge takes on added complexity since the cityside, terminal, and air service development plans must be reviewed and sequenced according to ADM's financial capacity.

3- Customer Experience Challenge

From being a vibrant destination in 2019, YUL has become a place where the customer experience is dominated by a series of health measures that complicate and lengthen passenger processes. In the short term, the challenge will be to rekindle that flame that drove the airport community's employees to the point of winning first place in the 2019 "Best Airport Staff in North America" rankings.

In the medium term, when traffic returns to 2019 levels, which is expected in 2025, ADM could face passenger dissatisfaction generated by a lack of capacity in parking lots, baggage rooms, check-in counters, shops and restaurants, and waiting rooms.

4- Technological Challenge

One way to enhance the customer experience is to integrate technology into passenger processes. This creates a personalized relationship with travellers before, during, and after their time at YUL, improves the flow of passenger processes, and optimizes the use and maintenance of airport equipment and facilities.

To achieve this, ADM teams need to continue to align their technology roadmap with the capital investment plan.

5- Human Capital Challenge

ADM's management team needs to be rebuilt and ADM's workforce replenished in a context where the airport industry in general is experiencing difficulties. In addition, the specialized and highly skilled resources that ADM seeks in information technology, engineering, and construction project management are scarce and highly sought-after by other companies.

6- Sustainable Development Challenge

As the manager of a Montréal public utility, ADM interacts with many stakeholders whose interests are diverse and sometimes in opposition. ADM plays the role of referee, conductor and advocate for the interests of the stakeholders. In addition, the airport's operations and development plans are challenged by certain pressure groups.

Some environmental challenges are on the horizon, such as soundscape management, climate change and its impact on airport operations, as well as glycol management. These could make airport operations more complex.

7- Challenge of Understanding the Multiple Personalities of ADM

ADM is an autonomously financed public service, an essential player in Montréal's vitality, an infrastructure that requires a great deal of care, a gigantic construction site, a tourist destination where the experience is unique, a commercial centre that normally generates more than \$225 million in revenues, a place where passenger security is omnipresent, and a chain of automated processing of people and baggage.

In other words, ADM is a multi-faceted organization with a social, economic and experiential mission unlike that of most private companies. Understanding this organization and its mission is a challenge for anyone who is new to it.



TRANSPARENCY

YUL Airport
Montréal-Trudeau

YULTM **Montréal-Trudeau**
International
Airport

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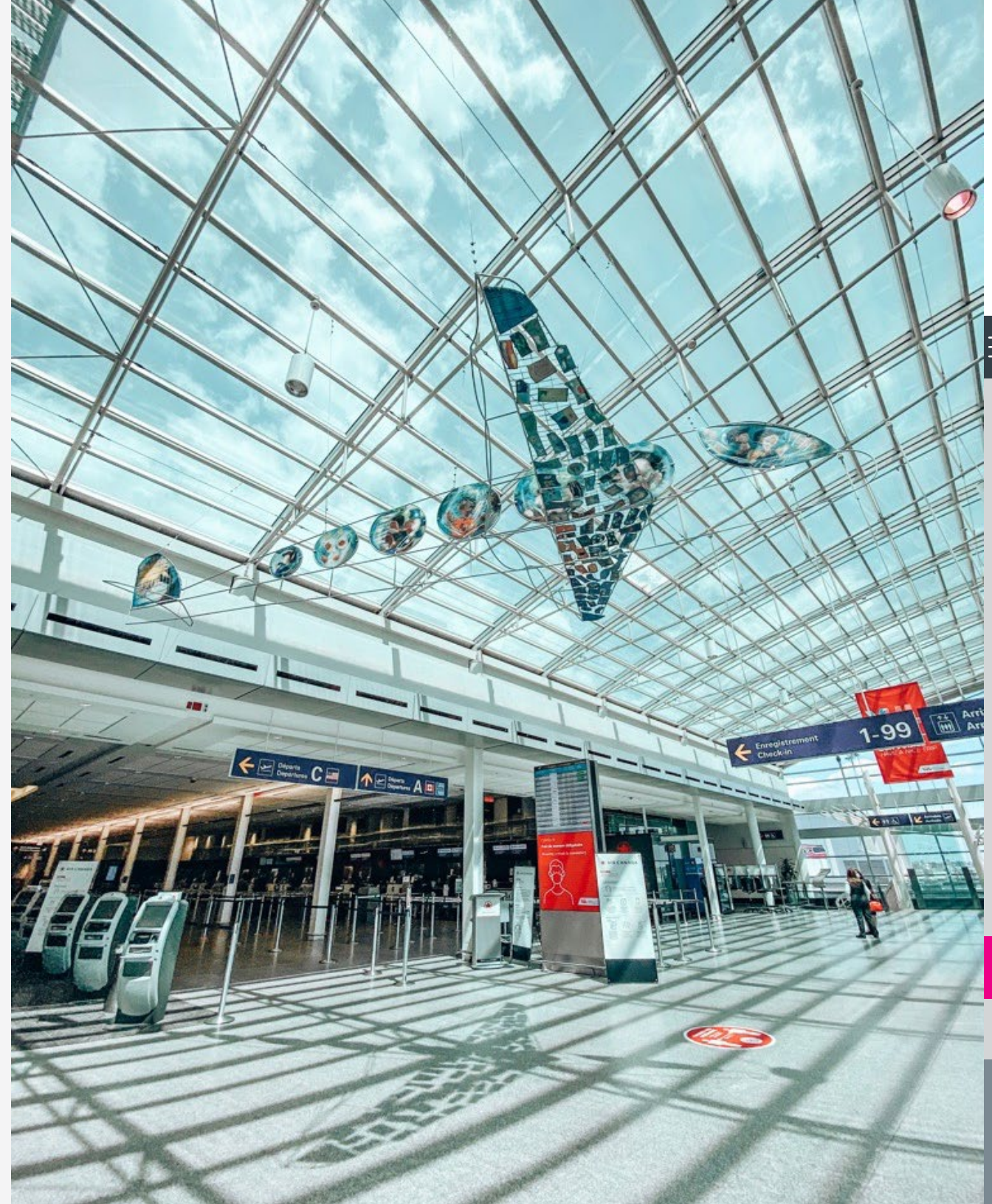
ACCOUNTABILITY

ADM's principles are to be accountable to the community, to be transparent in its relationships with its customers and various stakeholders, and to communicate openly with the public.

ADM is accountable for its administration in a number of ways:

- By publishing an annual report that contains, in addition to the audited financial statements, specific information relating to ESG topics, corporate governance, the compensation of directors and officers, and exceptions to the policy on the acquisition of goods and services;
- By issuing press releases in the same manner as publicly traded companies;
- By holding an annual public meeting;
- By holding an annual meeting with each of the nominating organizations;
- By satisfying the financial requirements of bondholders and the bank syndicate, unless they agree to waive them.

ADM also communicates on an ongoing basis with the city or borough councils of neighbouring communities, including those of Dorval, Pointe-Claire, Saint-Laurent, Montréal and Mirabel.



CONSULTATION

In addition to its work with the Community Advisory Committee, ADM consults its various stakeholders on any relevant issues relating to airport management, operations and development, either directly or by way of committees set up specifically for this purpose.

Some examples include:

Soundscape Advisory Committee

Comprised of 15 members appointed respectively by the City of Montréal, the cities of Dorval and Pointe-Claire, as well as the borough of Saint-Laurent, Transport Canada, the Québec government, NAV CANADA, the air carriers and Aéroports de Montréal, this committee meets regularly to discuss soundscape issues.

Airline Consultative Committee

This committee is an effective forum for discussing matters of common interest to carriers and for officially representing their interests during consultations or formal presentations with Aéroports de Montréal, particularly with respect to developing the infrastructure needed to expand air service.

Airport Operators Committee

Bringing together members of Aéroports de Montréal's management, carriers' station managers, service representatives from federal inspection agencies, NAV CANADA, material handlers and other aviation service suppliers, this committee oversees the coordination of airport activities.

Master Plan

Updates to the master plans of both airports are required every 10 years and must be reviewed by various groups that Aéroports de Montréal deems appropriate, including the municipalities of Montréal and Mirabel and the Community Advisory Committee. Once comments have been received, updates are filed with the Canadian Minister of Transport. YUL and YMX's master plans were the subject of consultations in 2013 and were filed with the Canadian Minister of Transport. These plans cover the period 2013-2033.

Land Use Plan

A consultation plan must be filed with Transport Canada before any change is made to the land use plan. These consultations must be carried out with the Community Advisory Committee as well as with other organizations, bodies and government departments deemed appropriate by Aéroports de Montréal. An approval request for the intended changes must then be filed with the Canadian Minister of Transport.

Validation of Sustainable Development Topics

Through an independent firm, ADM undertook a consultation with its internal and external stakeholders in 2019 on sustainability topics that are of concern to the organization. Fourteen stakeholder groups were consulted: members of the Board of Directors, senior management, ADM managers and employees, airport community employees, the Community Advisory Committee, passengers, business partners, cities or boroughs, banks and/or investors, rating agencies, environmental groups, government agencies, others (other airports and SD reference companies). These consultations allowed stakeholders to identify the sustainability topics that are important to them and to the organization.

Information

The public has various means at its disposal to communicate with a representative of Aéroports de Montréal or to access information about ADM's activities, including the following:

- By visiting the Aéroports de Montréal website at admtl.com;
- By visiting ADM's various social platforms, namely Facebook, Twitter, Instagram (@yulaeroport) and LinkedIn (@ADM Aéroports de Montréal);
- By calling the general information numbers (514-633-3333 or 1-800-465-1213);
- The travelling public can also share comments, questions or suggestions by phone (514-633-3351), fax (514-394-7356) or email (yulsatisfaction@admtl.com);
- By writing to Public Affairs.

Anyone who witnesses an improper or unethical situation or a bidding process that violates ADM's procurement processes is encouraged to contact a confidential information line (1-844-302-6335), operated by an independent firm.



REPORTING OF CONTRACTS NOT SUBJECT TO PUBLIC TENDERING

In accordance with the accountability principles issued by Transport Canada, the administrative by-laws and Aéroports de Montréal's policy on the procurement of goods and services, all contracts in excess of \$125,000 must be publicly tendered, unless the authorized signatory, for reasons of efficiency and practicality, decides otherwise. In all cases, a price validation process is systematically applied.

Reasons for Exemption

A. When Aéroports de Montréal considers that it is more efficient to award a new contract to an existing supplier, when service providers have gained specific experience related to the previous contract, or when there is an urgent need to undertake work to avoid compromising the safety of premises and persons.

B. When the acquired technology remains the property of the supplier, is under patent or licence, or when the specialized experience and expertise of the supplier are quasi-exclusive, or when the maintenance of a source of supply is essential in view of the substantial investments already made to establish a standard.

Contracts of \$1 Million and Over:

Contract Value	Company	Nature	Reason for exemption
\$ 1,114,402	St-Denis Thompson	Rehabilitation of the parking deck and elevated lane	B
\$ 3,300,076	Ceriko Asselin Lombardie	Lot 2.3 Partial Demolition of Parking Deck	A
\$ 4,155,000	Opsis, Services aéroportuaires inc.	Management and recovery of light equipment	A
\$ 4,600,000	Roxboro Excavation	YUL snow removal	B
\$ 7,577,414	Groupe de sécurité Garda SENC	Security operations for the cityside	B
\$ 32,216,630	Laboratoires Biron	Covid-19 screening clinic at arrivals	A

Contracts Under \$1 Million:

Reason for exemption A - Company (contract)

Aldea (inspection of REM/NouvLR activities); Centre d'adoption d'animaux de compagnie du Québec (YUL Pet Squad); D-Tech Environnemental Inc. (calibration of gas detectors); Les Équipements Marshall Ltée (supply of Gates hoses, fittings and connectors); SB Projex (construction project management services); Serbec Inc (Salon VIP Desjardins); Vitrierie RD Ltée (replacement of glass panels).

Reason for exemption B - Company (contract)

BBA Inc (25 kV circuit breaker replacement); Copenhagen Optimization & SolidCAD (passenger capacity management); Engie Services Inc. (phase 1 - implementation and proposal of BHS system); Entretien McGill (glass cleaning); FNX-Innov (quality control of pavement repairs); IDeaS Revenue Solutions (optimization of parking revenues); Corporation Urgences-Santé (pre-hospital emergency services and training of SIADM first responders); Mobile Maestria Inc. (ICAR tank removal); Rogers Communications Canada Inc. (wireless services); SAP Canada (Work Manager SAP Cloud services); Environmental Strategies (sorting centre management); TKH Airport Solutions A/S (supply of recessed lights and runway accessories); Y&R Paquette (YMX snow removal).

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED
DECEMBER 31, 2021



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FINANCIAL STATEMENTS

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MANAGEMENT'S REPORT

Management is responsible for the preparation and integrity of the financial statements presented in this annual report.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and include figures based on the best estimates and judgment of management. Financial information found elsewhere in this annual report is consistent with these consolidated financial statements.

Management is of the opinion that these consolidated statements present fairly the Corporation’s financial situation, operating results and cash flow. To discharge its responsibilities the Corporation applies controls, internal accounting procedures and methods aimed at ensuring the reliability of the financial information and the protection of corporate assets.

The external auditors, KPMG LLP, have audited the Corporation’s consolidated financial statements. Their report defines the scope of their audit as well as their opinion on the consolidated financial statements.

The Audit and Risk Management Committee of the Board of Directors holds meetings periodically with the external auditors, as well as with management, to examine the extent of the audit and assess the audit reports. These consolidated financial statements have been examined and approved by the Board of Directors upon recommendation by the Audit and Risk Management Committee.

President and Chief Executive Officer,



PHILIPPE RAINVILLE, CPA, CA

Vice President, Finance and Administration
and Chief Financial Officer,



GINETTE MAILLÉ, CPA, CA

March 17, 2022

INDEPENDENT AUDITORS' REPORT

To the Directors of Aéroports de Montréal

Opinion

We have audited the consolidated financial statements of Aéroports de Montréal (“the Entity”), which comprise:

- the consolidated statement of net assets as at December 31, 2021;
- the consolidated statement of comprehensive income (loss) for the year then ended;
- the consolidated statement of changes in net assets for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- and notes to the consolidated financial statements, including a summary of significant accounting policies;

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “*Auditors’ Responsibilities for the Audit of the Financial Statements*” section of our auditors’ report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity’s financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

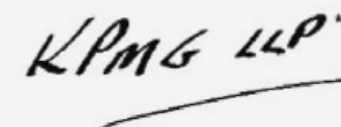
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Montréal, Canada
March 17, 2022

*CPA auditor, CA, public accountancy
permit No. A122264

CONSOLIDATED STATEMENT OF NET ASSETS

(In thousands of Canadian dollars)

December 31, 2021, with comparative information for 2020

	Note	December 31, 2021	December 31, 2020
ASSETS			
Current			
Cash and cash equivalents		\$ 417,940	\$ 179,366
Restricted cash	2	56,492	56,069
Government grants receivable	3	34,350	25,322
Trade and other receivables	4	30,591	32,680
Transport Canada rent receivable	7(a)	-	14,803
Inventories		6,618	6,506
Other current assets		12,159	14,995
		558,150	329,741
Non-current			
Property and equipment	5	2,338,271	2,445,415
Right-of-use assets	6	19,142	23,053
Receivables		34,051	32,558
Investment in a joint venture		7,063	6,373
Other assets		65,478	47,073
		2,464,005	2,554,472
		\$ 3,022,155	\$ 2,884,213
LIABILITIES			
Current			
Trade and other payables		\$ 132,085	\$ 164,196
Current portions of long-term bonds and lease liabilities	7(a) and 9	21,312	20,060
Provisions	10	3,853	8,570
Other employee liabilities	11	13,944	10,882
Deferred revenue		5,661	5,661
		176,855	209,369
Non-current			
Long-term bonds	9	2,849,450	2,468,784
Lease liabilities	7 a)	23,464	26,223
Pension benefit liability	11	25,996	52,868
Deferred revenue		34,175	39,836
Deferred Transport Canada rent	7 a)	24,816	-
Deferred tax liabilities	12	215	85
		2,958,116	2,587,796
Commitments	18		
		(112,816)	87,048
		\$ 3,022,155	\$ 2,884,213

See accompanying notes to consolidated financial statements.

On behalf of the Board of Directors, these consolidated financial statements have been approved on March 17, 2022.



DANIELLE LABERGE, Director



ALAIN CÔTÉ, Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

(In thousands of Canadian dollars)

Year ended December 31, 2021,
with comparative information for 2020

	Note	2021	2020
REVENUES			
Aeronautical activities		\$ 94,844	\$ 91,226
Airport improvement fees ("AIF")	14	67,104	61,318
Parking and ground transportation		27,503	37,664
Concessions		35,665	43,846
Real estate		51,880	46,565
Other income		749	1,541
	13	277,745	282,160
EXPENSES			
Salaries and benefits	11	52,432	46,536
Operating expenses		98,453	112,082
Pandemic-related costs	21	-	39,866
Payments in lieu of municipal taxes		37,964	38,178
Transport Canada rent	7(a)	25,291	4,718
Depreciation and impairment of property and equipment and right-of-use assets		162,569	171,859
		376,709	413,239
Financial expenses	13	136,732	107,153
Financial income	13	(3,874)	(3,777)
		132,858	103,376
		509,567	516,615
Deficiency of revenues over expenses before equity pickup and income taxes		(231,822)	(234,455)
Share in the results of a joint venture net of income taxes		996	524
Income taxes	12	7	(63)
DEFICIENCY OF REVENUES OVER EXPENSES		\$ (230,819)	\$ (233,994)
Other comprehensive income (loss):			
Items that will never be reclassified subsequently to deficiency of revenues over expenses:			
Pension and other employee obligations			
Actuarial gains (losses) of defined benefit pension plans		\$ 29,869	\$ (13,590)
Items that are or may be reclassified to deficiency of revenues over expenses:			
Cash flow hedges			
Reclassification to deficiency of revenues over expenses	13	1,086	1,087
		30,955	(12,503)
COMPREHENSIVE LOSS		\$ (199,864)	\$ (246,497)

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(In thousands of Canadian dollars)

Year ended December 31, 2021,
with comparative information for 2020

	2021	2020
Balance, beginning of year	\$ 87,048	\$ 333,545
Deficiency of revenues over expenses	(230,819)	(233,994)
Other comprehensive income (loss)	30,955	(12,503)
Balance, end of year	\$ (112,816)	\$ 87,048

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands of Canadian dollars)

Year ended December 31, 2021,
with comparative information for 2020

	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficiency of revenues over expenses		\$ (230,819)	\$ (233,994)
Non-cash items:			
Income taxes		(7)	63
Share in the results of a joint venture		(996)	(524)
Gain on subleases		(1,721)	-
Depreciation and impairment of property and equipment and right-of-use assets		162,569	171,859
Amortization of lease incentives		941	937
Change in deferred revenue		(5,661)	(7,684)
Transport Canada rent	7 a)	474	474
Employee pension benefit expense		10,098	10,025
Financial expenses		136,731	107,151
Financial income		(3,874)	(3,777)
		67,735	44,530
Contributions to the pension plan		(7,101)	(7,240)
Income taxes paid		(145)	(242)
Changes in working capital items	15	(526)	(31,813)
		59,963	5,235
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in long-term bonds net of debt issue costs	9	397,331	496,570
Repayment of long-term bonds and of lease liabilities		(20,335)	(17,526)
Restricted cash		(423)	(189)
Deferred rent		24,816	-
Interest paid		(132,748)	(115,949)
		268,641	362,906
CASH FLOWS USED IN INVESTING ACTIVITIES			
Distributions from a joint venture		220	-
Other non-current assets		(3,663)	(14,184)
Government grants	3	20,033	6,110
Acquisition of property and equipment		(109,178)	(302,084)
Proceeds on disposal of property and equipment		-	79
Proceeds from finance lease receivable		(74)	(99)
Interest received		2,632	3,441
		(90,030)	(306,737)
Net increase in cash and cash equivalents		238,574	61,404
Cash and cash equivalents, beginning of year		179,366	117,962
CASH AND CASH EQUIVALENTS, END OF YEAR		\$ 417,940	\$ 179,366

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of Canadian dollars)

Year ended December 31, 2021

Aéroports de Montréal (“ADM”) was incorporated, without share capital, under Part II of the Canada Corporations Act on November 21, 1989 and continued on May 23, 2014 under the *Canada Not-for-profit Corporations Act*. The registered address and principal place of business is 800 Leigh-Capreol Place, Suite 1000, Dorval, Québec, H4Y 0A5, Canada.

ADM (the “Corporation”) is responsible for the management, operation and development of YUL, the Montréal-Trudeau International Airport and of YMX, the International Aerocity of Mirabel.

In the perspective of sustainable development, the Corporation’s mission is to:

- Connect Montréal to the world through the talent and passion of its teams;
- Offer a remarkable, safe and efficient experience while ensuring sustainable development and the enhancement of its facilities;
- Contribute to the prosperity of the community by embodying the vitality of Greater Montréal.

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used to prepare the consolidated financial statements are summarized below.

A) Statement of compliance

These consolidated financial statements have been prepared using accounting policies in accordance with International Financial Reporting Standards (“IFRS”) as at December 31, 2021. Certain comparative information has been reclassified to conform to the current-year presentation.

The consolidated financial statements were authorized for issue by the Board of Directors on March 17, 2022.

B) Going concern basis of accounting

The COVID-19 pandemic and the measures adopted globally by governments around the world to mitigate the spread of the COVID-19 virus continue to significantly impact the Corporation. For the year ended December 31, 2021, the Corporation recorded a deficiency of revenues over expenses of \$230,819 (2020 - \$233,994). Although the level of activity gradually returned during the second semester of 2021, it is still difficult to predict when passenger traffic will experience a sustained recovery. At the date of the consolidated statement of net assets and based on its current liquidity position and its estimated needs for the upcoming year, the Corporation expects to have enough cash flow to meet its financial obligations regardless of the context. Consequently, these consolidated financial statements have been prepared on a going concern basis and do not include any adjustments to the carrying amounts or classification of the Corporation’s assets and liabilities.

C) Basis of presentation

These consolidated financial statements are prepared using the historical cost method, except for certain financial instruments which are measured at fair value and for the pension benefit liability and other employee benefits, which are measured as described in the accounting policy for “Post-employment benefits”. The historical cost is usually the fair value of the consideration given to acquire assets.

The consolidated financial statements are expressed in Canadian dollars rounded to the nearest thousand.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

D) Principles of consolidation

Subsidiary

These consolidated financial statements include the accounts of ADM and its wholly owned subsidiary, Aéroports de Montréal Capital Inc. (“ADMC”). A corporation controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The financial statements of a subsidiary are included in the consolidated financial statements from the date the control is obtained until the date that control ceases.

ADMC acts as an investment or financing partner or as an advisor in projects related directly or indirectly to airport management.

All intercompany accounts and transactions have been eliminated upon consolidation.

Investment in a joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in joint ventures are accounted for using the equity method. The initial investment is recorded at cost and the carrying amount is adjusted to recognize the Corporation’s share of the profit or loss and comprehensive income (loss) of its joint venture.

ADMC’s wholly owned subsidiary, Investissements Cargo C&F Mirabel Inc., has a 40% equity interest in Mirabel Cargo LP, an entity responsible for the development and management of rental properties in YMX.

All accounts and transactions with its joint venture have been eliminated to the extent of the Corporation’s interest in the entity.

E) Financial instruments

The Corporation initially recognizes financial assets on the trade date at which the Corporation becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes transaction costs that are directly attributable to the asset’s acquisition or origination. On initial recognition, the Corporation classifies its financial assets as subsequently measured at either amortized cost or fair value, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The classification of the Corporation’s financial instruments is presented in the following table:

Class	Financial instrument
Financial assets at amortized cost	Cash and cash equivalents
	Restricted cash
	Trade and other receivables
Financial liabilities at amortized cost	Trade and other payables
	Long-term bonds

Financial assets measured at amortized cost

After the initial recognition, non-derivative financial assets are subsequently measured at amortized cost using the effective interest rate method, less any impairment loss, if the following conditions are met:

- The assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows;
- The contractual terms of the financial assets give rise, on specified dates, to cash flows that are solely payments of principal and/or interest.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

E) Financial instruments (continued)

Impairment of financial assets

The Corporation uses the “expected credit loss” model for calculating impairment and recognizes expected credit losses as a loss allowance in the consolidated statement of net assets if they relate to a financial asset measured at amortized cost. The Corporation’s trade and other receivables, typically short-term receivables with payments received within a 12-month period, do not have a significant financing component.

Therefore, the Corporation recognizes impairment and measures expected credit losses as lifetime expected credit losses. The carrying amount of these assets in the consolidated statement of net assets is stated net of any loss allowance. Impairment of trade and other receivables is presented within “Other operating expenses” in the consolidated statement of comprehensive income (loss).

Financial assets measured at fair value

These assets are measured at fair value and changes therein, including any interest or dividend income, are recognized in the consolidated statement of comprehensive income (loss). The Corporation currently does not hold any financial assets measured at fair value.

The Corporation derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial liabilities measured at amortized cost

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest-related charges are reported in the consolidated statement of comprehensive income (loss) within “Financial expenses”.

The Corporation derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Derivatives

The Corporation manages its exposure to interest rate volatility through its regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. All derivatives are recorded at fair value either as assets or liabilities. The effective portion of the change in fair value arising from derivative financial instruments designated as cash flow hedges is recorded in other comprehensive income (loss) and any ineffective portion of change in fair value is reclassified immediately to excess of revenues over expenses. The effective portion of the hedge is then recognized in excess of revenues over expenses over the same period as the related underlying.

Fair value of financial instruments

Financial instruments measured at fair value use the following fair value hierarchy and valuation techniques to categorize them into different levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized at different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety at the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Corporation recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

F) Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term highly liquid investments that can be converted into known amounts of cash and which are subject to an insignificant risk of changes in value. Also, their term to maturity is three months or less from the date of acquisition. Interest income on these assets is included in “Financial income”.

G) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined according to the average cost method for replacement parts and according to the first in, first out method for bulk inventories.

H) Government grants

Government grants related to the construction of property and equipment are recognized when there is reasonable assurance that the Corporation will comply with the conditions required by the grants, and that the grants will be received. Grants are recognized as a deduction of property and equipment, and depreciation expense is calculated on the net amount over the useful life of the related asset.

Government grants that compensate for specific expenses incurred are recorded in the consolidated statement of comprehensive income (loss) net of the related costs.

Income related grants are recorded in “Other income” in the consolidated statement of comprehensive income (loss).

I) Property and equipment

Property and equipment are measured at cost less subsequent depreciation and impairment losses. The cost includes expenses that are directly attributable to the acquisition or construction of the asset, and the costs of dismantling and removing the asset, and restoring the site on which it is located.

Under the terms of the long-term lease (“Ground Lease”) entered into with Transport Canada, all properties acquired by the Corporation in the vicinity of the airport and outside of the perimeter of the demised premises, and that are used for competing activities, require the consent of the Minister of Transport, at his own conditions, including the sale of these properties in favour of Her Majesty for a nominal amount and their transfer into the demised premises of the Ground Lease. The acquisition cost of such transferred land is accounted for as property and equipment under “Land” and amortized using the straight-line method over the remaining term of the lease with Transport Canada.

This expense is recognized under “Transport Canada rent” in the consolidated statement of comprehensive income (loss) (Note 7(a)).

Construction-in-progress projects are transferred to the appropriate category of property and equipment only when they are available for use (which corresponds to the moment when they are in the location and condition necessary for them to be capable of operating in the manner intended by management), or are written off when, due to changed circumstances, management does not expect the project to be completed. The cost of a

self-constructed item of property or equipment includes the cost of materials, direct labour, and any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized to the cost of such asset until they are ready for their intended use. Capitalization of borrowing costs is suspended during extended periods in which the Corporation suspends active development of qualifying assets, and it ceases when substantially all the activities necessary to prepare qualifying assets for their intended use are complete. For generally borrowed funds used for the purpose of obtaining a qualifying asset, the capitalization rate used is the weighted average cost of capital of outstanding loans during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

Buildings and leasehold improvements include leased assets under finance leases, which are comprised of office spaces, as well as property and equipment for which the licensing rights were awarded to a third party under operating leases.

Software that is an integral part of the related hardware is capitalized to the cost of computer equipment and included in property and equipment.

Normal repairs and maintenance are expensed as incurred. Expenditures comprising enhancements to the assets by way of change in capacity or extension of useful life are capitalized.

Each component of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately when its useful life is different.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

I) Property and equipment (continued)

The carrying amount of an item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use. The gain or loss arising from derecognition of an item of property and equipment (determined as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated statement of comprehensive income (loss) when the item is derecognized.

Each item of property and equipment is amortized over its estimated useful life or over the term of the related lease, if shorter, using the straight-line method as follows:

Asset	Period
Buildings and leasehold improvements	4–50 years
Civil infrastructures	4–40 years
Furniture and equipment	3–30 years
Technological and electronic equipment	2–20 years
Vehicles	3–15 years

Residual values, useful lives and depreciation methods are reviewed at each reporting period and adjusted for prospectively, if appropriate.

J) Leases

The Corporation as lessor

As a lessor the Corporation classifies its leases as either operating or finance leases.

A lease is classified as a finance lease when it transfers to the lessee substantially all the risks and rewards related to the ownership of the leased asset. All other leases are classified as operating leases.

The amount receivable from the lessee in accordance with a finance lease is recognized at an amount equal to the present value of the rent payments unpaid at that date.

Finance lease income is recognized over the lease term within “Financial income”, to reflect a constant periodic rate of return on the Corporation’s net investment in the lease.

Lease income from operating leases is recognized in income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging an operating lease and lease incentives that are incurred in the initial lease of an asset are capitalized within “Property and equipment”. They are both amortized on a straight-line basis over the term of the related lease and recorded as a reduction of the related revenues.

Variable rents arising from a finance or an operating lease are recognized as rental income when the amount can be estimated reliably, and collectability is considered likely. Any differences arising subsequent to initial recognition of contingent rent are recognized in the consolidated statement of comprehensive income (loss).

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

J) Leases (continued)

The Corporation as lessee

At inception date, the Corporation considers whether a contract is or contains a lease. A lease is a contract, or part of a contract, that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A contract conveys the right to control an identified asset if:

- The identified asset is usually explicitly identified in the contract or implicitly specified by being made available to the Corporation. If the supplier has a substantive substitution right, then the asset is not identified;
- The Corporation has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- The Corporation has the right to direct the use of the identified asset throughout the period by having the decision-making rights on how and for what purpose the asset is used without the supplier changing those operating instructions.

At inception date, the Corporation recognizes a right-of-use asset and a lease liability on the consolidated statement of net assets. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any lease payments made at the commencement date or in advance, net of any incentives received, any initial direct costs incurred and an estimate of any costs to dismantle and remove the asset at the end of the lease.

Right-of-use assets are amortized over the estimated useful life of the underlying asset or the lease term, if shorter, using the straight-line method.

The Corporation assesses the right-of-use asset for impairment when events or changes in circumstances indicate so.

At inception date, the Corporation measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available. If not, the Corporation uses its incremental borrowing rate, which is the rate of interest that the Corporation would have to pay to borrow the funds to obtain an asset of similar value and over a similar term.

Lease payments included in the measurement of the lease liability comprise fixed payments less any lease incentives receivable for the right to use the underlying asset during the lease term that are not paid at the commencement date, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee, payments arising from options reasonably certain to be exercised and penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to initial measurement, the lease liability will be increased to reflect interest and reduced to reflect lease payments made. The Corporation remeasures the lease liability to reflect any reassessment or modification of the lease. The corresponding adjustment is reflected in the right-of-use asset, or in the consolidated statement of comprehensive income (loss) if the right-of-use is already reduced to zero.

The Corporation has elected to exclude short-term leases (whose term is under 12 months) and lease contracts for which the underlying asset has a low value (under \$5). Payments in relation to these are recognized as an expense in the period incurred in the consolidated statement of comprehensive income (loss).

Operating and maintenance costs related to a lease contract, excluding those related to technological and electronic equipment, are recognized as an expense in the period incurred under "Other operating expenses".

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

J) Leases (continued)

The Corporation as an intermediate lessor

In sublease arrangements where the Corporation is the intermediate lessor, it determines whether the sublease is a finance or an operating sublease by reference to the right-of-use asset. A sublease is a finance sublease if substantially all of the risks and rewards of the head lease right-of-use asset have been transferred to the sub-lessee and the Corporation accounts for the sublease as two separate contracts. The Company derecognizes the right-of-use asset corresponding to the head lease and records a net investment in the finance sublease with corresponding interest income recognized in "Financial income" in the consolidated statement of comprehensive income (loss) and a net investment receivable recognized in other receivables in the consolidated statement of net assets.

K) Impairment of assets

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows, cash-generating units ("CGU"). CGUs are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value in use. To determine the value in use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash

flows. The data used for impairment testing procedures are directly linked to the Corporation's latest approved budget and strategic plan, adjusted as necessary to exclude asset enhancements, but include asset maintenance programs. Discount factors are determined individually for each cash-generating unit and reflect their respective risk profiles as assessed by management.

L) Provisions, contingent assets and contingent liabilities

Provisions

Provisions are recognized when the Corporation has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of economic resources will be required to settle the obligation, and when the amount can be reliably estimated. Provisions are measured at the present value of the expenditures expected when the time value of money is significant. Provisions are not recognized for future operating losses.

The increase in the provision associated with the passage of time is recognized as a financial expense.

Site restoration obligation

The Corporation recognizes a site restoration obligation based on the present value of the estimated non-recoverable costs.

Contingent assets and contingent liabilities

Possible inflows of economic benefits to the Corporation that do not yet meet the recognition criteria of an asset are considered contingent assets.

The Corporation does not recognize any liabilities where the outflow of economic resources, as a result of present obligations, is considered improbable or remote.

M) Income taxes

Under the agreement with the Government of Québec, dated July 29, 1992, and pursuant to the Federal Airports Disposal Act, dated June 23, 1992, the Corporation, excluding its subsidiaries and its investments in joint ventures, is exempt from income taxes relating to its airports' activities.

Current taxes

Current income tax is the estimated amount payable on taxable income or fiscal loss for the reporting period and is calculated based on tax rates that have been enacted or substantively enacted by the end of the reporting period. It also takes into account prior period adjustments.

Deferred taxes

Deferred income tax assets and liabilities are determined according to differences between the carrying amounts and tax bases of assets and liabilities. They are measured by applying enacted or substantively enacted tax rates and laws that are expected to apply to their respective period of realization. Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income.

Deferred tax assets and liabilities are offset only when the Corporation has a right and intention to set off current tax assets and liabilities from the same taxation authority.

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

N) Municipal taxes

The Corporation is also exempt from the provincial *Act respecting Municipal Taxation*. However, by virtue of a contract with Public Services and Procurement Canada, payments in lieu of municipal taxes are paid under the *Municipal Grants Act*.

O) Short-term employee obligations

Short-term employee obligations, including vacation entitlement, are current liabilities included in “Other employee liabilities” measured at the undiscounted amount that the Corporation expects to pay as a result of the unused entitlement.

P) Post-employment benefits

The Corporation provides post-employment benefits through a pension plan registered under federal jurisdiction which has two components: defined contribution and defined benefit based on final salary. The defined contribution component of the plan is offered to all new employees hired.

Under the defined contribution component, the Corporation pays fixed contributions to an independent entity. The Corporation has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution. Contributions to the plan are recognized as an expense in the period in which the employee rendered services.

Under the defined benefit component, the amount of pension benefit that a participating employee will receive on retirement is determined by reference to length of service and expected average final earnings. The legal obligation for any benefits remains with the Corporation, even if plan assets for funding the defined benefit component have been set aside.

The Corporation also provides a supplemental defined benefit pension plan for designated officers hired prior to April 1, 2017. For designated officers hired as of April 1, 2017, the Corporation provides a supplemental defined contribution pension plan. The benefits paid are in accordance with applicable laws and the provisions of the plans. The defined benefit and the defined contribution supplemental pension plans are secured by letters of credit.

The liability related to the defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The liability related to the defined contribution supplemental plan is the fair value of the obligation at the reporting date. The liability related to these pension plans is accounted for under “Pension benefit liability” in the consolidated statement of net assets.

Management estimates the defined benefit obligation annually with the assistance of independent actuaries. The estimate of its post-retirement benefit obligation is determined using the projected unit credit method and is charged to consolidated comprehensive income (loss) as services are provided by the employees. The calculations consider management’s best estimate of the salary escalations, retirement ages of employees and expected

retirement benefits. The discount rate is determined by reference to high-quality corporate bonds that have terms to maturity approximating the terms of the related pension obligation.

Actuarial gains and losses arise from the difference between actuarial assumptions and plan experience and from changes in actuarial assumptions used to determine the defined benefit obligation. All actuarial gains and losses relating to defined benefit plans are recognized in the period in which they occur in other comprehensive income (loss). Past service costs are recognized immediately in excess of revenues over expenses.

Net interest expense related to the pension obligation and all other post-employment benefit expenses are included in “Salaries and benefits” in the consolidated statement of comprehensive income (loss).

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Q) Revenue recognition

The Corporation's principal sources of revenues are comprised of revenue from aeronautical activities, AIF, parking and ground transportation, concessions, real estate activities as well as other income.

A performance obligation is a contractual promise to transfer a good or service to a customer. The transaction price is the amount agreed upon in a contract, including an estimate of variable consideration to the extent that it is highly probable that a significant reversal will not subsequently occur. Variable consideration is usually derived from incentives such as discounts and rebates. The Corporation recognizes revenue when, or as, the customer obtains control of the goods or services.

Aeronautical activities

Revenues from aeronautical activities, which generally consist of landing and terminal fees, primarily received from airline companies, are recognized when the facilities are utilized.

Aeronautical activities also include deferred revenue, which is recognized on a straight-line basis over the term of the corresponding licence agreements or when services are rendered. Deferred revenue is comprised of revenue related to licence fees of certain assets stemming from agreements entered with third parties and upfront payments for services to be rendered the following year.

Airport Improvement Fees

Revenues from AIF are recognized when departing passengers board the aircraft using information from air

carriers obtained after boarding has occurred. Under an agreement with the airlines, AIF are collected by the airlines and are included in the price of a plane ticket. They are paid to the Corporation, net of airline collection fees.

Parking and ground transportation

Revenues from parking and ground transportation are recognized when the facilities are used or under the straight-line method over the term of the respective agreements.

Concessions

Concession rental payments are calculated based on the greater of the agreed-upon percentages of reported concessionaire sales and specified minimum rentals. Minimum rentals are recognized under the straight-line method over the term of the respective leases, and concession rental payments based on sales are recognized when tenants reach the agreed-upon objectives.

Real estate

Real estate revenues are recognized under the straight-line method over the terms of the respective leases.

Other income

Other income includes income from other operations and is recognized as the performance obligation is satisfied.

R) Financial expenses and income

Financial expenses include interest expense on long-term bonds and finance lease liabilities, amortization of debt issue expenses as well as the reclassification of the net change in fair value arising from derivative financial instruments designated as cash flow hedges previously recorded in other comprehensive income (loss). Borrowing costs that are not directly attributable to the acquisition,

construction or production of a qualifying asset are recognized in the consolidated statement of comprehensive income (loss) using the effective interest rate method.

Financial income comprises interest income from invested funds and from finance leases. Accrued interest income is recognized in the consolidated statement of comprehensive income (loss) when earned, using the effective interest rate method.

S) Environmental costs

The Corporation expenses recurring costs associated with managing hazardous substances in ongoing operations as incurred.

T) Foreign currency translation

The consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Corporation.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the respective date of the transaction.

Monetary items in foreign currency are translated into Canadian dollars at the closing rate at the reporting date.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction and are not remeasured.

Foreign exchange gains or losses are recognized in the consolidated statement of comprehensive income (loss) in the period in which they occur.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

U) Estimation uncertainty

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies as well as the reported amounts of assets, liabilities, the disclosure of contingent assets and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. These estimates and assumptions are based on historical experience, future expectations as well as other relevant factors that are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, and any future periods affected. Actual results may differ from these estimates.

The following are the most important accounting policies subject to such judgments and the key sources of estimation uncertainty that the Corporation believes could have the most significant impact on the results and financial position.

Key sources of estimation uncertainty

Asset impairment

The Corporation must assess the possibility that the carrying amounts of tangible assets may not be recoverable. Impairment testing is performed whenever there is an indication of impairment. Significant management estimates are required to determine the recoverable amount of the CGU, including estimates of fair value, selling costs or the discounted future cash flows related to the CGU. Differences in estimates could affect whether tangible assets are in fact impaired and the dollar amount of that impairment.

Airport improvement fees

AIF are recognized when departing passengers board the aircraft using information from air carriers obtained after the boarding has occurred. Therefore, management estimates AIF using information obtained from carriers, if available, as well as their knowledge of the market, economic conditions and historical experience.

Loss allowance

The Corporation makes an assessment as to whether accounts receivable are collectable, based on an expected credit loss model which factors in changes in credit quality since the initial recognition of trade accounts receivable based on customer risk categories. Credit quality is assessed by taking into account the financial condition and payment history of the Corporation's customers, and other factors. Furthermore, these estimates must be continuously evaluated and updated. The Corporation is not able to predict changes in the financial condition of its customers, and if circumstances related to its customers' financial condition deteriorate, the estimates of the recoverability of trade accounts receivable could be materially affected and the Corporation could be required to record additional allowances. Alternatively, if the Corporation provides more allowances than needed, a reversal of a portion of such allowances in future periods may be required based on actual collection experience.

Defined benefit obligation

Management estimates the defined benefit obligation annually with the assistance of independent actuaries; however, the actual outcome may vary due to estimation uncertainties. The estimate of the Corporation's defined benefit obligation is based on management's best estimate of the discount rate, salary escalations, retirement ages of employees and expected retirement benefits. The discount

rate is determined by reference to high-quality corporate bonds that have terms to maturity approximating the terms of the related pension obligation.

Judgments made in relation to applied accounting policies

Leases

As a lessor, the Corporation's assessment of lease transactions is not always conclusive, and management uses its judgment in determining whether the lease is a finance lease arrangement that transfers substantially all the risks and rewards incidental to ownership to the lessee.

As a lessee, the Corporation uses its judgment to assess if a contract contains or is a lease. Leases that are recognized are subject to further estimation and judgments in various areas specific to the arrangement.

When a lease contract includes renewal or termination options, management must use their best estimate to determine the lease term by considering all facts and circumstances to determine if there is an economic benefit to exercise an extension option or to not exercise a termination option. The Corporation reassesses if it is reasonably certain that it will exercise the options when a significant event or change in circumstances occurs that has an impact on the initial assessment.

Lease liabilities are reviewed when a significant event or change in circumstances occurs.

COVID-19 pandemic

The COVID-19 pandemic and, consequently, the different travel restrictions and intermittent sanitary measures adopted by Canada and by governments around the world have, and could continue to have, a significant negative impact on global travel demand.

2. RESTRICTED CASH

Under the terms of the master trust indenture and the Series N supplemental indenture, the Corporation is required to maintain a debt service reserve fund in the form of cash, investment or letter of credit to cover the principal and interest payments to be made on the long-term bonds in the upcoming six-month period, amounting to \$75,116 (2020 - \$67,816). As at December 31, 2021, \$56,492 (2020 - \$56,069) was held as restricted cash and \$18,657 (2020 - \$11,775) was issued as letters of credit.

3. GOVERNMENT GRANTS

The Corporation continues to take advantage of the Canada Emergency Wage Subsidy program (“CEWS”) for a second year in a row and is now eligible for the Tourism and Hospitality Recovery Program (“THR”). These programs help support employers that have been affected by the COVID-19 pandemic. The Corporation recorded a total gross amount of \$15,688 (2020 - \$15,574) under the CEWS and THR programs in “Salaries and benefits” in the consolidated statement of comprehensive income (loss). As at December 31, 2021, an amount of \$3,122 (2020 - \$6,517) was included in “Government grants receivable” in the consolidated statement of net assets.

During the year, the Corporation benefited from various subsidies to cover operating expenses related to certain requirements imposed by the federal government for travellers transiting through Canadian airports. An amount of \$64,624 was recorded in the consolidated statement of comprehensive income (loss) net of the related costs. Of this sum, \$13,443 is still receivable as at December 31, 2021.

The Corporation also received funding from the Canadian Air Transport Security Authority and from Transport Canada, namely via the National Trade Corridors Fund, for the financing of certain infrastructures. Acquisitions were reduced by \$14,203 (2020 - \$16,868), of which an amount of \$12,446 (2020 - \$18,366) is still receivable from those entities.

Finally, in July 2021, Transport Canada agreed to contribute \$100,000 towards the construction of the Réseau express métropolitain (“REM”) station at Montréal-Trudeau through the Airport Critical Infrastructure Program. As at December 31, 2021, a contribution of \$5,339 was recorded against the REM station project and is also included in “Government grants receivable” in the consolidated statement of net assets.

4. TRADE AND OTHER RECEIVABLES

	2021	2020
Trade accounts receivable	\$ 13,185	\$ 17,913
Loss allowance	(496)	(1,418)
	\$ 12,689	\$ 16,495
AIF, landing and terminal charges	\$ 15,115	\$ 4,450
Concession revenues	2,057	905
Recoverable consumption taxes	-	8,711
Insurance premiums	460	1,885
Other	270	234
	\$ 17,902	\$ 16,185
	\$ 30,591	\$ 32,680

5. PROPERTY AND EQUIPMENT
2021

	Land	Buildings and leasehold improvements	Civil infrastructures	Furniture and equipment	Technological and electronic equipment	Vehicles	Construction projects in progress	Total
Cost								
Beginning balance	\$ 41,241	\$ 2,201,107	\$ 1,069,867	\$ 368,344	\$ 229,565	\$ 78,461	\$ 280,731	\$ 4,269,316
Acquisitions	-	15,729	26,926	3,947	6,302	11,282	46,018	110,204
Transfers and others	-	-	-	-	-	-	(58,320)	(58,320)
Disposals and write-offs	-	(12,406)	-	-	(322)	(440)	-	(13,168)
Ending balance	41,241	2,204,430	1,096,793	372,291	235,545	89,303	268,429	4,308,032
Depreciation and impairment								
Beginning balance	1,225	936,348	449,625	225,129	167,946	43,628	-	1,823,901
Depreciation	474	76,371	45,631	12,526	17,473	6,378	-	158,853
Disposals and write-offs	-	(12,406)	-	-	(147)	(440)	-	(12,993)
Ending balance	1,699	1,000,313	495,256	237,655	185,272	49,566	-	1,969,761
Net carrying value	\$ 39,542	\$ 1,204,117	\$ 601,537	\$ 134,636	\$ 50,273	\$ 39,737	\$ 268,429	\$ 2,338,271

2020

	Land	Buildings and leasehold improvements	Civil infrastructures	Furniture and equipment	Technological and electronic equipment	Vehicles	Construction projects in progress	Total
Cost								
Beginning balance	\$ 32,905	\$ 1,969,919	\$ 1,034,724	\$ 357,817	\$ 213,986	\$ 73,121	\$ 346,727	\$ 4,029,199
Acquisitions	8,336	231,200	35,143	10,527	15,579	13,137	194,621	508,543
Transfers and others	-	-	-	-	-	(6,923)	(260,617)	(267,540)
Disposals and write-offs	-	(12)	-	-	-	(874)	-	(886)
Ending balance	41,241	2,201,107	1,069,867	368,344	229,565	78,461	280,731	4,269,316
Depreciation and impairment								
Beginning balance	751	850,207	405,716	212,969	147,446	38,120	-	1,655,209
Depreciation	474	86,144	43,909	12,160	20,500	6,312	-	169,499
Transfers and others	-	-	-	-	-	(770)	-	(770)
Disposals and write-offs	-	(3)	-	-	-	(34)	-	(37)
Ending balance	1,225	936,348	449,625	225,129	167,946	43,628	-	1,823,901
Net carrying value	\$ 40,016	\$ 1,264,759	\$ 620,242	\$ 143,215	\$ 61,619	\$ 34,833	\$ 280,731	\$ 2,445,415

Also included in buildings and leasehold improvements are assets leased by the Corporation to third parties under operating leases with cost and accumulated depreciation of \$135,167 and \$70,745, respectively (2020 - \$134,670 and \$66,322 respectively).

6. RIGHT-OF-USE ASSETS

2021					
	Land	Buildings and leasehold improvements	Technological and electronic equipment	Vehicles	Total
Cost					
Beginning balance	\$ 671	\$ 26,357	\$ 8,357	\$ 3,476	\$ 38,861
Acquisitions	-	-	612	-	612
Disposals and write-offs	-	-	-	(393)	(393)
Ending balance	671	26,357	8,969	3,083	39,080
Depreciation					
Beginning balance	54	10,254	2,931	2,569	15,808
Depreciation	34	1,568	2,194	727	4,523
Disposals and write-offs	-	-	-	(393)	(393)
Ending balance	88	11,822	5,125	2,903	19,938
Net carrying value	\$ 583	\$ 14,535	\$ 3,844	\$ 180	\$ 19,142
2020					
	Land	Buildings and leasehold improvements	Technological and electronic equipment	Vehicles	Total
Cost					
Beginning balance	\$ 671	\$ 26,357	\$ 2,363	\$ 2,042	\$ 31,433
Acquisitions	-	-	5,994	1,434	7,428
Ending balance	671	26,357	8,357	3,476	38,861
Depreciation					
Beginning balance	20	8,686	1,671	1,811	12,188
Depreciation	34	1,568	1,260	758	3,620
Ending balance	54	10,254	2,931	2,569	15,808
Net carrying value	\$ 617	\$ 16,103	\$ 5,426	\$ 907	\$ 23,053

Right-of-use assets include leases with remaining terms of up to 20 years and possible renewal options for additional periods ranging from 1 to 20 years.

7. LEASES

A) The Corporation as lessee

Ground Lease with Transport Canada

The airport facilities are leased under a long-term lease entered into on July 31, 1992 with Transport Canada (Note 1(j)). As of August 1, 1992, the Corporation assumed the expenditure contracts and became the beneficiary of the revenue contracts in effect at that time. The Ground Lease is for a fixed term of 60 years and can be terminated only in the event of default. In 2012, the Corporation exercised its option to renew the lease for an additional 20 years, thus until July 31, 2072. The Ground Lease was negotiated on an “absolute net” basis, allowing the Corporation peaceful possession of the leased premises.

The Corporation assumes full responsibility for the operation and development of the leased premises, including maintenance and renewal of assets, in order to maintain an integrated airport system in conformity with the standards applicable to a “Major International Airport”.

During the term of the lease, Transport Canada has agreed not to operate any international or transborder airport within a radius of 75 kilometres of the Corporation’s airports.

Transport Canada has agreed to assume the cost of any work ordered through a government notice and relating to the presence of hazardous substances affecting the soil, subterranean water or groundwater or buildings erected on the premises where such substances were present on the takeover date. An environmental audit carried out prior to the takeover constitutes prima facie evidence of the condition of the premises.

Ground rent is calculated as a percentage of revenues using a sliding scale percentage of airport revenues, as defined in the long-term lease between Transport Canada and the Corporation, according to the following ranges:

Airport revenue	Percentage
Less than or equal to \$5,000	-
\$5,001 to \$10,000	1%
\$10,001 to \$25,000	5%
\$25,001 to \$100,000	8%
\$100,001 to \$250,000	10%
Exceeding \$250,000	12%

Furthermore, rent to Transport Canada includes depreciation of land transferred to Her Majesty as described in Note 1(i).

Since the rent is calculated based on airport revenues, “Transport Canada rent” expense in the consolidated statement of comprehensive income (loss) is considered a variable rent.

In the context of the COVID-19 pandemic, the federal government announced the deferral of the 2021 rent payment of \$24,816. It will be payable in equal payments over a ten-year period beginning in 2024.

Other leases

The Corporation enters into leases and service contracts with embedded leases for real estate, technological equipment and vehicles. Leases with a variable rent that are not based on a rate or an index, short-term leases and leases of low-value underlying assets are not reflected on the consolidated statement of net assets.

The aggregate amounts of principal payments required for the next five reporting periods and thereafter are as follows (see additional information in Note 15):

Minimum payments due	2021	2020
Within 1 year	\$ 3,096	\$ 3,830
1 to 5 years	6,888	8,319
After 5 years	16,576	17,904
	\$ 26,560	\$ 30,053

7. LEASES (continued)

B) The Corporation as lessor

The Corporation leases out, under operating leases, real estate. Many leases include renewal options, in which case they are subject to market price revisions. The lessee does not have the option to acquire the leased assets at the end of the lease. Variable rents amount to \$10,619 (2020 - \$8,135) and represent the difference between the agreed-upon percentages of reported sales and specified minimum rental payments.

Future minimum lease income from non-cancellable leases are as follows:

Minimum lease income	2021	2020
Within 1 year	\$ 78,451	\$ 64,225
1 to 5 years	310,666	254,194
After 5 years	747,826	716,125
	\$ 1,136,943	\$ 1,034,544

The Corporation subleases certain parcels of land on the airport territory to third parties. Subleases that have a contract term that covers most of the remaining term of the Corporation's head lease with Transport Canada are accounted for as finance leases.

The undiscounted lease payments to be received are as follows:

	2021	2020
Within 1 year	\$ 1,168	\$ 1,093
1 to 5 years	4,906	4,622
More than 5 years	72,423	70,004
Undiscounted lease payments receivable	78,497	75,719
Unearned finance income	(45,299)	(44,317)
Net investment in finance leases	\$ 33,198	\$ 31,402

The net investment in finance leases is included in current and non-current assets in the consolidated statement of net assets.

8. CREDIT FACILITIES

A) The Corporation has an available \$250,000 credit facility for general use (2020 - \$150,000) from a Canadian banking consortium, of which \$150,000 expires on April 4, 2025 and \$100,000 on May 4, 2023. This credit facility is secured by a bond issued pursuant to the terms of the trust indenture described in Note 9.

The Corporation has the option to draw on the general credit facility at a variable interest rate based on prime rate or at a fixed interest rate based on the banker's acceptance rate plus a premium of 80 basis points (2020 - 70 basis points). Standby fees are calculated at an annual rate of 16 basis points (2020 - 14 basis points) on the unused portion of this credit facility.

A portion of this credit facility was used to issue letters of credit totalling \$22,614 (2020 - \$30,189). These letters of credit are subject to the same terms and conditions as the general credit facility.

In addition, an amount of \$36,972 (2020 - \$38,958) of this credit facility is restricted for the operating and maintenance contingency fund under the master trust indenture (Note 9).

B) As part of the financing of the construction of the REM station at Montréal-Trudeau, Investissement Québec granted the Corporation a \$100,000 five-year senior subordinated credit facility at a rate equivalent to that of a senior secured debt of the Corporation with a term to maturity of five years. The rate will be set and the term will take effect at the first draw-down date. The Corporation may prepay the loan, in whole or in part, without penalty in accordance with the terms of the agreement. As at December 31, 2021, no amount has been drawn on this credit facility.

Furthermore, the Canada Infrastructure Bank will also make available to the Corporation two tranches (A and B), up to \$150,000 each, in the form of a non-revolving senior subordinated credit facility. Tranche A will bear interest at a rate of 2.142% and mature on July 26, 2031. Tranche B, maturing on July 26, 2041, will bear interest at a rate of 2.142% for the first ten years. As of the tenth-year anniversary date and until the end of the term, Tranche B will bear interest at a rate equivalent to that of a senior secured debt of the Corporation, plus 0.75%. The Corporation may prepay the loans, in whole or in part, without penalty in accordance with the terms of the agreement. As at December 31, 2021, no amount has been drawn on this credit facility.

9. LONG-TERM BONDS

	2021	2020
Series B bonds , face value at issuance of \$300,000, coupon and effective interest rates of 6.95% and 7.10%, respectively, interest payable on April 16 and October 16 of each year, beginning October 16, 2002, principal payable on April 16 and October 16 of each year, beginning October 16, 2007 and maturing April 16, 2032	\$ 225,441	\$ 236,632
Series D bonds , face value at issuance of \$200,000, coupon and effective interest rates of 6.55% and 6.87%, respectively, interest payable on April 11 and October 11 of each year, beginning April 11, 2004 and maturing October 11, 2033, with principal due at maturity	194,756	194,483
Series E bonds , face value at issuance of \$150,000, coupon and effective interest rates of 6.61% and 6.98%, respectively, interest payable on April 11 and October 11 of each year, beginning April 11, 2004, principal payable on April 11 and October 11 of each year, beginning April 11, 2009 and maturing October 11, 2033	119,162	123,702
Series G bonds , face value at issuance of \$300,000, coupon and effective interest rates of 5.17% and 5.45%, respectively, interest payable on March 17 and September 17 of each year, beginning March 17, 2006 and maturing September 17, 2035, with principal due at maturity	291,993	291,615
Series H bonds , face value at issuance of \$300,000, coupon and effective interest rates of 5.67% and 5.74%, respectively, interest payable on April 16 and October 16 of each year, beginning April 16, 2008 and maturing October 16, 2037, with principal due at maturity	297,564	297,482
Series J bonds , face value at issuance of \$150,000, coupon and effective interest rates of 5.47% and 5.55%, respectively, interest payable on April 16 and October 16 of each year, beginning October 16, 2010 and maturing April 16, 2040, with principal due at maturity	148,702	148,668
Series K bonds , face value at issuance of \$250,000, coupon and effective interest rates of 3.92% and 3.96%, respectively, interest payable on March 26 and September 26 of each year, beginning September 26, 2012 and maturing September 26, 2042, with principal due at maturity	248,666	248,625
Series M bonds , face value at issuance of \$200,000, coupon and effective interest rates of 3.92% and 3.96% ^(a) , respectively, interest payable on June 12 and December 12 of each year, beginning December 12, 2015 and maturing June 12, 2045, with principal due at maturity	198,791	198,760
Series N bonds , face value at issuance of \$250,000, coupon and effective interest rates of 3.36% and 3.40%, respectively, interest payable on April 24 and October 24 of each year, beginning October 24, 2017 and maturing April 24, 2047, with principal due at maturity	248,435	248,397
Series R bonds , face value at issuance of \$500,000, coupon and effective interest rates of 3.03% and 3.05%, respectively, interest payable on April 21 and October 21 of each year, beginning October 21, 2020 and maturing April 21, 2050, with principal due at maturity	496,764	496,650
Series S bonds , face value at issuance of \$400,000, coupon and effective interest rates of 3.441% and 3.46%, respectively, interest payable on April 26 and October 26 of each year, beginning October 26, 2021 and maturing April 26, 2051, with principal due at maturity	397,392	-
	2,867,666	2,485,014
Current portion of long-term bonds	18,216	16,230
	\$ 2,849,450	\$ 2,468,784

(a) If the loss on the cash flow hedge (derivative financial liability) is considered, the all-inclusive effective interest rate is 4.98%.

9. LONG-TERM BONDS (continued)

The long-term bonds are presented net of related debt issue costs amounting to \$31,043 (2020 - \$29,925).

The Corporation's bonds are secured by a hypothec on the universality of the present and future assets of the Corporation. The master trust indenture, security or any other additional security will not be published or registered at any time against or in respect of any real or immovable property. Until the bonds are repaid in full, the Corporation is required to meet various financial covenants, such as maintaining a gross debt service coverage ratio equal to or greater than 1.25 and a debt service coverage ratio equal to or greater than 1.00. In March 2021, the Corporation obtained consent from its bondholders to amend the master trust indenture relieving it temporarily of its obligations to meet or satisfy certain covenants required by the master trust indenture for the years 2021 and 2022. This temporary waiver was requested due to the persisting uncertainty surrounding the significant decrease in passenger traffic and flight activity as a result of the pandemic.

The bonds are redeemable in whole or in part at any time at the Corporation's option. The redemption price is equal to the greater of the aggregate principal amount remaining unpaid on the bond and the price which will provide a yield to maturity on such bond, equal to the yield to maturity of a Government of Canada bond with a term to maturity, calculated from the redemption date, equal to the average life of the bond to be redeemed plus a premium. This premium is equal to 0.24%, 0.34%, 0.35%, 0.25%, 0.29%, 0.34%, 0.38%, 0.37%, 0.30%, 0.44% and 0.34% per year for Series B, Series D, Series E, Series G, Series H, Series J, Series K, Series M, Series N, Series R and Series S bonds, respectively.

The aggregate amounts of principal payments required for the next five reporting periods and thereafter are as follows:

Minimum payments due	2021	2020
Within 1 year	\$ 18,216	\$ 16,230
1 to 5 years	96,006	86,391
After 5 years	2,784,487	2,412,319
	\$ 2,898,709	\$ 2,514,940

The fair value of the long-term bonds is as follows:

	2021	2020
Series B	\$ 282,142	\$ 315,242
Series D	276,280	295,400
Series E	151,743	167,948
Series G	379,410	405,570
Series H	403,440	433,590
Series J	201,720	216,900
Series K	284,175	307,125
Series M	229,360	249,060
Series N	264,500	288,450
Series R	500,400	549,450
Series S	432,160	-
	\$ 3,405,330	\$ 3,228,735

10. PROVISIONS

	Site restoration obligations	Other	Total
Balance as at January 1, 2021	\$ 282	\$ 8,288	\$ 8,570
Increase of provisions	-	1,420	1,420
Decrease of provisions	(282)	(5,855)	(6,137)
Balance as at December 31, 2021	\$ -	\$ 3,853	\$ 3,853
Balance as at January 1, 2020	\$ 851	\$ 10,199	\$ 11,050
Increase of provisions	-	1,536	1,536
Decrease of provisions	(569)	(3,447)	(4,016)
Balance as at December 31, 2020	\$ 282	\$ 8,288	\$ 8,570

A) Site restoration obligations

The estimated expected costs of site restoration obligations were not discounted, as the effects of discounting were not considered significant. The provision is adjusted as work is performed and disbursements are incurred.

B) Others

Provisions include amounts stemming from claims submitted by various suppliers and/or clients and relate in particular to construction-in-progress projects. The provisions relating to these claims were recorded according to management's best estimate of the outflow required to settle the obligation based on its experience of similar transactions. None of the provisions will be discussed in further detail, so as not to prejudice the Corporation's position in the related claims.

11. PENSION BENEFIT LIABILITY AND OTHER EMPLOYEE LIABILITIES

A) Pension benefit liability and other employee liabilities

The liabilities recognized as pension benefit liability and other employee liabilities in the consolidated statement of net assets consist of the following amounts:

	2021	2020
Current		
Other current employee liabilities	\$ 13,944	\$ 10,882
Non-current		
Defined benefit plans and defined contribution supplemental plan	\$ 25,996	\$ 52,868

The current portion of these liabilities represents the Corporation's obligations to its current and former employees that are expected to be settled one year from the reporting period, as salary, accrued vacation and holiday entitlement.

The non-current portion represents the pension benefit liability related to the defined benefit component that the Corporation provides to employees, as well as the supplemental pension plans offered to designated officers of the Corporation.

11. PENSION BENEFIT LIABILITY AND OTHER EMPLOYEE LIABILITIES (continued)

A) Pension benefit liability and other employee liabilities (continued)

The defined benefit component of the employee pension plan provides pension benefits to retiring employees based on length of service and average final earnings.

As at December 31, 2021, the outstanding balance of contributions is \$373 (2020 - \$402).

Details of the change in the defined benefit pension liability and the defined contribution supplemental pension liability are as follows:

	2021	2020
Defined benefit obligation, beginning of year	\$ 422,516	\$ 394,450
Current service cost	6,205	6,196
Past service cost	-	182
Employee contributions	1,040	1,187
Interest cost	11,531	12,143
Benefits paid	(17,156)	(14,347)
Actuarial gains due to experience adjustments	(6,123)	(1,128)
Actuarial losses (gains) due to change in financial assumptions	(25,615)	23,833
Defined benefit obligation, end of year	\$ 392,398	\$ 422,516
Fair value of plan assets, beginning of year	\$ 369,648	\$ 357,957
Employer contributions	5,133	5,172
Employee contributions	1,040	1,187
Expected return on plan assets	10,006	10,964
Actuarial gains (losses)	(1,869)	9,115
Benefits paid	(17,156)	(14,347)
Administrative fees	(400)	(400)
Fair value of plan assets, end of year	366,402	369,648
Pension benefit liability	\$ 25,996	\$ 52,868

All defined benefit plans are partially funded. Moreover, the Corporation issued letters of credit mainly to extend the solvency deficiency payment of its employees' defined benefit pension plan. As at December 31, 2021, the outstanding amount of these letters of credit was \$43,005 (2020 - \$40,158).

The significant actuarial assumptions adopted are as follows:

	2021	2020
Corporation's defined benefit obligation as at the reporting date		
Discount rate	3.15 %	2.75 %
Rate of compensation increase	3.00	3.00
Inflation rate	2.00	2.00
Net benefit plan expense for reporting years		
Discount rate	2.75	3.10
Rate of compensation increase	3.00	3.00
Inflation rate	2.00	2.00

Mortality assumptions as at December 31, 2020 and 2021 are based on the mortality table CPM2014 with mortality improvement adjusted to the MI-2017 scale.

The Corporation's defined benefit pension plans and defined contribution supplemental plan expense is as follows:

	2021	2020
Current service cost	\$ 6,205	\$ 6,196
Net interest cost	1,525	1,179
Administrative fees	400	400
Past service cost	-	182
Net benefit plan expense	\$ 8,130	\$ 7,957

11. PENSION BENEFIT LIABILITY AND OTHER EMPLOYEE LIABILITIES (continued)

A) Pension benefit liability and other employee liabilities (continued)

The distribution of total fair value of assets of the pension plans by major asset category is as follows:

	Level	2021	2020
Cash		\$ 3,037	\$ 3,046
Annuity buy-in contract	3	198,478	215,035
Mutual funds of Canadian bonds	2	73,347	59,559
Mutual funds of foreign equities	2	49,030	44,184
Mutual funds - Infrastructure	3	17,936	17,164
Mutual funds - Real estate	3	8,785	18,082
Mutual funds of Canadian equities	2	16,576	13,740
Others		(787)	(1,162)
		\$ 366,402	\$ 369,648

The pension committee prepares the documentation relating to the management of asset allocation. The audit committee reviews the investment policy and recommends it to the Board of Directors for approval in the event of material changes to the policy. Quarterly monitoring of the asset allocation plan allows the pension committee, and ultimately the audit committee, to ensure that the limits of asset allocation of the entire plan are respected.

Contributions in 2022 for both components of the employee pension plan are expected to approximate \$8,800, of which \$2,100 will be issued as a letter of credit to fund the deficit.

The actuarial report for the year ended December 31, 2021 was unavailable at the reporting date. However, management considers the extrapolation of the December 31, 2020 figures to be the best method to estimate the Corporation's defined benefit obligation and expense as at December 31, 2021 and for the year ended at that date. The revised assumptions used to extrapolate have been reviewed and deemed accurate.

The pension plans expose the Corporation to the following risks:

- i) Investment risk:
The defined benefit obligation is calculated using a discount rate. If the fund's returns are lower than the discount rate, a deficit is created.
- ii) Interest rate risk:
Variation in bond rates will affect the value of the defined benefit obligation.
- iii) Longevity risk:
An improvement in life expectancy greater than projected in the mortality tables used will increase the value of the defined benefit obligation.
- iv) Inflation risk:
The defined benefit obligation is calculated assuming a certain level of inflation. An actual inflation higher than expected will have the effect of increasing the value of the defined benefit obligation.

11. PENSION BENEFIT LIABILITY AND OTHER EMPLOYEE LIABILITIES (continued)

A) Pension benefit liability and other employee liabilities (continued)

v) Sensitivity analysis:

As at December 31, 2021, reasonably possible changes in relevant actuarial assumptions would affect the defined benefit obligation by the following amounts (other assumptions being constant):

	Impact on total obligation	Impact on obligation excluding annuity buy-in contracts ^(a)
Interest rate: decrease of 1%	\$ 70,956	\$ 45,013
Inflation rate: increase of 1%	58,922	34,071
Rate of compensation increase: increase of 1%	6,322	6,322
Mortality: multiplication rate by 99%	944	411

(a) The variation of certain assumptions on the defined benefit obligation related to the annuity buy-in contracts has a corresponding, or close to, impact on the asset value, mitigating the pension plan's risk.

As at December 31, 2021, the weighted average duration of the defined benefit obligation amounted to 18.2 years (2020 - 19.4 years).

B) Employee benefits expense

Expenses recognized for employee benefits in "Salaries and benefits" are set out below:

	2021	2020
Salaries and benefits	\$ 42,334	\$ 36,511
Pension - defined benefit	7,958	7,805
Pension - defined contribution	2,140	2,220
	\$ 52,432	\$ 46,536

12. INCOME TAXES

As at December 31, 2021, the subsidiary has accumulated non-capital losses of \$3,663 to reduce future years' taxable income. These losses expire as follows: \$2,435 in 2031, \$57 in 2032, \$700 in 2033, \$224 in 2036, \$199 in 2037 and \$48 in 2039.

13. INFORMATION INCLUDED IN THE STATEMENT OF COMPREHENSIVE INCOME (LOSS):

	Note	2021	2020
Rendering of services		\$ 187,169	\$ 174,133
Revenues derived from operating leases		88,106	106,486
Gain on subleases		1,721	-
Government grants		156	838
Other income		593	703
		\$ 277,745	\$ 282,160
Financial expenses:			
Interest on long-term bonds		\$ 128,831	\$ 115,944
Interest on lease liabilities		1,726	1,759
Amortization of debt issue costs		1,551	1,558
Reclassification of losses on cash flow hedges ^(a)		1,086	1,087
Capitalized interest on property and equipment ^(b)		(1,199)	(13,811)
Consent fees	9	3,328	-
Other		1,409	616
		\$ 136,732	\$ 107,153
Financial income:			
Interest on short-term investments		\$ (2,597)	\$ (2,590)
Interest on finance leases		(1,264)	(1,164)
Other		(13)	(23)
		\$ (3,874)	\$ (3,777)

(a) Cumulative losses on hedge transactions included in other comprehensive income (loss) is \$25,357 (2020 - \$26,443).

(b) The weighted average cost of capital used to capitalize borrowing costs is 4.96% (2020 - 5.11%).

14. AIRPORT IMPROVEMENT FEES

The Corporation introduced AIF for all passengers departing from YUL. These fees are used entirely to finance part of the Corporation's capital investment program for YUL. The Corporation also collected AIF from passengers departing from YMX from 2001 to 2004, at which time it stopped financing YMX's investments with AIF. These fees are collected by the airlines in the price of a plane ticket and are remitted to the Corporation, net of airline collection fees. Since its inception, cumulative capital expenditures totalled \$4,154,000 (2020 - \$4,102,000), exceeding the cumulative amount of gross AIF collected (excluding airline collection fees) by \$1,631,000 (2020 - \$1,646,000) for both airports.

15. INFORMATION INCLUDED IN CASH FLOWS

The changes in working capital items are detailed as follows:

	2021	2020
Government grants receivable	\$ (9,028)	\$ (17,713)
Trade and other receivables	2,546	(19,431)
Other current assets	1,819	4,596
Trade and other payables	5,821	6,546
Other employee liabilities	3,062	(1,992)
Provisions	(4,746)	(3,819)
	\$ (526)	\$ (31,813)

The reconciliation of movements of liabilities to cash flows arising from financing activities is as follows:

	Long-term bonds ^(a)	Lease liabilities	Total
Balance as at January 1, 2021	\$ 2,510,513	\$ 30,053	\$ 2,540,566
<i>Changes from financing cash flows</i>			
Proceeds from long-term bonds net of debt issue cost	397,331	-	397,331
Repayments	(16,230)	(4,105)	(20,335)
<i>Liability-related changes</i>			
Increase in lease liabilities	-	612	612
Capitalized interest	1,199	-	1,199
Interest expense	127,632	1,726	129,358
Amortization of debt issue costs	1,551	-	1,551
Interest paid	(126,560)	(1,726)	(128,286)
Balance as at December 31, 2021	\$ 2,895,436	\$ 26,560	\$ 2,921,996

(a) Balances include accrued interest.

Additions to property and equipment included in trade and other payables totalled \$38,070 (2020 - \$98,893).

16. RELATED-PARTY TRANSACTIONS

The Corporation's related parties include key management personnel. None of the transactions incorporate special terms and conditions, and no guarantees were given or received.

Key management of the Corporation are members of the Board of Directors, the President and Vice-presidents. Their remuneration, including severance pay, is \$6,450 in 2021 (2020 - \$6,529).

17. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Corporation is party to legal proceedings in the normal course of operations involving financial demands which are being contested. Unless recognized as a provision (Note 10), management considers these claims to be unjustified and the probability that they will require settlement at the Corporation's expense to be remote. Management believes that the resolution of these claims will not have a significant adverse effect on the Corporation's consolidated financial statements.

18. COMMITMENTS

The Corporation entered into agreements for services, rentals, procurements and maintenance. Future minimum payments are as follows:

Within 1 year	\$ 43,812
1 to 5 years	15,065
After 5 years	-
	\$ 58,877

In addition to the commitments listed above, the Corporation entered into contracts for the acquisition and construction of property and equipment totalling \$108,073 (2020 - \$169,185), of which \$331 (2020 - \$198) are denominated in foreign currencies.

19. FINANCIAL INSTRUMENTS

A) Financial risk management objectives and policies

The Corporation is exposed to various financial risks, including foreign exchange risk, interest rate risk, credit risk and liquidity risk resulting from its operations and business activities. Management is responsible for setting acceptable levels of these risks and reviewing their respective impact on the Corporation's activities.

The Corporation does not enter into financial instrument agreements, including for derivative financial instruments, for speculative purposes.

B) Fair value and classification of financial instruments

The following table provides the carrying amount and the fair value of financial assets and financial liabilities, including their fair value hierarchy class. It does not include information on the fair value of financial assets and financial liabilities that are not measured at fair value if the carrying amount is comparable. The Corporation has determined that the fair value of current financial assets and liabilities (other than those described below) is comparable to their respective carrying amount at the closing date, given their short maturity periods.

As at December 31, the classification of other financial instruments, their fair value hierarchy class, as well as their carrying amount and respective fair value, are as follows:

		Carrying amount	
	Level	Financial liabilities at amortized cost	Fair value
Financial liabilities as at December 31, 2021:			
Long-term bonds	2	\$ 2,867,666	\$ 3,405,330
Financial liabilities as at December 31, 2020:			
Long-term bonds	2	\$ 2,485,014	\$ 3,228,735

The fair value of long-term bonds has been determined based on comparable quoted market prices adjusted for the Corporation's risk premium.

19. FINANCIAL INSTRUMENTS (continued)**C) Foreign exchange risk**

The Corporation is exposed to foreign exchange risk due to purchases of goods and services in the regular course of business and payments received from clients in foreign currencies. Assets and liabilities denominated in foreign currencies converted into Canadian dollars, at the closing rate, are as follows:

	2021	2020
Cash and cash equivalents and trade and other receivables	\$ 665	\$ 261
Trade and other payables	123	253

The Corporation performed a sensitivity analysis on foreign currency rates used to convert assets and liabilities denominated in currencies other than the Canadian dollar. Management concluded that a 5% fluctuation of the foreign currency rates would not significantly impact the Corporation's assets and liabilities. The Corporation does not currently hold any derivative financial instruments to mitigate this risk.

D) Interest rate risk

The Corporation's cash equivalents and long-term bonds bear interest at fixed rates. The Corporation has the option to draw on its general credit facility at a variable or fixed interest rate (Note 8).

The Corporation's policy, to the extent possible, is to maintain most of its borrowings at fixed interest rates.

The Corporation's cash equivalents, credit facilities and long-term bonds are exposed to a risk of change in their fair value due to changes in the underlying interest rates. A fluctuation of 50 basis points in the interest rate would not have a significant impact on fair value.

E) Credit risk

Credit risk results from the possibility that a loss may occur from the failure of another party to perform according to the terms of the contract. Generally, the carrying amount of the Corporation's financial assets exposed to credit risk reported in the consolidated net assets, net of any applicable provisions for losses, represents the maximum amount exposed to credit risk.

Financial assets that potentially subject the Corporation to credit risk consist primarily of cash and cash equivalents, restricted cash and trade and other receivables.

Cash and cash equivalents, restricted cash and non-current receivables

The Corporation has an investment policy which stipulates that the objectives are to preserve capital and liquidity and to maximize the return on invested amounts. The policy specifies permitted types of investment instruments, authorized issuers, the maximum proportion of each type of investment instrument as well as the acceptable credit rating and maximum maturity of certain permitted investments.

Credit risk associated with cash and cash equivalents and restricted cash is substantially mitigated by ensuring that these financial assets are invested with major financial institutions that have been rated as investment grade by a primary rating agency and qualify as creditworthy counterparties.

Impairment on cash and cash equivalents and restricted cash has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Corporation considers that its non-current receivables have low credit risk based on the external credit ratings of the counterparty.

The Corporation did not have any non-current receivables that were past due nor impaired at December 31, 2021.

19. FINANCIAL INSTRUMENTS (continued)

E) Credit risk (continued)

Trade and other receivables

Credit risk with respect to trade and other receivables is limited due to the Corporation's credit evaluation process, reasonably short collection terms and the creditworthiness of its customers. The Corporation regularly monitors its credit risk exposures and takes steps to mitigate the likelihood of these exposures from resulting in actual losses. Credit risk related to receivables is also minimized by the fact that the Corporation requires security deposits from certain customers. Also, a portion of aeronautical revenues is invoiced and paid in advance, before services are rendered. A loss allowance is maintained, consistent with the credit risk, historical trends, general economic conditions and other information, as described below, and is taken into account in the consolidated financial statements.

The following table presents information on credit risk exposure and expected credit losses related to trade accounts receivable:

	2021	2020
Current	\$ 9,680	\$ 12,493
30 - 60 days past due	1,818	3,964
61 - 90 days past due	422	76
Over 90 days past due	1,265	1,380
	13,185	17,913
Loss allowance	(496)	(1,418)
Balance, end of year	\$ 12,689	\$ 16,495

As at December 31, 2021, an amount of \$286 (2020 - \$1,333) included in the loss allowance represents a specific allowance for trade accounts receivable that amount to \$351 (2020 - \$3,439). As the expected credit losses, excluding those related to specific allowances, total \$210 (2020 - \$85), they have not been allocated according to the aging of trade accounts receivable presented in the previous table.

F) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial liabilities and obligations as they become due. The Corporation is exposed to this risk mainly through its long-term bonds, credit facilities, finance lease liabilities, trade and other payables and contractual commitments. The Corporation finances its operations through a combination of cash flows from operations and long-term borrowings.

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Corporation has financing sources for a sufficient authorized amount. The Corporation establishes budgets, cash estimates and cash management policies to ensure it has the necessary funds to fulfill its obligations in the foreseeable future.

19. FINANCIAL INSTRUMENTS (continued)

F) Liquidity risk (continued)

The following table sets out the Corporation's financial liabilities, including interest payments, where applicable:

	Lease liabilities	Long-term bonds	Contractual commitments ^(a)	Trade and other payables	Total
As at December 31, 2021					
Within 1 year	\$ 4,849	\$ 150,513	\$ 43,812	\$ 132,085	\$ 331,259
1 to 5 years	13,141	610,804	15,065	-	639,010
After 5 years	26,873	4,532,809	-	-	4,559,682
As at December 31, 2020					
Within 1 year	\$ 5,670	\$ 135,909	\$ 45,617	\$ 164,196	\$ 351,392
1 to 5 years	14,877	552,211	20,448	-	587,536
After 5 years	29,648	3,935,896	-	-	3,965,544

(a) These amounts exclude commitments related to acquisition and construction of property and equipment.

Given the amount available under its credit facility, the amount of cash and cash equivalents and the timing of liability payments, management assesses the Corporation's liquidity risk as low.

20. CAPITAL MANAGEMENT

The Corporation's primary objectives when managing capital are: (i) to safeguard the Corporation's ability to continue as a going concern; and (ii) to provide financial capacity and flexibility to meet strategic objectives and growth.

The capital structure of the Corporation consists of cash and cash equivalents, restricted cash as well as long-term bonds and credit facilities. As described in Note 1, the Corporation does not have any share capital. Accordingly, it is funded through cash flows, the issuance of bonds and other borrowings, as required.

	2021	2020
Long-term bonds	\$ 2,867,666	\$ 2,485,014
Cash and cash equivalents and restricted cash	(474,432)	(235,435)
	\$ 2,393,234	\$ 2,249,579

The Corporation manages its capital structure in accordance with its expected business growth, operational objectives and underlying industry, market and economic conditions. Consequently, the Corporation has developed a financial model, which enables it to estimate its capital requirements while ensuring that all financial covenants of the trust indenture are respected. Management reviews this financial model periodically and incorporates it in its five-year strategic plan presented and approved annually by its Board of Directors.

The Corporation's strategy for managing capital remained unchanged from 2020.

21. PANDEMIC-RELATED COSTS

The COVID-19 pandemic has had a significant negative impact on global demand for air travel in 2020. In this context, the Corporation implemented many initiatives to decrease its operating costs as well as its capital investment program.

As a result of implementing these initiatives, the Corporation incurred additional costs which it deems as non-recurring due to their unique nature in the pandemic-related context. The following amounts were recorded in operating expenses:

	2021	2020
Forgiven rent	\$ -	\$ 27,316
Site demobilization costs	-	6,667
Restructuring costs	-	5,883
	\$ -	\$ 39,866

22. SUBSEQUENT EVENT

In March 2022, the Corporation extended the term of the \$150,000 available on its credit facility available for general use through a Canadian banking consortium for an additional period of two years, thus until April 2027.

THANKS TO OUR EMPLOYEES

ADM is fortunate to have been able to count again this year on a team of employees whose talent is matched only by their passion. Despite a difficult situation, they never gave up. Thank you for doing your job with so much heart.

- Philippe Rainville

Marin Ababii | Jean-François Aboud | Marie-Andrée Abraham | Yanick Adams | El Hadi Ait Idir | Mohamed Ait Lounis | Fredline Alcide | Marc-André Allaire | Ali Allouchi | Mouloud Amenouche | Aziz Amezian El Kaddaoui | Marius Ancuta | Sam Antabli | Silvia Aponte | Robert Arcand | Michel Archambault | Sébastien Arnaud | Denis Arseneault | Christophe Assaf | Isabelle Aubé | Michel Audet | Jean-Sébastien Audy | Mélanie Aussant | Sajid Azanar | Namatullah Azizzada | Johanne Bacha | Areean Badri | Éric Baillargeon | Diane Barbussi | Philippe Baron | René Bastien | Jonathan Bathurst | Vincent Beauchamp | Kevin Beauchamp | Caroline Beaudoin | Jonathan Beaudoin | Geneviève Beaudoin | Jean-Philippe Beaudry | Julien Beaudry | Mélanie Beaulieu | Jasen Beaulieu | Pierre Beaulieu | Jonathan Beaulne | Laurent Beauregard | Olivier Beauséjour | Sylvain Beauvais | Fanny Bédard | Alain Bégin | Geneviève Bégin | Yvan Bélanger | Luc Bélanger | Simon Bélanger | Jean-Martin Bélisle | Yanick Bélisle | Stéphane Bélisle | Camille Jr Bélisle | Pierre Bellemare | Hamed Ben Fredj | Imad BenAllai | Karim Benani | Marcel Bénard | Nadia Benelfellah | Samuel Bérard | Isabelle Bérard | Claude Berger | Joanne Bergeron | Christian Bergeron | Jean-Pierre Bernier | Luc Berthiaume | Alexandre Bertrand | Robert Bertrand | Jean Bérubé | Isabelle Bérubé | Luka Bessette | Éric Bessette | Bogdan Birza | Benoît Bissonnette | Kodjo Blagoev | Mathieu Blais | Karine Blais | Jonathan Blais | Nathalie Blanchard | Marc-André Bleau | Arthur Boidin | Pierre Boily | Kimberly Bois | Julie Boissonneau | Mélanie Boivin | Dany Bolduc | Alex Bonazzuoli | Serge Bouchard | Pascale Bouchard | Stéphane Bouchard | Natasha Bouchard-Audette | Denis Boucher | Nicolas Boucher | Younes Bouda | François Boudreau | Yvon Boudreault | Stéphane Boudrias | Pierre-Marc Boulanger | Simon Boulanger | Stéphane Bourassa | Marcel Bourdeau | Réjean Bourget | Claude Bourgie | Marie-Josée Boyer | Nadji Brassard Tremblay | Fanny Brasseur | Alexandre Brie | Eve-Emmanuelle Brisebois | Alain Brisebois | Karl Brochu | Martin Brochu | Jean-François Brossoit | Gaétan Brousseau | Gabriel Brousseau | Philippe-Alexandre Brunet | Francis Bullaert | Stéphane Bussières | Claudia Caceres | Dominic Cammarata | Donald Campeau | Frédéric Campeau | Jayyavalk Canniah | Maude Canuel | Ariane Carbonneau | Jacques Carlos | Vincent Carrière | Jonathan Cartier | Gustavo Castano | Stevens Castonguay | Martin Cattaneo | Lyne Chalifoux | Daniel Chamass | Sébastien Champagne | Amélie Champagne | Sébastien Champion | Guy Champoux | Cherif Chaouchi | Luc Charbonneau | Hugues Charbonneau | Dominique Charest | Julien Charest-Landry | Helene Charreyre | Philippe Charron | Jean Charron | Vincent Chartier | Stéphanie Chéhadé | Sid Ahmed Cherifa | Myrtille Chery | Linda Chevalier | Karine Chiasson | Sylvain Choinière | Yanick Choquette | Mathieu Choquette | Ivan Chouinard | Marc-André Chrétien | Daniel Cinq-Mars | Éric Clément | Maxime Clermont | Yves Cloutier | Daniel Cloutier | Marion Cocquempot | Ferdinando Colavita | Mario Contant | Éric Corbeil | Vincent Cormier | Amélie Côté | Marc-André Côté | Jean-Christophe Côté | Marie-Noelle Côté | Jean-Gabriel Côté | Michel Côté | André Courchesne | Luc Courchesne | René Courchesne | Joël Couture | Danny Coveney | Michel Crête | Pierre Cusson | Daniel Dagenais | Christian Dallaire | Abdelhay Dardouri | Joël Dauphinais | Marc-Antoine Dawson | Simon Dazé-Garant | Nadia de Champlain | Glaucimery De Oliveira | Jean-François De Wijngaert | Jason Decelles | Florence Delaby | Victor Delia | Pasquale Delli Fraine | Patrick Demers | Stéphane Demers | Guelo Demosthene | David-Yoan Denis | Christophe Deschamps | Jessica Deschênes | Mickaël Deschênes | Daniel Deslongchamps | Alexandre Désorcy | Julie Desparois | Mélissa Desroches | Michel Desroches | Donald Desrosiers | Nathalie Desrosiers | Justine Destrubé | Hanan Dhakouani | François Dionne | François Dionne | David Dionne | Christopher Dixon | Jeanne-Laure 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ADM wishes to thank all the devoted employees and suppliers whose pictures appear in this Annual Report.

*The original text written in French shall prevail.
Ce document est également diffusé en français.*



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