

ADM ANNOUNCES ITS FINANCIAL RESULTS AT JUNE 30, 2022

Montréal, August 9, 2022 – ADM Aéroports de Montréal today announced its consolidated operating results for the six months ended June 30, 2022. These results are accompanied by passenger traffic data for YUL, Montréal-Trudeau International Airport.

Highlights

- Passenger traffic at YUL totalled 4.0 million in the second quarter of 2022, up 739.8% from 2021, or 79.7% of the traffic in the corresponding period of 2019. Growth was sustained throughout the quarter, with 72.1% of 2019 traffic levels in April, 79.3% in May, and 86.4% in June. There was a marked recovery in the international sector with 84.0% of 2019 traffic levels in the second quarter. For the first six months of 2022, passenger traffic stood at 6.2 million, up 584.0% from 2021.
- EBITDA (the excess of revenues over expenses before financial expenses, income taxes, depreciation and impairment and share in the results of a joint venture, see the “Non-GAAP Measures” section for more information) was \$81.9 million for the second quarter under review, an increase of \$82.6 million over negative EBITDA of \$0.7 million for the same period in 2021. For the six months ended June 30, 2022, EBITDA was \$116.9 million, an increase of \$128.4 million over negative EBITDA of \$11.5 million for the first six months of 2021.
- Capital investments were \$40.2 million in the second quarter of 2022, compared with \$12.5 million in the corresponding period of 2021. During this period, the airport program, still being limited to essential projects, totalled \$33.6 million (\$6.6 million in 2021) while the amount invested, net of subsidy, in the airport’s REM station was \$6.6 million (\$5.9 million in 2021). Capital investments in the first half of 2022 amounted to \$56.2 million (\$30.3 million in 2021), including \$44.5 million for the airport program (\$22.9 million in 2021) and \$11.7 million (\$7.4 million in 2021), net of subsidy, for the airport’s REM station. Transport Canada’s contribution towards the airport’s REM station project totalled \$6.1 million (nil in 2021) for the quarter under review and \$16.2 million (nil in 2021) for the six-month period of 2022. Investments at YUL and YMX in 2022 were funded by cashflows from operations.

Quote

“We are very pleased to once again be welcoming a large number of passengers to YUL and to be part of the very strong recovery in aviation activity that is taking place around the world as traffic results bring us closer and closer to the data recorded in 2019. However, this dramatic increase, combined with a well-known labour shortage, created its own set of challenges during the month of June. ADM Aéroports de Montréal remains optimistic that the measures put forward in the industry will allow airports nationally and internationally to return to some balance in the coming weeks. We would like to thank our passengers for their great patience in the face of these exceptional circumstances. I would also

like to recognize the resilience and efforts of the airport community's employees in this difficult environment," said Philippe Rainville, President and CEO of ADM.

Financial results

Consolidated revenues were \$158.1 million for the second quarter of 2022, up \$113.9 million, or 257.4%, from the same period in 2021. For the first six months of 2022, revenues were \$260.9 million, an increase of \$177.6 million, or 213.1%, compared to the same period in 2021. These positive results are directly related to the significant recovery in passenger traffic that began in earnest at the end of the first quarter of 2022.

Operating expenses for the quarter under review were \$48.9 million, an increase of \$16.8 million, or 52.4%, over the same quarter a year ago. For the six months ended June 30, 2022, operating expenses increased by \$27.0 million, or 39.2%, climbing from \$68.9 million to \$95.9 million. This variance in operating expenses is primarily related to the increase in operational expenses for passenger due to the sustained recovery of operations since the spring of 2022, and to the decrease in wage subsidies. ADM met the eligibility criteria of the Tourism and Hospitality Recovery Program until March 2022, while it took qualified for the Canada Emergency Wage Subsidy Program for the entire year 2021.

Transfers to governments (payments in lieu of taxes to municipalities ("PILT") and rent to Transport Canada) were \$27.3 million for the quarter under review, an increase of \$14.5 million compared to the previous year, and represent 17.3% of ADM's revenues (28.9% in 2021). For the first six months of 2022, transfers totalled \$48.1 million, an increase of \$22.2 million compared with the same period in 2021, and represented 18.4% of ADM's total revenues (31.1% in 2021).

Depreciation and impairment of property and equipment and right-of-use assets decreased slightly to \$38.8 million in the second quarter of 2022, down \$2.5 million, or 5.8%, compared from the same period in 2021. As of June 30, 2022, these expenses decreased by \$3.7 million, or 4.5%, totalling \$78.0 million.

Net financial expenses totalled \$31.7 million for the three months ended June 30, 2022, down by \$1.2 million, or 4.0%, compared with the same period in 2021. Cumulative net financial expenses as at June 30, 2022 totalled \$63.3 million compared to \$65.3 million for 2021, down \$2.0 million, or 3.2%, from the same period in 2021. This variance is primarily due to consent fees incurred in the first quarter of 2021 as well as higher interest income on surplus cash, partially offset by interest expense related to the Series S Bonds issued in April 2021.

For the three months ended June 30, 2022, the excess of revenues over expenses was \$11.3 million compared to a deficiency of revenues over expenses of \$74.5 million for the same period in 2021, an increase of \$85.8 million, or 115.2%. As at June 30, 2022, the deficiency of revenues over expenses was \$24.3 million, an improvement of \$133.7 million, or 84.6%, over the same period in 2021.

Financial situation

ADM's net debt at June 30, 2022 remained stable at \$2.45 billion compared to December 31, 2021; see the "Non-GAAP Measures" section for more information.

In March 2021, ADM obtained the consent of the bondholders to amend the Master Trust Indenture, thereby allowing ADM to be temporarily released from its obligations to comply with or satisfy the requirements of certain covenants in the Master Trust Indenture for the years 2021 and 2022. This waiver

was requested due to the uncertainty surrounding the duration of the significant decline in passenger traffic and air movements resulting from the COVID-19 pandemic.

Non-GAAP Measures

ADM sometimes presents financial measures that do not have a meaning prescribed by International Financial Reporting Standards (“IFRS”), referred to as non-GAAP measures. They are therefore unlikely to be comparable to similar measures presented by other companies.

EBITDA

EBITDA is defined as the excess of revenues over expenses before financial expenses, income taxes, depreciation and impairment and share in the results of a joint venture. It is used by management as an indicator to evaluate operational performance. EBITDA is meant to provide additional information and is not intended to replace other performance measures prepared under IFRS.

Net debt

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

Key financial measures

(in millions of dollars)	Second quarter			Cumulative at June 30		
	2022	2021	Variance (%)	2022	2021	Variance (%)
Revenues	158.1	44.2	257.4	260.9	83.3	213.1
Operating costs	48.9	32.1	52.4	95.9	68.9	39.2
PILT	10.4	9.2	13.0	20.9	19.1	9.4
Transport Canada rent	16.9	3.6	368.4	27.2	6.8	299.3
Depreciation of property and equipment and right-of-use assets	38.8	41.3	(5.8)	78.0	81.7	(4.5)
Financial expenses (net)	31.7	32.9	(4.0)	63.3	65.3	(3.2)
Total expenses	146.7	119.1	23.2	285.3	241.8	18.0
Excess (deficiency) of revenues over expenses before share in the results of a joint venture and income taxes	11.4	(74.9)	115.2	(24.4)	(158.5)	84.6
Share in the results of a joint venture, net of taxes	0.2	0.4	(40.0)	0.4	0.6	(24.3)
Income taxes	(0.3)	-	726.5	(0.3)	(0.1)	239.4
Excess (deficiency) of revenues over expenses	11.3	(74.5)	115.2	(24.3)	(158.0)	84.6
EBITDA	81.9	(0.7)	12,792.4	116.9	(11.5)	1,118.4
Capital investments - airport program	33.6	6.6	405.1	44.5	22.9	94.7
Capital investment - REM station (net of subsidy)	6.6	5.9	12.3	11.7	7.4	56.6

(in billions of dollars)	June 30, 2022	December 31, 2021	Variance (%)
Net debt	2.45	2.45	(0.1)

The % variances in the above tables are calculated with results in thousands.

Passenger traffic

For the second quarter of 2022, traffic at YUL totalled 4.0 million passengers, an increase of 739.8% over the same period in 2021. International traffic increased by 1,050.0%, transborder (U.S.) grew by 1,394.8%, while domestic traffic recorded an increase of 433.5% over the second quarter of 2021.

For the quarter under review, passenger traffic at YUL reached 79.7% of the 2019 traffic level: 84.0% international, 75.8% transborder and 77.3% domestic.

Passenger traffic in the first six months of 2022 represented 64.3% of the traffic in the corresponding period of 2019: 66.0% international, 59.6% transborder and 65.5% domestic.

Total passenger traffic *

Aéroports de Montréal					
(in thousands)	2022	2021	Variance 2022 vs 2021	2019	2022 as % of 2019
January	606.3	215.5	+181.4%	1,532.2	39.6%
February	623.2	111.0	+461.6%	1,432.6	43.5%
March	1,012.4	109.6	+823.6%	1,712.6	59.1%
April	1,130.5	119.0	+850.4%	1,567.9	72.1%
May	1,272.0	136.0	+835.3%	1,603.2	79.3%
June	1,589.6	220.4	+621.2%	1,839.2	86.4%
Total	6,234.0	911.4	+584.0%	9,687.7	64.3%

Note: Total passenger traffic includes revenue and non-revenue passengers and are calculated with results in thousands.

Source: Aéroports de Montréal

Sustainability at ADM

During this quarter, ADM implemented the following initiatives in its continued commitment to sustainability:

- An audit of the environmental management system (EMS) for YUL and YMX operations by an independent firm, during which zero non-conformities were identified, will have resulted in ADM's ISO 14001 recertification. This recertification is valid for a period of three years and a maintenance audit is planned for 2023 and 2024.
- A call for tenders for taxi licenses led to a greening of the fleet serving YUL. It is currently composed of 97 100% electric vehicles, 153 plug-in hybrids or non plug-in hybrids, and 125 minivans, 10 of which are green vehicles and 25 of which are taxis adapted for customers with reduced mobility.
- Two major awards were won in the BOMA Québec Building Energy Challenge (BEC). ADM won the Platinum category in the GHG Target Achievement Award, where building GHG emissions in 2021 were compared to those in 2018. For YUL, a 34% reduction was achieved. It also won the award in the Improved Energy Performance - Consumer Services Category, thanks to efforts that resulted in a 23% improvement over 2018.

To learn more about ADM's actions, visit its Sustainability [Indicators platform](#) or consult [its 2021 Annual Report](#), which presents its first-ever Sustainability Report based on the Global Reporting Initiative (GRI) standards.

About Aéroports de Montréal

ADM Aéroports de Montréal is the airport authority for the Greater Montréal area responsible for the management, operation and development of YUL Montréal-Trudeau International Airport, certified 4 stars under the Skytrax World Airport Star Rating, and of YMX International Aerocity if Mirabel.

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Source:**Aéroports de Montréal**

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