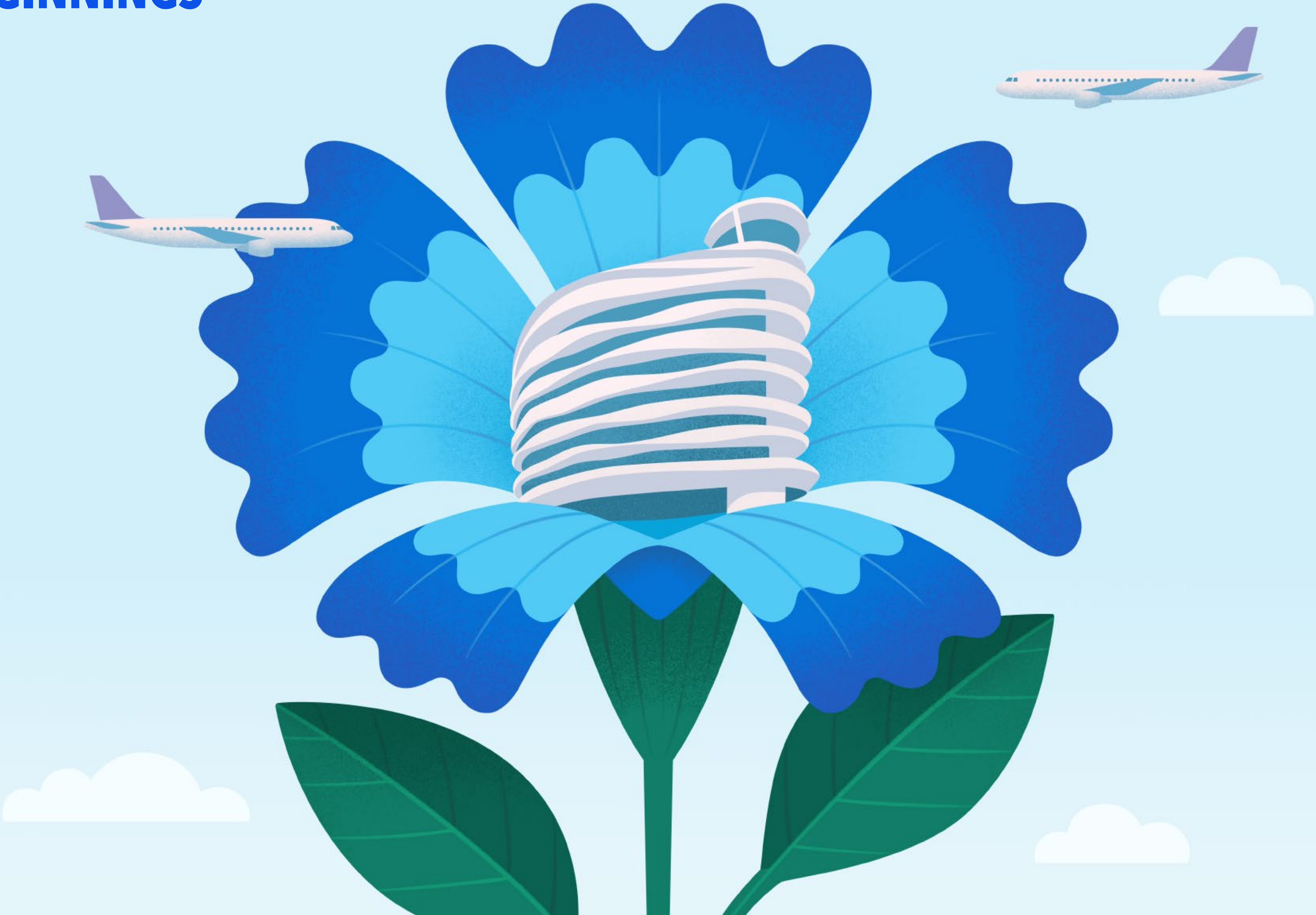


**NEW  
BEGINNINGS**



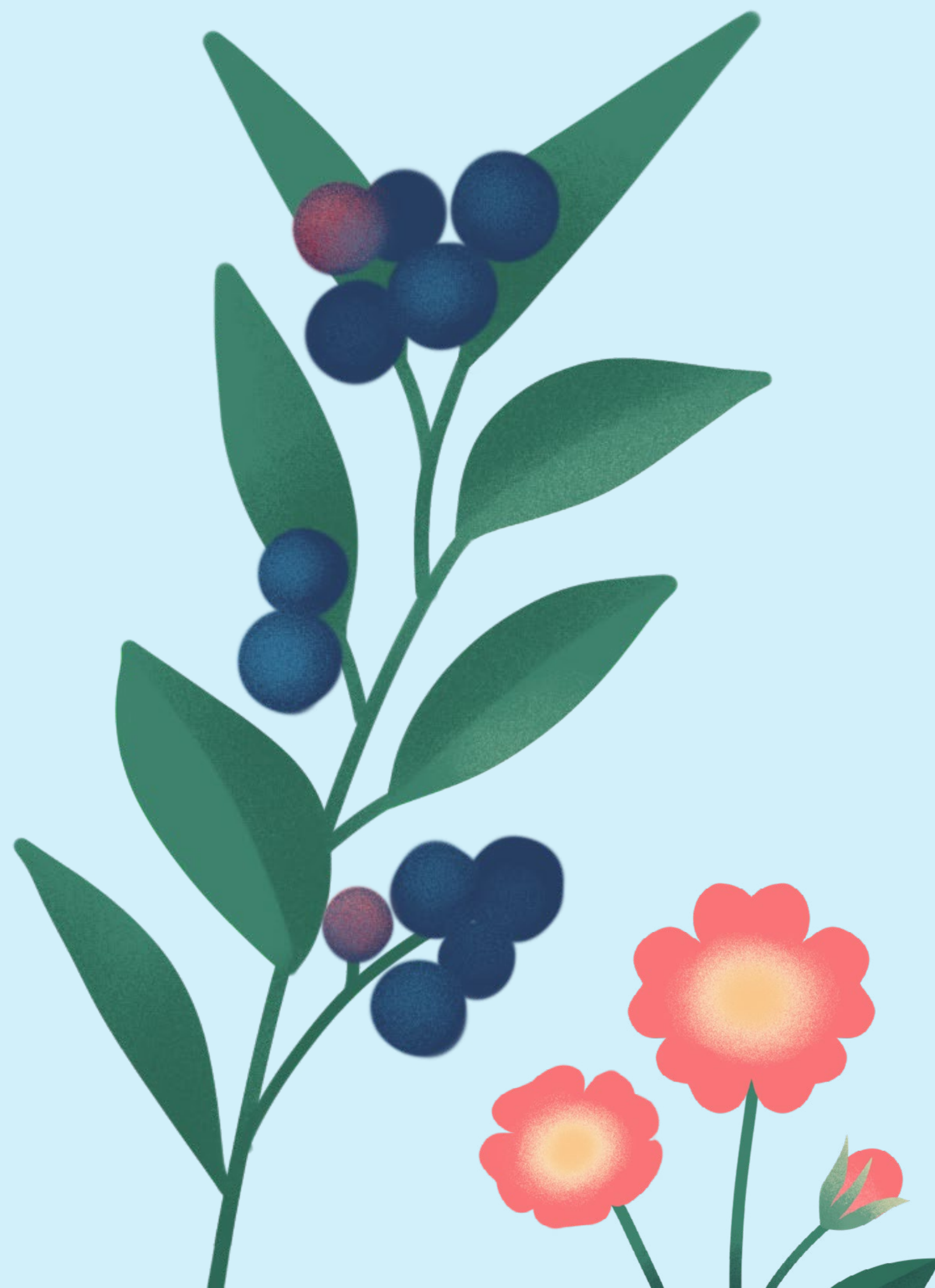


# Land Acknowledgement

Edmonton Airports is proud to acknowledge the ancestral and traditional Territory of Treaty Six and the Métis homeland. Treaty Six is the gathering place and travelling route of the Cree, Saulteaux, Blackfoot, Métis, Dene and Nakota Sioux. We thoughtfully acknowledge the many First Nations, Métis and Inuit whose footsteps have marked these lands for centuries, and whose voices are so important in paving a path forward together in reconciliation.

To do this in a way that aligns to our values, supports the National Centre for Truth and Reconciliation's Calls for Actions, and strengthens our community, Edmonton Airports has committed to being an active partner and contributor in economic reconciliation.

This means that we commit to listening to and learning from our Indigenous community, creating meaningful partnerships and opportunities based on shared values and objectives, and working together toward meaningful economic prosperity that will ensure the success of future generations.



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# THEY SAY HOPE SPRINGS ETERNAL. WE COULDN'T AGREE MORE.

With the pandemic waning, we could now fully embrace renewal. And nothing signals New Beginnings more than grass that begins to green, trees sprouting fresh leaves and flowers flaunting their blooms. The beauty of it all starts here.



# The year we said, "Welcome back!"

Welcome to the Edmonton Airports Annual Report 2022. Edmonton Airports operates Edmonton International Airport (YEG) and Villeneuve Airport (ZVL). See more on Villeneuve Airport – the region's premier general aviation facility – on page 31.

Like the global aviation industry, Edmonton International Airport's passenger numbers started to soar again after two years in a pandemic holding pattern. Airlines added new and returning destinations to their schedules. Cargo flourished with increased shipments in and out of YEG. It was a year when the hard work, planning, innovation and collaboration of the Edmonton Airports' team and community came to fruition, as the COVID-19 pandemic began to release the world from its clutches. It was a year of renewal and new beginnings for the Edmonton Metropolitan Region and the world.

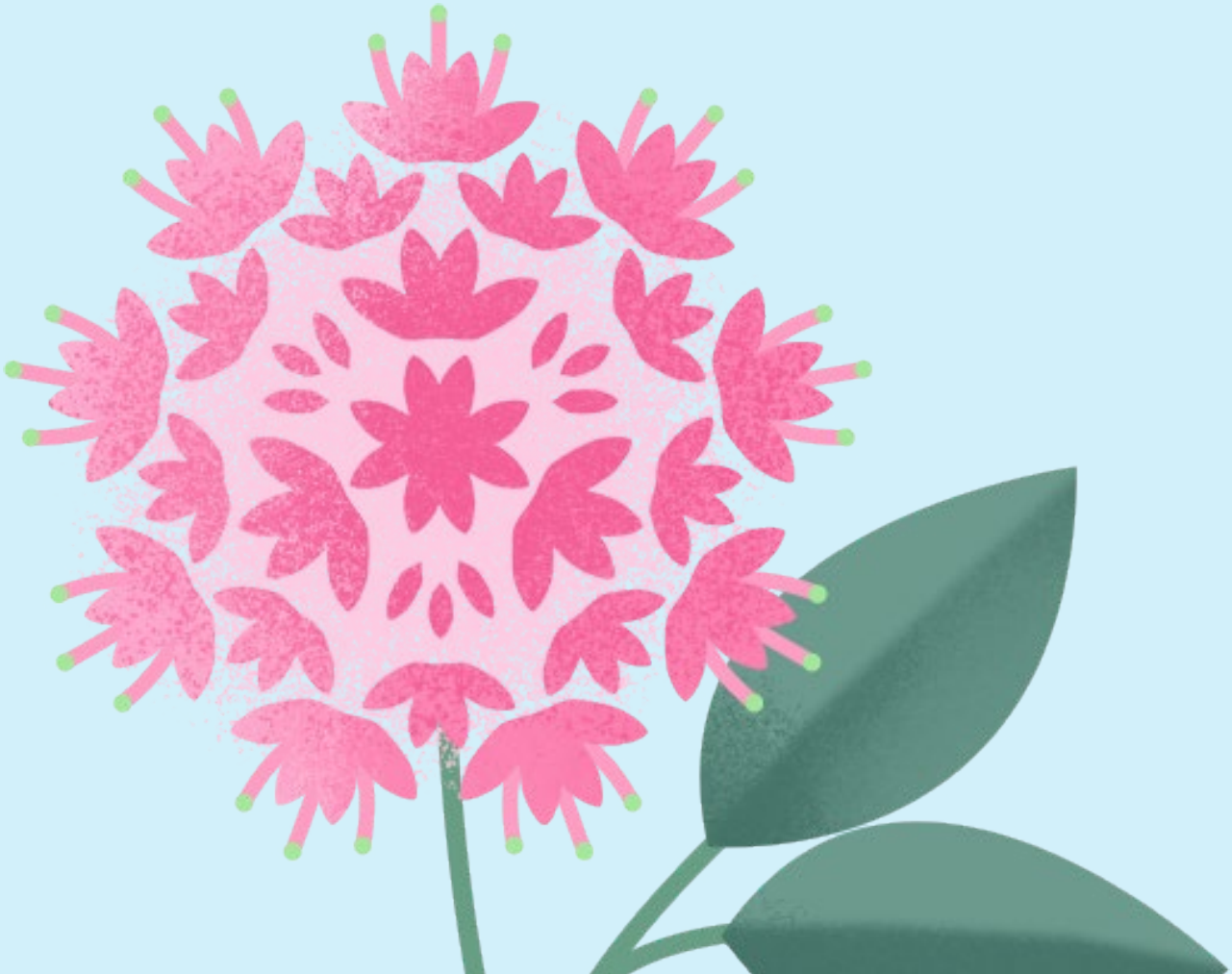
As YEG resets for a new, better world, it also envisions an even friendlier, welcoming airport for the entire community. Whether at work or at play, YEG is an *airport for everyone*.



# Vision, Values + Objectives

Edmonton International Airport helps drive the Edmonton Metropolitan Region economy through its core businesses of commercial passenger flights and cargo services. As the airport expands its core businesses and the Airport City Sustainability Campus, environment, social and governance (ESG) considerations guide every decision we make. We do this because we know our community demands it, and it is our fundamental duty to be responsible stewards of Edmonton International Airport and Villeneuve Airport. We also know as the world recovers from the pandemic, citizens, political leaders, businesses and non-government organizations are calling for renewed global efforts to recover in more sustainable, ethical and equitable ways.

We have dedicated a full section in this report to our ESG commitments, starting on page 37.



## NOBLE CAUSE

Uniting people for a world of new possibilities

## VISION

More flights to more places

## MISSION

Driving our region’s economic prosperity through aviation and commercial development

## GOALS

10 million annual enplaned and deplaned passengers by 2025

\$3.8 billion in economic output by 2025

## ESG PRINCIPLE

All our actions will drive our mission to responsibly generate economic prosperity for our region through authentic environmental, social, and governance leadership.

## OUR CORE VALUES

### Safety and security first

We ensure that the safety and security of our customers, employees, facilities and environment is a primary concern in all aspects of doing business.

### Own the outcome

We are motivated by customer expectations in providing quality facilities and services in a customer-sensitive and service-driven manner.

### Doing the right things right

We are accountable for all our actions including financial management, and act honestly and respectfully in our business relations, usage of our resources, treatment of our customers and each other, and in the general conduct of our business.

### Invested in our talent

People are our most important resource; we work together to foster an open and cooperative environment that encourages teamwork, communication and mutual respect.

### Dedicated to sustainability

We are committed to responsibly managing all of our assets to advance our region’s environmental stewardship, social well-being and economic prosperity.

## STRATEGIC OBJECTIVES

- Improve Financial Sustainability
- Enhance Passenger Experience
- Improve Social, Environmental and Economic Impacts
- Enhance Airline Productivity
- Improve Employee Engagement, Performance and Well-Being



# Board Chair's Message

## 2022 was a year of new beginnings.

As the pandemic receded in 2022, the hard work, planning, innovation and collaboration of our team and community came to fruition. Airlines added new and returning destinations to their schedules. Cargo flourished with increased shipments in and out of YEG.

YEG now serves more non-stop destinations than before the pandemic. Our cargo business recorded a third year of record growth. The Airport City Sustainability Campus welcomed new businesses and sealed new partnerships, testing and piloting sustainable energy and transportation solutions, especially in the development of the hydrogen economy.

All this success is the result of our team striving to innovate and imagine a more efficient, welcoming and sustainable Edmonton International Airport. Leading the way since 2014 and through 2022 was former President and CEO Tom Ruth. Our Board, region and business and community partners benefited immensely from Tom's leadership and vision. He was a steady hand when the pandemic and its many challenges shook the airline industry and YEG. In every facet of our business, our airports are stronger and firmly positioned to take advantage of our bold plans for growth and innovation, thanks to Tom's leadership.

One of the most important undertakings of the Board in 2022 was launching a global search to find the right person to lead the next chapter for our airports. Through this process, we took the opportunity to showcase our City and region, as well as the incredible innovations at YEG and our leadership in sustainability and ESG.

The Board is delighted that we were able to find the best candidate right here in Edmonton, and we were pleased to welcome Myron Keehn as our next President and CEO. We're excited to have Myron step into the CEO role and build on the solid foundation that's already in place. And, we're confident that with his energy, drive and vision, Edmonton Airports will soar to even greater heights.

As a Board, we recognize that the economic sustainability of YEG and ZVL is vital to fulfilling our mission to drive economic prosperity for our region. We also understand our responsibility to protect our airport and environment for future generations. At Edmonton Airports, ESG is woven into every aspect of our business and every decision is made with careful consideration to the Board's ESG principle statement to ensure that *All our actions drive our mission to responsibly generate economic prosperity for our region through authentic environmental, social and governance leadership.*

Our commitment to these principles and our mandate are clear in the transformational developments at YEG in 2022.

With a global focus on sustainability, the world is racing to use hydrogen as a major renewable energy source. The Edmonton Metropolitan Region is a driving force behind Canada's hydrogen economy. Our region produces over 60% of Canada's hydrogen and is leading the way to become a global hydrogen superpower.

YEG is at the forefront of our region's hydrogen ambitions with our Airport City Sustainability Campus becoming home to Canada's first consumer-facing hydrogen hub. We are bringing together local and international companies to form partnerships, test new technologies and highlight the power of emissions-free hydrogen fuel.

As we embrace global expansion and partnerships, and through our commitment to DEI (diversity, equity and inclusion) we are striving to be an *airport for everyone*.

At the Board level, we have adopted a DEI Policy and have accepted the 50-30 Challenge, an initiative between the Government of Canada, Canadian businesses and diversity organizations.

Our Board has made great strides towards meeting the 50-30 challenge. We now have 30% significant representation on our Board from under-represented groups from diverse cultures and backgrounds, including Indigenous representation as well as other cultural minorities and people with disabilities. And, with 6 of 13 Directors being women, we are very close to having 50% in gender parity.

Edmonton Airports has a strong Board of Directors with diverse skills and business acumen, and each member brings unique value to our deliberations and governance mandate.

I would like recognize our outgoing Directors Murray Hales, Darrell Jones and Jay Ramotar, who completed their terms on the Board at the end of 2022, and I am delighted to welcome our newest Board members, Katherine Chubbs (City of Edmonton), Angela Fong (Strathcona County) and Greg Krischke (City of Leduc).

*New beginnings* are spurred by forward-looking people. I want to thank all our business, political and community partners for supporting us as we build an international aviation and business hub for our region.

Here's to new beginnings.

**Joan Hertz QC, ICD.D**  
Board Chair



# President and CEO's Message

With more flights to more destinations, new airlines, record-setting cargo volumes, expanding sustainability initiatives and renewed confidence, 2022 was a new beginning at Edmonton Airports. Thanks to our employees, our business partners and our region, we used two years of a crippling global pandemic to plan for recovery and envision a stronger, sustainable future for Edmonton International Airport and Villeneuve Airport. We are on our way.

I personally want to thank our former President and CEO Tom Ruth for nine years of inspiring leadership. Tom steered YEG to new heights and demonstrated what it takes to be a true leader during the COVID-19 pandemic, stewarding our limited resources to prepare for recovery and reimagine what our airports could be.

Thank you, Tom. We will continue to build on the strong foundation you created and achieve the potential for YEG and Villeneuve that you led us to see.

We are pleased with the progress made in 2022. At YEG, we served 5.85 million passengers, a 109% increase over 2021. YEG handled 97,496 total aircraft movements, a 38% increase compared to 2021.

In addition to collaborating with our airline partners to resume non-stop destinations and increase capacity on established routes, we gained four new destinations (Moncton, Charlottetown, Nashville and Tucson). We also welcomed a brand-new airline, Lynx Air, to our network.

We are now projecting that we will recover approximately 90% of our pre-pandemic passenger traffic by the end of 2023. This strong recovery is fuelled by more non-stop destinations than before the pandemic. In 2019, we had 52 non-stops and at the end of 2022, we had 55 non-stop destinations. We will continue to drive growth and increase flight frequencies around the world.

Setting the stage for 2023, two major airlines new to the YEG market made significant air service announcements. Condor Airlines will introduce non-stop service to Frankfurt, Germany in May, operating through the summer months. This new route boosts YEG's access to Europe and destinations across the globe, and also offers Europeans a convenient new option to visit Edmonton and Western Canada.

Porter Airlines also announced new service from YEG to Toronto which started in February 2023. Edmonton is the first destination in Alberta to be added to Porter's network.

The addition of more routes and flight frequencies is also a boon for cargo, as 50 to 60% of cargo is carried in the belly of passenger aircraft.

With the increase in e-commerce and a growing Alberta economy, we are handling more cargo volume, with 52,000 tonnes of cargo moved through YEG in 2022, a 7.2% increase over 2021. It was also the third consecutive year of substantial growth for our cargo community.

To build on this growth, and in partnership with the Government of Canada, we announced the development of the International Cargo Hub at YEG. The project will convert approximately 2,000 acres of land into a new global cargo hub. With this investment, YEG will expand its multi-modal distribution throughout Canada, the United States of America and Mexico.

The International Cargo Hub is a transformational development and is the largest cargo expansion in the airport's history.

Signifying new beginnings is the evolution of our brand in 2022. We now use YEG to refer to Edmonton International Airport, replacing EIA. YEG is our airport code and is internationally recognized. As we expand our global reach, it makes perfect sense to use YEG, and it works within our region also.

YEG is striving to become an international aviation and business hub. Our Airport City Sustainability Campus has grown to 250 businesses, and in 2022, we welcomed Indigenous Box, an Indigenous-owned business, and BEVO Farms, among others.

As we grow to support our region's prosperity, we know the region is looking to us to be leaders in sustainable growth, with a focus on ESG considerations.

To drive the new hydrogen economy and Edmonton's ambition to become a global centre in this exciting renewable energy source, Edmonton Airports signed multiple hydrogen-focused partnership agreements with a number of companies who will use our airport as a testing location for new clean technologies. These companies include global giants such as Mitsui and Toyota, multiple Canadian and Alberta companies, and an investment agency of the Government of Japan.

Further cementing our role as a renewable resource leader, preliminary work continued on the world's largest solar farm at an airport. Developer Alpin Sun will create a 595-acre solar farm at YEG, generating enough energy to power the equivalent of more than 27,000 homes. The energy used will help power YEG's operations, including the International Cargo Hub, and contribute to our goal of being net zero by 2040. Alpin Sun is expected to begin development on the solar farm in 2023.

At Villeneuve Airport, our region's foremost general aviation airport, we are excited by the establishment of the Villeneuve Landing Network (VLN), in partnership with Sturgeon County. As a founding member of VLN, we are working with the County and regional partners to drive development in the region.

Throughout this report you will read about our dedication to bold, innovative ideas and to becoming an *airport for everyone*. As examples, we have made our airport more accessible for everyone with the Hidden Disabilities Sunflower Program and Aira, an online service to help blind and low-vision passengers navigate the airport. And, we opened the Indigenous Interpretative and Retail Centre, as part of our journey to reconciliation.

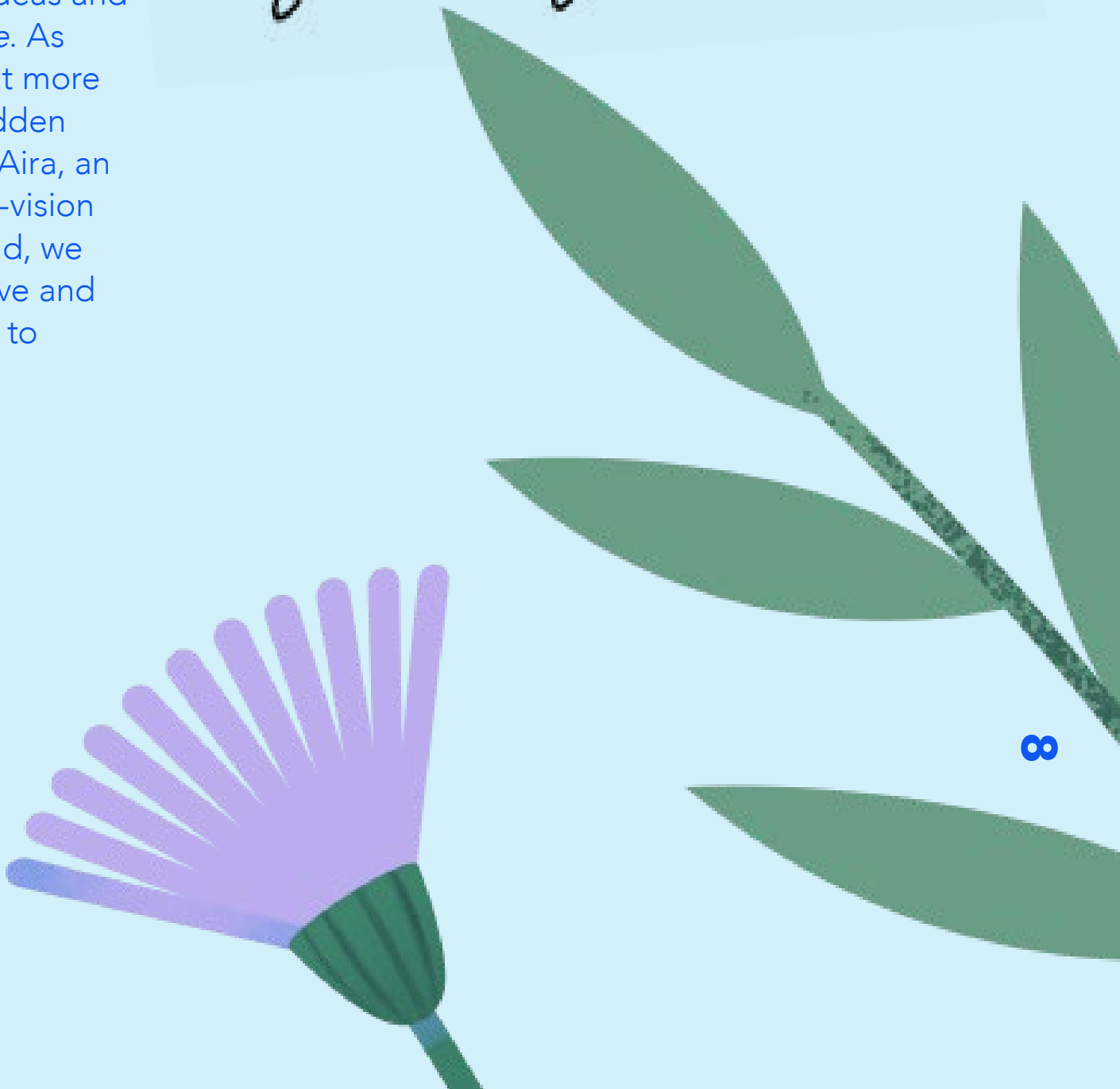
We are continually searching for new ideas and innovating ways to be more welcoming, to provide more services, and to make it easier for all our passengers and guests to use the airport.

In closing, I would like to thank Edmonton Airports Board of Directors for their confidence in me, and I would also like to thank our employees, our community and our business partners for your continued support of YEG.

Together, we will build our region's social and economic prosperity.

**Myron Keehn**  
President and CEO

*Myron J Keehn*







# HEALTHY ROOTS MATTER





# We now have more flights to more places.

2022 was a new beginning at Edmonton Airports with new airlines, record-setting cargo volumes, expanding sustainability initiatives and renewed confidence.

**MYRON KEEHN**  
President and CEO





# SAFE AND SOUND ALL AROUND.



**Every day, the health, safety and security of our employees, passengers and the entire airport community are priority number one.**

**The year started with many COVID-19 health measures still in place. YEG offered testing centres for passengers and staff, employed additional cleaning measures, supported government agencies in enforcing restrictions and worked with partners to ensure compliance.**

While many public-health measures eased later in 2022, we remain committed to enhanced cleaning and using new technologies to protect passenger health and safety.

- Shuttle buses are cleaned several times daily
- Airport seating is disinfected daily
- Hold on tight when you ride the escalators at YEG without worrying how clean they might be. YEG has installed UV-C light-based sterilization cleaners on several main escalators in the central part of the terminal. As part of YEG Ready, our comprehensive cleaning and safety program, this new technology is installed inside the mechanics of the escalators and constantly washes the handrails with UV-C light as they pass by the machine. This light sterilizes the handrails and ensures they stay clean and safe for passengers and guests
- Incorporated touchless technology like e-boarding passes and QR code check-in kiosks
- Travellers are now able to use their mobile devices in a variety of ways from using digital boarding passes when going through security to navigating their check-in kiosk in the same way they would if they were touching it, simply by scanning the QR code as directed on screen when checking at the airport. No account/sign-in or app is needed

## **Celebrating safety**

Edmonton Airports celebrated Canadian Airports Safety Week from September 12 to 16. This airport-led initiative promotes healthy and safe work practices amongst airport employees, stakeholders and tenants on the YEG campus.

To highlight safety week, all staff at the airport authority had the opportunity to participate in safety-focused events, including active assailant training, human trafficking awareness and mental health wellness.

## **Emergency exercise**

On Thursday, June 2, the airport's Emergency Operations Centre was activated for a planned emergency exercise. Emergency procedures began for a simulated plane crash at YEG. As part of the exercise, a Boeing 737-800 aircraft with 120 souls on board reported hydraulic pressure loss on its descent to YEG at 8 a.m. that morning. Shortly after, the simulated plane crashed on Runway 20 and eventually slid to Apron 4. A fire began, and YEG's emergency response services launched into action.

Throughout the rest of the morning, the exercise simulated injured passengers and casualties, tested response times, simulated how to handle public communications and involved essential community partners, including Leduc County, Leduc County Fire Services, Alberta Health Services, and Edmonton and Leduc RCMP.

Several important learnings were taken from the exercise about working in partnership with other emergency responders. Training is key to being ready in the event of a real emergency. YEG is also required by federal regulation to stage a mock disaster exercise once a year.

## **Reducing cybersecurity risks**

YEG has prioritized increasing the airport's cyber resilience to protect assets and information. We continue to assess the risk levels for our critical systems and digital assets and build new security controls to protect them. We are persistently modernizing our systems and our approach to protecting YEG's digital assets.



# WHEELS UP. TO MORE PLACES.

*Edmonton International Airport rapidly regained air service in 2022, serving more destinations than prior to the pandemic. While it will still take some time to reach pre-pandemic levels, passengers are returning to YEG, seeking to venture into the world again for business and leisure. This past year marked a turning point in the pandemic and in the revival of global air travel – a new beginning for the industry and everyone who wants to explore, do business and reconnect with loved ones.*

This re-sparked demand for air travel was exemplified by the 109% increase in passengers served at YEG in 2022 – the largest one-year increase in YEG's history. The number of passengers served climbed to 5.85 million compared to the 2.79 million served in 2021.

Further showing YEG's and the region's recovery are the 97,496 total aircraft movements supported by the airport in 2022, representing a 38% jump over 2021.

Underpinning the remarkable recovery are YEG's airline partners, who are signalling their confidence in our airport and region with a steady stream of new destination announcements and increases in flight frequencies and seat capacity.

In 2022, we collaborated with existing airline partners to gain 28 new and resuming destinations while continuing to increase capacity to more than 50 non-stop destinations.





### More flights to more places

In May 2023, European airline Condor will start its non-stop service to Frankfurt, Germany. The seasonal service boosts our region's access to Europe and the world. Frankfurt Airport is a key global hub, with 300 destinations in 98 countries.

As well, the route will provide efficient cargo access for the movement of goods between continental Europe and Alberta, the Canadian Prairies and Canada's North.

The increasing demand to Europe is also demonstrated by KLM's continued commitment to YEG, and the airline's planned frequency increase in the summer of 2023.

We also welcomed a brand-new airline, Lynx Air, to our network of air service partners.

Porter Airlines, another new airline partner, announced that it would start non-stop air service to Toronto in February 2023.

FRANKFURT, GERMANY | FOUNTAIN OF JUSTICE

**5.85**  
**MILLION**  
**PASSENGERS**  
**IN 2022**





2022 air service highlights

1. Feb. 5 – Flair, Los Cabos Inaugural Flight
2. March 29 – Flair, Comox Inaugural Flight
3. March 29 – KLM, Amsterdam’s non-stop service resumes
4. April 12 – Flair, Nashville Inaugural Flight
5. April 14 – Flair, San Francisco Inaugural Flight
6. April 15 – Flair, Montreal Inaugural Flight
7. April 15 – Flair, Winnipeg Inaugural Flight
8. April 19 – Alaska Airlines, Seattle Resumption
9. April 25 – Swoop, Ottawa Inaugural Flight
10. May 1 – Air Canada, San Francisco Resumption
11. May 1 – Swoop, Halifax Inaugural Flight
12. May 5 – Swoop, Kelowna Inaugural Flight
13. June 1 – Air Canada, Yellowknife Resumption
14. June 2 – Swoop, London, Ont. Resumption
15. June 4 – United Airlines, Denver Resumption
16. June 9 – Swoop, Comox Inaugural Flight
17. June 14 – Swoop, Saskatoon Inaugural Flight
18. June 16 – Swoop, Regina Inaugural Flight
19. June 16 – Swoop, Charlottetown Inaugural Flight
20. June 17 – Swoop, Moncton Inaugural Flight
21. June 23 – Air Canada, Ottawa Resumption
22. July 1 – WestJet, St. John’s Resumption
23. July 14 – Lynx, Toronto Inaugural Flight
24. Oct. 30 – Air Canada, Cancun Inaugural Flight
25. Oct. 30 – WestJet, Nanaimo Resumption
26. Nov. 2 – Flair, Puerto Vallarta Inaugural Flight
27. Nov. 30 – Flair, Tucson Inaugural Flight
28. Dec. 18 – Sunwing, Liberia Resumption

Your rewards for flying YEG

YEG *rewards* continues to grow with 158,000 members. Our members receive monthly communications featuring news on airlines, tourism, parking and partner offers in addition to airport developments. The program is planned to evolve in 2023 with a new platform and expanded partnership capabilities.

Fly YEG

Air access is vital to supporting our economy. From tourism to the movement of critical cargo, the region looks to Edmonton Airports for increased connectivity. We thank our many partners such as Edmonton Global and Explore Edmonton, who help us take our region’s case for more air service to the airlines. As a critical part of our visitor economy, we thank our tourism partners who help share our story on the world stage, including Destination Canada, Travel Alberta, Explore Edmonton, Edmonton Destination Marketing Hotels and Tourism Jasper.

Ultimately, airlines respond to demand. We encourage everyone to use YEG’s air service and book non-stop flights whenever possible. Fly non-stop to get more non-stop flights.

To see YEG’s extensive list of current non-stop destinations and to help you plan your travel, please visit:

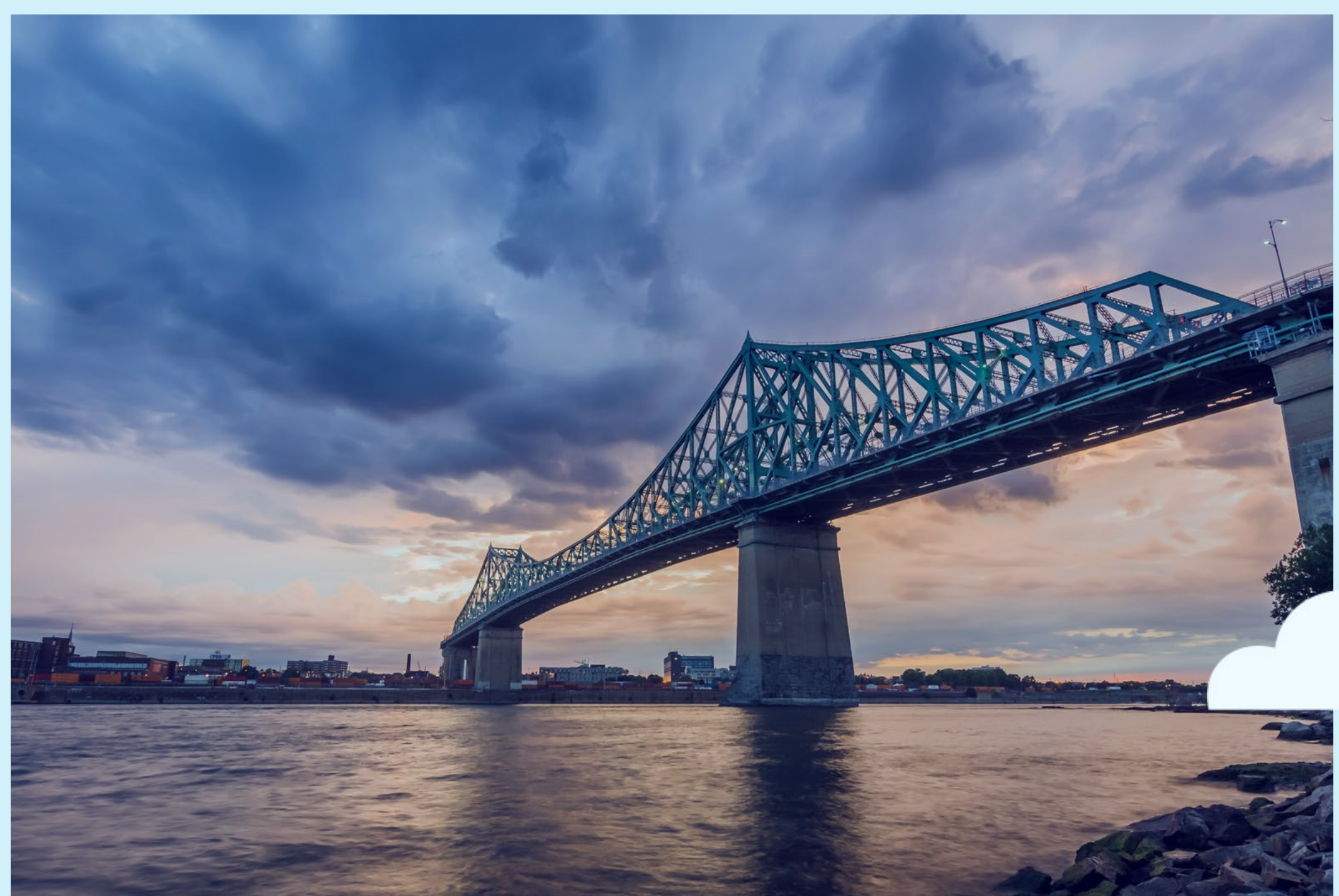
[flyEIA.com/flights/fly-non-stop](https://flyEIA.com/flights/fly-non-stop)

# 28

## NEW & RESUMED DESTINATIONS



ST. JOHN'S, NEWFOUNDLAND | CAPE SPEAR

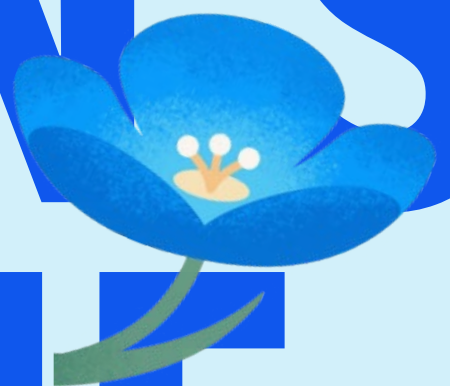


MONTREAL | JACQUES CARTIER BRIDGE





# THE REGION'S LIFELINE.



***YEG's cargo service is a major driver of the region's economy and vital to major industries in Northern Alberta, the Prairies and Canada's North. From e-commerce deliveries to moving specialized equipment and supplies for the energy sector, to agri-food product shipments and much more, YEG is a growing cargo and logistics hub with an increasingly international reach.***

YEG moved 52,000 tonnes of cargo in 2022, a 7.2% increase over 2021. This also marked the third year of record growth at YEG, thanks to the airport's top-tier cargo carriers and logistics suppliers.

## **A new day for cargo at YEG**

To sustain and build on the airport's cargo and logistics growth, Edmonton Airports, in partnership with the Government of Canada, announced the development of a transformational International Cargo Hub at YEG.

The federal government is investing up to \$100 million under the National Trade Corridors Fund. Combined with Edmonton Airports, private-sector partners and other federal investments, more than \$300 million is being directed to expand YEG's cargo and logistics infrastructure and capabilities.

YEG will convert approximately 2,000 acres of its 7,000-plus acres into a new global cargo handling operation. With this investment, YEG will expand its multi-modal distribution throughout the region, Canada, the United States of America and Mexico.

YEG's increased cargo capacity will improve the movement of import and export trade routes and strengthen Canada's supply chain. It will serve as a vital trade corridor for Canada, positioning our country's leadership in global supply chains by helping capitalize on the rapid global growth of e-commerce and import and export fulfilment.

The cargo hub will include new runway connections and taxiways to integrate new cargo handling aprons with direct airside handling operations, and expansive facilities for handling, warehousing, automated e-commerce logistics and distribution.

This massive cargo and logistics development is expected to be one of the greenest logistics parks in North America, powered by Alpin Sun's Airport City Solar Project.

A key reason for YEG's growing status as an international cargo and logistics hub and the investments to expand its capacity is its strategic location. By circumpolar routes, YEG is one of Canada's closest major airport to many parts of Asia.

When using the earth's curvature to improve supply chain efficiencies, YEG is an ideal location to access Europe, the Middle East and Africa. The airport has become a significant entry point into North America and Latin America. Edmonton's proximity and connectivity to countries around the world provide a natural advantage, supporting opportunities for more travel, trade and strategic partnerships.





### Cargo apron expansion completed

Further boosting YEG's cargo capacity is the completion of the new 47,000 square-metre cargo apron expansion. Construction finished at the end of September. The expanded cargo area is equivalent to five-and-a-half CFL football fields and can hold six more widebody aircraft, such as four 747s or six 767s.

Next on the list is installing a new hydrant fuelling system that will tie into existing fuel tanks. Having the hydrant fuelling system right on the cargo apron will eliminate the need for tanker trucks to move fuel to aircraft, making operations safer, more efficient and better for the environment.

These developments, in addition to the numerous sustainability and innovation initiatives underway, contributed to the cargo and logistics centre being the recipient of two awards in 2022 (see Awards section on page 36 for more information):

- TIACA Air Cargo – 2022 Corporate Sustainability Award
- GHI Pride of Ground Handling Awards – Sustainability Award

### Drone deliveries

YEG began regularly scheduled drone delivery operations in controlled airspace in May 2022, conducted by logistics partners Apple Express and Ziing Final Mile, together with Drone Delivery Canada and Leduc County. We are Canada's first airport to integrate drone logistics into its daily operation, and last year we serviced more than 300 commercial flights from the airport to a site in Leduc County.

### Accelerating cargo sustainability

In support of YEG's environmental commitments, the airport was one of the first globally to join The International Air Cargo Association (TIACA) BlueSky Program. The BlueSky Program is a tool the air cargo industry can use to track their sustainability progress, benchmark against peers and accelerate the industry's transformation.





**HERE WE**

**GROW**

**AGAIN.**





**There's nothing better  
than spending quality  
time with the people  
we love.**

While many see air travel as a necessity for business or leisure, I also see it as a vital means for Edmonton's diverse communities to reconnect with loved ones. Those connections matter and spark joy in our communities.

**AMARJEET SOHI**  
Mayor, City of Edmonton





# AIRPORT CITY THRIVES.



***YEG's bustling Airport City is a cornerstone of our strategy to drive sustainable economic prosperity and stimulate innovative technologies in our region for decades to come. We are dedicated to innovating and growing our Airport City Sustainability Campus, providing opportunities for businesses to push the boundaries in fields like AI, drones, reforestation and energy sources such as solar and hydrogen.***

YEG has achieved the most on-airport development of any airport in North America, and the Airport City Sustainability Campus is one of only two aerotropolis developments in Canada.

Attracting more than \$1.5 billion in private investment over the past nine years, Airport City is an expanding centre for transportation, cargo logistics, manufacturing, sustainability, technology development, retail, hospitality and tourism. The campus, with over 250 businesses and organizations, is also an integrated ecosystem spurring collaboration and innovation while fostering the commercialization of emerging clean technologies.

Edmonton Airports is committed to using its ecosystem and ESG leadership role to become a major driver of demand for hydrogen fuel and to open the airport as a new home for piloting emerging hydrogen technologies.

As part of the 2022 Canadian Hydrogen Convention held in Edmonton, we announced multiple agreements with several multinational and Canadian companies. Combined, these agreements will position YEG as a significant driver of demand for hydrogen fuel and support the growth of the Edmonton Hydrogen Hub.

The testing work and development of the technologies began in 2022 and will carry on into 2023 and beyond, depending on the scope of the work and the various partners involved.

## Hydrogen technologies agreements

### INVESTMENT IN ADVANCED TECHNOLOGIES

Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development ("JOIN") and Edmonton International Airport (YEG) signed a Memorandum of Understanding ("MOU") to co-operate in promoting investment for leading innovation in advanced technologies, advanced manufacturing, e-commerce, distribution, logistics with YEG's Airport City Sustainability Campus as well as its development of Canada's first consumer-facing hydrogen hub.

### REDUCING HEAVY-DUTY VEHICLE EMISSIONS

Edmonton Airports has partnered with hydrogen trucking pioneer Hydra Energy and Alberta transport provider Hercules Logistics to demonstrate a Hercules Class 8 fleet retrofitted with Hydra's proprietary hydrogen-diesel, co-combustion system running within the Airport City Sustainability Campus. Hydrogen for the converted trucks will come directly from YEG's to-be-developed fuelling infrastructure, creating a self-contained testbed for continued sustainability innovation.

### SUSTAINABLE FUELS TESTING

Edmonton Airports and SixRing, a subsidiary of Calgary-based Fluid Energy Group Ltd., have signed an agreement to use the SixRing process to produce one of the world's cleanest drop-in aviation fuels, to explore possible collaboration to secure clean-hydrogen supplies as a key input, and to work together to scale SixRing technology to other airports and transportation hubs in Canada and globally. Edmonton Airports will support SixRing by making introductions to airlines and industry partners.

### NORTH AMERICA'S FIRST AIRSIDE HYDROGEN-DIESEL FLEET

Edmonton Airports and hydrogen trucking pioneer Hydra Energy announced signing an MOU that will convert EIA's light-, medium- and heavy-duty fleet vehicles and other specialized equipment in airside and restricted areas of the airport using its proprietary hydrogen-diesel, co-combustion system. This is anticipated to reduce emissions by up to 40% per vehicle without negatively impacting performance at no cost to the airport.





CO-COMBUST DIESEL TRUCKS

Edmonton Airports commenced the “VEXSL Hydrogen Project” with Edmonton-based secure logistics specialists Veteran Express Secure Logistics (VEXSL) using Hydra Energy’s retrofit solution to convert diesel trucks to co-combust with hydrogen. This marks the first hydrogen collaboration of its kind in the country and the first commercial fleet to include a hydrogen-converted Class 1 armoured vehicle.

EMISSIONS-FREE, HYDROGEN-POWERED BUSES AT YEG

Edmonton Airports signed an agreement with Letenda, a Quebec-based manufacturer that currently builds all-electric buses, and with Mitsui, a Japanese global leader in multiple industries. The agreement will see the airport serve as a testing location for a new kind of mass transit powered 100% by hydrogen fuel.

GREEN-TECH DEVELOPMENT

Edmonton Airports will become a living lab for testing under a comprehensive new partnership with Japanese global firm Mitsui & Co. (Canada) Ltd. (“Mitsui Canada”) for the development and launch of hydrogen technologies. The comprehensive partnership is focused on decarbonizing transportation by testing and piloting new green technologies, using YEG’s Airport City Sustainability Campus as a living lab as well as exploring opportunities to partner in cargo and logistics, and food and retail.

INNOVATIONS IN CLEAN ENERGY PRODUCTION

Edmonton Airports and SBI BioEnergy Inc. will work together to advance the development of sustainable aviation fuel (SAF), biodiesel and hydrogen to lower carbon emissions from on-site activities.

HYDROGEN-FUELLED CARS AT YEG

Edmonton Airports plans to include hydrogen-fuelled zero-emission cars in its operations fleet through a partnership with Toyota Canada that would help demonstrate and accelerate the use of hydrogen. This is part of our commitment to decarbonize transportation and drive towards net zero.

HYDROGEN FUELLING STATION AT YEG

Edmonton Airports and First Element Fuel (FEF) have signed an agreement for a strategic partnership to develop hydrogen fuelling infrastructure at YEG using FEF’s proprietary technology. YEG will be the launch point into Canada for the California company, which already operates the largest hydrogen-station network in the world, with 36 stations in the state and a total of 55 stations to be opened by the end of 2023. The stations serve customers of fuel cell electric vehicles.

Zero-emissions flights closer to reality

ZeroAvia, the leader in developing zero-emission solutions for commercial aviation, is collaborating with Edmonton Airports to explore opportunities to develop the hydrogen infrastructure for delivering zero-emission flights and decarbonizing ground operations.

Under the agreement, we will work with ZeroAvia to develop hydrogen infrastructure at both YEG and Villeneuve Airport. The partnership targets exploring the use of hydrogen for decarbonization of aircraft operations and the wider airport ecosystem.

To support the collaboration, ZeroAvia will leverage its experience in developing and operating its Hydrogen Airport Refuelling Ecosystem (HARE). The partners will begin with gaseous hydrogen as a fuel while exploring a shift to liquid hydrogen, necessary to support aircraft above 50 seats.

ZeroAvia and Edmonton Airports will first conduct a pilot program which will fuel a demonstrator aircraft and other operations with the deployed hydrogen ecosystem. The next step will entail working towards establishing some of the world’s first commercial routes.

Indigenous Box

A new tenant at YEG is soaring to a national profile by tapping into a strong demand for Indigenous-led businesses while creating a growing Indigenous product supply chain.

Indigenous Box is a subscription box and corporate gifting company that began in the basement of founder Mallory Yawngghwe’s home. In one year, the company has gained several thousand clients and has taken over a warehouse space in YEG’s Airport City Sustainability Campus in 2022, accessing opportunities to grow and export across Canada and internationally. The company provides unique and authentic Indigenous-made products on a quarterly basis to subscribers and custom orders year-round for corporate clients.

Edmonton Airports is committed to partnerships with Indigenous-led businesses and is working with Indigenous Box by connecting it to national partners in cargo and the other corporate clients around the world committed to supporting economic reconciliation and Indigenous businesses.

Airport City Solar

Airport City Solar made waves this year as preliminary work continued on the world’s largest solar farm at an airport. Developer Alpin Sun will build a 595-acre solar farm at YEG, generating enough energy to power the equivalent of more than 27,000 homes. The energy used will help power YEG’s operations and contribute to the goal of being net zero by 2040. Alpin Sun is expected to begin development at YEG in 2023.





# FOR NEEDS. AND WANTS.



With over 60 shops, restaurants and other services, YEG travellers enjoy a wide array of choices. Those choices expanded in 2022 with two major openings and one reopening.

Tap & Pour Gastropub opened in the US departures lounge. Inspired by traditional, cozy local pubs of times past, Tap & Pour Gastropub reimagines and elevates the airport dining experience. Watch the game from one of the 55-inch televisions while enjoying a local draft beer or delicious cocktail from the craft menu or relax in our comfortable leather seating while you wait to depart.

Sevens at 49 offers travellers a new and exciting restaurant, bar and VLT gaming establishment. Only open to passengers over 18 years of age.

Boston Pizza, an Edmonton classic, returns to Central Hall with its wide variety of delicious menu items, including famous gourmet pizzas made with signature fresh dough, mouth-watering pasta dishes, and a wide variety of appetizers, salads and entrees.







MANY  
SEEDS  
WERE  
PLANTED.





# When I go on vacation, I always feel like it starts at the airport.

I enjoy browsing the shops at YEG and I like the variety of restaurants and other services there, too. I always feel safe and comfortable at our airport.

**GEORGINA DE CORDOVA**

YEG Traveller





# THINKING LIKE A TRAVELLER.



*We think about our passengers – a lot. We think through every step of the journey. In fact, a traveller's journey doesn't begin on airport property. It typically begins at home using our website or engaging with us on our social media channels.*

In 2022, we continued to make the experience of travelling through our airport easier and more convenient.

## **Fewer lines mean extra free time**

In our efforts to make YEG as safe, secure and efficient for travellers as possible, we launched a new virtual queuing system for Central Security called YEG EXPRESS, in partnership with Copenhagen Optimization and CLEAR.

The program – launched in coalition with Montréal-Trudeau International Airport (YUL), Vancouver International Airport (YVR), Calgary International Airport (YYC) and Toronto Pearson Airport (YYZ) – attracted more than 9,000 bookings since its infancy in late October 2022.

With YEG EXPRESS, passengers can reserve a timeslot at Central Security and jump to the front of the line. Appointments can be scheduled online in advance or at the airport upon arrival. Passengers can book their spot in Central Security up to 72 hours before their departure, up until 1 hour, 15 minutes before their scheduled flight. Passengers travelling with any airline will have access to this program free of charge and may bring up to 10 guests with them for the booking.

## **Welcome back, volunteers**

They are back. Our Airport Volunteer Ambassadors started helping passengers again mid-year. Now 30 volunteers are fully retrained and working a variety of shifts, assisting passengers throughout the airport.





In spring 2023, another 20 ambassadors will be fully retrained, bringing the total number of volunteers to 50.

On the furrier front, we are also thrilled to have our Pet Therapy Volunteers back in the terminal. YEG was the first airport in Canada to bring Pet Therapy to an airport. The program was warmly received by everyone in our airport community.

We currently have seven teams from the Pet Therapy Society of Northern Alberta working a variety of shifts five to seven days per week.

### Global conflicts, local support

For Ukrainians fleeing the war in their country and seeking refuge in Alberta, YEG provided a wholehearted Edmonton welcome as they arrived on special donated flights arranged by volunteers. To further support arriving Ukrainians, YEG helped set up a Red Cross reception centre.

The airport also welcomed one charter of Afghan refugees escaping the turmoil in Afghanistan.

### Compliance to official languages

We recognize the two official languages of our country and work hard to ensure both English and French are available to our passengers throughout their journey at YEG.







# NURTURING OUR PLANET.





# Our innovations respect that we are a global community.

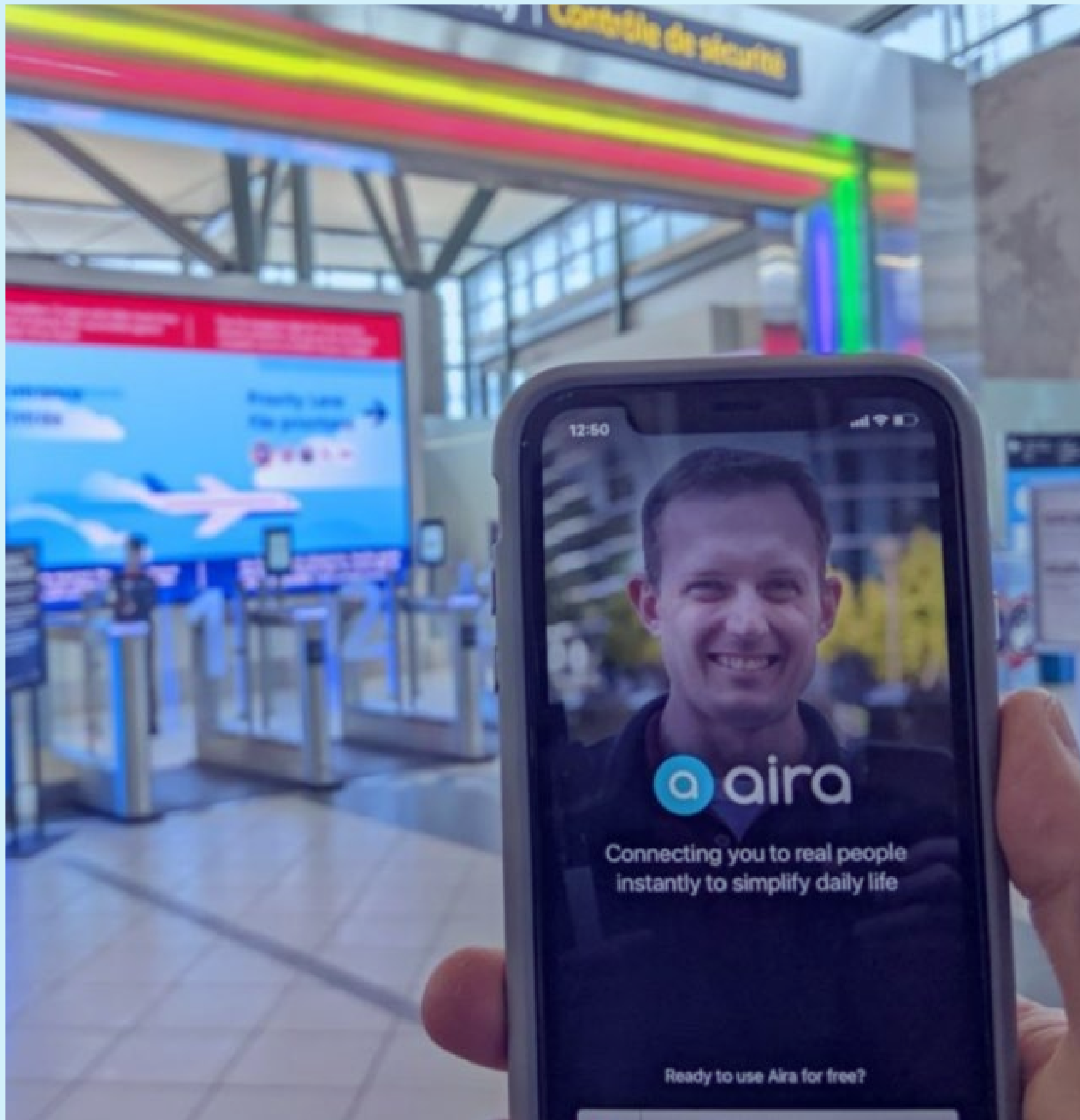
Everything we do takes into consideration  
people and the planet. It starts at YEG.  
We are proud to be known as a welcoming  
and sustainable airport.

**JOAN HERTZ**  
Board Chair





# ACCESSIBILITY FOR ALL.



***YEG strives to create an accessible and welcoming environment for everyone.***

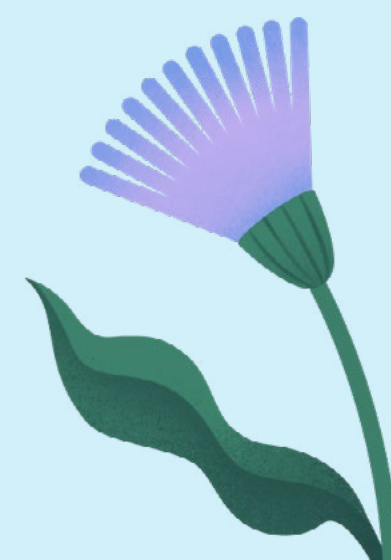
As part of this commitment to diversity, equity and inclusion, we have partnered with Hidden Disabilities Sunflower, an internationally recognized program that provides Sunflower-branded items for passengers to wear to discreetly indicate to people around the wearer that they may need additional support, help or simply more time.

Invisible disabilities can come in many forms. They can be physical, mental or neurological, including autism, ADHD, cognitive disabilities such as learning difficulties and dementia, mental health conditions, speech challenges, and auditory and visual conditions. They can also include respiratory and chronic conditions such as asthma, diabetes, chronic pain and sleep disorders.

Passengers at YEG can request a free and reusable Sunflower lanyard, wristband or ribbon to wear throughout their journey. Passengers can pick up their Hidden Disabilities Sunflower-branded items on-site at the YEG Information Booth on the Arrivals Level.

Learn more about our approach to accessibility, including Hidden Disabilities Sunflower: [flyEIA.com/accessibility](https://flyEIA.com/accessibility)

Contributing further to the airport's accessibility is Aira, an online service that provides live, real-time assistance to people who are blind or have low vision.



YEG became part of the Aira Airport Network in 2022 and a designated facility within the Aira online app for users. When a passenger who is blind or has low vision arrives at YEG, they can use this app to call up a live agent who will guide them through the airport by using the camera in a smartphone. The agent can assist in reading information for passengers and navigation through the airport.

The agent and Aira now have detailed information and maps of YEG, including the ability to determine where a user is inside the airport to help guide them.

Passengers using the Aira service will still be required to follow all safety and security measures while at YEG, including submitting their smartphones for security screening. YEG will work with its tenants and stakeholders to help educate them about the Aira service and how it works.

YEG has many initiatives to support accessibility at the airport. This includes the Autism Aviators program to help passengers who have Autism as well as parents or caregivers. The airport has an on-demand curbside assistance program, and in 2020 converted a washroom into a pet relief station designed for service animals. YEG is working towards a visual paging system for passengers with hearing difficulties, and services are available with airlines for passengers who need mobility assistance.

Other accessibility initiatives in 2022 include:

- YEG added a website tool called Max Access that alters the website display based on an individual's need or disability.
- YEG strengthened its commitment to providing an accessible experience for both English- and French-speaking passengers. YEG's website, social media and much of the signage in the terminal is available in both French and English.

Moving into 2023, YEG will focus on creating a barrier-free and accessible space for everyone who visits the airport.



# ALWAYS LOOKING FORWARD.



***YEG was chosen by KLM Royal Dutch Airlines as the host airport for a unique long-haul flight designed to further initiatives towards sustainability in the aviation industry.***

## **Sustainable flight challenge**

In early May, KLM Flight 675 flew non-stop from Amsterdam to YEG, but this was no regular flight – it was KLM's long-haul entry in the Sustainable Flight Challenge, presented by SkyTeam. The competition included 16 member airlines all competing to stage the most sustainable flight possible. The friendly competition was about sharing best practices and helping the industry focus on the global climate crisis and the role aviation plays.

Most notably, this flight was the first long-haul flight with 39% of Sustainable Aviation Fuel (SAF), the highest amount utilized on a flight. This trip was made possible through the incredible work of our internal teams and our many regional partners, including innovative activities such as:

- Facilitating the most efficient flight path with Nav Canada
- Renting and testing electric ground service equipment for the turnaround handling of the flight
- Supporting the procurement of bio-degradable plastic wrap for cargo pallets
- Co-ordinating a Certified Net Zero emissions event with a vegetarian menu and virtual tree gifts from Wild + Pine

A total of more than 50 existing and new measures were taken aboard both flights, involving all KLM divisions as well as partners such as YEG, Amsterdam Airport Schiphol, Air Traffic Control the Netherlands (LVNL) and General Electric.

YEG was chosen as the flight's destination out of KLM's many global destinations based on the airport's commitment to environmental practices and its many initiatives in this area, such as our co-generation power facility, commitment to hydrogen development, signing the Climate Pledge and the upcoming Airport City Solar project, along with additional initiatives from local partners.

As part of the flight's celebration, a sustainability Memorandum of Understanding (MOU) was signed between KLM and Edmonton Airports to collaborate further on sustainability in aviation.

## **Decarbonizing de-icing**

Edmonton Airports and its partner Aero Mag celebrated a successful trial of a new vehicle that will help reduce carbon emissions and maintain aircraft safety during cold weather.

In winter 2021-22, YEG became the second airport in Canada to trial a new all-electric de-icing vehicle. It's the first of its kind for the Canadian company, which normally runs diesel-powered trucks for de-icing. The electric-beta arrived in Edmonton early in 2022 and has been deployed in multiple weather conditions to help field test it for further operations and production.

De-icing is a major part of safety operations at any cold-weather airport, and as a major northern airport, YEG is a leader in winter operations. De-icing is the process where vehicles spray down planes before take-off during winter periods when frost or ice may build up on a plane's wings or other vital aircraft parts. Ice can be a major safety concern that interferes with a plane's mechanical components.

## **Renewing terminal assets**

Across the terminal, our teams are working to renew technology and operational assets.

These efforts help us use the terminal more efficiently and help our guests move through the airport with more ease and comfort. For example, we have worked with airports from across Canada over the past two years to harmonize the check-in system, helping passengers move efficiently through the check-in process and reducing costs.







# FROM HERE, THE WORLD



Priority Valet reopened prior to the holiday season rush, offering valet parking and concierge services to passengers at YEG. Located on Departures Level between Doors 27 and 28, passengers can book online or drive up for their reservation. Coat check and luggage wrap services are also available at Priority Valet.

From Priority Valet first-class valet service to affordable surface lot parking at jetSet Parking, YEG has a parking spot for every need. Explore our parking options and make your reservation at [flyEIA.com/parking](https://flyEIA.com/parking).

#### PRIORITY VALET

Whether you're a frequent flyer or late for a flight, Priority Valet gives you first-class curbside service and quick access to the terminal and your departure gate.

#### EASY PARKADE

Located directly across from the terminal, Easy Parkade provides covered parking just a few steps from the terminal.

#### VALUE PARK

Value Park is located east of the Parkade and provides long-term, affordable parking close to the airport.

#### JETSET

jetSet Parking is proudly locally owned and operated, supporting economic development and job creation at home. It offers convenient, low-price airport parking to meet every traveller's budget. It provides complimentary shuttle service between the terminal and parking lot which is available round the clock. Book your parking online before your departure and save even more!

No matter where you park at YEG, we'll boost your car, refill your tires, help find your car or dig you out for free if you need it – 24/7. Call YEG Park Assist any time at 780 890 8983.

#### Buses and shuttles aplenty

Whether you are travelling regionally, or between the airport and the city, or if you want to check out YEG's many on-airport attractions, we have many ground transportation options to choose from.

They include complimentary on-airport transit, on-demand taxis and limousines, car rentals, Edmonton Transit System's 747 bus between YEG and Century Park Transit Centre, hotel shuttles, Ebus, Leduc Transit and SunDog Tours.

Visit [flyEIA.com/parking-transportation/buses-shuttles](https://flyEIA.com/parking-transportation/buses-shuttles) to choose which option serves your destination.



# AN ECONOMIC DIVERSIFIER.

Villeneuve Airport (ZVL) is the region's primary general aviation airport and the designated reliever airport for YEG. In 2022, the renewed focus on Villeneuve Airport by regional partners culminated in a Memorandum of Understanding (MOU) between Edmonton Airports and Sturgeon County to co-found the Villeneuve Landing Network (VLN).

With 25 businesses on-site and room to grow, the airport is an important economic development and diversification asset for the region. As one of the founding members of VLN, we will work with the County and regional partners to continue driving development in the region and its capacity to serve northern Alberta and Canada's North.

The airport's main lines of business are:

- Flight training
- General aviation
- General aviation for small fixed or rotary-wing aircraft for private, corporate or commercial purposes
- Alternate space for air ambulance operations
- Wide range of services for private and commercial operations in both fixed and rotary-wing aircraft
- Compatible aircraft maintenance

## ZVL objectives

Together with our regional partners, we aim to:

- Improve financial sustainability
- Grow general aviation traffic
- Grow flight training
- Increase non-aeronautical revenue

In 2023, maintenance priorities include Runway 08/26 pavement rehabilitation, sanitary and stormwater water infrastructure maintenance, and further engineering of the water reservoir expansion.

Another key priority for 2023 is to attract further investment for pilot academies.

Villeneuve Airport is home to the Alberta International Airshow. The airshow is a not-for-profit event that raises awareness of the aviation industry and celebrates Edmonton's and Northern Alberta's aviation history.

The event draws thousands of people to Villeneuve each year and continues to serve as a global investment and tourism attraction event in Alberta.

Edmonton Airports plans to continue to work with the event owner and organizers to support the 2023 Alberta International Airshow and its long-term success.







# ACTING ON WHAT MATTERS





# Naheyawin was honoured to walk alongside YEG on their ongoing journey toward Reconciliation.

When the world faced uncertainty and disconnection, YEG team members held close what was most important to them: their relationships and the space they make for all the communities they serve.

**HUNTER CARDINAL**  
YEG Community Partner





# WE ALL WIN.



*Our people propel everything we do at YEG. Their innovative thinking and teamwork throughout the past three years positioned us for 2022's successes and to continue to advance our airports over the coming years.*

Our people propel everything we do at Edmonton Airports. Their innovative thinking and teamwork throughout the past three years positioned us for 2022's successes and to continue to advance our airports over the coming years.

We applaud our employees and who they are, coming from many diverse backgrounds and perspectives. That makes us stronger and better able to plan what our airports can realistically achieve in the short term and take a longer view of what YEG and ZVL can become in the future.

If we want to be an *airport for everyone*, we must reflect it in our own organization. Diversity, equity and inclusion are at the forefront of how we recruit and retain employees. It's also part of our daily operations. We discuss DEI issues and celebrate our diverse group of employees at team meetings, leadership forums and employee information sessions.

We embrace a wide variety of holidays our employees celebrate and work to learn more about each other and our diverse backgrounds. .

#### **Job fair**

The YEG airport community is always searching for top talent to serve our travellers. We hosted three job fairs in 2022. On March 18, the focus was on cargo tenants, and in June and October the job fairs were open to all airport tenants. More than 256 people came from the community to attend the job fairs and perhaps become a new member of our growing YEG community.



*We recognize we are stronger together and when we value the diversity of our region and country. We also understand our community expects us to contribute to social development and promote diversity, equity and inclusion, and that our decisions and actions reflect the ESG principles we have set out.*

#### Acting on Indigenous reconciliation

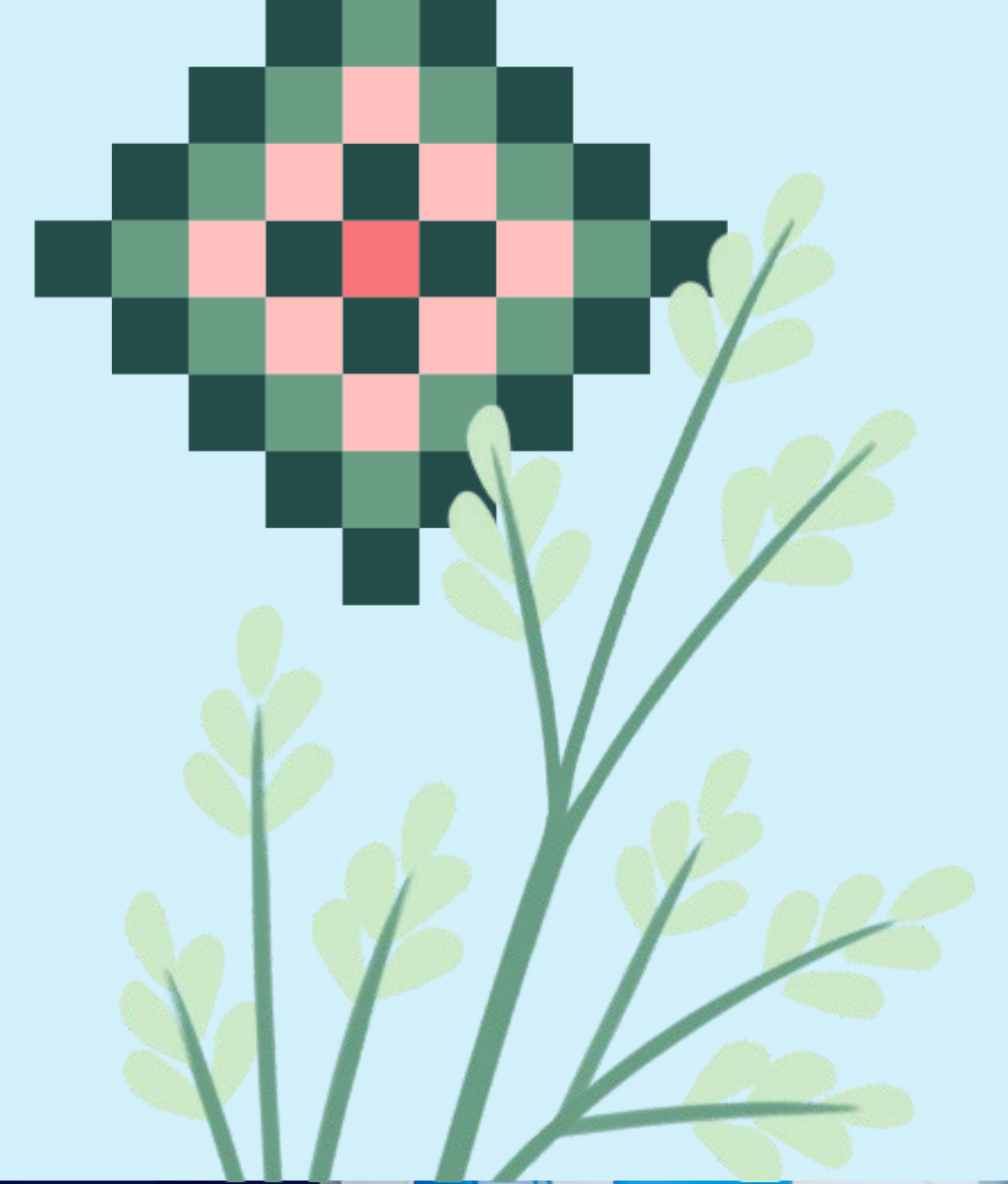
In line with embracing our diverse community and being an airport for everyone, Edmonton Airports has prioritized its commitment to economic reconciliation and being a trusted partner. Over the past several years, we have been building and strengthening our relationships with Indigenous Nations and organizations in our region and beyond. We seek to learn from them and collaborate to spur economic and social development opportunities for Indigenous peoples and all people.

In that spirit, YEG welcomed a first for airports in Canada: an immersive Indigenous experience and retail space open year-round. The Indigenous Interpretative and Retail Centre at YEG is one way the airport is demonstrating its commitment to cultural and economic reconciliation and being an *airport for everyone*. The centre is located next to Gate 64 in the International/Domestic Departures Lounge and is open for passengers to experience 24/7.

The space was authentically and thoughtfully designed and created, with the guidance of an Elders and Knowledge Keepers Circle, with representation from Treaties Six and Eight, the Métis Nation of Alberta, Métis Settlements General Council, the Dene Nation, Inuvialuit Regional Corporation and the Inuit Communities in Edmonton. Reimagine Architects, including Métis architect Tiffany Shaw, worked alongside YEG, the Circle and a long list of contributors to create a gathering place full of meaning and possibility.

The initiative has been made possible thanks in part to a federal investment of \$400,000 through the Canadian Experiences Fund, which is administered in Alberta by PrairiesCan.

# IN IT TOGETHER.





The retail component of the space creates an opportunity for passengers from around the world to purchase authentic Indigenous-made products from in and around Alberta and the North, at a variety of sizes and price points. Working together with airport partner Indigenous Box, a QR-based retail program was created, where passengers can see a variety of traditional and contemporary Indigenous-made products, learn about the artist and scan the QR code to instantly purchase and have the product shipped to their home or loved one. Supporting the values of this project, all revenue generated from the retail space will go directly to the artisans.

### Bolstering Indigenous tourism

In December, Edmonton Airports signed a formal partnership with Indigenous Tourism Alberta (ITA) with the signing of a Memorandum of Understanding (MOU) at the Indigenous Tourism Alberta Gathering at River Cree Resort and Casino, hosted on Enoch Cree Nation on Treaty Six Territory.

Connection to our region, its people and its history is an important part of being an airport for everyone and creating a meaningful relationship with our Indigenous partners. This MOU will solidify our commitment to work together to bring Indigenous stories, traditions and truth to our region and beyond. Our work with ITA supports our commitment to economic reconciliation and the entire tourism industry.

Through the MOU, Edmonton Airports and ITA agree to the common goals of growing the visitor economy, supporting the economic and cultural vitality of Indigenous communities and advancing reconciliation through the development and marketing of Indigenous tourism experiences in Alberta. It will focus on partnerships and reconciliation, connections between the two organizations and associated businesses, and building awareness for Indigenous tourism opportunities.

### Investing in the community

Edmonton Airports is an enthusiastic supporter of our community and region. We sponsored 74 events and activities in the region. We are proud to partner with various organizations and communities, airlines, security providers,

aviation businesses and industry partners to drive the great work the Edmonton Metropolitan Region is doing.

In 2022, we supported several major events, including the PTO Canada Open (triathlon), Edmonton Heritage Festival and Edmonton Folk Festival.

Prior to the pandemic, Edmonton Airports' Community Investment Program supported nearly 100 charities each year. We give tens of thousands of dollars in donations to support many important causes, and hundreds of thousands of dollars in investments in small business and in-kind support to community events.

Our impact on the community will continue to be central in our decision-making and ESG goals. We look forward to supporting more events in 2023 as the world returns to normal.

### YEG Charity Golf Classic

We thank our sponsors and employees who worked to support the YEG Charity Golf Classic in September at RedTail Landing. Together we raised a total of \$101,329 for our charities, Leduc & District Food Bank Association and YESS. We're proud of our team and partners for organizing this event to give back to our community.

### Partnering for shared prosperity

MacEwan University and Edmonton Airports signed a new agreement to work together to create opportunities that will benefit MacEwan students. The agreement will also contribute to the economic growth of the region while strengthening the aviation sector.

The Memorandum of Understanding between the two organizations will establish a framework for them to find new ways to support the growth of both organizations. This will happen by creating learning and internship opportunities for students, by providing research opportunities for faculty members and by exploring creative ways to create new jobs through innovation.

The MacEwan-Edmonton Airports agreement will strengthen the connection between the two community leaders.

### Hands-on food and beverage training

A partnership of NAIT, SSP, YEG and the provincial government has developed a food and beverage hospitality certificate program. YEG provides the opportunity for students to gain work experience as a paid employee in an airport environment while they take specific post-secondary courses. The pilot program began in January 2023. Indigenous students are eligible for a provincial grant that covers up to 75% of their wages while working during the term.

### A special visit

On July 25, 2022, we welcomed Pope Francis to Edmonton International Airport with a red-carpet ceremony as he arrived from Vatican City to Edmonton as part of his Walking Together Tour during the Papal Visit to Canada.

### Awards

Our employees and airport community are internationally recognized as aviation innovation leaders.

In late 2022, YEG's Airport City Sustainability Campus received two international awards in recognition of our inspirational leadership in environmental initiatives and in transforming air cargo and ground handling operations. The awards are:

- Corporate Sustainability Award from The International Air Cargo Association (TIACA) – the award recognizes outstanding businesses and industry initiatives designed to make air cargo more sustainable.
- The Sustainability Award from Ground Handling International Magazine – the award recognizes aviation operators who have taken sustainability from a tick-box activity to a true business principle, changing the misconception of aviation as a great polluter.

YEG is the first airport in North America to be accredited in the Airports Council International – ACI World Public Health & Safety Readiness Accredited program. Edmonton Airports always puts safety and security first. This program proactively guides us in protecting everyone who works in or travels through our airport.

YEG also achieved certification under ACI's Airport Carbon Accreditation (ACA) program. Edmonton Airports is committed to reducing climate change. We are a member of the international Airport Carbon Accreditation program and have received Level 1 certification twice. We are one of 151 airports worldwide certified for mapping and studying our carbon footprint, determining emissions sources within our operational boundary and calculating the annual carbon emissions.









# CONSIDERED ACTIONS.

## ENVIRONMENTAL, SOCIAL + GOVERNANCE

***Our community counts on Edmonton Airports to steward our assets sustainably and responsibly. ESG principles and practice help guide our decision-making and are interwoven with our mandate to generate economic prosperity for the region.***

We also understand we operate in a global context. Our decisions must consider our people and the planet.

Edmonton Airports was the first airport authority in the world to sign the Climate Pledge and commit to be carbon neutral by 2040. Our integration of sustainability initiatives is inherent in what we do. Whether it's replacing all our lightbulbs with LED bulbs, constructing LEED-certified terminal buildings, supporting a solar farm that will annually produce 200,000 MWh of power and offset 106,000 tonnes of CO<sub>2</sub>, building a CoGen facility that produces heat as a by-product and reduces annual carbon emissions by 8,000 tonnes, or partnering with some of the world's best clean-fuel technology companies, YEG is on the cutting edge of technology, innovation and social responsibility.

Throughout this Annual Report, we discuss our activities, their relation to our ESG focus, and in the case of clean-energy development and use, how they affect the sustainability of YEG and our planet including the following ongoing initiatives we are advancing:

### Road to net zero by 2040

The Climate Pledge is a global initiative and we signed it on April 21, 2021. We will meet the goal of net zero by 2040 with a combination of

direct actions from our comprehensive Energy Management Program and potential offsets related to our electricity usage. Approximately 70% of our emissions are tied to electricity use.

Key actions to reduce emissions include:

- We are the future home of Airport City Solar, the world's largest solar farm at an airport, the size of more than 300 football fields
- We've built a \$12 million natural gas co-generation electricity plant on-site. It will reduce the carbon footprint of our main terminal by 20% and our electricity-related emissions by 20% overall
- We've replaced more than 18,000 light fixtures with energy-efficient LED units
- We support the testing of new aviation equipment and technologies that use less fuel and produce fewer emissions
- We're sponsoring and supporting the development of biofuels for aircraft, with research being done at the University of Alberta. This agreement will not directly impact passengers. There will be no mandatory fee increases

In the future there will be voluntary options for passengers, giving them ways they can directly offset or help lower emissions linked to their flights and activities.

For example, in partnership with Wild + Pine Sustainability, we're committed to purchasing 50,000 trees for initiatives that help to improve our environment. Seedlings grown are deployed to Wild + Pine's StoneWoods

Forest Carbon Project, which consists of aggregated sites located across the Edmonton Metropolitan Region.

When customers park a car at Value Park, Easy Parkade, Priority Valet or jetSet Parking, they can choose to add a tree to the reservation. For every tree purchased at Value Park, YEG will match the contribution up to a total of 25,000 trees.

Using public transit to come to YEG is another action passengers can currently take, and we have land already set aside for an LRT connection in the future.

In the terminal, we have lowered our energy intensity rate by 50% over the past 20 years. We have a carbon and energy management program and we're looking for ways to keep improving this.

In a country as large as Canada, air travel is a necessity, not a luxury. This is especially true for the Edmonton Metropolitan Region as a major northern gateway, isolated from other major centres in Canada. YEG is also a major connection point for northern communities to the rest of the world.

Ultimately, we live in a northern climate and need to heat our buildings for much of the year. Finding the best and most efficient way to do that is one of our goals.

### Hydrogen hub

Edmonton Airports has positioned itself as a major player in hydrogen research, development and commercialization along with the Edmonton Metropolitan Region. In 2022, Edmonton Airports signed 11 agreements with international and Canadian corporations and organizations to research and test hydrogen as a renewable fuel source. But why?


Canada is fortunate to have geological formations in the Canadian Shield where hydrogen can be stored in a safe and cost-effective manner. Canadian industries that have the potential to use hydrogen could, while transportation is further developed, benefit from hydrogen hubs that enable the widespread use of hydrogen in a condensed geographical area. The YEG Hydrogen Hub is a prime example of this.

Canada is already one of the top ten global hydrogen producers and, with many years of R&D, a leader in innovative hydrogen and fuel-cell technologies. Further, Canada is one of the world's lowest-cost producers of low-carbon and zero-carbon hydrogen.


We are strategically positioned to benefit from taking a leadership role in the transition to a net-zero hydrogen economy. Alberta can produce hydrogen at half the wholesale cost of diesel and has the country's largest carbon capture storage resources.

The Edmonton Metropolitan Region is designated as a primary AI research and innovation hub in the Pan-Canadian AI strategy. The region also has the largest energy industrial





# Our approach puts people first – whoever they are, wherever they are from and however they identify.



area in Canada and produces over 60% of Canada's hydrogen. There is a strong focus on decarbonization.

We know we can't make these sustainable changes in isolation; it will take our full community working together to make meaningful progress on reducing emissions at the airport. We look forward to these discussions.

## Sustainability initiatives

In addition to the many sustainability initiatives underway at YEG, we helped raise awareness about the illegal wildlife trade at a first-of-its-kind webinar with Air Canada and the Canadian International Freight Forwarders Association (CIFFA).

As the first airport globally to continue advancing robust environmental assessment programs, Edmonton Airports joined the IATA Environmental Assessment (IEnvA) certification program. IEnvA was developed to independently assess the commitment of aviation stakeholders such as airlines, airports, cargo handling facilities, freight forwarders and ramp handlers, to continuously improve their environmental and sustainability performance.

## Reflecting our community's diversity

While we aim to innovate and attract fresh solutions, we recognize our business is about people. We help move people to where they want to go and help supply them with the goods they need from all over the world. Our approach puts people first – whoever they are, wherever they are from and however they identify.

That's why we work every day to create an *airport for everyone*, where everyone feels safe and welcome. We partner with organizations from our region and all over the world to make YEG an accessible and welcoming place.

We also keep our community and diverse groups top of mind when making decisions. We work with women in aviation to propel careers in aviation for women and Indigenous groups,

and we actively engage with Indigenous Nations and groups in our region to ensure commitment to reconciliation, build trust and create an airport that reflects our region.

Every day, we welcome thousands of visitors to YEG. Everyone that visits the airport, whether for business or pleasure, is important and should feel at home. That's why our DEI commitment is driven by a simple and meaningful goal – to create an *airport for everyone*. We're proud to value diversity as a strength and understand that creating an inclusive space is both a privilege and a fundamental responsibility.

## Governance – ensuring we live our values

Edmonton Airports Board of Directors and executive leadership are committed to establish leading oversight practices, controls and procedures.

Everything we do is guided by our values and commitment to making a positive difference for our employees, passengers, partners and the community.

The Board is holding itself accountable to reflect our diverse community. The 50 – 30 Challenge is an initiative between the Government of Canada, Canadian businesses and diversity organizations. The Challenge asks participants to achieve two goals:

1. Gender parity (50% women and/or non-binary people) on Canadian boards and/or in senior management; and
2. Significant representation (30%) on Canadian boards and/or senior management of members of other equity-deserving groups.

The Board has 30% significant representation of under-represented groups from diverse cultures and backgrounds, including Indigenous representation as well as other cultural minorities and people with disabilities. Also, with six of 13 Directors being women, the Board is close to 50% in gender parity. This has been achieved by attracting highly qualified, diverse directors.

On an airport-wide planning level, we restarted the 2048 YEG Master Plan process in 2022.

The YEG Master Plan, which we update every 10 years, guides the development of the airport facilities and services over a 25-year timeframe. It is an adaptable blueprint that guides how and where we expand and develop our services while considering the changing economic, social, environmental and regulatory conditions at the time.

Throughout the Master Planning process, we seek input from our stakeholders and the public to incorporate into our long-term vision and planning efforts.

In 2022, we:

- Restarted Master Plan stakeholder and Indigenous engagement
- Gained public feedback through a survey
- Restarted site assessments
- Began preparing the Master Plan document

In 2023, we will:

- Conduct a final stakeholder review
- Prepare and finalize the document
- Submit the YEG Master Plan 2048 document and supporting documents to Transport Canada

We are thankful to our airport, regional, provincial, national and international stakeholders who provided us with valuable feedback and important insights about YEG's development path.



# BOARD GOVERNANCE





BOARD COMPOSITION

The Board of Directors of Edmonton Airports (the “Board”) consists of a maximum of fifteen (15) directors, of which only thirteen (13) positions were filled as of December 31, 2022. Six (6) Directors are appointed by the City of Edmonton, two (2) Directors are appointed by the Government of Canada (one position vacant throughout 2022), and one (1) Director each is appointed by Leduc County, the City of Leduc, Parkland County, Strathcona County and Sturgeon County. The Board has two (2) at-large appointments that are used to either retain or fill any gaps in skills, experience or background, in order to retain required skill sets on the Board, one of which was filled as of December 31, 2022. Currently, the desired skills, experience and background are represented on the Board.

BOARD GOVERNANCE

The Board is responsible for the stewardship, strategic direction and oversight of the business and affairs of Edmonton Airports. In carrying out these responsibilities, the Board endeavours to maintain and seek continuous improvement in high standards of Board governance.

Some of the key governance functions of the Board include adopting and monitoring compliance with an ethics code, reviewing and approving Edmonton Airports’ strategic plan, annual business plan, establishing organizational principles around and monitoring activities related to the organization’s environmental, social and governance (ESG) initiatives, Chief Executive Officer (“CEO”) succession planning, and satisfying itself that management has identified the principal risks of the business and implemented appropriate systems to manage those risks.

With respect to the two (2) Federal Government Board positions, both positions are subject to the selection and confirmation of a replacement Board member through the Government of Canada’s process for all Federal board appointment and re-appointment opportunities. Throughout 2022, one (1) position remained vacant while the second position became vacant effective December 31, 2022, following the retirement of Dave Mowat (Federal Government) from the Board at the expiration of his appointed term.

Due to the resignation of Doug Horner (Parkland) from the Board in 2021, the Parkland Board position remained vacant at the start of 2022. Effective May 24, 2022, Rob Bennett (Parkland) was appointed to the Board. Effective August 10, 2022, Steve McClelland (At large) resigned from the Board and the position was not filled by the Board for the remainder of 2022. Effective January 1, 2023, Dave Mowat (At large) was appointed to the Board in order to retain experience and required skill sets on the Board.



JOAN HERTZ



ANGELINA BAKSHI



ROB BENNETT



CHRIS BURROWS



KATHERINE CHUBBS



HOWARD ENG



ANGELA FONG



MONA HALE



TIM HOFSTRA



GREG KRISCHKE



SANDRA MAROCCO



CARMAN MCNARY



DAVE MOWAT



# BOARD CHANGES IN 2022

- Christopher Burrows (Edmonton) was re-appointed to the Board effective January 1, 2022
- Steve McClelland (At large) was re-appointed to the Board effective January 1, 2022
- Rob Bennett (Parkland) was appointed to the Board effective May 24, 2022
- Steve McClelland (At large) resigned from the Board effective August 10, 2022
- Darrell Jones (Edmonton) retired from the Board effective December 31, 2022
- Murray Hales (City of Leduc) retired from the Board effective December 31, 2022
- Jay Ramotar (Strathcona) retired from the Board effective December 31, 2022
- Katherine Chubbs (Edmonton) was appointed to the Board effective January 1, 2023
- Greg Krischke (City of Leduc) was appointed to the Board effective January 1, 2023
- Angela Fong (Strathcona) was appointed to the Board effective January 1, 2023

# BOARD MANDATE

## 1.1 Governance Principles and Guidelines

The Board will perform its overall stewardship responsibilities as a governance board rather than a management board and will have regard to:

- (a) all Edmonton Airports’ applicable statutory obligations including:
  - i. to manage and operate the airports for which it is responsible in a safe, secure and efficient manner; and
  - ii. to advance economic and community development by means of promoting and encouraging improved airline and transportation service and an expanded aviation industry;
- for the general benefit of the public in the general region in which the airports are located.
- (b) Edmonton Airports’ guiding principles of noble cause, vision, mission and core values;
- (c) accountability to stakeholders and the community through appropriate transparent processes, disclosure practices and effective communication, including feedback mechanisms;
- (d) national and international airport best practices; and
- (e) Corporate Governance Guidelines as recommended by the Canadian Securities Administrators, Canadian Coalition for Good Governance and Institute of Corporate Directors.

## 1.2 Board Stewardship

The Board is responsible for the stewardship, strategic direction and oversight of the business and affairs of Edmonton Airports, including:

- (a) satisfying itself that executive management of Edmonton Airports practice and create a culture throughout the organization that includes the core values approved by the Board and articulated in the strategic plan;
- (b) adopting an ethics code and monitoring compliance with the Board approved Ethics Code, and satisfying itself that executive management of Edmonton Airports practice and create an ethical corporate culture;
- (c) following a strategic planning process which takes into account among other things, the opportunities and risks, financial overview and sustainability of the business, through the adoption and monitoring of the strategic plan and annual business plan;
- (d) satisfying itself that executive management has identified the principal risks of the business and implemented appropriate systems to manage these risks;
- (e) satisfying itself that executive management has contingency/emergency replacement plans in place for executive management and essential operational positions and succession plans in place for management;
- (f) satisfying itself that executive management has adopted a communication policy for the stakeholders and community, which policy shall ensure effective measures for receiving feedback from the stakeholders and the community; and
- (g) satisfying itself that executive management is monitoring internal controls and management information systems.



1.3 Board Responsibilities

Only the Board will:

- (a) appoint or remove at-large directors;
- (b) appoint or remove officers;
- (c) appoint or remove the auditor;
- (d) approve the responsibilities and compensation of the Board, Board Chair and Board Committees;
- (e) review environmental, safety and security programs established by management, including standards, insurance coverage, and regulatory compliance;
- (f) authorize the issuing of securities;
- (g) authorize the raising of money by Edmonton Airports;
- (h) approve the giving of financial assistance, directly or indirectly, by means of a loan, guarantee or otherwise;
- (i) approve annual audited financial statements;
- (j) approve corporate goals and objectives and assess corporate performance;
- (k) select, evaluate and establish compensation for the President and CEO;
- (l) plan President and CEO succession;
- (m) approve Special Resolution matters, including;
  - (i) amendment of Articles,
  - (ii) sale, lease or exchange of all or substantially all of the assets of Edmonton Airports,
  - (iii) the appointment of a Director as a director or officer of an Affiliate,
  - (iv) the appointment of a Subsidiary director as a director of officer of an Affiliate,
  - (v) requests of the Board to the reviewer appointed under section 29 of the Regional Airports Authorities Act,
  - (vi) amendment, replacement or repeal of Bylaws,
  - (vii) entering into an agreement to manage and operate an airport not previously managed and operated by Edmonton Airports,
  - (viii) participation with Affiliates, and
  - (ix) any material change to any Airport Master Plan.

1.4 Board Authorizations

The Board authorizes:

- (a) the Audit Committee to approve quarterly unaudited financial statements and the annual internal and external audit plans;
- (b) the President and CEO to manage all aspects of Edmonton Airports, consistent with all Board approved plans which authority includes the right of the President and CEO to delegate authority to other employees;
- (c) the Board Chair to appoint ad hoc Committees to act on matters between Board meetings; and
- (d) the Governance and Human Resources Committee to make determinations respecting disclosures made pursuant to the Conflict of Interest Rules that the disclosed interest would not materially or detrimentally conflict with the interests of Edmonton Airports or give rise to an appearance of a conflict of interest, or give direction respecting actions or processes to manage the disclosed interest.

1.5 Board Effectiveness

The Board, with support from Board Committees as required, will:

- (a) meet at least four times per year;
- (b) review appropriate and timely management reports;
- (c) appoint an Audit Committee and Governance and Human Resources Committee with Board approved mandates;
- (d) appoint a Special Committee with a Board approved mandate for a capital project or series of capital projects that could materially affect the credit or reputation of Edmonton Airports, as determined by the Board;
- (e) conduct regular assessments of the Board, Board Committees, Board Chair, Board Committee Chairs and individual directors;
- (f) annually review the Board Mandate and Workplan, Board Committee Mandates and Workplans, Terms of Reference for a Director, Director’s Confirmation, Acknowledgement and Declaration, and position descriptions for the Board Chair, Board Committee Chairs, President and CEO, Corporate Secretary and Board Secretary to ensure clear delineation of responsibilities and expectations;
- (g) establish a comprehensive director development program for directors consisting of director selection, orientation and continuing education;
- (h) review size and makeup of the Board and participate in filling Board vacancies;
- (i) directly engage advisors as required;
- (j) meet “in camera” with the President and CEO at each meeting and as the Board at the beginning and end of each meeting to ensure independence from management; and
- (k) require directors to annually sign a Directors’ Confirmation, Acknowledgement and Declaration.



# DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

The following is Edmonton Airports' disclosure of its Corporate Governance Practices.

Composition of the Board	
Independence of Directors	All Edmonton Airports Directors are independent.
Independence of Board Chair	The Board Chair is an independent director. The Board Chair's role and responsibilities are described in the Board Chair's Position Description.

## Attendance – Board & Committee Meetings 2022

Attendance Record of each Director for 2022				
	Board	Audit Committee	Governance & Human Resources Committee	CEO Special Search Committee
Angelina Bakshi	4/5	4/4		
Rob Bennett	3/3****	1/1*	1/1*	
Christopher Burrows	5/5	4/4		
Howard Eng	5/5	1/1*	5/5	11/11
Mona Hale	5/5	3/4		
Murray Hales	5/5	4/4		
Joan Hertz	5/5	4/4**	5/5	11/11
Tim Hofstra	4/5	1/1*	4/5	
Darrell Jones	4/5	4/4		
Sandra Marocco	5/5	1/1*	5/5	11/11
Steven McClelland	3/3***		3/3***	
Carman McNary	5/5	1/1*	5/5	11/11
Dave Mowat	5/5	4/4		9/11
Jay Ramotar	4/5	1/1*	5/5	

- \* Non-member – attended at request of Committee
- \*\* Ex-officio – attended as Board Chair
- \*\*\* Resigned from the Board effective August 10, 2022
- \*\*\*\* Appointed effective May 24, 2022

Director Independence	
In Camera Meetings	In camera sessions are held at the beginning and end of every Board and Board Committee meeting in accordance with the Board and Board Committee Mandates.
Board Mandate	
Board Mandate	The Board has a written mandate that sets out its role and responsibilities. The text of the Board Mandate is set out herein.
Position Descriptions	
Position Descriptions	The Board has written position descriptions for the Board Chair, the Governance & Human Resources Committee Chair (“Governance Committee”), the Audit Committee Chair, the President and CEO, the Corporate Secretary (Governance Officer) and the Board Secretary.
Orientation and Continuing Education	
New Director Orientation	The Director Development Program sets out an orientation program for new directors, which is designed to provide a comprehensive introduction to Edmonton Airports and the Board's governance policies and practices. The program includes, inter alia, orientation sessions with the Board Chair and the Governance Committee Chair (as requested), Corporate Secretary (Governance Officer), President and CEO and Executive Management, as well as attendance at one meeting of each Board Committee in the new director's first year, and tours of the facilities operated by Edmonton Airports.
Director Continuing Education	The Policy for Director Development provides for funding for director development. The Director Development Program sets out a program for Continuing Education to expand a director's knowledge of the aviation industry, government policy, business risk, competition and governance.
Code of Business Conduct and Ethics	
Written Code of Business Conduct and Ethics	The Board has adopted a written Ethics Code applicable to Edmonton Airports' Directors, Officers, Executive Management and Employees. The Board monitors compliance of Directors by requiring Directors to annually sign the Director's Confirmation, Acknowledgement and Declaration Form.
Conflict of Interest Rules	The Conflict of Interest Rules that form part of the Ethics Code requires completion (annually) of a Personal Information Form and disclosure of all interests, activities, investments, memberships and appointments that Directors, Officers, Executive Management and Employees have become involved with that may materially or detrimentally conflict with the interests of Edmonton Airports or any interests that may reasonably be perceived as giving rise to an appearance of a conflict of interest. The Board implements appropriate processes to manage disclosed interests, such as requiring Directors who have a material interest in a transaction to recuse themselves from discussions and/or voting on issues concerning those transactions.



Diversity and Inclusion Policy	<p>The Diversity and Inclusion policy forms the foundation of the Board’s recognition that good to great governance includes the benefits that diversity and inclusion can bring through effective representation of women, Aboriginal peoples, person with disabilities and members of visible minority groups. The Board is committed to:</p> <ol style="list-style-type: none"><li>1. promoting Board Diversity and Inclusion in the pursuit of recruiting qualified Board candidates;</li><li>2. establishing measurable objectives for achieving Board Diversity and Inclusion; and</li><li>3. keeping its stakeholders informed of its progress towards implementing and achieving Board Diversity and Inclusion.</li></ol> <p>In particular, the Board has determined that, working with the Appointers, by the end of 2025, the Board will strive to achieve:</p> <ul style="list-style-type: none"><li>• 50% gender parity in membership; and</li><li>• significant representation (30%) in membership of other under-represented groups, including racialized minorities and groups, people living with disabilities (including invisible and episodic disabilities), and members of First Nations, Inuit and Métis peoples.</li></ul>
<b>Nomination of Directors</b>	
Nomination and Appointment of Directors	<p>The Director Selection Process, which is a component of the Director Development Program, provides for a strategic, disciplined and transparent process to bring the skill sets, competencies and diversity required on the Board.</p> <p>The process consists of:</p> <ol style="list-style-type: none"><li>1. skills/competencies and diversity gap analysis conducted by the Governance Committee to identify anticipated gaps in the diversity, skill sets and competencies of the Board, including an assessment of whether a Director At Large position is needed to ensure no gap occurs;</li><li>2. communication of selection criteria to the Appointer for the Appointer’s consideration and in the case of Government of Canada appointment opportunities the appropriate criteria for insertion on the position posting advertisement. Where appropriate, the Board encourages the Appointer to utilize a search firm to assist in identifying candidates;</li><li>3. meeting of the Governance Committee Chair and Board Chair, and where possible other Governance Committee members and with the candidate to communicate the skill set and competencies required, expectations of time commitment, and application of Conflicts of Interest rules. Meetings with the Board Chair and other Directors are arranged to get to know the candidate;</li><li>4. for Government of Canada appointee opportunities beginning in 2017, in addition to point 3 above, meeting of the Board Chair and representatives from Transport Canada and the Minister of Transportation as part of a screening committee to review the applications; and</li><li>5. communication with the Appointer as to the suitability of candidates interviewed.</li></ol>

Nominating Committee	The Governance Committee’s Mandate includes responsibility for reviewing the size and makeup of the Board and filling Board vacancies.
Nominating Committee Responsibilities, Powers and Operation	The Governance Committee’s annual Workplan includes reviewing director skill sets and identifying gaps, reviewing size and makeup of the Board, diversity and inclusion of Board members and any potential gaps, and making recommendations to Appointers for Board vacancies.
<b>Compensation</b>	
Compensation Responsibilities, Powers and Operation	The Governance Committee’s Mandate includes responsibility for reviewing and recommending for Board approval the CEO evaluation process and compensation, Edmonton Airports’ Compensation Philosophy, the Directors’ Compensation Philosophy and Director compensation Policy.
<b>Other Board Committees</b>	
Standing and Special Committees	<p>The Board’s standing committees are the Audit Committee and Governance Committee. The Board has the ability to appoint special committees with Board approved mandates as required.</p> <p>In 2022, the Board established the CEO Special Search Committee which was tasked with the search for and ultimate recommendation to the entire Board of the new CEO pending the retirement of the current CEO, effective December 31, 2022. This special committee was disbanded at the conclusion of the successful hiring of the new CEO.</p>
<b>Board Assessments</b>	
Assessments of the Board, Board Committees and Individual Directors	Assessments of the Board, Board Committees, the Board Chair, Board Committee Chairs and individual Directors (both self and peer) are conducted regularly. Assessment information may be collected and compiled through questionnaires or interviews or a combination of the two techniques and may be conducted with the assistance of external consultants. All assessment results are reviewed by the Governance Committee and the Board Chair. The Governance Committee is responsible for recommending and monitoring improvement based on assessment results.



# STRATEGIC REPORTING

## Our 2022 Strategic Performance

To support the achievement of our five-year strategic objectives, we formulate annual business plans and we set annual targets. These targets align our Team members to focus on outcomes that are best for the business and ultimately best for the community. We track, analyze and present performance on a monthly, quarterly and annual basis. In our 2022 Business Plan, we set fourteen corporate targets in five areas: Financial Sustainability, Passenger Experience, Community and Social Responsibility, Airport Operations and Team Member Well-Being, and Learning and Growth. All fourteen targets were selected in view of our long-term vision: Innovation Expansion. In 2022, YEG met with supply chain disruptions and inflationary pressures, and also welcomed more than double the passengers of the previous year. This boded well for our financial results, allowing us to invest in important infrastructure improvements as well as projects focused on our passenger experience. Our regional economic impact for 2022 of \$2.4 billion was assessed based on the increase in passenger and cargo volumes, both of which experienced strong growth for the year. Further details on our 2022 financial performance and audit can be found on (pg 50). The Strategic Reporting section on this page focuses on the 2022 performance results for our non-financial targets.

### Enhance Passenger Experience

The total number of passengers travelling through the airport in 2022 was 5.85 million. The lifting of travel restrictions for fully vaccinated travellers led the growth to recovery in 2022. Passengers returned to travel more slowly during the first half of the year and much more rapidly throughout the summer, fall and early winter. The summer in particular saw a rapid increase in domestic passenger numbers followed by strong growth to sun destinations towards the end of the year. YEG's airline partners resumed 24 non-stop routes in 2022 and added four new non-stop destinations, resulting in 55 non-stop destinations by the end of 2022. This is three more than the 52 non-stop destinations served by YEG in 2019. As well, Condor announced non-stop service to Frankfurt, Germany, commencing in May 2023. As passengers returned to the airport, additional retail and food and beverage concessions offerings were introduced for our passengers' shopping and dining pleasure.

The Airport Service Quality (ASQ) survey program operated throughout 2022, achieving an annual score of 4.31/5.00. Flight disruptions throughout the industry during the summer and over the holiday periods negatively affected the passenger journey. We worked closely with airline partners and CBSA (Canada Border Services Agency) to understand passenger numbers and enhance processing. To further improve the passenger experience, YEG implemented several innovative programs, including the launch of YEG EXPRESS, a new virtual queuing system for Central Security.

### Community and Social Responsibility

At the end of December 2022, the YEG-owned and controlled (Scope 1 and 2) carbon emissions were 35,000 tonnes of CO<sub>2</sub>e (carbon dioxide equivalent). This positive achievement reflects the continued optimization of the Cogeneration facility that was implemented in 2021. This facility runs on natural gas, and produces both heat and electricity for the terminal, allowing a reduction in the power we utilize from the provincial grid. This significant shift has reduced our annual emissions and supports overall cost savings. Our emissions commitment is more important than ever, as we strive to have net-zero carbon emissions by 2040.

In 2022, YEG signed 11 agreements with international and Canadian corporations and organizations to research and test hydrogen as a renewable fuel source. As an example, YEG is collaborating with ZeroAvia, the leader in developing zero-emission solutions for commercial aviation, to develop the hydrogen infrastructure needed for zero-emission flights and decarbonizing ground operations.

Further demonstrating our commitment to decarbonization, YEG was selected as KLM's partner for its entry in The Sustainable Flight Challenge, presented by SkyTeam. The selection of YEG, from KLM's many global destinations, was based on our commitment to environmental practices and our many initiatives in this area. The flight from Amsterdam to Edmonton was the longest commercial flight ever with the highest amount of Sustainable Aviation Fuel (SAF) at 39%. KLM was the winner in the category of the Lowest CO<sub>2</sub> Long haul flight in the 2022 challenge and YEG was proud to have collaborated with KLM on this effort.

Inbound and outbound cargo is an integral contribution to the economy of our region. In 2022, YEG achieved another record-breaking year for cargo volumes, reaching 51,544 tonnes, despite the challenges presented by the war in Ukraine and the disruptions in the global supply chain. E-commerce continues to be an important component of consumer purchasing, and we expect to see continued growth in this sector to respond to this demand. Our cargo program received two international awards in 2022 for our commitment to environmental initiatives: the Corporate Sustainability Award from The International Air Cargo Association (TIACA) and the Sustainability Award from Ground Handling International Magazine.

On the social side, YEG opened a new Indigenous Interpretive and Retail Centre in the terminal, which seeks to highlight local Indigenous Nations and Peoples and introduce travellers to Indigenous artisans from Alberta, Canada's North and across the country. We also joined the international Hidden Disabilities Sunflower program in October. This program seeks to help passengers make their way trouble-free through the airport. Passengers wear sunflower-branded items to discreetly indicate they may need additional support or more time to navigate the airport to front-line airport employees. YEG also implemented Aira, an online service that provides live, real-time assistance to people who are blind or have low vision, to find their way in the airport terminal.

### Airport Operations

A key measure of airport efficiency is on-time departure rates. Unfortunately, some factors are beyond our control. Our average on-time departure rate was 77% for 2022, which was lower than the previous year. This reflects the widespread flight disruptions experienced by the industry during the year, including some major weather events. On-time departure remains a key focus area as we assess the impacts of this measure on our passengers and airline partners.

We also track the performance of the baggage systems by measuring wait times. The time from aircraft arrival to the first bag was 18:30 minutes, and the time from aircraft arrival to the last bag was 33:30 minutes. This last result again reflected the disruptions caused by staff shortages as well as adverse weather conditions. We continue to work with our partners and to appraise new technology that would reduce our baggage wait time.

## Team Well-being, Learning and Growth

'Safety and Security First' is a key value for YEG. During 2022, we experienced a Total Recordable Incident Frequency (TRIF) score of 10 incidents arising from approximately 417,500 hours worked. This measure is higher than in the past partly due to having more employees returning to site after working remotely for two years. Incident reporting within the organization is highly valued as we learn from these events and provide information and procedures to our Teams to enhance safety in their work environment. In 2022, we performed an internal maintenance audit. Our increased focus on communications about safety as well as the update of policies led to a score of 91%. This is an improvement on our 2021 COR external audit score, which was 83%. Our safety culture is an ongoing journey and our teams look for innovative and inspiring methods to increase safety awareness across our airports and with our industry partners.

We also conduct a quarterly survey of employees that asks questions about feeling connected, feeling safe on-site and overall inclusivity. We have continued to review and respond to employee requests expressed through the survey, and the leadership team meets monthly to discuss Team member well-being and change management. We continue to support managers as they develop their team cohesion and create comfortable and productive environments where all employees feel respected.



# LONG-TERM STRATEGIC OBJECTIVES

YEG’s 2020 to 2024 “Innovation Expansion” strategy is about positioning YEG as a business leader both locally and internationally and focuses our resources on innovative technologies rather than new bricks and mortar infrastructure. Our long-term vision is about diversifying and growing revenue through air service development, commercial development and Airport City Sustainability Campus business ventures. In addition, the five-year vision includes an acceleration of investment in digital capabilities and the transformation and optimization of existing airport infrastructure. This will drive efficiencies and service future airline operational needs. All these changes will be made possible by investing in existing employees and attracting new future-focused talent. While we have since adjusted our 2020-2024 targets to reflect the impact of COVID-19, we remain committed to the vision of Innovation Expansion. Our current expectation is that the recovery experienced in 2022 will continue, and the industry will return to 2019 levels by 2024 or early 2025.

### Improve Financial Sustainability

Our financial strategy is focused on long-term business growth and profitability. We employ financial accountability measures such as Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA), with a particular focus on Revenue from non-AIF (Airport Improvement Fee) sources. We recognize that improved financial sustainability will depend upon revenue sources beyond simple passenger numbers. We therefore expect our increased investment in attracting new businesses to the Airport City Sustainability Campus community will yield financial benefits as well as benefit the wider region.

### Enhance Passenger Experience

Creating an excellent passenger experience is an important component in becoming a preferred airport for our customers. We place passengers at the heart of our business model and develop products and services that meet their needs and exceed their expectations, while linking them to the business and leisure destinations of their choice. As we recover from COVID-19, we see a shift in passenger preferences and expectations, with a higher proportion of leisure travel predominating. We will continue to collaborate with all airline partners to incorporate new destinations of interest for both our leisure and business travellers.

### Improve Social, Environmental and Economic Sustainability

One of the major streams of our sustainability practices is our focus on diversity, equity and inclusion (DEI). We value our relationships with Indigenous groups and actively seek to promote their well-being through business ventures and inclusive practices. As well, we are expanding our outreach to many equity-deserving groups throughout our community. Our sustainability targets reflect our commitment to operating effectively and responsibly in the context of our business, passengers, employees and the community. We will continue to maintain and grow our sustainability leadership position. Our Airport City Sustainability Campus gives us a unique competitive advantage to advance our alignment with government and business partners, and support aviation’s recovery. The federal government has identified that the Canadian recovery needs to be green and equitable, among other commitments. Our performance targets centered on driving economic growth, cargo growth and reducing carbon emissions align YEG with these commitments. We will build skills in sustainability best practices, increase transparency in reporting and monitoring, engage stakeholders to ensure operations reflect their needs and develop initiatives that resonate with airlines and regional interests. Our commitment to net zero emissions by 2040 will continue to guide our investment in low-emissions innovations.

### Enhance Airline Productivity

This objective strategically aligns us with the interests of airlines, which are key partners and stakeholders. Targets in this area are aimed at improving the efficiency and effectiveness of airport operations. We strive to use our airport assets to support airline operations as efficiently as possible. We aim to use our assets and analytics to facilitate preventative maintenance programs, co-ordinate our resources and protect our facility for the long-term. The airport has created performance improvement targets geared at improving aircraft on-time departure rates and enhancing the speed of passenger baggage delivery. We are undertaking a baggage-system modernization program to support the continual improvement of baggage handling speeds and data tracking. Additionally, our award-winning winter operations performance and our collaboration with airline partners will allow us to improve our on-time departure rates as passenger numbers increase.

### Improve Team Engagement, Performance and Well-being

A key component of our long-term vision is to create a holistic approach to improving the well-being of our Team members. It is only through the commitment and hard work of our Team members that we are able to achieve the strategic targets of the business. Our leaders design roles, clarify accountabilities, develop talent and support the creation of a comfortable modern workplace. With our increased investment in new technologies, we aim to increase employee capability in this area for a seamless and integrated work experience. We also seek to ensure that we operate the airports in the safest possible manner and have safety targets focused on reducing recordable safety incidents and increasing proactive safety. We will always believe in ‘Safety and Security First’ whether Team members are on-site, off-site or working different shift schedules.



# PUBLIC COMPETITIVE TENDERING DISCLOSURE





# 2022 REPORTABLE SOLE SOURCES

Reportable amount for 2022: \$146,538 (\$75,000 in 1992 dollars)

Supplier	Project	Value (in thousands of dollars)	Code
Aerium Analytics	Wildlife management services	\$500	In compliance with strategic alliance/partnership requirements
Wild + Pine	Nature based climate solution	\$210	In compliance with strategic alliance/partnership requirements
AEBI Schmidt Group	Runway sweeper purchase	\$670.5	In compliance with equipment standardization program criteria
CDW Canada	Uninterruptible power supply (UPS) purchase	\$639	In compliance with equipment standardization program criteria



A stylized illustration of a plant with a green stem. At the top, a cluster of light pink leaves extends towards the upper right. At the bottom, a pink flower with multiple petals is shown, extending towards the lower right. The word "FINANCIALS" is written in large, white, bold, sans-serif capital letters across the center of the image.

# FINANCIALS





Independent auditor’s report

To the Board of Directors of Edmonton Regional Airports Authority

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Edmonton Regional Airports Authority and its subsidiaries (together, the Edmonton Airports) as at December 31, 2022 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

What we have audited

The Edmonton Airports’ consolidated financial statements comprise:

- the consolidated statement of financial position as at December 31, 2022;
- the consolidated statement of operations for the year then ended;
- the consolidated statement of changes in net liabilities for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

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 *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report.

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

Independence

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

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Edmonton Airports’ 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 Edmonton Airports or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Edmonton Airports’ financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s 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 these consolidated 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 consolidated 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 Edmonton Airports’ 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 Edmonton Airports’ ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated 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 auditor’s report. However, future events or conditions may cause the Edmonton Airports to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Edmonton Airports to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Edmonton, Alberta  
March 16, 2023



Edmonton Regional Airports Authority

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

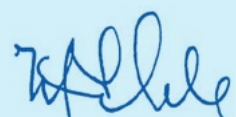
As at December 31, 2022 and 2021

(in thousands of dollars)	2022	2021
Assets		
Current assets		
Cash and cash equivalents	\$ 54,657	\$ 152,722
Accounts receivable	40,110	21,256
Short-term investments (note 3)	85,000	30,000
Prepaid expenses and other	6,067	5,026
	185,834	209,004
Restricted deposits (note 4)	42,084	41,155
Long-term investments (note 3)	49,000	59,000
Lease receivable and other	5,989	5,561
Investment in associates (note 5)	8,628	4,867
Post-employment benefits (note 6)	18,286	13,411
Property, plant and equipment (note 7)	806,240	823,440
Intangible assets (note 8)	2,045	2,592
	\$ 1,118,106	\$ 1,159,030
Liabilities and net liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	\$ 44,643	\$ 27,910
Current portion of deferred revenue and contributions (note 10)	2,993	3,243
Current portion of long-term debt (note 4)	48,701	46,120
	96,337	77,273
Tenants' security deposits and other long-term payables	2,489	2,579
Deferred revenue and contributions (note 10)	63,687	49,938
Post-employment benefits (note 6)	3,816	4,096
Long-term debt (note 4)	1,078,827	1,127,045
	1,245,156	1,260,931
Commitments and contingencies (note 12)		
Net liabilities	(127,050)	(101,901)
	\$ 1,118,106	\$ 1,159,030

The accompanying notes are an integral part of these financial statements.

Approved by the Board of Directors:

  
Chair

  
Chair – Audit Committee

Edmonton Regional Airports Authority

CONSOLIDATED STATEMENT OF OPERATIONS

For the years ended December 31, 2022 and 2021

(in thousands of dollars)	2022	2021
Revenues		
Airport improvement fee (note 11)	\$ 87,412	\$ 33,165
Concessions and parking	44,372	19,230
Airside and general terminal	42,236	25,265
Real estate leases	14,858	14,002
Contributions (note 10(b))	4,946	15,885
Other revenue	774	1,111
	194,598	108,658
Expenses		
Service, maintenance, supplies and administration	56,258	34,040
Salaries and employee benefits (note 14)	32,229	28,408
Ground Lease (note 12(a))	16,131	–
Utilities, insurance and property taxes	14,885	11,932
Airport improvement fee collection costs (note 11)	5,315	2,321
	124,818	76,701
Earnings before other income and expenses	69,780	31,957
Other expenses		
Depreciation and amortization	60,286	64,922
Interest and other	43,119	45,669
Impairment on investment in associates (note 5)	1,000	–
Share of loss in associates	739	–
Gain on disposal of property, plant and equipment	(3,764)	(59)
Gain on insurance and settlements	–	(1,850)
	101,380	108,682
Net loss	\$ (31,600)	\$ (76,725)

The accompanying notes are an integral part of these financial statements.



CONSOLIDATED STATEMENT OF CHANGES  
IN NET LIABILITIES

For the years ended December 31, 2022 and 2021

(in thousands of dollars)	2022	2021
Net liabilities – beginning of year	\$ (101,901)	\$ (34,883)
Post-employment benefits remeasurement and other items (note 6)	6,451	9,707
Net loss	(31,600)	(76,725)
Net liabilities – end of year	\$ (127,050)	\$ (101,901)

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the years ended December 31, 2022 and 2021

(in thousands of dollars)	2022	2021
Cash flows from operating activities		
Net loss	\$ (31,600)	\$ (76,725)
Adjustments for:		
Depreciation and amortization	60,286	64,922
Amortization of borrowing costs	483	485
Gain on disposal of property, plant and equipment	(3,764)	(59)
Changes in non-cash working capital (note 15)	9,819	(2,479)
Post-employment benefits	1,296	640
Impairment on investment in associates	1,000	-
Share of loss in associates	739	-
Net cash flows used in operating activities	38,259	(13,216)
Cash flows from investing activities		
Increase in restricted deposits	(929)	(2,998)
Purchase of investments	(75,000)	-
Proceeds from investments	30,000	36,000
Increase in investment in associates	(1,000)	(3,867)
Purchase of property, plant and equipment	(42,600)	(11,344)
Purchase of intangible assets	(734)	(125)
Proceeds on disposal of property, plant and equipment	59	134
Net cash flows from investing activities	(90,204)	17,800
Cash flows from financing activities		
Repayments of long-term debt	(46,120)	(41,872)
Proceeds from long-term debt	-	199,212
Repayments of bank operating line	-	(50,000)
Net cash flows from financing activities	(46,120)	107,340
Net increase (decrease) in cash	(98,065)	111,924
Cash and cash equivalents – beginning of year	152,722	40,798
Cash and cash equivalents – end of year	\$ 54,657	\$ 152,722

The accompanying notes are an integral part of these financial statements.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021 (in thousands of dollars)

## 1. NATURE OF OPERATIONS

Edmonton Regional Airports Authority (“Edmonton Airports”) was incorporated on July 26, 1990 under the provisions of the Regional Airports Authorities Act (Alberta) (the “Act”) as a non-share capital corporation. The mandate of Edmonton Airports, as defined in the Act, is to manage and operate the airports for which it is responsible in a safe, secure and efficient manner and to advance economic and community development by promoting improved airline and transportation service and an expanded aviation industry. In accordance with the provisions of the Act, all of Edmonton Airports’ surpluses are applied towards promoting its purposes and no dividends are paid out of the surpluses. Surpluses in these consolidated financial statements are described as net assets. Deficits are referred to as net liabilities.

Edmonton Airports’ earnings are generated from airport-related operations and are exempt from federal and provincial income tax.

Edmonton Airports has wholly owned for-profit subsidiaries that hold investments in businesses outside of Edmonton Airports’ core operations.

### EDMONTON INTERNATIONAL AIRPORT

On April 2, 1992, Edmonton Airports signed an agreement with the Government of Canada (the “Landlord”) to transfer control of the Edmonton International Airport (the “Airport”) to Edmonton Airports. Effective July 31, 1992, Edmonton Airports signed the Ground Lease Agreement (“Ground Lease”) with the Landlord to lease the Airport facilities for an initial period of 60 years ending in 2052. On August 1, 1992 Edmonton Airports assumed control of the Airport. Under the option granted to Edmonton Airports in the Ground Lease, Edmonton Airports provided notice to the Landlord to exercise the option to extend the term for an additional 20 years, expiring July 31, 2072.

The Airport operates on approximately 2,800 hectares of land in the County of Leduc adjacent to the City of Leduc in the province of Alberta. The assets of the Airport include the air terminal, airside assets including two runways, multiple taxiways and aprons, loading bridges, groundside assets including parking lots, maintenance facilities and other ancillary structures necessary to execute its mandate.

Edmonton Airports is committed to the continuing development of the Airport. This includes continued redevelopment of the terminal, increasing airside capacity, and increasing cargo and aircraft facilities.

### VILLENEUVE AIRPORT

On March 30, 2000, Edmonton Airports acquired from the Government of Canada all lands, assets, chattels and equipment comprising the Villeneuve Airport for a nominal amount. Villeneuve Airport operates on approximately 579 hectares of land in Sturgeon County and is a certified general aviation airport. Villeneuve Airport’s role is to serve the needs of small commercial, recreational flying and general aviation and is also a flight training facility with a flight control system owned and operated by NAV CANADA.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

### A) BASIS OF PREPARATION

Edmonton Airports’ consolidated financial statements have been prepared by management in accordance with the CPA Canada Handbook – Accounting Part III – Accounting Standards for Not-for-Profit Organizations (“ASNPO”) and include the results of Edmonton Airports’ wholly owned subsidiaries. All intercompany transactions and balances have been eliminated on consolidation.

The consolidated financial statements have been prepared in Canadian dollars under the historical cost convention.

### B) USE OF ESTIMATES

The preparation of the consolidated financial statements in accordance with ASNPO requires management to make judgements and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates, and differences could be material. Significant estimates include the estimated useful lives of capital and intangible assets, the collectability of accounts receivable, measurement of accrued liabilities, and measurement of post-employment benefits.

### C) CASH AND CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

Cash and cash equivalents include cash and short term investments with an original term of 90 days or less. Other redeemable short-term investments that have maturities beyond the 90 days and less than one year are classified as short-term investments.

### D) GROUND LEASE EXPENSE

The Ground Lease expense is based on a progressive scale of percentages of Edmonton Airports’ revenue as defined in the Ground Lease and is charged to operations.

### E) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses. Property, plant and equipment do not include the cost of the facilities that are leased from the Landlord. These assets will revert to Transport Canada upon the expiration or termination of the Ground Lease. No amounts are amortized longer than the lease term.

Assets under construction are not depreciated and are transferred to property, plant and equipment when the asset is available for use, as intended by management.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation is provided at cost less estimated residual value on a straight-line basis over the estimated useful lives as follows:

Buildings	2–60 years
Roadway Systems, parking facilities and lots	3–60 years
Runway facilities and lots	3–20 years
Vehicles and maintenance equipment	5–35 years
Computer equipment	2–10 years
Land and Land Development	10–60 years

Edmonton Airports has previously purchased land for operational purposes and future development. The Ground Lease requires that at commencement of development the applicable land be transferred to the Government of Canada at which time Edmonton Airports will reclassify the land to leased land.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021 (in thousands of dollars)

## F) INTANGIBLE ASSETS

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets do not include the cost of the facilities that are leased from the Landlord.

Intangible assets include purchased computer software and software licenses with finite useful lives. These assets are capitalized and amortized on a straight-line basis in the statement of operations at the following annual rates:

Purchased software and software licenses	2 – 5 years
--	-------------

## G) BORROWING COSTS

Borrowing costs attributable to the acquisition or construction of an asset that is constructed over time are added to the cost of the asset, until the asset is available for use. All other borrowing costs are recognized as interest expense in the year in which they are incurred.

## H) IMPAIRMENT

Property, plant and equipment and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's fair value or replacement cost is estimated. For the purpose of measuring fair value or replacement cost, an asset can be integrated with other assets such that it may be necessary to consider the value of the asset's future economic benefits or service potential for the group of integrated assets as a whole. A write-down is recognized for the amount by which the asset's carrying amount exceeds its fair value or replacement cost.

## I) REVENUE RECOGNITION

Edmonton Airports recognizes revenues when received or receivable if the amount to be received can be reasonably estimated and if collection is reasonably assured as follows:

- Airport improvement fee ("AIF") revenue, which is collected from passengers by air carriers, is recognized based on monthly passenger numbers submitted by individual carriers.
- Concession revenue is recognized based upon the greater of agreed percentages of reported concession sales and specified minimum rentals over the terms of the respective leases. In some instances, concession revenue is recognized exclusively based on agreed percentages of reported concessions sales.
- Airside and general terminal and parking revenues net of incentives are recognized as the airport facilities are utilized.
- Real estate revenue net of incentives and rent forgiveness is recognized on a straight-line basis over the terms of the respective leases. For land, this amount is recognized once the developed land has been granted to the tenant.
- Interest income is recognized in the period in which it is earned.
- Contributions are accounted for using the deferral method as follows:
  - Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
  - Contributions received or receivable to offset specific operating costs are deferred and recorded as revenue when the related costs are incurred.
  - Contributions received or receivable and designated by third parties for specific capital purposes are deferred and recorded as revenue on a basis consistent with the amortization of the related capital assets.

## J) POST-EMPLOYMENT BENEFITS

Edmonton Airports operates a non-contributory defined benefit pension plan, a defined contribution ("DC") pension plan and two unfunded supplemental plans.

### DEFINED BENEFIT PENSION PLAN

The liability recognized in the balance sheet in respect of the defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using an actuarial valuation prepared for accounting purposes. The present value of the post-employment benefit obligation is determined using the projected benefit method and by discounting the estimated future cash outflow using interest rates of high-quality corporate bonds that have duration to maturity approximating the duration of the related pension liability.

Remeasurements and other items comprise the difference between the actual return on plan assets and the return calculated using the discount rate used to determine the defined benefit obligation, actuarial gains and losses, the effect of any valuation allowance, past service costs and gains and losses arising from settlements and curtailments. Remeasurements and other items are recognized directly in net assets (liabilities) in the statement of financial position and are presented as a separate line item on the statement of changes in net assets (liabilities).

### DEFINED CONTRIBUTION PENSION PLAN

Edmonton Airports records contributions to the defined contribution pension plan as an expense, which is included in salaries and employee benefits expense, as services are rendered.

## K) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are initially recognized at fair value when Edmonton Airports becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost.

With respect to financial assets measured at cost or amortized cost, Edmonton Airports recognizes in net income (loss) an impairment loss, if any, where there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to net income (loss) in the period the reversal occurs.

## L) DEFERRED REVENUE

Deferred revenue consists primarily of land leasing, space rental and aeronautical fee revenue received in advance of land or facilities being utilized. Deferred revenue is recognized over the terms of the related agreements.

## M) INVESTMENT IN ASSOCIATES

Edmonton Airports records investments over which it has significant influence using the equity method of accounting. The original investment is initially recorded at cost and is subsequently increased or decreased to account for the Airport's share of income or loss from the investment.

Edmonton Airports records investments in equity instruments over which it does not have significant influence using the cost method. These investments are held at cost less any reduction for impairment. Interest, dividends, losses and gains relating to these financial instruments are reported in net income (loss) as expense or revenue.

At the end of each reporting period, Edmonton Airports assesses whether there are any indications that an investment may be impaired. If an investment is determined to be impaired, the carrying amount is reduced to the higher of the discounted future cash flows from holding the investment and the amount that could be realized by selling the asset at the date of the consolidated statement of financial position.

Edmonton Airports assesses joint arrangements at the inception of the agreement based on the structure and legal terms of the contract. Where the arrangement meets the definition of a jointly controlled enterprise, the equity method of accounting is used. Where the arrangement meets the definition of a jointly controlled operation, or jointly controlled assets, the Airport recognizes its share of the assets, liabilities, revenue and expenses of the joint arrangement.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021 (in thousands of dollars)

### 3. INVESTMENTS

Edmonton Airports holds interest bearing investments in the amount of \$134 million (December 31, 2021 – \$89 million). \$85 million will mature in 2023 and is classified as short-term investments; \$49 million is classified as long-term investments. The long-term investments are subject to yearly drawdown on specific dates through to 2026. Investments are measured at amortized cost. Interest income is recognized in the period in which it is earned. Total interest income earned from these investments in 2022 was \$3,649 (2021 – \$3,415).

### 4. LONG-TERM DEBT

Pursuant to a Master Trust Indenture (“MTI”) dated October 31, 2000, Edmonton Airports established a Capital Markets Platform (“CMP”) which enables Edmonton Airports to create, issue and secure bonds, without restriction as to the amount or series. All bonds issued pursuant to the MTI are secured by a mortgage or charge against Edmonton Airports’ leasehold interest in the Edmonton International Airport lands and a security interest in all of Edmonton Airports’ present and after-acquired personal property. The aforementioned security ranks *pari passu* with all other indebtedness issued.

Pursuant to the terms of the MTI, Edmonton Airports is required to maintain a debt service reserve fund equal to one-half of its annual debt service costs and an operating and maintenance contingency fund equal to one quarter of its annual operating and maintenance expenses. At December 31, 2022, restricted deposits of \$42,084 (December 31, 2021 – \$41,155) exist as a requirement of the debt service reserve fund. These deposits earned annual interest of 2.24% (December 31, 2021 – 0.55%). The operating and maintenance contingency fund can be satisfied by cash, letter of credit or undrawn availability of a revolving credit facility.

Throughout the term of the MTI when any bonds are outstanding, Edmonton Airports is required to maintain a debt service coverage ratio on a rolling 12 months basis of 1.00:1 and a gross debt service coverage ratio of not less than 1.25:1.

Edmonton Airports undertook a consent solicitation process in 2020, to waive certain requirements under the MTI. Bondholders waived Edmonton Airports’ obligation to meet the gross debt service coverage ratio and the debt service coverage ratio for the years 2020, 2021, and 2022. In addition, the Bondholders also waived Edmonton Airports of its obligation to fund an operating and maintenance contingency fund for the years 2021, 2022, and 2023.

Edmonton Airports has issued the following series of bonds through the CMP:

#### SERIES A BONDS

Pursuant to the first supplemental indenture dated October 31, 2000, Edmonton Airports created and issued series A bonds in the aggregate principal amount of \$250 million (the “Series A Bonds”). The Series A Bonds are issued as direct evidence of indebtedness of Edmonton Airports to the holder thereof. The Series A Bonds bear interest at a fixed rate of 7.214% per annum and are due on November 30, 2030. Principal and interest payments are made semi-annually on May 1 and November 1 of each year.

#### SERIES B BONDS

Pursuant to the second supplemental indenture dated October 31, 2000 and the fourth supplemental indenture dated December 31, 2017, Edmonton Airports created and has issued series B bonds in the aggregate principal amount of \$220 million (the “Series B Bonds”). The Series B Bonds are security for the operating credit facility noted below and are payable on demand in accordance with the terms thereof. The Series B Bonds are pledge bonds, which constitute an obligation of Edmonton Airports to the holder thereof only to the extent of the lesser of i) the principal amount of the Series B Bonds plus interest accrued thereon; and ii) the amounts owing pursuant to the credit facility (including accrued interest). Pursuant to the second supplemental indenture, the Series B Bonds are exempt from the debt service reserve fund and operating and maintenance contingency fund requirements set forth in the MTI.

Edmonton Airports maintains an operating credit facility with a major Canadian bank. The agreement establishes, for a three-year term ending December 30, 2023, a \$100 million revolving credit facility for general corporate purposes and to assist in interim financing of construction projects. The credit facility can be extended up to \$200 million. As at December 31, 2022 and 2021, no amounts were drawn under the facility. Edmonton Airports has the option to draw on the credit facility at a variable interest rate based on the bank prime rate plus a premium or at a fixed interest rate based on the CDOR loan rate plus a premium. The bank prime rate at December 31, 2022 was 6.45% (2021 – 2.45%).

Pursuant to the credit agreement Edmonton Airports is not required to maintain any financial covenants while in receipt of a covenant waiver from His Majesty the King in Right of Alberta (“HMKRA”).

#### SERIES C BONDS

Pursuant to the third supplemental indenture dated December 6, 2006, Edmonton Airports created and has issued series C bonds in the aggregate principal amount of \$1.365 billion (the “Series C Bonds”). The Series C Bonds are security for HMKRA Amended and Restated Credit Agreement dated January 24, 2012 and are payable on demand in accordance with the terms thereof. The Series C Bonds are pledge bonds, which constitute an obligation of Edmonton Airports to the holder thereof only to the extent of the lesser of i) the principal amount of the Series C Bonds plus interest accrued thereon; and ii) the amounts owing pursuant to the HMKRA Amended and Restated Credit Agreement (including accrued interest).

The HMKRA Amended and Restated Credit Agreement establishes three credit facilities (collectively, the “HMKRA Credit Facilities”, and each a “HMKRA Credit Facility”).

HMKRA Credit Facility 1 has a maximum principal amount of \$1 billion, available by way of fixed rate loans, to be used solely for the purposes of airport infrastructure expenditures at the Edmonton International Airport.

HMKRA Credit Facility 2 has a maximum principal amount of \$300 million, available by way of fixed rate loans, to be used firstly for the purposes of redeeming or purchasing for cancellation the Series A Bonds and the Series B Bonds. The HMKRA Amended and Restated Credit Agreement prohibits any drawdown of the final \$50 million of HMKRA Credit Facility 2 until all of the Series B Bonds have been redeemed. Once the Series A Bonds and the Series B Bonds are fully redeemed, any residual balance in HMKRA Credit Facility 2 can be used for the HMKRA Credit Facility 1 purposes.

HMKRA Credit Facility 3 has a maximum principal amount of \$100 million, available by way of fixed rate loans, to be used solely for the purposes of funding capital expenditure projects, the general purpose of which are to construct or improve infrastructure in respect to buildings, airfield, land, roads, navigational aids and other assets required for the operation of the Edmonton International Airport. The use of HMKRA Credit Facility 3 reduces, dollar for dollar, the amount available to Edmonton Airports under HMKRA Credit Facility 1.

Pursuant to the HMKRA Amended and Restated Credit Agreement, throughout the period when any amounts are outstanding thereunder, Edmonton Airports is required to maintain an interest coverage ratio of not less than 1.25:1 and net cash flows greater than zero as of the end of any fiscal quarter on a rolling four fiscal quarter basis. Edmonton Airports obtained a waiver agreement from the HMKRA waiving all financial covenants set out in the Amended and Restated Credit Agreement for the period of April 1, 2020 to December 31, 2022.

#### SERIES D BONDS

Pursuant to the sixth supplemental indenture dated May 20, 2021, Edmonton Airports created and issued series D bonds in the aggregate principal amount of \$200 million (the “Series D Bonds”). The Series D Bonds are issued as direct evidence of indebtedness of Edmonton Airports to the holder thereof. The Series D Bonds bear interest at a fixed rate of 3.715% per annum and are due on May 20, 2051. Principal and interest payments are made semi-annually on May 20 and November 20 of each year.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021 (in thousands of dollars)

Total long-term debt outstanding:

(in thousands of dollars)	2022	2021
Series A Bonds	\$ 147,427	\$ 159,519
Series D Bonds	194,371	198,158
HMKRA Loans	788,040	818,280
	1,129,838	1,175,957
Less: Unamortized transaction costs	2,310	2,792
	1,127,528	1,173,165
Less: Current portion	48,701	46,120
Long Term Debt	\$ 1,078,827	\$ 1,127,045

HMKRA loans, payable in semi-annual instalments of principal and interest:

Interest Rate	Semi-annual Installment	Maturity Date	2022	2021
4.37%	\$ 755	December 15, 2026	\$ 5,485	\$ 6,715
4.50%	1,145	March 15, 2027	9,238	11,052
5.00%	398	June 15, 2027	3,175	3,790
4.89%	395	September 17, 2027	3,465	4,063
4.68%	1,552	June 16, 2028	14,895	17,219
4.55%	3,068	September 17, 2028	31,899	36,427
4.67%	1,245	December 15, 2039	29,009	30,107
4.54%	920	March 15, 2040	22,060	22,872
4.56%	1,845	June 15, 2040	44,158	45,779
4.00%	1,439	October 1, 2040	36,666	38,035
4.40%	2,112	December 15, 2040	52,149	54,017
4.41%	1,511	March 15, 2041	37,943	39,248
4.16%	1,657	June 15, 2041	42,467	43,966
3.70%	1,582	September 15, 2041	42,874	44,405
3.35%	2,135	December 15, 2041	59,632	61,846
3.41%	921	March 15, 2042	26,062	26,989
3.25%	905	June 15, 2042	25,990	26,932
3.26%	1,207	September 17, 2042	35,289	36,525
3.24%	603	December 17, 2042	17,641	18,259
3.42%	615	March 15, 2043	17,996	18,593
3.73%	557	March 17, 2044	16,365	16,854
3.36%	266	September 15, 2044	8,221	8,470
3.18%	260	December 15, 2044	8,179	8,433
2.72%	490	September 15, 2046	17,182	17,684
			\$ 608,040	\$ 638,280

HMQRA loans payable in semi-annual instalments of interest only:

Interest rate	Semi-annual installment	Maturity date	2022	2021
3.51%	439	December 17, 2048	150,000	150,000
3.51%	263	December 17, 2048	30,000	30,000
			180,000	180,000
			\$ 788,040	\$ 818,280

The future annual principal and interest payments required to retire the long-term debt are as follows:

	Principal	Interest	Total
2023	\$ 48,701	\$ 47,554	\$ 96,255
2024	51,430	45,109	96,539
2025	54,318	42,509	96,827
2026	57,373	39,745	97,118
2027	57,537	36,823	94,360
Thereafter	860,479	359,322	1,219,801
	\$ 1,129,838	\$ 571,062	\$ 1,700,900

Interest and other expense:

(in thousands of dollars)	2022	2021
Series A Bond interest	\$ 11,603	\$ 12,441
HMKRA loan interest	31,031	32,239
Series D Bond interest	7,337	4,566
Interest portion of current service cost for post-employment benefits	(251)	19
Other interest and financing costs	320	719
Interest income and other	(6,922)	(4,296)
	43,118	45,688
Capitalized interest	-	(19)
	\$ 43,118	\$ 45,669



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021 (in thousands of dollars)

5. INVESTMENT IN ASSOCIATES

Edmonton Airports has the following wholly owned for-profit subsidiaries:

- (i) Edmonton Airports Inc. is a holding company which holds a non-significant influence investment in a Canadian graphene technology company. Edmonton Airports Inc. also holds a 100% interest in EIA Distribution Inc., EIA Properties Inc. and 2450672 Alberta Ltd.
- (ii) EIA Development Inc. is a holding company which holds a 49% significant influence investment in a corporation that owns and operates multi-tenant buildings on airport lands.
- (iii) EIA Parking Inc. is a holding company which holds non-significant influence investments in a parking technology company and a software company focused on ecommerce and shipping.
- (iv) EIA Pharma Inc. is a holding company which holds non-significant influence investments in an armored transport company that specializes in both physical and digital security as well as a logistics company focused on the pharmaceutical and cannabis industries.
- (v) EIA Technologies Inc. is a holding company which has a joint development agreement related to aircraft heater technology.
- (vi) EIA Properties Inc. which is 100% owned by Edmonton Airports Inc., holds Edmonton Airports Inc.'s 50% shareholder interest in ColdChase Inc. which is a jointly controlled corporation established to help with the future development and commercialization of technology innovations.

(in thousands of dollars)		2022		2021
Investment in joint arrangements	\$	375	\$	1,000
Significant influence investments		1,441		1,555
Non-significant influence investments		6,812		2,312
Total investment in associates	\$	8,628	\$	4,867

Edmonton Airports, through a wholly owned subsidiary, sold a building with a carrying value of \$0.3 million, for the fair market value of \$4.5 million, in exchange for an investment in a company representing a non-significant influence interest. Edmonton Airports, also through a wholly owned subsidiary, acquired an additional \$1 million non-significant influence investment in 2022.

During the year, Edmonton Airports Inc. identified indicators of impairment in a non-significant influence investment and reduced the carrying value from \$1 million to nil. In the future, if Edmonton Airports assesses that the conditions that caused the impairment are no longer present, the impairment will be reversed to the extent of the improvement.

JOINT ARRANGEMENTS:

Summarized financial information in respect of Edmonton Airports' 50% ownership in a joint arrangement for the twelve months ended December 31, 2022, and December 31, 2021 is set out below:

(in thousands of dollars)		2022		2021
Assets	\$	182	\$	856
Liabilities		179		24
Net Assets	\$	3	\$	832

		2022		2021
Revenue	\$	12	\$	2
Expenses		468		170
Net Loss	\$	456	\$	168

6. POST – EMPLOYMENT BENEFITS

The table below outlines where Edmonton Airports' post-employment amounts and activity are included in the consolidated financial statements:

(in thousands of dollars)		2022		2021
Asset included in statement of financial position:				
Fair value of plan assets	\$	64,541	\$	79,185
Present value of funded obligations		46,255		65,774
Asset in the statement of financial position	\$	18,286	\$	13,411
Expenses included in net income for the year:				
Defined benefit pension plan		2,080		2,651
Supplementary executive retirement plan		90		82
	\$	2,170	\$	2,733

FUNDED PENSION PLANS  
A) DEFINED BENEFIT PENSION PLAN

Effective October 1, 2013, Edmonton Airports closed the existing DB pension plan to all but one group of employees subject to collective bargaining. New employees become members of the DC pension plan. The number of employees in the DB pension plan will diminish as time passes.

The most recent funding valuation for the DB portion of the pension plan was completed as at December 31, 2021. The consolidated financial statements were prepared based on an actuarial valuation completed as at December 31, 2021 with an extrapolation to December 31, 2022.

Total cash payments made by Edmonton Airports' to the defined benefit pension plan for the year ended December 31, 2022 were \$128 (2021 - \$2,259).

UNFUNDED PENSION PLANS  
B) SUPPLEMENTARY EXECUTIVE RETIREMENT PLAN

Edmonton Airports has a DB Supplementary Executive Retirement Plan ("SERP") with one member. The benefits provided under the SERP constitute a non-funded liability of Edmonton Airports. The consolidated financial statements were prepared using an independent actuarial valuation completed at December 31, 2022. In addition to the SERP, there is a non-funded liability for deferred executive compensation.

C) DEFINED CONTRIBUTION PENSION PLAN

Edmonton Airports maintains a pension plan with defined contribution provisions providing pension benefits to employees who joined the plan after November 1, 2010, and whose employment conditions are not subject to collective bargaining. Employees whose employment conditions are subject to collective bargaining began joining the plan after October 1, 2013. Edmonton Airports' contribution to the defined contribution portion of the plan is a maximum of 5.5% of the employee's regular salary and wages.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021 (in thousands of dollars)

7. PROPERTY, PLANT AND EQUIPMENT

(in thousands of dollars)			2022		2021	
	Cost	Accumulated Depreciation	Net Book Value		Net Book Value	
Buildings	\$ 984,726	\$ 553,837	\$ 430,889	\$	459,856	
Roadway systems	120,269	56,023	64,246		67,967	
Parking facilities and lots	89,674	49,549	40,125		42,540	
Runway facilities and lots	328,859	176,195	152,664		126,507	
Land development	116,198	28,709	87,489		89,681	
Vehicles and maintenance equipment	36,946	24,334	12,612		13,980	
Furniture and equipment	13,720	11,557	2,163		2,308	
Computer hardware	33,787	29,698	4,089		5,051	
Land	4,080	569	3,511		3,581	
Construction in progress	8,452	–	8,452		11,969	
	\$ 1,736,711	\$ 930,471	\$ 806,240	\$	823,440	

8. INTANGIBLE ASSETS

(in thousands of dollars)			2022		2021	
	Cost	Accumulated Amortization	Net Book Value		Net Book Value	
Computer software	\$ 9,262	\$ 7,965	\$ 1,297	\$	2,565	
Software under development	748	–	748		27	
	\$ 10,010	\$ 7,965	\$ 2,045	\$	2,592	

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances payable, which include amounts payable of \$505 (December 31, 2021 – \$220). This balance is comprised of amounts payable for sales and payroll related taxes.

10. DEFERRED REVENUE AND CONTRIBUTIONS

A) DEFERRED REVENUE			2022		2021	
(in thousands of dollars)						
Balance – beginning of year	\$	27,605	\$	28,365		
Add: Tenant Advances		295		416		
Less: Amortized in the current year		(1,078)		(1,176)		
Balance – end of year		26,822		27,605		
Less: Current portion		(835)		(835)		
	\$	25,987	\$	26,770		

B) DEFERRED OPERATING AND CAPITAL CONTRIBUTIONS			2022		2021	
Balance – beginning of year	\$	25,576	\$	19,671		
Operating contributions received during the year		1,597		15,355		
Capital contributions received during the year		17,631		6,435		
		44,804		41,461		
Less: Amortization of operating contributions		(3,284)		(14,222)		
Amortization of capital contributions		(1,663)		(1,663)		
Balance – end of year		39,858		25,576		
Less: Current portion		(2,158)		(2,408)		
	\$	37,700	\$	23,168		

Edmonton Airports received funding from the federal government in relation to the National Trade Corridor Funding (“NTCF”) and Airport Critical Infrastructure Program (“ACIP”) of \$17,500 (December 31, 2021 - \$nil) of which \$16,900 (December 31, 2021 - \$6,258), is included in accounts receivable at December 31, 2022.

11. AIRPORT IMPROVEMENT FEE

Edmonton Airports derives revenue from an AIF, which is collected by air carriers pursuant to a Memorandum of Agreement (“MOA”) among various airports in Canada, the Air Transport Association of Canada (“ATAC”) and air carriers serving airports that are signatories to the agreement. Pursuant to the agreement, signatory airlines received a 6% collection fee (2021 – 7%). AIF revenue is used to fund the costs of new airport infrastructure, major improvements to existing facilities at the Airport, as well as related financing costs, debt repayment and the collection fee retained by the signatory airlines.

Cumulative from program inception			2022		2021	
(in thousands of dollars)						
AIF revenue	\$	1,293,481	\$	1,206,069		
AIF collection costs, retained by airlines		(74,742)		(69,493)		
		1,218,739		1,136,576		
Less: Cumulative expenditures		2,081,118		2,012,356		
	\$	(862,379)	\$	(875,780)		



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021 (in thousands of dollars)

12. COMMITMENTS AND CONTINGENCIES

A) GROUND LEASE

The ground lease expense is calculated as a percentage of Airport Revenue, as defined by the Ground Lease and related documents, using escalating percentages with the following ranges: 0% for Airport Revenue below \$5.0 million, 1% for Airport Revenue between \$5.0 million and \$10.0 million, 5% for Airport Revenue between \$10.0 million and \$25.0 million, 8% for Airport Revenue between \$25.0 million and \$100.0 million, 10% for Airport Revenue between \$100.0 million and \$250.0 million, and 12% for Airport Revenue in excess of \$250.0 million. The Government of Canada waived the ground lease obligations in 2021 for airports that experienced a specific reduction in passenger volumes due to the impacts of COVID-19. Based on the reduction of passengers, Edmonton Airports was not required to pay ground lease in 2021. Projected lease payments under the Ground Lease for the next five years are estimated as follows: 2023 - \$20,165; 2024 - \$25,053; 2025 - \$26,779; 2026 - \$29,188; and 2027 - \$31,091.

B) COMMITMENTS

i) Capital commitments

At December 31, 2022, Edmonton Airports has outstanding capital commitments in connection with the construction of certain capital projects in the amount of \$21,589 (December 31, 2021 – \$24,534).

ii) Operating commitments

Edmonton Airports has operating contracts for the provision of parking and information technology management, building maintenance and security, air service, marketing and janitorial services. These contracts have annual commitments as follows: 2023 - \$28,854; 2024 - \$10,703; 2025 - \$6,140; 2026 - \$5,859; and 2027 - \$5,618. Certain operating contracts where the amounts cannot be reasonably estimated have been excluded from the above annual commitments.

C) LEGAL CLAIMS

In the normal course of operations, Edmonton Airports becomes involved in various claims and legal proceedings. While the final outcome with respect to these claims and legal proceedings cannot be predicted with certainty, management believes that the resolution of the proceedings will not have a material adverse effect on Edmonton Airports financial position or the results of its operations.

As at December 31, 2022, there were no material claims pending against Edmonton Airports.

13. FINANCIAL INSTRUMENTS

Edmonton Airports is exposed to credit, liquidity and interest rate risk on its financial instruments.

A) CREDIT RISK

The exposure to credit risk is the carrying value of trade receivables of \$18,402 (December 31, 2021 - \$7,545) on the balance sheet. At the end of the year Edmonton Airports had approximately 60% (December 31, 2021 – 57%) of its trade accounts receivable balance from two airlines. Additionally, Edmonton Airports is exposed to credit risk from the carrying value of other receivables of \$21,451 (December 31, 2021 – \$13,711).

Edmonton Airports mitigates credit risk by endeavoring to obtain security deposits, letters of credit, customer credit evaluations and other credit enhancement methods.

Accounts receivable are non-interest bearing and are generally due in 30 to 90 days. At December 31, 2022, provision for impairment of accounts receivable was \$576 (December 31, 2021 – \$504). At December 31, 2022, the aging analysis of trade receivables that are past due, but not impaired, is as follows:

(in thousands of dollars)	2022	2021
30 to 90 days	\$ 3,700	\$ 2,080
Greater than 90 days	1,504	454
	\$ 5,204	\$ 2,534

No other impairments have been identified within trade or other receivables.

B) LIQUIDITY RISK

Edmonton Airports' liquidity risk management includes management of short, medium and long-term funding and liquidity requirements. In addition to obtained waiver agreements (note 4), liquidity risk is managed by maintaining adequate cash reserves including funds from investments (note 3) and undrawn funding from banking facilities and reserve borrowing facilities (note 4). In addition, cash flow projections are continually updated and reviewed by management to ensure a sufficient continuity of funding.

C) INTEREST RATE RISK

Edmonton Airports is exposed to interest rate risk on its cash, restricted deposits, investments and long-term debt. Edmonton Airports enters into fixed rate loans under the HMKRA Amended and Restated Credit Agreement and other debt securities with the intention of holding them to maturity. The operating credit facility has a variable interest rate on any amounts drawn.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021 (in thousands of dollars)

14. DIRECTORS’ AND OFFICERS’ REMUNERATION AND EXPENSES

DIRECTORS COMPENSATION

(All figures in this note are expressed in whole dollars)

Board Chair retainer	\$	70,000	Per annum
Audit Committee Chair retainer		18,500	Per annum
Governance & Human Resource Committee Chair retainer		18,500	Per annum
Directors retainer (total fees excluding Board chair and Committee chairs)		128,007	Per annum
Board and Board Committee meeting fees		1,200	Per meeting

Total compensation paid and reimbursed to each Director in 2022:

	Total Compensation
Bakshi, Angelina	\$ 23,300
Bennett, Rob	9,370
Burrows, Christopher	23,300
Eng, Howard	43,700
Hale, Mona	23,300
Hales, Murray	22,100
Hertz, Joan (Chair)	103,604
Hofstra, Tim	23,301
Jones, Darrell	23,300
Marocco, Sandra	38,900
McClelland, Steven*	24,137
McNary, Carman (Chair, Governance & Human Resources Committee)	53,000
Mowat, Dave (Chair, Audit Committee)	40,103
Ramotar, Jay	26,900

\* Resigned from term in 2022.

SENIOR OFFICERS’ COMPENSATION

The base compensation range for the senior officers at Edmonton Airport is \$264,319 to \$447,000 (2021 - \$251,732 to \$436,000).

15. SUPPLEMENTARY CASH FLOW INFORMATION

(in thousands of dollars)	2022	2021
Accounts receivable	\$ (18,854)	\$ (6,726)
Prepaid expenses and other	(1,041)	(967)
Lease receivable and other	(428)	(427)
Accounts payable and accrued liabilities	16,733	647
Deferred revenue	(783)	(760)
Operating and capital contributions	14,282	5,905
Tenants' security deposit	(90)	(151)
Changes in non-cash working capital	\$ 9,819	\$ (2,479)

16. COMPARATIVE INFORMATION

Comparative figures for certain airside and general terminal revenue and services, maintenance, supplies and administration expenses have been reclassified to conform to the current year's presentation.



# Executive Management Team

**Myron Keehn**  
President and CEO

**Leslie Kwasny**  
CFO and Vice President,  
Culture and Risk

**Steve Maybee**  
Vice President, Operations, Infrastructure  
and Corporate Communications

**Tara Mulrooney**  
Vice President, Technology and Innovation

**Bill Wright**  
General Counsel  
and Governance Officer

**Karen Croll**  
Manager, Executive Office  
and Board Secretary

# Appointer Representatives

**City of Edmonton**  
Amarjeet Sohi, Mayor  
Andre Corbould, City Manager

**City of Leduc**  
Bob Young, Mayor  
Derek Prohar, City Manager

**Leduc County**  
Tanni Doblanko, Mayor  
Duane Coleman, County Manager

**Parkland County**  
Allan Gamble, Mayor  
Laura Swain, Chief Administrative Officer

**Strathcona County**  
Rod Frank, Mayor  
Darrell Reid, Chief Commissioner

**Sturgeon County**  
Alanna Hnatiw, Mayor  
Reegan McCullough,  
Chief Administrative Officer

**Transport Canada**  
Ross Ezzeddin, Director General,  
Air and Marine Programs

Jason Tom, Director, Authorities  
Stewardship, Air and Marine Programs

# Edmonton Airports

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