YYC CALGARY AIRPORT AUTHORITY

2024

Financial Report

YYC CALGARY AIRPORT AUTHORITY

Management's Discussion and Analysis

For the year ended December 31, 2024

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2024

Dated March 7, 2025

FORWARD-LOOKING INFORMATION

This MD&A contains certain forward-looking information. This forward-looking information is based on a variety of assumptions and is subject to risks and uncertainties. Please refer to the section titled "Caution Regarding Forward-Looking Information" contained at the end of this MD&A for a discussion of such risks and uncertainties and the material factors and assumptions related to the forward-looking information.

This Management's Discussion and Analysis ("MD&A") report discusses the financial and operating results of The Calgary Airport Authority (the "Authority") for the year ended December 31, 2024, and should be read in conjunction with the Authority's audited Financial Statements and note disclosures for the year ended December 31, 2024, available at www.yyc.com. As the Authority is a non-share capital, not-for-profit entity, the MD&A is prepared voluntarily and, although similar, should not be construed to have been prepared in accordance with National Instrument 51-102 - Continuous Disclosure Obligations. The Financial Statements have been prepared in accordance with CPA Canada Handbook – Accounting Part II - Accounting Standards for Private Enterprises (ASPE). All amounts in the MD&A are in Canadian dollars unless otherwise stated.

MANAGEMENT'S DISCUSSION & ANALYSIS

CORPORATE PROFILE

The Calgary Airport Authority was incorporated on July 26, 1990, under the *Regional Airports Authorities Act* (Alberta) (the "Act") as a non-share capital corporation. The mandate of the Authority, 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 means that include promoting and encouraging improved airline and transportation service and an expanded aviation industry, for the general benefit of the public in its region. As a non-share, not-for-profit entity, the net earnings generated by the Authority are reinvested in the airports under its control so it can fulfill this mandate.

The Authority has been operating YYC Calgary International Airport (YYC) since July 1992 pursuant to the Agreement to Transfer which provided for the transfer of operational control of YYC Calgary International Airport from the Government of Canada to the Authority under a long-term lease agreement (the "Canada Lease"). The Canada Lease has an initial term of 60 years with a 20-year option to extend that was exercised in 2011. In October 1997, the Authority entered into a lease with the Government of Canada for the operation of Springbank Airport (the "Springbank Lease") for a term concurrent with the Canada Lease term.

HIGHLIGHTS

In 2024 YYC Calgary International Airport achieved a new record of 18.9 million Enplaned & Deplaned Passengers.

The Authority was also impacted by a number of unplanned events during 2024:

- Most significant was the severe hailstorm that hit the terminal area of the YYC Calgary International Airport on the evening of August 5, 2024. The unprecedented severity of the hailstorm caused significant damage to parts of the terminal, in particular to Concourse B, in the domestic terminal building. As a result, Concourse B was closed and it is expected to remain closed until July 2026. No injuries were sustained as a result of the storm. Subsequent to the storm all flights were re-accommodated to other parts of the terminal. Initial remediation work was completed, and a comprehensive repair and restoration plan is being developed. There is no estimate of the total repair and restoration cost at this time. The Authority holds comprehensive insurance coverage, including property insurance which provides coverage over physical damage and business interruption caused by the hailstorm. An insurance claim was commenced immediately following the storm. As at December 31, 2024 the Authority has recorded a loss on disposal of capital assets of $10.9 million, related to assets damaged by the hailstorm. There is uncertainty relating to the level and timing of future insurance recovery, and as at December 31, 2024, the Authority has recorded an accrual for the probable future insurance recovery up to the recognized loss in the period of $10.9 million. The Authority continues to work closely with its insurers as it continues restoration work.

- On February 22, 2024, Lynx Air filed for and obtained an order for creditor protection under the Companies' Creditors Arrangement Act ("CCAA") from the Court of King's Bench of Alberta, and ceased operations on February 26, 2024, at 12:01a.m. MT. The cessation of Lynx Air's operations did not have a material financial impact to the Authority as steps were taken to mitigate exposure and lost passenger demand was largely absorbed by other air carriers.

- Activity was impacted by labour disruptions at WestJet, which began with flight cancellations in late June 2024, and extended into the first week of July 2024. Similarly, Air Canada experienced passenger losses from early to mid-September 2024 in response to a potential pilot strike.

During the fourth quarter of 2024:

- Enplaned & Deplaned ("E&D") Passengers increased by 2.8% to 4.5 million, compared to the fourth quarter of 2023.

- Locally Enplaned Passengers increased by 1.8% to 1.5 million, compared to the fourth quarter of 2023, resulting in a 2.3% increase in Airport Improvement Fee (AIF) revenue to $53.4 million, compared to the same period of 2023.

- Landed Passenger Seats increased by 3.1% compared to the fourth quarter of 2023.

- Total Revenue increased by 3.5% to $124.9 million in the fourth quarter of 2024, compared to the same period of 2023.

- The Authority generated $48.3 million of EBITDA (margin 38.7%) in the fourth quarter of 2024, an increase of $0.6 million, or 1.3%, from the $47.7 million of EBITDA (margin 39.5%) in the fourth quarter of 2023.

The financial and operating results for the twelve months ended December 31, 2024 showed continued growth compared to the prior period driven by increased passenger levels, despite lower flight activity.

During the full year of 2024:

- Record high E&D Passengers of 18.9 million, an increase of 2.2% compared to the previous record in 2023.
- Locally Enplaned Passengers increased by 2.8% to 6.2 million compared to 2023, driving a 2.4% increase in AIF Revenue to $216.3 million for the period.
- YYC saw a 3.0% decrease in Aircraft Landings compared to 2023, primarily driven by a 7.7% decrease in Corporate Landings, and a 2.5% decrease in Passenger Aircraft Landings; however, Landed Passengers Seats increased 0.5% compared to 2023.
- Total Revenue increased by 4.3% to $518.9 million in 2024, driven largely by increases in Non-Aeronautical Revenue and AIF Revenue.
- The Authority generated $230.7 million of EBITDA (margin 44.5%) in 2024, an increase of $2.8 million, or 1.2%, from the $227.9 million EBITDA (margin 45.8%) generated in 2023.

Subsequent to year-end, the Authority announced its plan, in partnership with Lufthansa Technik, a global leader in aircraft maintenance, repair and overhaul, to invest approximately $120 million to build an engine maintenance and test cell facility on nine acres of land at YYC. The project will break ground in the spring of 2025, and the Authority will be responsible for planning, development, construction and deployment.

This new, state-of-the-art facility is a first step towards establishing YYC Calgary International Airport as a premier aviation hub (the "Aviation Hub") that will support both cargo and passenger flights in and out of the region, making YYC a central node in the North American aviation services network.

On March 6, 2025, the Authority entered into a Bond Purchase Agreement with the Canada Infrastructure Bank ("CIB") to support the design and construction of the Aviation Hub, under the existing Master Trust Indenture Agreement. This transaction has been formalized through the execution of the Fifth Supplemental Indenture authorizing a total issuance of $171.9 million, which governs the issuance of Series G Bonds, establishing specific terms, conditions, tranche structures, and payment mechanisms.

On March 5, 2025, the Board of Directors approved the issuance of the first tranche of bonds in the Series G Bonds. The indenture is structured into four distinct bonds, with the first bond issued on March 6, 2025 at $67.2 million.

MANAGEMENT'S DISCUSSION & ANALYSIS

SELECT KEY FINANCIAL AND OPERATIONAL INFORMATION

	For the three months ended Dec 31			For the year ended Dec 31		
FINANCIAL INFORMATION ($ millions)	**2024**	2023	$ Change	**2024**	2023	$ Change
Total Revenues	**124.9**	120.7	4.2	**518.9**	497.3	21.6
Direct operating costs	**61.6**	58.6	3.0	**226.7**	210.5	16.2
Canada Lease	**12.9**	12.4	0.5	**53.0**	50.6	2.4
Airport improvement fee handling fees	**2.1**	2.0	0.1	**8.5**	8.3	0.2
EBITDA	**48.3**	47.7	0.6	**230.7**	227.9	2.8
Net Loss	**(14.5)**	(11.0)	(3.5)	**(30.5)**	(21.8)	(8.7)
See "Financial Performance" section for details *See "Net Operating Results" section for reconciliation from net loss.*						
Free Cash Flow ($ millions) See "Liquidity and Capital Resources" section for details	**20.1**	18.3	1.8	**118.0**	113.2	4.8

EBITDA and Free Cash Flow are non-GAAP financial measures. Refer to the "Non-GAAP Financial Measures" section of this MD&A for additional information.

	For the three months ended Dec 31			For the year ended Dec 31		
OPERATIONAL INFORMATION	**2024**	2023	% Change	**2024**	2023	% Change
Enplaned & Deplaned Passengers *(thousands)*	**4,509.5**	4,388.1	2.8	**18,896.1**	18,493.5	2.2
Local Enplanements *(thousands)*	**1,525.3**	1,498.0	1.8	**6,179.4**	6,009.0	2.8
Connecting Enplanements (%)	**32.7%**	31.9%	0.8 pts	**34.4%**	34.6%	-0.2 pts
Aircraft landings (thousands)	**22.6**	22.7	(0.4)	**94.4**	97.3	(3.0)
Total MTOW *(million kg)*	**1,603.7**	1,512.1	6.1	**6,610.8**	6,339.9	6.1
Landed passenger seats *(thousands)*	**2,595.8**	2,518.5	3.1	**10,731.8**	10,682.1	0.5
Load factor (%)	**87.3%**	87.3%	— pts	**87.7%**	86.1%	1.6 pts

OPERATING ACTIVITY

The key activity drivers that have a direct impact on the Authority's financial results are passenger levels and flight activity, which include Aircraft Movements, Aircraft Size and the number of Seats per Aircraft.

Passenger Activity

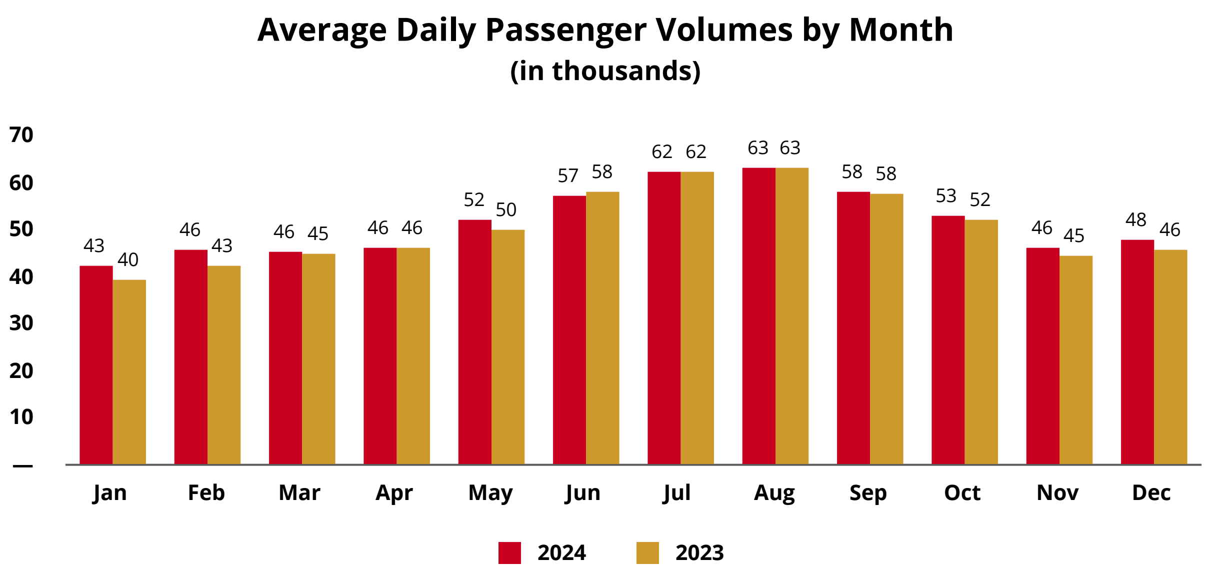
Total Enplaned & Deplaned ("E&D") Passenger activity at YYC is categorized into one of three sectors: Domestic (passengers travelling within Canada), Transborder (passengers travelling to and from destinations between Canada and the United States of America (USA)) and International (passengers travelling to and from destinations outside Canada excluding the USA).

The following table summarizes passenger activity by sector for the fourth quarter and year ended December 31, 2024 and 2023:

	For the three months ended Dec 31			For the year ended Dec 31		
PASSENGER ACTIVITY *(thousands)*	**2024**	2023	% Change	**2024**	2023	% Change
Domestic	**3,050.3**	2,977.5	2.4	**12,604.2**	12,699.7	(0.8)
Transborder	**877.1**	878.7	(0.2)	**3,863.7**	3,586.3	7.7
International	**582.1**	531.9	9.4	**2,428.2**	2,207.5	10.0
Total Enplaned & Deplaned	**4,509.5**	4,388.1	2.8	**18,896.1**	18,493.5	2.2
Local Enplanements	**1,525.3**	1,498.0	1.8	**6,179.4**	6,009.0	2.8
Connecting Enplanements	**740.9**	700.2	5.8	**3,233.8**	3,183.6	1.6
Total Enplaned	**2,266.2**	2,198.2	3.1	**9,413.2**	9,192.6	2.4
Local Enplanements (%)	**67.3%**	68.1%	-0.8 pts	**65.6%**	65.4%	0.2 pts
Connecting Enplanements (%)	**32.7%**	31.9%	0.8 pts	**34.4%**	34.6%	-0.2 pts
Total Enplaned (%)	**100.0%**	100.0%		**100.0%**	100.0%	

Total E&D Passenger activity at YYC in the fourth quarter of 2024 was 4.5 million, an increase of 2.8%, compared to the same period of 2023. During the fourth quarter of 2024, the International sector saw the largest percentage growth at 9.4%, followed by the Domestic sector growing at 2.4%. Growth in the International sector was mainly driven by WestJet's increased flight activity, with the introduction of new international routes including Seoul, South Korea, Keflavík, Iceland and Tulum, Mexico, in 2024. WestJet experienced increased seat capacity to existing destinations across all sectors. Flair and Porter Airlines also contributed to Domestic Passenger growth. The cessation of Lynx Air in February 2024 contributed to decreases in both the Domestic and Transborder Passenger activity compared to the same period of 2023.

Total E&D Passenger activity at YYC in 2024 was 18.9 million, an increase of 0.4 million passengers, or 2.2%, from the 18.5 million passengers in 2023. The International sector saw the largest growth at 10.0% driven by WestJet and Discover's increased seat capacity on existing routes, as well as Flair's resumption of their International services, partially offset by reductions in Air Canada's seat capacity year-over-year. The Transborder sector grew at 7.7% led by WestJet and Flair from expanded capacity to existing routes, partially offset by Air Canada and the cessation of operations by Lynx Air. The Domestic sector saw a decline of 0.8%, driven mainly from Flair and Air Canada's reduced capacity in this sector, coupled with the cessation of Lynx Air at the end of February 2024. All sectors saw strong demand, with Load Factor increasing 1.6 pts, from 86.1% for full year 2023 to 87.7% in 2024.



Daily Passenger Volumes at YYC for 2024 increased 2.0% to an average of 51,700 passengers per day, up from an average of 50,700 per day in the same period of 2023.

The Authority monitors two principal types of Passengers: Local Enplanements and Connecting Enplanements. A Local Enplanement is a passenger originating at YYC, while a Connecting Passenger continues their journey after arrival at YYC enroute to a final destination, which illustrates the role of a hub airport.

During the fourth quarter of 2024, Local Enplanements increased by 1.8% to 1.5 million passengers while Connecting Enplanements increased by 5.8% to 0.7 million passengers when compared to the same period of 2023. The percentage split between Local and Connecting Enplanements was 67.3% and 32.7%, respectively, compared to 68.1% and 31.9% in the same period of 2023.

For the year ended December 31, 2024, Local Enplanements increased by 2.8% to 6.2 million passengers and Connecting Enplanements increased by 1.6% to 3.2 million passengers, when compared to 2023. The percentage of Local Enplanements versus Connecting Enplanements was 65.6% and 34.4%, respectively, compared to 65.4% and 34.6% in 2023.

Flight Activity

All aircraft have a Maximum Take-Off Weight ("MTOW"), as specified by the aircraft manufacturers, and a total number of Seats that varies by airline. MTOW and Seats are used to calculate the majority of posted air carrier charges for each aircraft landing, driving aircraft landing fee revenue. Load Factor, the ratio of Passengers to Seats, is a measure of aircraft capacity utilization and is presented as a percentage of Seats filled by Passengers.

The following table summarizes Aircraft Landings, MTOW, Seats, Seats per Passenger Aircraft Movement and Load Factor for the fourth quarter and year ended December 31, 2024 and 2023.

	For the three months ended Dec 31			For the year ended Dec 31		
FLIGHT ACTIVITY	**2024**	2023	% Change	**2024**	2023	% Change
(thousands)						
Aircraft landings	**22.6**	22.7	(0.4)	**94.4**	97.3	(3.0)
Passenger aircraft landings	**17.4**	17.5	(0.6)	**73.1**	75.0	(2.5)
Landed passenger seats	**2,595.8**	2,518.5	3.1	**10,731.8**	10,682.1	0.5
(millions)						
Total MTOW (kg)	**1,603.7**	1,512.1	6.1	**6,610.8**	6,339.9	4.3
Passenger MTOW (kg)	**1,358.0**	1,281.1	6.0	**5,619.8**	5,432.4	3.4
Seats per passenger aircraft movement	**148.8**	143.9	3.4	**146.8**	142.4	3.1
Load factor (%)	**87.3%**	87.3%	— pts	**87.7%**	86.1%	1.6 pts

Passenger Aircraft Landings for the fourth quarter of 2024 were unchanged compared to the same period in 2023. Passenger Aircraft Landings for the year ended December 31, 2024, decreased by 2.5% compared to the same period of 2023. The year-over-year decline was primarily due to the cessation of operations by Lynx Air at the end of February 2024, as well as year-over-year capacity reductions by Air Canada and Flair. In addition, labor disruptions at WestJet and the August hailstorm caused flight cancellations during the third quarter of 2024. These declines were partially offset by increased capacity from Porter Airlines and Discover. Total Aircraft Landings, which include both Passenger and Non-Passenger Movements, decreased 0.4%, and 3.0% in the three months and year ended December 31, 2024, respectively, compared to the same period of 2023. The decrease in Non-Passenger Landings was largely attributable to fewer Corporate Flights in the period, partially offset by higher year-over-year Cargo Landings. There were 13 passenger airlines operating at YYC at the end of December 2024, compared to 15 that were operating in 2023. Passenger airline reductions were due to the acquisition of Sunwing by WestJet, the cessation of Lynx Air, and the discontinuation of service at YYC by Air Transat, offset by the addition of Condor resuming operations over the spring.

During the fourth quarter and full year 2024, total MTOW was 1,603.7 million and 6,610.8 million kilograms, an increase of 6.1% and 4.3%, respectively, from the same periods of 2023. This change was primarily driven by a 6.0% and 3.4% increase in Passenger MTOW, due to a larger average Aircraft Gauge. Also contributing to this growth was a 5.7% and 15.2% increase, respectively, in Cargo MTOW due to higher year-over-year Cargo Landings.

Landed Passenger Seats in the fourth quarter of 2024 were 2.6 million, an increase of 77.3 thousand, or 3.1%, compared to 2.5 million seats in the same period of 2023. The average number of Seats per Passenger Aircraft Movement during the fourth quarter of 2024 was 148.8, an increase of 4.9 seats, or 3.4%, compared to 143.9 Seats per Passenger Aircraft Movement in the same period in 2023, due to carriers utilizing larger aircraft. Load Factor of 87.3% in the fourth quarter of 2024 was flat compared to the same period in 2023.

Landed Passenger Seats for the full year of 2024 were 10.7 million, an increase of 49.7 thousand, or 0.5%, compared to the same period in 2023. The average number of Seats per Passenger Aircraft Movement was 146.8, an increase of 4.2 seats, or 3.1%, compared to 142.4 Seats in 2023. The Load Factor increased by 1.6 points from 86.1% to 87.7% for the year ended December 31, 2024.

In the fourth quarter of 2024, Cargo Landings increased by 58 Flights, or 4.5% to 1,333, from 1,275 in the same period of 2023. Similarly, for full year 2024, Cargo Landings were 5,217, an increase of 271 Flights, or 5.5%, compared to 4,946 Landings in 2023.

FINANCIAL PERFORMANCE

Net Operating Results

The following table summarizes the Authority's Net Operating Results for the fourth quarter and year ended December 31, 2024 and 2023.

	For the three months ended Dec 31			For the year ended Dec 31		
NET OPERATING RESULTS *($ millions)*	**2024**	2023	$ Change	**2024**	2023	$ Change
Net Loss	**(14.5)**	(11.0)	(3.5)	**(30.5)**	(21.8)	(8.7)
Post-employment pension benefits (loss) gain	**(1.3)**	8.0	(9.3)	**(7.2)**	4.8	(12.0)
Insurance recovery	**10.9**	—	10.9	**10.9**	—	10.9
Loss from Operations	**(24.1)**	(19.0)	(5.1)	**(34.2)**	(26.6)	(7.6)
Add: Interest and financing costs	**28.2**	29.4	(1.2)	**112.7**	114.7	(2.0)
Depreciation and amortization	**34.8**	37.3	(2.5)	**141.3**	139.8	1.5
Loss on disposal of capital assets	**9.4**	—	9.4	**10.9**	—	10.9
EBITDA	**48.3**	47.7	0.6	**230.7**	227.9	2.8
EBITDA Margin (%)	**38.7%**	39.5%	-0.8 pts	**44.5%**	45.8%	-1.3 pts

The Authority generated a Loss from Operations of $24.1 million in the fourth quarter of December 31, 2024, compared to a Loss from Operations of $19.0 million in the same period of 2023, primarily due to a Loss on Disposal of Capital Assets. In the year ended December 31, 2024, the Authority generated a Loss from Operations of $34.2 million, compared to a Loss from Operations of $26.6 million in the same period of 2023 as higher Revenue earned was offset by a Loss on Disposal of Capital Assets.

EBITDA was $48.3 million and $230.7 million for the fourth quarter and year ended December 31, 2024, respectively, an increase of $0.6 million and $2.8 million, compared to the same periods of 2023. The EBITDA Margin was 38.7% and 44.5% for the fourth quarter and year ended December 31, 2024, respectively, a decrease of 0.8 percentage points and 1.3 percentage points, compared to the same periods of 2023. The $0.6 million and $2.8 million increases in EBITDA for the fourth quarter and year ended December 31, 2024, were mainly due to increased AIF and Non-Aeronautical Revenues earned during the period, driven by the higher passenger activity experienced.

Revenues

Revenues are derived from Aeronautical Revenue, AIF Revenue and Non-Aeronautical Revenues ("NAR").

Aeronautical Revenues include landing fees, general terminal fees and other aeronautical fees. Landing fees are based on the MTOW of arriving aircraft, general terminal charges are based on the number of seats and flight activity sector of an arriving aircraft, and other aeronautical fees are based on the usage of apron, aircraft gates and bridges, and certain fees per Enplaned Passenger.

The AIF is charged on a per-Local Originating Enplaned Passenger basis.

NAR is earned from non-aeronautical commercial activities, such as Concessions, Car parking, Rentals, Interest Income and Other Revenue. A significant portion of NAR is directly correlated with passenger activity.

The following table summarizes the Authority's revenues for the fourth quarter and year ended December 31, 2024 and 2023.

	For the three months ended Dec 31			For the year ended Dec 31		
REVENUES *($ millions)*	**2024**	2023	$ Change	**2024**	2023	$ Change
Airport Improvement Fees	**53.4**	52.2	1.2	**216.3**	211.3	5.0
Aeronautical Revenues	**24.0**	23.5	0.5	**101.2**	100.0	1.2
Concessions	**22.0**	20.4	1.6	**100.6**	91.1	9.5
Car parking	**13.0**	12.4	0.6	**50.0**	49.0	1.0
Rentals and other	**10.0**	9.7	0.3	**39.5**	36.3	3.2
Interest income	**2.5**	2.5	—	**11.3**	9.6	1.7
Non-Aeronautical Revenues	**47.5**	45.0	2.5	**201.4**	186.0	15.4
Total Revenues	**124.9**	120.7	4.2	**518.9**	497.3	21.6

AIF Revenue was $53.4 million and $216.3 million for the fourth quarter and year ended December 31, 2024, respectively, an increase of $1.2 million, or 2.3%, and an increase of $5.0 million, or 2.4%, compared to the same periods of 2023. The primary driver for the higher AIF Revenue in both periods was growth of Local Enplanement passenger traffic.

Aeronautical Revenue of $24.0 million and $101.2 million in the fourth quarter and year ended December 31, 2024, respectively, were $0.5 million, or 2.1%, and $1.2 million, or 1.2%, higher than the same periods of 2023. These increases were mainly driven by higher year-over-year average Aircraft Gauge driving higher landing and terminal fees, as larger aircraft carry a higher tariff.

Total NAR of $47.5 million in the fourth quarter of 2024 increased by $2.5 million, or 5.6%, while NAR of $201.4 million for the full year of 2024 increased $15.4 million, or 8.3%, from 2023. The increases were mainly due to targeted commercial initiatives including higher negotiated yields with key retail partners, new restaurant and retail locations opened in the terminal, new leases signed with land and terminal space tenants, advertising portfolio expansion and promotion of YYC's online parking reservation system. Also contributing to this variance was higher passenger activity, which influences most NAR revenue streams.

Concessions Revenue was $22.0 million and $100.6 million in the fourth quarter and year ended December 31, 2024, respectively, an increase of $1.6 million, or 7.8%, and $9.5 million, or 10.4%, compared to the same period of 2023. Concessions Revenue includes percentage rent revenues generated from in-terminal concessionaires, in-terminal hotels, ground transportation providers, car rental providers, and advertising. The main drivers of the revenue growth in this category were negotiated increases in lease yields with key retail partners and increased passenger activity, which enabled increased sales. In 2024, YYC saw the opening of 3 new retail locations and one new full-service restaurant.

Car Parking Revenue was $13.0 million in the fourth quarter of 2024, $0.6 million, or 4.8% higher than the same period of 2023. In the full year of 2024, Car Parking Revenue was $50.0 million, a $1.0 million, or 2.0%, increase from 2023, which was primarily driven by public parking resulting from the growth in passenger activity, annual parking rate increases, and the continued growth of YYC's online reservation system, which has led to higher booking activity.

Rentals and Other Revenue is generated by sub-leasing terminal space and airport lands to companies that operate at YYC and YBW. Most land lease agreements tend to be longer term and do not fluctuate with passenger activity. Rentals and Other Revenue was $10.0 million and $39.5 million in the fourth quarter and year ended December 31, 2024, respectively, an increase of $0.3 million, or 3.1%, and $3.2 million, or 8.8%, compared to the same periods of 2023. The increase in revenue for the fourth quarter and year ended December 31, 2024, was due to the addition of new tenants, year-over-year rent escalations, and other lease amendments with existing tenants. In 2024, YYC welcomed the opening of a Shell gas station on the airport campus as well as various new tenants inside the terminal.

Expenses

Expenses include the costs to operate and maintain the airports, interest and financing costs, amortization of property and equipment, and intangible assets.

The following table summarizes the Authority's expenses for the fourth quarter and year ended December 31, 2024 and 2023.

	For the three months ended Dec 31			For the year ended Dec 31		
EXPENSES *($ millions)*	**2024**	2023	$ Change	**2024**	2023	$ Change
Goods and services	**41.8**	41.0	0.8	**154.1**	143.6	10.5
Salaries and benefits	**14.5**	12.7	1.8	**51.3**	47.2	4.1
Property taxes	**5.3**	4.9	0.4	**21.3**	19.7	1.6
Direct Operating Costs	**61.6**	58.6	3.0	**226.7**	210.5	16.2
Canada Lease	**12.9**	12.4	0.5	**53.0**	50.6	2.4
Airport improvement fee handling fees	**2.1**	2.0	0.1	**8.5**	8.3	0.2
Total Operating Expenses	**76.6**	73.0	3.6	**288.2**	269.4	18.8
Depreciation and amortization	**34.8**	37.3	(2.5)	**141.3**	139.8	1.5
Interest and financing costs	**28.2**	29.4	(1.2)	**112.7**	114.7	(2.0)
Pension benefits remeasurement loss (gain)	**1.3**	(8.0)	9.3	**7.2**	(4.8)	12.0
Loss on disposal of capital assets	**9.4**	—	9.4	**10.9**	—	10.9
Insurance recovery	**(10.9)**	—	(10.9)	**(10.9)**	—	(10.9)
Total Expenses	**139.4**	131.7	7.7	**549.4**	519.1	30.3

Goods and Services increased by $0.8 million, or 2.0%, and $10.5 million, or 7.3%, in the fourth quarter and year ended December 31, 2024, respectively, compared to the same period of 2023. Operational Service contracts have experienced cost increases due to both enhancements as well as inflation. In addition, an unexpected rise in Repair and Maintenance costs primarily due to unanticipated repairs and the August Hailstorm event were incurred in the full year of 2024. Partially offsetting these increased expenditures was favourable utility rates and consumption compared to the same period of 2023.

Salaries and Benefits costs increased by $1.8 million, or 14.2%, and $4.1 million, or 8.7%, in the fourth quarter and year ended December 31, 2024, respectively, compared to the same period of 2023, driven mainly by direct salary costs due to wage inflation and due to the increase in staffing levels required to support the higher passenger traffic.

Canada Lease expense at YYC increased by $0.5 million, or 4.0%, and $2.4 million, or 4.7%, in the fourth quarter and year ended December 31, 2024, respectively, compared to the same period of 2023 due to higher revenues at YYC. The Canada Lease expense for 2024 and 2023 was recorded based on the contractual lease rate multiplied by the actual qualifying revenues for the entire period.

Airport Improvement Fee Handling fees ("AIF Handling Fees") are correlated with total AIF Revenue and calculated as a percentage of the gross AIF collected by the airlines on behalf of the Authority and paid to the airlines. The AIF Handling Fee expense of $2.1 million and $8.5 million in the fourth quarter and year ended December 31, 2024 were $0.1 million, or 5.0%, and $0.2 million, or 2.4%, higher than the same periods of 2023, respectively, due to higher AIF Revenue.

Interest and Financing costs of $28.2 million and $112.7 million in the fourth quarter and year ended December 31, 2024, respectively, were $1.2 million, or 4.1% lower, and $2.0 million, or 1.7%, lower than the same period of 2023, due to increased capitalization of interest expense as a result of the larger capital program in 2024.

Pension Benefits Remeasurement resulted in losses of $1.3 million and $7.2 million in the fourth quarter and year ended December 31, 2024, respectively, primarily due to the difference between the actual return on pension plan assets compared to the expected actuarial return during the period.

On August 5, 2024, a severe hailstorm caused significant damage to parts of the Authority's airport buildings and machinery. As of December 31, 2024, a loss on disposal of assets of $10.9 million has been recognized in the financial statements. The Authority has recorded an accrual for the probable future insurance recoveries up to the amount of recognized loss, totaling $10.9 million.

Summary of Quarterly Results

Select unaudited consolidated quarterly financial information for the quarters ended March 31, 2023, through December 31, 2024, is set out in the following table.

	Quarter Ended							
	2024				2023			
($ millions)	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	124.9	155.2	125.7	113.1	120.7	152.6	121.2	102.8
Operating expenses	(76.6)	(70.6)	(69.2)	(71.8)	(73.0)	(68.8)	(62.4)	(65.2)
EBITDA	48.3	84.6	56.5	41.3	47.7	83.8	58.8	37.6
Depreciation and amortization	(34.8)	(35.0)	(36.3)	(35.2)	(37.3)	(34.2)	(34.2)	(34.1)
Interest and financing costs	(28.2)	(28.0)	(28.3)	(28.2)	(29.4)	(28.3)	(28.5)	(28.5)
Post-employment pension benefits (loss) gain	(1.3)	3.4	(7.6)	(1.7)	8.0	(6.7)	(1.2)	4.7
Loss on disposal of capital asset	(9.4)	(1.5)	—	—	—	—	—	—
Insurance recovery accrued	10.9	—	—	—	—	—	—	—
Net (Loss) Income	(14.5)	23.5	(15.7)	(23.8)	(11.0)	14.6	(5.1)	(20.3)

EBITDA is a non-GAAP financial measure. Refer to section "Non-GAAP Financial Measures" of this MD&A for additional information.

Quarterly results for the Authority are influenced by passenger activity and aircraft movements, which tend to be cyclical in nature and vary with travel demand, which is typically higher in Q3, with holiday periods and other seasonal factors.

CAPITAL PROJECTS

The Authority focuses on capital programs and projects which improve passenger, baggage, and aircraft processing and flow, comply with regulatory requirements, and enhance safety, security and the customer experience.

The following table provides information on Capital Expenditures for the fourth quarter and year ended December 31, 2024 and 2023.

	For the three months ended Dec 31			**For the year ended Dec 31**		
CAPITAL EXPENDITURES *($ millions)*	**2024**	2023	$ Change	**2024**	2023	$ Change
Improvement projects	**26.1**	1.7	24.4	**101.2**	17.5	83.7
Restoration capital	**14.7**	12.6	2.1	**43.5**	36.4	7.1
Revenue projects	**2.1**	0.2	1.9	**3.1**	1.0	2.1
Capital Expenditures	**42.9**	14.5	28.4	**147.8**	54.9	92.9
Acreage assessment	**—**	—	—	**0.3**	4.5	(4.2)
Capital leases	**—**	4.3	(4.3)	**—**	5.7	(5.7)
Total Capital	**42.9**	**18.8**	24.1	**148.1**	65.1	83.0

Capital Expenditures of $42.9 million and $148.1 million in the fourth quarter and year ended December 31, 2024, respectively were $24.1 million and $83.0 million higher than the same periods of 2023, primarily due to the West Runway Rehabilitation Project costs incurred in 2024.

ASSETS AND LIABILITIES

Total Assets, Total Liabilities and Net Deficit as at December 31, 2024 and 2023 are set out in the following table.

Net Assets *($ millions)*	**As at Dec 31, 2024**	**As at Dec 31, 2023**	$ Change
Total assets	**3,150.4**	3,155.9	(5.5)
Total liabilities	**3,434.9**	3,409.9	25.0
Net deficit	**(284.5)**	(254.0)	(30.5)

As at December 31, 2024, when compared to December 31, 2023, the Authority's Total Assets decreased by $5.5 million, primarily due to a $4.1 million decrease in Capital and Intangible Assets, net of depreciation. The Authority's Total Liabilities increased by $25.0 million, primarily due to a $27.2 million increase in Other Long-term Liabilities as a result of grant funding received under the federal Airport Critical Infrastructure Program, partially offset by a $7.3 million net reduction in Long-Term Debt.

The Authority has a Net Deficit position of $284.5 million as at December 31, 2024. The Net Deficit has increased by $30.5 million, compared to December 31, 2023, due to the Loss from Operations incurred in the period.

LIQUIDITY AND CAPITAL RESOURCES

The following table provides Cash Flow information for the fourth quarter and year ended December 31, 2024.

	For the three months ended Dec 31			**For the year ended Dec 31**		
CASHFLOW *($ millions)*	**2024**	2023	$ Change	**2024**	2023	$ Change
Cash generated by (used in) operating activities	**5.2**	(20.7)	25.9	**122.2**	91.7	30.5
Cash used in investing activities	**(51.9)**	(0.4)	(51.5)	**(124.5)**	(48.2)	(76.3)
Cash used in financing activities	**(4.2)**	(4.1)	(0.1)	**(9.0)**	(8.4)	(0.6)
(Decrease) increase in cash and cash equivalents	**(50.9)**	(25.2)	(25.7)	**(11.3)**	35.1	(46.4)

Net Cash Flows decreased by $50.9 million for the three months ended December 31, 2024, a $25.7 million change compared to the same period of 2023, due to higher cash used in investing activities, partially offset by higher cash generated by operating activities. Net Cash Flows decreased of $11.3 million for the year ended December 31, 2024, a reduction of $46.4 million compared to 2023 due to higher cash used in investing activities, partially offset by higher cash generated by operating activities.

The following table provides information on the Authority's Free Cash Flow for the fourth quarter and year ended December 31, 2024.

	For the three months ended Dec 31			**For the year ended Dec 31**		
CASHFLOW *($ millions)*	**2024**	2023	$ Change	**2024**	2023	$ Change
Net Loss	**(14.5)**	(11.0)	(3.5)	**(30.5)**	(21.8)	(8.7)
Add: Depreciation and amortization	**34.8**	37.3	(2.5)	**141.3**	139.8	1.5
Interest and financing costs	**28.2**	29.4	(1.2)	**112.7**	114.7	(2.0)
Pension benefits remeasurement loss (gain)	**1.3**	(8.0)	9.3	**7.2**	(4.8)	12.0
Loss on disposal of capital asset	**9.4**	—	9.4	**10.9**	—	10.9
Insurance recovery	**(10.9)**	—	(10.9)	**(10.9)**	—	(10.9)
EBITDA	**48.3**	47.7	0.6	**230.7**	227.9	2.8
Less: Interest and financing costs	**(28.2)**	(29.4)	1.2	**(112.7)**	(114.7)	2.0
Free Cash Flow	**20.1**	18.3	1.8	**118.0**	113.2	4.8

Free Cash Flow is the Authority's measure of the net result generated by operations, less debt service costs, excluding working capital changes, in the year. Free Cash Flow can be used at Management's discretion to fund non-operation spending, such as capital expenditures or principal repayment of debt. Free Cash Flow is a non-GAAP financial measure. Refer to section "Non-GAAP Financial Measures" of this MD&A for additional information.

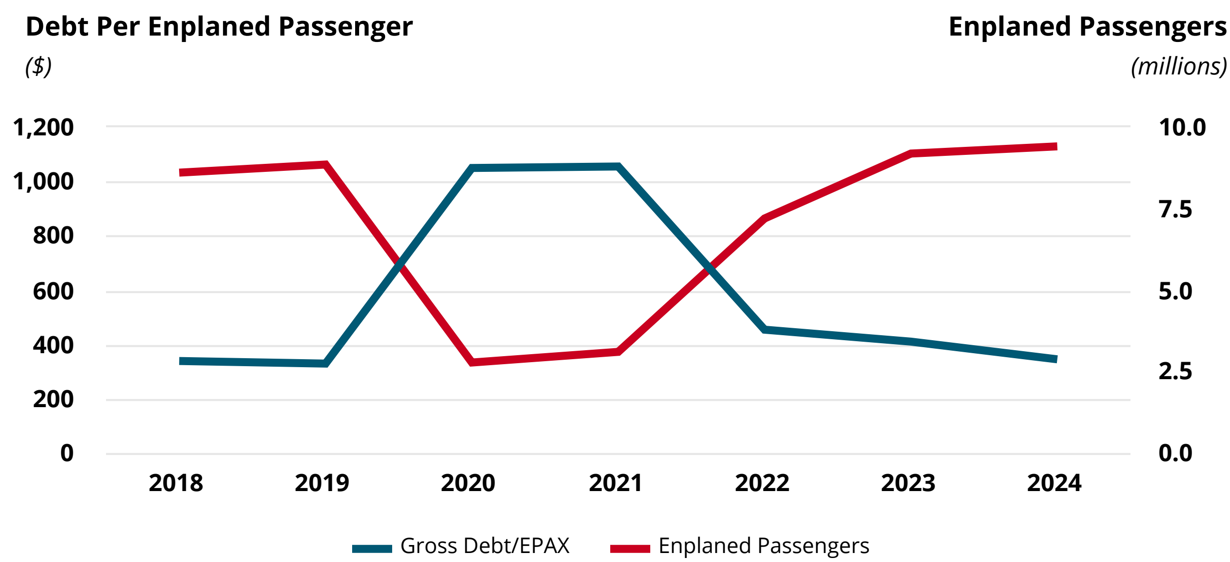
The following table provides information on the Authority's debt position at December 31, 2024 and 2023.

LONG TERM DEBT *($ millions)*		**As at Dec 31, 2024**		**As at Dec 31, 2023**	$ Change
Long Term Debt, including current portion		**3,255.9**		3,263.0	(7.1)
Cash		**197.4**		208.7	(11.3)
Net Debt		**3,058.5**		3,054.3	4.2
Key Credit Metrics					% Change
Debt Service Coverage Ratio		**2.12**		2.04	
Gross Debt Service Coverage Ratio		**5.46**		4.87	
Gross Debt/Enplaned Passenger ($)	**$**	**345.89**	$	354.96	(2.6)
Net Debt/Enplaned Passenger ($)	**$**	**324.92**	$	332.26	(2.2)

Key Credit Metrics in the above table have been calculated based on operating results for the twelve months ended December 31, 2024.

As at December 31, 2024, Long Term Debt decreased by $7.1 million, while Net Debt increased by $4.2 million to $3.1 billion, compared to December 31, 2023, due to repayment of Long Term Debt and decrease in Cash. Net Debt is a non-GAAP financial measure. Refer to the section "Non-GAAP Financial Measures" of this MD&A for additional information.

The Master Trust Indenture ("MTI") Agreement contains certain financial covenants to be calculated on a yearly basis at the year-end balance sheet date. The Authority has met the required Debt Service Coverage Ratio and Gross Debt Service Coverage Ratio thresholds as per the MTI Agreement, as at December 31, 2024.



Gross Debt per Enplaned Passenger is one of the airport industry's key financial metrics. As at December 31, 2024, Gross Debt per Enplaned Passenger decreased to $345.89 and Net Debt per Enplaned Passenger decreased to $324.92, both as a result of the increase in passenger activity experienced over the trailing twelve-month period. The Authority's debt per enplaned passenger increased significantly in 2020 due to higher debt and lower passenger volumes from the impacts of the Covid-19 pandemic. As passenger activity has recovered at YYC, the metric is now in line with 2019 levels, as illustrated in the above chart. Net Debt per Enplaned Passenger is a non-GAAP financial measure. Refer to section "Non-GAAP Financial Measures" for additional information.

The following table provides information on Authority's liquidity position at December 31, 2024 and 2023.

LIQUIDITY & CREDIT FACILITIES *($ millions)*	**As at Dec 31, 2024**	**As at Dec 31, 2023**	$ Change
Cash and cash equivalents	**197.4**	208.7	(11.3)
O&M Expense Reserve	(47.9)	—	(47.9)
Credit facilities:			
Available Operating Credit Facility	**200.0**	200.0	—
Less: Letters issued	**—**	(44.9)	44.9
Operating Credit Facility	**200.0**	155.1	44.9
Total net liquidity (including cash and cash equivalents)	**349.5**	363.8	(14.3)
Available Letter of Credit Facility	**70.0**	70.0	—
Less: Letters issued	**(65.0)**	(67.5)	2.5
Letter of Credit Facility	**5.0**	2.5	2.5

As at December 31, 2024, the Authority's Total Net Liquidity stood at $349.5 million reflecting a decrease of $14.3 million, or 3.9%, from December 31, 2023. This decrease was primarily driven by a $11.3 million decrease in available Cash and Cash Equivalents. Also contributing to the decrease was $47.9 million in Cash allocated to the Operating and Maintenance ("O&M") Expense Reserve, offset partially by a $44.9 million reduction in Letters of Credit issued during the period.

The decrease in available Cash and Cash Equivalents was due to the $122.2 million in cash generated by operating activities during the period being more than offset by $124.5 million used in investing activities and $9.0 million used in financing activities.

NON-GAAP FINANCIAL MEASURES

Throughout this MD&A, there are references to the following performance measures which in Management's view are valuable in assessing the economic performance of the Authority. While these financial measures are not defined by the Canadian Accounting Standard for Private Enterprises ("ASPE"), and they are referred to as non-GAAP measures which may not have any standardized meaning, they are common benchmarks in the industry, and are used by the Authority in assessing its operating results, including operating profitability, cash flow and investment program.

EBITDA and EBITDA Margin

EBITDA is earnings before interest and financing costs and amortization, and EBITDA margin is EBITDA divided by total revenues. EBITDA is a commonly used measure of a company's operating performance. This is used to evaluate the Authority's performance without having to factor in financing and accounting decisions.

Free Cash Flow

Free Cash Flow is the Authority's measure of the net result generated by operations less debt service cost paid, excluding working capital changes, in the year.

Gross Debt

Gross Debt is Long Term Debt, including current portion, from the Authority's Balance Sheet.

Gross Debt per Enplaned Passenger

Gross Debt per Enplaned Passenger is defined as Gross Debt over total enplaned passengers. Gross debt per Enplaned Passenger is commonly used by airports and other users to assess an appropriate debt burden for an airport.

Net Debt

Net Debt is defined as Gross Debt (Long Term Debt, including current portion) less Cash and Cash Equivalents.

Net Debt per Enplaned Passenger

Net Debt per Enplaned Passenger is defined as net debt over total enplaned passengers. Net debt per Enplaned Passenger is commonly used by airports and other users to assess an appropriate debt burden for an airport.

MANAGEMENT'S DISCUSSION & ANALYSIS

GLOSSARY

Enplaned and Deplaned (E&D) passengers:

E&D Passengers are defined as the total number of passengers boarding an aircraft at YYC plus the total number of passengers disembarking from an aircraft at YYC as reported by air carriers on a regular basis.

Enplaned passengers:

Enplaned passengers are defined as the total number of passengers boarding an aircraft at YYC as reported by air carriers on a regular basis.

Landed Passenger Seats:

Landed Passenger Seats is defined as the total seating capacity in aggregate of all passenger aircraft arriving at the terminal buildings.

MTOW:

MTOW is an aviation abbreviation used to describe the maximum take-off weight of an aircraft.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains certain forward-looking statements or forward-looking information (collectively, "forward-looking information") about the Authority. This forward-looking information is based on a variety of expectations, estimates, projections, judgements and assumptions and is subject to a number of risks and uncertainties. Words such as "believe", "expect", "plan", "intend", "estimate", "anticipate", "preliminary", "project", "trend" and similar expressions, as well as future or conditional verbs such as "will", "should", "would" and "could" often identify forward-looking information.

Specific forward-looking information in this document includes, among others, statements regarding the following: the Authority's strategy and development and growth opportunities, as well as its future financial and operational performance and the anticipated drivers of the Authority's financial results; expected effects of the August 2024 hailstorm, including the expected length of the closure of YYC Concourse B and uncertainty relating to the level and timing of associated future insurance recovery; future demand or activity, including the expectation that lost passenger demand as a result of the cessation of Lynx Air's operations will largely be absorbed by other air carriers; expectations regarding the Authority's long-term commercial agreements, capital projects and other programs and developments at YYC, including the Authority's engine maintenance and test cell facility project, including the focus of such projects and programs, as well as the anticipated effects, timing, budgets and funding of such projects, programs and developments; and expectations regarding the bond purchase arrangement with Canada Infrastructure Bank and other financing activities.

Forward-looking information is based on certain assumptions and other factors, including: government and passenger actions; YYC's population base and diversified economy will provide the basis for strong aviation demand in the future; air carrier capacity will meet future demand for air travel in the Calgary; Calgary will continue to attract domestic and international travelers; the expected duration and cost of land lease agreements at YYC; no significant event such as a pandemic, natural disaster or other calamity will occur that has an impact on the ordinary course of business or the macroeconomic environment; the Authority will be able to access the capital markets at competitive terms and rates; the Authority will be able to repay or refinance its existing debt as it becomes due; and no significant cost overruns relating to capital projects will occur. These assumptions are based on information currently available to the Authority, including information obtained by the Authority from third-party experts and analysts.

Although Management believes that the assumptions and other factors upon which forward-looking information is based are reasonable, there is risk that predictions, forecasts, conclusions and projections, which constitute forward-looking information, will not prove to be accurate, that the assumptions may not be correct and that actual results may vary from the forward-looking information. Factors that could cause actual results to differ materially from the results expressed or implied by forward-looking information include, but are not limited to: air carrier instability; passenger volumes; inability to meet business objectives; non-payment by customers and the Authority's ability to comply with covenants under its MTI and existing and future credit facilities; reliance on third parties, including airlines, to successfully operate and maintain their operations; volatility in economic activity including shocks to the macroeconomic environment (changes in fuel prices, inflation, interest rates, currencies, employment and spending); risks of tariffs and potential recessions in

Canada, North America and worldwide; changes in supply and demand trends; public health emergencies; capital market conditions and credit rating risk; competition from other airports; extended interruptions or disruptions in operations at YYC; outbreaks of war, riots, civil unrest or political action, including the war in Eastern Europe and the conflict in the Middle East; labour disruptions; disruptions caused by extreme weather, natural disasters or other events which impact air industry networks; geopolitical unrest; acts of terrorism or cyber-security threats; disruptions to information technology infrastructure; the loss of key personnel; changes in laws or regulations including rate regulation; adverse amendments to the Canada Lease and the Springbank Lease with the Government of Canada that govern the Airport lands; the use of telecommunications and ground transportation as alternatives to air travel; loss of commercial revenues; carbon emission costs and restrictions; adverse regulatory developments or proceedings; environmental factors and climate change; changing attitudes towards air travel; the availability of aviation liability and other insurance; the timing of recovery and receipt of insurance proceeds; construction risk; legal proceedings and litigation; and other risks detailed from time to time in the Authority's other published documents.

The forward-looking information contained in this document represents expectations as of the date of this report and is subject to change. The Authority disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information or future events or for any other reason except as required by law.

YYC CALGARY AIRPORT AUTHORITY

The Calgary Airport Authority's Financial Statements

For the year ended December 31, 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The Management of The Calgary Airport Authority (the "Authority") is responsible for the preparation and fair presentation, in accordance with Canadian Accounting Standards for Private Enterprises, of the financial statements. The financial statements and notes include all disclosures necessary for a fair presentation of the financial position, result of operations and cash flows of the Authority in accordance with Canadian Accounting Standards for Private Enterprises, and disclosure otherwise required by the laws and regulations to which the Authority is subject.

The Authority's Management maintains appropriate accounting and internal control systems, policies and procedures which provide Management with reasonable assurance that assets are safeguarded and that financial records are reliable and form a proper basis for the preparation of the financial statements. These financial statements also include amounts that are based on estimates and judgements, which reflect currently available information.

The financial statements have been audited by PricewaterhouseCoopers LLP, an independent firm of chartered professional accountants, who were appointed by the Board of Directors.

The Audit and Finance Committee of the Board of Directors is composed of seven directors who are not employees of the Authority. The Committee meets periodically with Management and the independent external auditors to review any significant accounting, internal control and auditing matters. The Audit and Finance Committee also reviews and recommends the annual financial statements of the Authority together with the independent auditor's report to the Board of Directors which approves the financial statements.

Chris Dinsdale

President & Chief Executive Officer

Jennifer Pon

Chief Financial Officer

March 7, 2025

Calgary, Alberta

Independent auditor's report

To the Board of Directors of The Calgary Airport Authority

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Calgary Airport Authority (the Authority) as at December 31, 2024 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Private Enterprises (ASPE).

What we have audited
The Authority's financial statements comprise:

- the balance sheet as at December 31, 2024;
- the statement of operations and net deficit for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the 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 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 Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

PricewaterhouseCoopers LLP
Suncor Energy Centre, 111 5th Avenue South West, Suite 3100, Calgary, Alberta, Canada T2P 5L3
T.: +1 403 509 7500, F.: +1 403 781 1825, Fax to mail: ca_calgary_main_fax@pwc.com

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's 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 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 Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Calgary, Alberta
March 7, 2025

BALANCE SHEET
As at December 31, 2024 and 2023

As at *($ millions)*	**Note**	**December 31, 2024**	December 31, 2023
ASSETS			
Current Assets			
Cash and cash equivalents		**$ 197.4**	$ 208.7
Accounts receivable	14	**49.0**	34.6
Inventory	3	**8.3**	8.3
Prepaid expenses		**8.1**	5.5
		262.8	257.1
Tenant inducements		**3.5**	4.1
Other long-term assets and prepaid expenses		**2.5**	2.6
Capital Assets	4, 10, 11	**2,866.3**	2,870.0
Intangible Assets	5	**2.7**	3.1
Pension Asset	13	**12.6**	19.0
		$ 3,150.4	$ 3,155.9
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable and accrued liabilities	12, 14, 19	**56.5**	53.8
Interest payable on long-term debt	6, 14	**26.4**	26.4
Deferred revenue		**1.3**	0.9
Current portion of other long-term liabilities	8, 10, 11, 12, 14	**9.7**	7.8
Current portion of long-term debt	6, 14	**8.0**	7.8
		101.9	96.7
Other Long-term Liabilities	8, 10, 11, 12, 14	**70.9**	43.7
Pension Liability	13	**14.2**	14.3
Long-term Debt	6, 14	**3,247.9**	3,255.2
		$ 3,434.9	$ 3,409.9
Net Deficit		**(284.5)**	(254.0)
		$ 3,150.4	$ 3,155.9

See accompanying notes to the financial statements.

Approved by the Board of Directors:

Andrea Robertson
Board Chair

Tracey Zehl
Chair of Audit and Finance Committee

STATEMENT OF OPERATIONS AND NET DEFICIT
For the year ended December 31, 2024 and 2023

For the year ended *($ millions)*	Note		**December 31, 2024**		December 31, 2023
REVENUES					
Airport improvement fees	9	**$**	**216.3**	$	211.3
Aeronautical revenues			**101.2**		100.0
Non-aeronautical revenues					
Concessions			**100.6**		91.1
Car parking			**50.0**		49.0
Rentals and other	15		**39.5**		36.3
Interest income			**11.3**		9.6
			201.4		186.0
			518.9		497.3
EXPENSES					
Goods and services	3, 15		**154.1**		143.6
Canada Lease	12		**53.0**		50.6
Salaries and benefits	13, 15		**51.3**		47.2
Property taxes			**21.3**		19.7
Airport improvement fee handling fees	9		**8.5**		8.3
			288.2		269.4
Earnings before interest and financing costs and amortization			**230.7**		227.9
Depreciation and amortization	4, 5		**141.3**		139.8
Interest and financing costs	11, 16		**112.7**		114.7
Loss on disposal of capital assets	4		**10.9**		—
Loss from Operations		**$**	**(34.2)**	$	(26.6)
Other Income (Expense)					
Insurance recovery	4		**10.9**		—
Post-employment pension benefits remeasurement (loss)/gain	13		**(7.2)**		4.8
Net Loss		**$**	**(30.5)**	$	(21.8)
Net Deficit, Beginning of Year		$	(254.0)	$	(232.2)
Net Deficit, End of Year		**$**	**(284.5)**	$	(254.0)

See accompanying notes to the financial statements.

STATEMENT OF CASH FLOWS
For the year ended December 31, 2024 and 2023

For the year ended *($ millions)*	**Note**	**December 31, 2024**	December 31, 2023
OPERATING			
Net Loss		**$ (30.5)**	$ (21.8)
Employer defined benefit contributions	13	**(1.5)**	(2.0)
Adjustments:			
Depreciation and amortization	4, 5	**141.3**	139.8
Amortization of deferred financing costs	16	**0.7**	0.7
Post-employment pension benefits	13	**7.7**	(4.4)
Loss on disposal of capital assets	4	**10.9**	—
		128.6	112.3
Changes in non-cash working capital:			
Accounts receivable		**(14.4)**	(4.7)
Inventory		**—**	(0.9)
Prepaid expenses		**(2.6)**	(2.2)
Tenant inducements		**0.6**	0.3
Other long-term assets and prepaid expenses		**0.1**	0.1
Accounts payable and accrued liabilities		**(3.7)**	(4.5)
Interest payable on long-term debt		**—**	(0.1)
Deferred revenue		**0.4**	0.4
Other liabilities		**13.2**	(9.0)
		(6.4)	(20.6)
Cash provided by operating activities		**122.2**	91.7
FINANCING			
Repayment on long-term debt	6	**(7.8)**	(7.5)
Repayment of lease liabilities	11	**(1.2)**	(0.9)
Cash used in financing activities		**(9.0)**	(8.4)
INVESTING			
Investment in capital and intangible assets	4, 5	**(148.1)**	(59.4)
Government capital grant funds received	10	**17.2**	10.8
Change in accounts payable and accrued liabilities related to capital and intangible assets		**6.4**	0.4
Cash used in investing activities		**(124.5)**	(48.2)
(Decrease) increase in cash and cash equivalents		**$ (11.3)**	$ 35.1
Cash and cash equivalents, beginning of year		**$ 208.7**	$ 173.6
Cash and cash equivalents, end of year		**$ 197.4**	$ 208.7

See accompanying notes to the financial statements.

1 DESCRIPTION OF BUSINESS

The Calgary Airport Authority (the "Authority") was incorporated on July 26, 1990 under the *Regional Airports Authorities Act* (Alberta) (the "Act") as a non-share capital corporation. The mandate of the Authority, 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 means that include promoting and encouraging improved airline and transportation service and an expanded aviation industry, for the general benefit of the public in its region.

The Authority has been operating YYC Calgary International Airport since July 1992 pursuant to the Agreement to Transfer, which provided for the transfer of operational control of YYC Calgary International Airport from the Government of Canada to the Authority under a long-term lease agreement (the "Canada Lease"). The Canada Lease has an initial term of 60 years with a 20-year option to extend which was exercised in 2011. In October 1997, the Authority entered into a lease with the Government of Canada for the operation of Springbank Airport (the "Springbank Lease") for a term concurrent with the Canada Lease term. The Canada Lease term expires June 30, 2072.

Pursuant to the Act, the Authority reinvests all surplus in the capital renovation and expansion requirements of the airports for which it is responsible. The Authority is authorized to borrow for investment in airport infrastructure and operations. Capital includes investment in both leasehold and freehold assets of the Authority, as detailed in Notes 4 and 5. Renovation requirements are determined through life-cycle management processes and physical asset inspections, while expansion requirements are determined in reference to airport capacity and demand. Capital requirements are generally determined on an annual basis in conjunction with the Authority's business plan, although larger projects may involve financial commitments that extend beyond one year. The Authority conducts an annual re-evaluation of projected economic conditions and facility demand factors.

These audited financial statements were approved on March 7, 2025 by the Board of Directors.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of measurement and presentation
These annual financial statements have been prepared in accordance with Canadian Accounting Standards for Private Enterprises ("ASPE"), which sets out generally accepted accounting principles ("GAAP"). The annual financial statements have been prepared on a going-concern basis using historical cost, except for the revaluation of certain financial assets and liabilities measured at fair value.

Revenue recognition
Aircraft landing fees, general terminal fees, other aeronautical fees and car parking revenues are recognized as the airport facilities are utilized. The Airport Improvement Fee ("AIF") revenue is recognized when originating departing passengers have commenced their journey. Other revenue is recognized when earned or services rendered.

Cash and cash equivalents
Cash and cash equivalents consist of cash and short-term investments that are highly liquid in nature and have an original term of 90 days or less.

Accounts Receivable
Receivables are recorded net of the allowance for doubtful accounts in the Balance Sheet. The Authority regularly analyzes and evaluates the collectability of the accounts receivable based on a combination of factors. If circumstances related to the collectability change, the allowance for doubtful accounts is further adjusted. Accounts are written off when future recovery is unlikely.

Inventory
Inventory consists of consumable parts and supplies held for use by the Authority. Inventory is stated at the lower of cost and net realizable value. Cost is determined using the weighted-average cost method. Net realizable value is determined as being the estimated replacement cost.

Leases

As lessee
Leases are classified as capital leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Operating lease payments are recognized as an expense on a straight-line basis over the term of the lease. The Canada Lease and Springbank Lease are accounted for as operating leases.

As lessor
Concession revenues are earned on a monthly basis and based on a percentage of sales or specified minimum rent guarantees from concessionaires, or it can be earned based on a combination of monthly contract payments and utilization fees. Rental income from land and terminal space are recognized over the duration of the respective agreements.

Capital and intangible assets
Capital assets are recorded at cost less accumulated depreciation. Cost includes all expenditures that are directly attributable to the acquisition or construction of an asset which are required to bring the asset into service.

Depreciation is recognized over the estimated useful life using the following rates:

Leased land	over the remaining term of the Canada Lease	straight line
Buildings & structures	10 - 48 years	straight line
Vehicles	18 - 30%	declining balance
Machinery & equipment	10 - 30 years	straight line
Furniture & fixtures	15 years	straight line
Computer equipment	3 years	straight line
Computer software	3 years	straight line

The Authority has purchased land for operational purposes and future development. The Canada Lease requires that the land be transferred to the Government of Canada at commencement of development, at which time the Authority reclassifies the Land to Leased land and commences depreciation on a straight-line basis over the remaining years of the Canada Lease period.

The various components of the Buildings & structures class include air terminal buildings, other buildings and structures, roadways, and airfield surfaces. This asset class is depreciated based on the estimated economic useful life of the component asset, limited to the term of the Canada Lease, as ownership of all Authority assets will revert to the Government of Canada upon the expiration of the Canada Lease.

Construction work in progress is capitalized at cost. Costs are transferred to the appropriate capital asset account, and depreciation commences when the assets become operational.

Cloud Computing Arrangements
Eligible costs incurred in the configuration and setup of a cloud computing arrangement are recognized on the Balance Sheet as part of "Long-term assets and Prepaids" and amortized over the life of the initial license term. All subsequent costs incurred directly attributable to enhancing the service potential are included in the carrying amount of the long-term asset. Maintenance activities not directly attributable to enhancing service potential are expensed as incurred.

Borrowing costs
Borrowing costs incurred for long-term debt utilized for the construction of capital assets are added to the cost of those assets during the period of time that is necessary to complete and prepare the asset for its intended use. All other borrowing costs are recognized on the Statement of Operations and Net Deficit under “Interest and financing costs”.

Impairment
Long lived assets are tested for impairment when events and circumstances indicate the carrying amount may not be recoverable from future operations. When indicators of impairment in the carrying value of the assets exist, an impairment loss is recognized on a long-lived asset if its carrying value exceeds the total undiscounted future cash flows expected from its use and disposition. The amount of the loss is determined by deducting the asset's fair value (based on discounted cash flows expected from its use and disposition) from its carrying value.

Employee future benefits
The Authority maintains defined benefit and defined contribution pension plans for eligible employees. New permanent employees are members of the defined contribution pension plan upon hire. Term employees become members of the defined contribution pension plan after completion of 24 months of continuous service. The defined benefit pension plan has both defined benefit and defined contribution components. The defined benefit plan was closed to new non-union employees effective January 1, 2010 and union employees effective August 1, 2013. The Authority does not provide any other post-retirement benefits. The pension cost for the defined contribution plan and defined contribution component of the defined benefit plan are expensed in the year the contribution has been earned.

Actuarial valuations for the defined benefit pension plans are calculated annually by accredited actuaries using the projected benefits method and assumptions for the discount rate, salary escalation and retirement timelines. The related pension benefit asset/liability recognized on the Balance Sheet is the present value of the pension benefit obligation as at the Balance Sheet date less the fair value of plan assets, if any. The present value of the benefit obligations is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that have terms to maturity approximating the terms of the related pension liability for that particular defined benefit plan. Actuarial gains and losses are recognized in full in the period in which they occur, and are included on the Statement of Operations and Net Deficit under “Post-employment pension benefits remeasurement.” Current service costs are included on the Statement of Operations and Net Deficit under “Salaries and benefits” expense. Past service costs are recognized immediately to the extent the benefits are vested. For funded pension plans, surpluses are recognized only to the extent that the surplus is considered recoverable. Recoverability is primarily based on the extent to which the Authority can unilaterally reduce future contributions to the pension plan. The change in the pension benefit obligation in the year is included on the Statement of Operations and Net Deficit under “Post-employment pension benefits remeasurement.”

Deferred revenue
Deferred revenue consists primarily of land leasing, space rental, prepaid parking reservations, prepaid trip fees and aeronautical fee revenue received in advance of land or facilities being utilized.

Government assistance
The Authority recognizes government assistance when there is reasonable assurance that the Authority has complied with and will continue to comply with all of the conditions of the assistance. Assistance related to capital assets are deferred as "Government capital grants accrued" in "Other long-term liabilities" on the Balance Sheet and then amortized on the same basis as the useful life assigned to the capital asset. Assistance relating to operating costs is recognized as a reduction of the respective expense.

Financial instruments
Financial assets, including cash and cash equivalents, accounts receivable and long-term receivables are initially measured at fair value and subsequently carried at amortized cost.

Financial liabilities, including accounts payable and accrued liabilities, other liabilities, operating line of credit and long-term debt are initially measured at fair value and subsequently carried at amortized cost.

Financial assets and liabilities resulting from related party transactions are initially measured at cost.

Financial assets and liabilities are classified as current if payments are due within 12 months of the Balance Sheet date. Otherwise, they are presented as non-current in the Balance Sheet.

(Tabular amounts and amounts in footnotes to tables are in millions of Canadian dollars, unless otherwise indicated)

Transaction costs for obtaining debt financing other than line of credit arrangements are recognized as a direct deduction from the related debt liability on the Balance Sheet. The deferred charges are amortized over the life of the related debt and included in “Interest and financing costs” expense on the Statement of Operations and Net Deficit.

Foreign currency translation
The financial statements are presented in Canadian dollars, which is the Authority’s functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than the Authority’s functional currency are recognized on the Statement of Operations and Net Deficit.

Use of estimates and measurement uncertainty
The preparation of financial statements requires Management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and commitments and contingencies at the date of the financial statements and the reported amounts of revenues, expenses and other income (expense) during the reporting period. Accounting estimates and underlying assumptions are reviewed on an ongoing basis. Significant areas requiring the use of Management estimates relate to the determination of accrued revenue, accrued liabilities, allowance for doubtful accounts, useful lives for depreciation of capital assets, and assumptions with respect to employee future benefit plans. Actual results could differ from these estimates.

Changes in accounting policy and disclosure
The Authority continues to evaluate the impact of new and revised standards and interpretations. The only standard that became effective in 2024 was "AcG-20, Customer's Accounting for Cloud Computing Arrangements", which the Authority early adopted in 2022. As a result, the standard had no impact on the Authority’s 2024 financial statements, as the accounting treatment was already adopted in current and prior periods.

3 INVENTORY

At December 31, 2024, all inventories were carried at weighted average cost. During the year, inventory use of $6.7 million (2023 - $7.0 million) was recognized on the Statement of Operations and Net Deficit under “Goods and Services” expense, of which $0.1 million (2023 - $0.1 million) was written off due to obsolescence.

As at December 31		**2024**		2023
Materials	**$**	**8.0**	$	7.8
Liquids		**0.3**		0.5
	$	**8.3**	$	8.3

(Tabular amounts and amounts in footnotes to tables are in millions of Canadian dollars, unless otherwise indicated)

4 CAPITAL ASSETS

As at December 31, 2024	**Land**	**Leased Land**	**Buildings & Structures**	**Computer Equipment**	**Vehicles**	**Machinery & Equipment**	**Furniture & Fixtures**	**Construction in Progress**	**Total**
Cost:									
Beginning Balance	$ 5.8	$ 34.3	$ 4,230.5	$ 37.4	$ 50.3	$ 155.6	$ 21.0	$ 57.9	$ 4,592.8
Additions	—	0.3	—	—	0.2	0.1	0.1	146.7	147.4
Transfers	—	—	47.2	3.6	10.2	6.1	0.1	(67.2)	—
Disposals and write-offs	—	—	(41.4)	(17.1)	(0.4)	(7.1)	(0.7)	—	(66.7)
Ending Balance	5.8	34.6	4,236.3	23.9	60.3	154.7	20.5	137.4	4,673.5
Accumulated Amortization									
Beginning Balance	—	6.4	1,594.8	34.2	37.4	43.3	6.7	—	1,722.8
Depreciation & Amortization	—	0.5	128.3	1.1	2.3	7.0	1.0	—	140.2
Disposals and write-offs	—	—	(33.1)	(16.9)	(0.4)	(4.7)	(0.7)	—	(55.8)
Ending Balance	—	6.9	1,690.0	18.4	39.3	45.6	7.0	—	1,807.2
Net Carrying Value	$ 5.8	$ 27.7	$ 2,546.3	$ 5.5	$ 21.0	$ 109.1	$ 13.5	$ 137.4	$ 2,866.3

As at December 31, 2023	Land	Leased Land	Buildings & Structures	Computer Equipment	Vehicles	Machinery & Equipment	Furniture & Fixtures	Construction in Progress	Total
Cost:									
Beginning balance	$ 5.8	$ 29.6	$ 4,205.8	$ 40.4	$ 45.3	$ 162.2	$ 20.3	$ 42.9	$ 4,552.3
Additions	—	4.7	0.7	—	5.7	0.2	—	51.1	62.4
Transfers	—	—	27.1	4.0	—	1.7	3.3	(36.1)	—
Disposals and write-offs	—	—	(3.1)	(7.0)	(0.7)	(8.5)	(2.6)	—	(21.9)
Ending Balance	5.8	34.3	4,230.5	37.4	50.3	155.6	21.0	57.9	4,592.8
Accumulated Amortization									
Beginning balance	—	5.9	1,471.2	40.3	36.1	44.1	7.9	—	1,605.5
Depreciation & Amortization	—	0.5	126.7	0.9	2.0	7.7	1.4	—	139.2
Disposals and write-offs	—	—	(3.1)	(7.0)	(0.7)	(8.5)	(2.6)	—	(21.9)
Ending Balance	—	6.4	1,594.8	34.2	37.4	43.3	6.7	—	1,722.8
Net Carrying Value	$ 5.8	$ 27.9	$ 2,635.7	$ 3.2	$ 12.9	$ 112.3	$ 14.3	$ 57.9	$ 2,870.0

Construction in progress balance consists of costs capitalized for both airside and groundside facility improvement projects. For the year ended December 31, 2024, interest capitalized in construction in progress was $2.9 million (2023 – $1.0 million). During the year, borrowing costs for active projects were capitalized at the rate of 3.43%, which represents the weighted average rate of the Authority's debt outstanding (2023 – 3.43%).

(Tabular amounts and amounts in footnotes to tables are in millions of Canadian dollars, unless otherwise indicated)

On August 5, 2024, a severe hailstorm caused significant damage to parts of the Authority's airport buildings and machinery. As of December 31, 2024, a loss on disposal of assets of $10.9 million has been recognized in the financial statements. The Authority has recorded an accrual for the probable future insurance recoveries up to the amount of recognized loss, totaling $10.9 million. The Authority is developing a comprehensive repair and restoration plan and is working closely with insurers. The insurance claim is still in progress, and the total recoverable amount is considered indeterminate.

5 INTANGIBLE ASSETS

As at December 31, 2024	**Computer Software**	**Work in Progress**	**Total**
Cost:			
Beginning Balance	**$ 39.2**	**$ 2.5**	**$ 41.7**
Additions	**—**	**0.7**	**0.7**
Transfers	**2.9**	**(2.9)**	**—**
Disposals and write-offs	**(32.8)**	**—**	**(32.8)**
Ending Balance	**9.3**	**0.3**	**9.6**
Accumulated Amortization			
Beginning Balance	**38.6**	**—**	**38.6**
Depreciation & Amortization	**1.1**	**—**	**1.1**
Disposals and write-offs	**(32.8)**	**—**	**(32.8)**
Ending Balance	**6.9**	**—**	**6.9**
Net Carrying Value	**$ 2.4**	**$ 0.3**	**$ 2.7**

As at December 31, 2023	Computer Software	Work in Progress	Total
Cost:			
Beginning balance	$ 39.0	$ —	$ 39.0
Additions	—	2.7	2.7
Transfers	0.2	(0.2)	—
Ending Balance	39.2	2.5	41.7
Accumulated Amortization			
Beginning balance	38.0	—	38.0
Depreciation & Amortization	0.6	—	0.6
Ending Balance	38.6	—	38.6
Net Carrying Value	$ 0.6	$ 2.5	$ 3.1

6 LONG-TERM DEBT

The Authority has an agreement with BNY Trust Company of Canada (the "Trustee") to provide a framework for the Authority to create and issue bonds and other debt securities and to enter into credit facility agreements, swaps and other debt instruments as set forth in the Master Trust Indenture ("MTI Agreement"). Under the MTI Agreement, bonds are issued in series through a supplemental indenture authorizing that particular series of bonds.

For the first five bond series issued under the "First Supplemental Indenture" (Series A to E), interest accrues on a daily basis and is payable on a semi-annual basis on April 7 and October 7 of each year of the term of that particular bond series. For the sixth bond series issued (Series F), principal and interest payments are payable on a semi-annual basis on April 7 and October 7 of each year of the term for the bond.

For the first bond issued under the "Second Supplemental Indenture" (4002957), principal and interest payments are payable on a semi-annual basis on April 7 and October 7 of each year of the term for the bond. For the next ten bond series issued (Series 4002958 to 4002967), interest accrues on a daily basis and is payable on a semi-annual basis on April 7 and October 7 of each year for the term of that particular bond series.

(Tabular amounts and amounts in footnotes to tables are in millions of Canadian dollars, unless otherwise indicated)

The bonds issued and outstanding under the MTI Agreement, are:

Supplemental Indenture	Series	Interest Rate	Maturity Date	December 31, 2024	December 31, 2023
First	Series A	3.1990%	October 7, 2036	**$ 350.0**	$ 350.0
First	Series B	3.3410%	October 7, 2038	**300.0**	300.0
First	Series C	3.4540%	October 7, 2041	**350.0**	350.0
First	Series D	3.5540%	October 7, 2051	**350.0**	350.0
First	Series E	3.5540%	October 7, 2053	**300.0**	300.0
First	Series F	3.7540%	October 7, 2061	**410.4**	415.4
Second	4002957	2.2580%	October 7, 2031	**158.0**	160.8
Second	4002958	3.0120%	April 6, 2035	**25.0**	25.0
Second	4002959	3.6430%	February 15, 2042	**100.0**	100.0
Second	4002960	3.1530%	December 15, 2047	**25.0**	25.0
Second	4002961	2.5622%	September 16, 2049	**70.0**	70.0
Second	4002962	3.8550%	March 17, 2034	**83.0**	83.0
Second	4002963	2.7900%	March 15, 2030	**125.0**	125.0
Second	4002964	4.0590%	November 30, 2033	**107.9**	107.9
Second	4002965	4.2580%	September 15, 2033	**113.0**	113.0
Second	4002966	3.4200%	June 29, 2032	**200.0**	200.0
Second	4002967	3.5130%	June 16, 2029	**200.0**	200.0
Total bonds issued				**$ 3,267.3**	$ 3,275.1
Less: Debt issuance costs				**(11.4)**	(12.1)
Less: Current portion				**(8.0)**	(7.8)
Long-term debt				**$ 3,247.9**	$ 3,255.2

The MTI Agreement contains certain financial covenants to be calculated on a yearly basis at the year-end balance sheet date. As at December 31, 2024, the Authority is in compliance with all its covenants.

Principal repayments of long-term debt during the next five years and thereafter are as follows:

2025	$ 8.0
2026	$ 8.3
2027	$ 8.6
2028	$ 8.8
2029	$ 209.1
Thereafter	$ 3,024.5
	$ 3,267.3

(Tabular amounts and amounts in footnotes to tables are in millions of Canadian dollars, unless otherwise indicated)

7 CREDIT FACILITIES

As at December 31, 2024, the Authority has an available $200.0 million revolving operating line of credit (the "Operating Facility") from a consortium of Canadian Financial Institutions (the "Lender"). Draws on the Operating Facility are by way of overdraft, Canadian prime rate loans and Canadian Overnight Repo Rate Average (CORRA) Loans, U.S. base-rate loans and Secured Overnight Financing rate (SOFR) Loans, and letters of credit. The Operating Facility bears interest at the Lender's prime rate or CORRA, plus an applicable pricing margin based on the debt rating received by the Authority and the type of draw on the facility. The maturity date of the Operating Facility is October 7, 2026. As at December 31, 2024, the amount drawn on the Operating Facility was $nil (December 31, 2023 - $nil).

The letters of credit that were outstanding under the Operating Facility as at December 31, 2024 were $nil, (December 31, 2023 - $44.9 million). The previous outstanding letter of credit of $39.3 million, which was required under the MTI Agreement to cover at least 25% of operating and maintenance expenses incurred in the previous fiscal year or a twelve-month period from the issuance of bonds, has been cancelled in the year. The Authority funded the requirement with $47.9 million in cash.

As at December 31, 2024, the Authority has an available $70.0 million revolving Letter of Credit Facility ("L/C Facility") that can be used for specific operational expenses, capital projects and major capital undertakings. As at December 31, 2024, the letter of credit that was outstanding under the L/C Facility was $65.0 million (December 31, 2023 - $67.5 million). This includes a letter of credit of $55.0 million (December 31, 2023 - $ 58.5 million) required under the MTI Agreement to cover at least 50% of the net interest accrued and the total principal amount to be paid for a twelve-month period after fiscal year-end. The maturity date of the L/C Facility is October 7, 2025.

As at December 31, 2024 and 2023, the Authority has outstanding two pledged bonds to the Operating and L/C Facilities lenders for $385.0 million and $77.0 million, respectively. The pledged bonds do not accrue interest and can be used by the lenders if the Authority defaults on any outstanding balance of each of the facilities including accrued interest and any applicable fees.

The covenants included in the Operating and L/C Facilities reference the covenants in the MTI Agreement. As at December 31, 2024, The Authority is in compliance with all its covenants.

8 OTHER LIABILITIES

As at December 31		**2024**		2023
Current				
Security deposits	**$**	**0.1**	$	0.1
Long-term incentive plan		**0.5**		0.1
Government capital grants accrued (note 10)		**0.5**		—
Lease inducement liability		**0.1**		0.1
Canada lease rent payable (note 12)		**1.9**		1.9
City of Calgary payables (note 17)		**5.4**		4.4
Capital lease (note 11)		**1.2**		1.2
Current portion of other long-term liabilities	**$**	**9.7**	$	7.8
Non-Current				
Security deposits	**$**	**5.0**	$	3.5
Long-term incentive plan		**0.9**		0.2
Government capital grants accrued (note 10)		**44.6**		12.3
Canada lease rent payable (note 12)		**12.8**		13.6
City of Calgary payables (note 17)		**—**		5.2
Lease inducement liability		**1.4**		1.5
Capital lease (note 11)		**6.2**		7.4
Other long-term liabilities	**$**	**70.9**	$	43.7

(Tabular amounts and amounts in footnotes to tables are in millions of Canadian dollars, unless otherwise indicated)

9 AIRPORT IMPROVEMENT FEES

Revenue from the Airport Improvement Fees ("AIF") is collected from passengers by air carriers pursuant to an Agreement ("MoA") between various airports in Canada, participating air carriers serving these airports, and the Air Transport Association of Canada. Pursuant to the MoA, AIF is collected by the signatory air carriers from passengers on behalf of the Authority and remitted to the Authority net of a handling fee of 4% (2023 – 4%). AIF revenue net of the handling fee is used to fund the costs of new airport infrastructure and costs of major improvements to existing facilities at YYC Calgary International Airport, as well as related financing costs. The Authority records the AIF revenue and the handling fee on a gross basis on the Statement of Operations and Net Deficit. The AIF in 2024 was $35.00 (2023 – $35.00) for each originating passenger departing from YYC Calgary International Airport.

10 GOVERNMENT ASSISTANCE

In March 2022, the Authority obtained grant approval under the Government of Canada's Airport Critical Infrastructure Program ("ACIP"). As at December 31, 2024, the Authority has recognized $45.1 million (December 31, 2023 – $12.3 million) in eligible funding on the Balance Sheet as Other long-term liabilities, to be amortized to Other Revenue, over the useful life of the related asset, when completed and in service.

11 CAPITAL LEASES

The Authority's right of use assets mainly relates to the leases of machinery and equipment.

As at December 31		**2024**		2023
Cost				
Opening balance	**$**	**10.2**	$	4.5
Additions		**—**		5.7
Balance, end of year	**$**	**10.2**	$	10.2
Accumulated amortization				
Opening balance	**$**	**1.8**	$	0.9
Amortization		**1.3**		0.9
Balance, end of year		**3.1**		1.8
Net book value, end of year [(a)]	**$**	**7.1**	$	8.4

(a) Included under the line item "Capital Assets" on Balance Sheet

As at December 31	**2024**	2023
Weighted average remaining lease term (years)	**4.87**	5.82
Weighted average discount rate (%) [(a)]	**4.61**	5.62

(a) Some leases have fixed interest rates while others have variable rates

The Authority has recognized lease liabilities in relation to the lease of equipment. The reconciliation of movement in lease liabilities is as follows:

As at December 31		**2024**		2023
Opening balance	**$**	**8.6**	$	3.5
Additions		**—**		5.7
Interest expense		**0.4**		0.3
Lease payments		**(1.6)**		(0.9)
Balance, end of year	**$**	**7.4**	$	8.6
Less: Current portion [(a)]		**1.2**		1.2
Long-term capital leases, end of year [(b)]	**$**	**6.2**	$	7.4

(a) Included under the line item "Current portion of other long-term liabilities" on the Balance Sheet

(b) Included under the line item "Other long-term liabilities" on the Balance Sheet

(Tabular amounts and amounts in footnotes to tables are in millions of Canadian dollars, unless otherwise indicated)

As of December 31, 2024, the maturity analysis of the undiscounted contractual balances of the lease liabilities during the next five years and thereafter is as follows:

As at		
2025	**$**	**1.6**
2026	**$**	**1.6**
2027	**$**	**1.5**
2028	**$**	**2.2**
2029	**$**	**1.0**
Thereafter	**$**	**0.7**
Total lease payments	**$**	**8.6**
Less: imputed interest	**$**	**1.2**
Total	**$**	**7.4**

12 CANADA LEASE

The Authority incurs an annual lease rental liability based on a sliding scale percentage, to a maximum of 12%, of gross revenue to Transport Canada pursuant to the Canada Lease. The monthly installments on the Canada Lease are estimated based on the previous year's calculation. The effective annualized rate for 2024 was 10.39% (2023 – 10.33%).

Under an amendment of the Canada Lease for the annual lease rental liability for 2021, the Authority deferred payment of $18.8 million and began monthly payments on January 1, 2024, to be repaid over 10 years. There is no interest incurred on the outstanding balance. As at December 31, 2024 the outstanding balance is $16.9 million. The fair value of the deferred payment liability is $14.7 million (2023 - $15.5 million).

For the annual lease rental liability, for the year ended December 31, 2024, the Authority recognized an expense of $53.0 million. The Authority is required to make monthly payments throughout the year and any remaining liability is to be paid by the end of February of the next year pursuant to the Canada Lease. The remaining liability relating to the current year expense of $2.4 million, is to be paid in the first quarter of 2025 and is recognized on the Balance Sheet as Accounts payable and accrued liabilities.

13 EMPLOYEE FUTURE BENEFITS

The Authority sponsors a registered pension plan for substantially all employees which has both defined contribution ("DC Plan") and defined benefit ("DB Plan") components. The Authority also has non-registered pension arrangements ("MG Plan") for certain employees.

DC Plan

The majority of employees participate in the DC Plan. As of August 1, 2013, new union employees, and as of January 1, 2010, new non-union employees of the Authority, automatically participate in the DC Plan. In addition, some members participating in the DB Plan also participate in the DC Plan. For executives, contributions that are in excess of the maximum limits under the Income Tax Act accrue notionally and are paid from the Authority's general revenues when the executive terminates employment. The pension cost recorded for the DC Plan was $2.1 million for the year ended December 31, 2024 (2023 - $1.7 million).

DB Plan

The DB Plan provides benefits for union employees hired before August 1, 2013 and non-union employees hired before January 1, 2010. Pensions are based on a calculation using the employees' length of service and earnings near retirement and is indexed annually to 100% of the Canadian Consumer Price Index.

(Tabular amounts and amounts in footnotes to tables are in millions of Canadian dollars, unless otherwise indicated)

MG Plan

The Authority has non-registered pension arrangements that provide benefits to certain active and former employees pursuant to the Letter of Undertaking signed June 26, 1992, which guaranteed that benefits earned after July 1, 1992 will not be less than the pension and indexing provisions under the Public Service Superannuation Act and the Supplementary Retirement Benefits Act (the Minimum Guarantee) in respect of eligible individuals at that date. The MG Plan also provides benefits to certain former executives who participated in the DB Plan and whose benefits were limited to maximums permitted under the Income Tax Act. MG Plan benefits are paid from the Authority's general revenues as payments come due. For former executives, security for the MG Plan is provided through a letter of credit within a retirement compensation arrangement trust account.

Actuarial Valuation

The Authority measures its defined benefit obligations using a funding valuation for the DB Plan and an accounting valuation for the MG Plan. The Authority's most recent actuarial valuations of the plans were completed as of January 1, 2024 and the next scheduled actuarial valuations will be performed as of January 1, 2025. The costs of the DB Plan and MG Plan are actuarially determined using the projected benefit method based on management's estimate of the future rate of return on the fair value of pension plan assets, salary escalations, mortality rates, inflation and other factors affecting the payment of future benefits.

Governance

The benefit payments for the DB Plan and DC Plan are made from trustee-administered funds. The Board of Directors of the Authority are responsible for the governance of the plans and policy decisions related to liability management, funding and investment, including selection of investment managers and investment options for the plans. The objective of the Authority's investment policy for the DB Plan is to maximize long-term total return while protecting the capital value of the funds invested from major market fluctuations through diversification and selection of investments.

The following table provides information concerning the components of the pension cost for the DB and the MG Plans:

Year ended December 31		**2024**		2023
Current service cost	**$**	**0.5**	$	0.5
Post-employment pension benefits remeasurement (loss/gain)				
Finance loss		**0.1**		0.1
Remeasurement cost				
Difference between actual and expected return on assets		**(1.0)**		(7.4)
Actuarial loss		**8.1**		2.4
Defined benefit cost (gain)		**7.7**		(4.4)
Notional account benefit cost		**0.1**		0.2
Employer defined benefit contributions		**1.5**		2.0
Total net benefit cost (recovery)	**$**	**9.3**	$	(2.2)

(Tabular amounts and amounts in footnotes to tables are in millions of Canadian dollars, unless otherwise indicated)

Based on the actuarial valuation dated January 1, 2024 and key assumptions updated to December 31, 2024, the changes in the Authority's pension assets and obligations are as follows:

As at		**December 31, 2024**			December 31, 2023	
	DB Plan	**MG Plan**	**Total**	DB Plan	MG Plan	Total
Market value of plan assets						
Opening balance	**$ 108.0**	**$ —**	**$ 108.0**	$ 100.3	$ —	$ 100.3
Interest income	**3.9**	**—**	**3.9**	3.9	—	3.9
Employer contributions	**0.5**	**1.0**	**1.5**	0.8	1.2	2.0
Employee contributions	**1.0**	**—**	**1.0**	0.3	—	0.3
Benefit payments	**(4.8)**	**(1.0)**	**(5.8)**	(4.7)	(1.2)	(5.9)
Actual return on plan assets	**1.0**	**—**	**1.0**	7.4	—	7.4
Balance, end of year	**$ 109.6**	**$ —**	**$ 109.6**	$ 108.0	$ —	$ 108.0
Accrued pension benefit obligation						
Opening balance	**$ 89.0**	**$ 14.3**	**$ 103.3**	$ 88.6	$ 13.2	$ 101.8
Current service cost	**0.5**	**0.1**	**0.6**	0.5	0.2	0.7
Interest cost	**3.4**	**0.6**	**4.0**	3.4	0.6	4.0
Employee contributions	**1.0**	**—**	**1.0**	0.3	—	0.3
Benefits payments	**(4.8)**	**(1.0)**	**(5.8)**	(4.7)	(1.2)	(5.9)
Actuarial loss	**7.9**	**0.2**	**8.1**	0.9	1.5	2.4
Balance, end of year	**$ 97.0**	**$ 14.2**	**$ 111.2**	$ 89.0	$ 14.3	$ 103.3
Funded status	**$ 12.6**	**$ (14.2)**	**$ (1.6)**	$ 19.0	$ (14.3)	$ 4.7

Remeasurement costs for 2024 amounted to an expense of $7.1 million (2023 – recovery of $5.0 million). In 2024, $0.6 million of the total net benefit cost (2023 – $0.7 million) has been recognized on the Statement of Operations and Net Deficit under "Salaries and benefits" expense.

The asset allocation of the DB Plan assets as at December 31 was:

	2024	2023
Fixed income securities	**64 %**	67 %
Canadian equities	**6 %**	5 %
Foreign equities	**21 %**	19 %
Real assets	**9 %**	9 %

The significant actuarial assumptions adopted in measuring the Authority's pension benefit obligations are:

	December 31, 2024		December 31, 2023	
	Registered Plan	**Non-Registered Plan**	Registered Plan	Non-Registered Plan
Discount rate				
a) Year-end pension benefit obligation	**4.25 %**	**4.60 %**	4.82 %	4.60 %
b) Net benefit cost	**4.22 %**	**4.60 %**	4.64 %	5.10 %
Rate of salary increases	**2.75 %**	**2.75 %**	2.75 %	2.75 %
Pre/post retirement indexing	**2.00 %**	**2.00 %**	2.00 %	2.00 %

The estimated annual payment in 2024 to fund the solvency deficiency as determined by the January 1, 2024 actuarial valuation was $nil (2023 - $0.3 million). In 2023 this payment was funded through cash contributions.

14 FINANCIAL INSTRUMENTS

The Authority's financial instruments consist of Cash and cash equivalents, Accounts receivable, Accounts payable and accrued liabilities, Interest payable on long-term debt, Long-term debt, Canada lease rent payable and the City of Calgary payable, within Other Long-term Liabilities.

The fair value of the Authority's financial instruments, other than its long-term debt and long-term payables, approximates their carrying value due to their short-term nature. The fair value of long-term debt and long-term payables are considered a Level 2 on the fair value hierarchy as the fair value is estimated using the discounted cash flow analysis based on the Authority's current borrowing rate for similar borrowing arrangements. As at December 31, 2024, the fair value of the Authority's long-term debt and Canada Lease rent payable is $2,980.4 million (2023 - $2,980.3 million).

Risk Management
The Authority's Board of Directors ("the Board") is responsible for the oversight of the principal risks of the business in which the Authority is engaged, achieving a proper balance between risks incurred and the legislated purpose of the Authority and confirming that there are systems in place that effectively monitor and manage those risks with a view to the long term viability of the Authority. The Board has established the Audit and Finance Committee, which reviews significant financial risks associated with future performance, and growth identified by Management that could materially affect the Authority's ability to achieve its strategic and operational targets. The Board is also responsible for ensuring that Management has effective policies and procedures to identify, assess manage and mitigate such risks.

Risks associated with Financial Instruments
The Authority is exposed to various financial risks in the normal course of operations such as market risks resulting from credit risk and liquidity risk and fluctuations in currency exchange rates and interest rates.

Credit risk
Credit risk is the risk that a counterparty to a financial instrument fails to fulfill its obligation in accordance with the terms of the contract. The Authority is subject to credit risk through its accounts receivable and long-term receivables, which consist primarily of aeronautical fees and AIF owing from air carriers and concession fees owing from concession operators. The majority of concession fees owing are settled on a monthly basis, 15 - 30 days after the end of each month. The majority of aeronautical fees owing are billed weekly and settled 15 - 30 days thereafter. The majority of AIF owing are settled on a monthly basis on the first day of each subsequent month. The Authority's requirement for credit background reviews, letters of credit, and security deposits for potential credit losses helps to reduce credit risk relating to accounts receivable. The Authority's right under the Airport Transfer (Miscellaneous Matters) Act to seize and detain aircraft until outstanding aeronautical fees are paid mitigates the risk of credit losses.

(Tabular amounts and amounts in footnotes to tables are in millions of Canadian dollars, unless otherwise indicated)

Accounts receivable past due or impaired
The Authority had the following past due or impaired accounts receivable:

As at December 31, 2024		**Total**		**AR accruals**		**>30 days**		**31 to 60 days**		**61 to 90 days**		**Over 90 days**
Trade receivable	**$**	**50.4**	**$**	**35.3**	**$**	**9.4**	**$**	**1.5**	**$**	**1.2**	**$**	**3.0**
Allowance for credit losses		**(1.4)**		**—**		**—**		**—**		**—**		**—**
	$	**49.0**	**$**	**35.3**	**$**	**9.4**	**$**	**1.5**	**$**	**1.2**	**$**	**3.0**

As at December 31, 2023		Total		AR accruals		>30 days		31 to 60 days		61 to 90 days		Over 90 days
Trade receivable	$	35.8	$	17.0	$	12.7	$	3.9	$	0.7	$	1.5
Allowance for credit losses		(1.2)		—		—		—		—		—
	$	34.6	$	17.0	$	12.7	$	3.9	$	0.7	$	1.5

Allowance for doubtful accounts		**December 31, 2024**		December 31, 2023
Balance, beginning of year	**$**	**1.2**	$	1.2
New allowance		**0.2**		0.2
Allowance applied to uncollectible customer accounts		**—**		(0.2)
Balance, end of year	**$**	**1.4**	$	1.2

Liquidity Risk
Liquidity risk is the risk that the Authority will encounter difficulties in meeting the obligations associated with its financial liabilities. The Authority's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Authority's reputation.

The Authority manages its liquidity risk by maintaining adequate cash and credit facilities, by updating and reviewing multi-year cash flow projections on a regular and as-needed basis and by matching its long-term financing arrangements with its cash flow needs. The Authority achieves mitigation of liquidity risk through funds generated by operations and ready access to sufficient long-term funds as well as committed lines of credit through a credit facility.

For the year ended December 31, 2024, the Authority recognized a net loss of $30.5 million (2023 - $21.8 million). The Authority's working capital as of December 31, 2024 is $160.9 million (2023 - $160.4 million) and it has $349.5 million (2023 - $363.8 million) of cash and cash equivalents and available credit facilities.

(Tabular amounts and amounts in footnotes to tables are in millions of Canadian dollars, unless otherwise indicated)

The Authority had the following contractual maturities with respect to financial liabilities based on the contractual undiscounted cash flows which includes principal and interest cash flows:

As at December 31, 2024	**Carrying Value**	**Total**	**2025**	**2026**	**2027**	**2028**	**2029**	***2030 & thereafter***
Accounts payable and accrued liabilities	**$ 56.5**	**$ 56.5**	**$ 56.5**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Current portion of long-term debt	**8.0**	**8.0**	**8.0**	**—**	**—**	**—**	**—**	**—**
Long-term debt	**3,259.3**	**5,093.4**	**112.1**	**120.1**	**120.1**	**120.1**	**320.0**	**4,301.0**
Interest payable on long-term debt	**26.4**	**26.4**	**26.4**	**—**	**—**	**—**	**—**	**—**
City of Calgary payable [(a)]	**5.4**	**5.5**	**5.5**	**—**	**—**	**—**	**—**	**—**
Canada Lease rent payable [(a)]	**14.7**	**16.9**	**1.9**	**1.9**	**1.9**	**1.9**	**1.9**	**7.4**
	$ 3,370.3	**$ 5,206.7**	**$ 210.4**	**$ 122.0**	**$ 122.0**	**$ 122.0**	**$ 321.9**	**$ 4,308.4**

(a) Included under the line item "Other long-term liabilities" on the Balance Sheet

As at December 31, 2023	Carrying Value	Total	2024	2025	2026	2027	2028	*2029 & thereafter*
Accounts payable and accrued liabilities	$ 53.8	$ 53.8	$ 53.8	$ —	$ —	$ —	$ —	$ —
Current portion of long-term debt	7.8	7.8	7.8	—	—	—	—	—
Long-term debt	3,267.3	5,213.8	112.3	120.1	120.1	120.1	120.1	4,621.1
Interest payable on long-term debt	26.4	26.4	26.4	—	—	—	—	—
City of Calgary payable [(a)]	9.6	9.9	4.4	5.5	—	—	—	—
Canada Lease rent payable [(a)]	15.5	18.8	1.9	1.9	1.9	1.9	1.9	9.3
	$ 3,380.4	$ 5,330.5	$ 206.6	$ 127.5	$ 122.0	$ 122.0	$ 122.0	$ 4,630.4

(a) Included under the line item "Other long-term liabilities" on the Balance Sheet

Interest Rate Risk

Interest rate risk arises due to fluctuations in interest rates. The Authority is exposed to interest rate risk on its cash held in interest-bearing accounts. The cash in these accounts is considered highly liquid. The Authority manages interest rate risk by holding fixed interest rate debt with various maturities. The Authority proactively monitors and manages its debt maturity profiles and debt covenants and maintains financial flexibility through access to potential different types of credit products under the MTI Agreement. The Authority has exposure to interest rate risk related to its operating line of credit which is maintained to provide liquidity.

Industry Risk

Industry risk is related to any events that could occur within or to the air transportation industry that could negatively affect passenger demand at YYC Calgary International Airport and therefore the Authority's revenues and expenses. These risks, among others, include: population decline; unemployment rates; economic conditions, including tariffs; regulatory actions and legislative changes; air carrier instability; the ability and willingness of airlines to provide air service at YYC; passenger volumes; the increase in the cost of air fares; labour disputes; the availability and cost of aviation fuel; insurance costs; environmental regulation; carbon emission costs and restrictions; environmental factors and climate change; changing attitudes towards air travel; legal proceedings and litigation; the operation of the air traffic control system; the use of telecommunications and alternate ground transportation options; health epidemics and related travel advisories, outbreaks of war, riots, civil unrest or political action, including the war in Eastern Europe and the conflict in the Middle East, the perceived threat of terrorist attacks and additional security measures put in place to guard against such attacks.

(Tabular amounts and amounts in footnotes to tables are in millions of Canadian dollars, unless otherwise indicated)

15 RELATED PARTY TRANSACTIONS

As a corporation without share capital, the Authority has Members rather than shareholders. The Members of the Authority are its Board of Directors. The Authority is governed by the Board of Directors with a maximum of 17 members. Directors are appointed by four organizations – the Long Range Planning Committee of the Calgary Chamber of Commerce (eleven members), the City of Calgary (three members), Rocky View County (one member), and the Government of Canada represented by the Minister of Transport (two members).

The Authority's related parties also includes Key Management personnel. Key Management includes the Executives of the Authority who have the authority and responsibility for planning, directing, and controlling the activities of the Authority. The Board of Directors are, only for the purposes hereof, also considered Key Management.

The Government of Canada and its respective government related entities are considered related parties for accounting purposes only due to their ability to nominate Members and due to the material nature of the Canada Lease (see Note 12). In accordance with ASPE, this meets the definition of significant influence, but not control.

Some members of the Board of Directors hold positions in other companies where they can exercise either control or significant influence on those companies that conduct business with the Authority. The nature of the transactions are mainly leasing of land or buildings owned by the Authority and corporate consulting services provided to the Authority.

The following transactions with the Authority's related parties are measured at cost and have been recorded on the Statement of Operations and Net Deficit:

Year ended December 31		**2024**		2023
Non-aeronautical revenues				
Rental and other	**$**	**0.3**	$	0.4
Expenses				
Goods and services	**$**	**0.1**	$	0.7

Board of Directors Remuneration
For the year ended December 31, 2024, total remuneration for the Board of $1.0 million (2023 - $0.9 million) was recognized on the Statement of Operations and Net Deficit under "Salaries and benefits" expense. Expenses incurred by the Directors in 2024 were recognized on the Statement of Operations and Net Deficit, under "Goods and services" expense.

Key Management Compensation
Total remuneration paid to the Executives during 2024 was $3.9 million (2023 – $4.8 million) which was recognized on the Statement of Operations and Net Deficit under "Salaries and benefits" expense. Expenses incurred by the Executives during 2024 totaled $0.2 million (2023 – $0.5 million) which was recognized on the Statement of Operations and Net Deficit under "Goods and services" expense.

16 INTEREST AND FINANCING COST

		2024		2023
Interest on long-term debt	**$**	**109.3**	$	111.5
Amortization of deferred financing costs		**0.7**		0.7
Standby fees		**0.8**		1.3
Fair value adjustment on long-term payable		**1.2**		0.6
Other interest expense		**0.7**		0.6
Interest and financing costs	**$**	**112.7**	$	114.7

17 COMMITMENTS AND CONTINGENCIES

The Authority is subject to legal proceedings and claims that arise in the ordinary course of business. While the final outcome with respect to these legal proceedings and claims cannot be predicted with certainty, Management does not expect the outcome of any proceeding to have a material adverse effect on the financial position or results of operations of the Authority.

In June 2011, the Authority entered into a Tunnel Sublease and License (the "Tunnel Agreement") with the City of Calgary (the "City"). The Tunnel Agreement, which expires June 29, 2072, required the City to extend Airport Trail east, across YYC Calgary International Airport lands and, among other things, to construct, operate and maintain an associated tunnel under Runway 17L-35R, which was completed on October 1, 2012. The Tunnel Agreement also provides for a cost-sharing arrangement regarding future interchanges along Airport Trail at 19th Street and Barlow Trail. The first phase for interchanges, which will enhance access to and egress from YYC Calgary International Airport facilities, was completed in the fall of 2022. The second phase of the interchanges, or components thereof, will be constructed when traffic volume service levels at the first phase of interchanges reach a proscribed level and, at that time, the Authority has agreed to contribute 50% towards the acquisition cost of the necessary third-party land and the associated construction project. As the first phase of these interchanges is completed and the second phase third party land has been acquired, the Authority as of December 31, 2024, has a liability of $5.4 million (2023 - $9.6 million) towards these obligations. The Authority continues to have a commitment to contribute towards the second phase construction and additional land costs.

As of December 31, 2024, the Authority has approximately $126.2 million in commitments for capital projects commenced during the year. The capital projects include various restoration projects and the design work relating to the rehabilitation of the existing West Runway.

18 INCOME TAXES

Pursuant to the *Airport Transfer (Miscellaneous Matters) Act* (Canada), income that may reasonably be regarded as being derived from airport business is exempt from federal and provincial income taxes. All income recognized during the year ended December 31, 2024 and 2023 is considered to be derived from airport business and therefore exempt from income tax.

19 GOVERNMENT REMITTANCES PAYABLE

Included in Accounts Payables and Accrued Liabilities on the Balance Sheet are government remittances payables of $0.2 million (2023 - $0.5 million). This balance is comprised of amounts payable for GST.

20 SUBSEQUENT EVENTS

On February 13, 2025, the Authority announced its plan, in partnership with Lufthansa Technik, to invest approximately $120 million to build an engine maintenance and test cell facility on nine acres of land at YYC. The project will break ground in the spring of 2025, and the Authority will be responsible for planning, development, construction and deployment.

This new facility is a first step towards establishing YYC Calgary International Airport as an aviation hub (the "Aviation Hub") that will support both cargo and passenger flights in and out of the region. The project will be funded in partnership with the Canada Infrastructure Bank ("CIB"), Prairies Economic Development Canada (PrairiesCan), the Government of Alberta through the Ministry of Jobs, Economy and Trade, and Calgary Economic Development through the Opportunity Calgary Investment Fund.

On March 6, 2025, the Authority entered into a Bond Purchase Agreement with the CIB to support the design and construction of the Aviation Hub, under the existing MTI Agreement, originally dated October 7, 2021. This transaction has been formalized through the execution of the Fifth Supplemental Indenture authorizing a total issuance of $171.9 million, which governs the issuance of Series G Bonds, establishing specific terms, conditions, tranche structures, and payment mechanisms.

On March 5, 2025, the Board of Directors approved the issuance of the first tranche of bonds in the Series G Bonds. The indenture is structured into four distinct bonds, with the first bond issued on March 6, 2025 at $67.2 million.

YYC CALGARY AIRPORT AUTHORITY

Ground Lease Disclosure Requirements

For the year ended December 31, 2024

Disclosure Requirements of the Ground Lease

Subsection 9.01.07, Paragraphs (a) to (g) of the Ground Lease requires The Calgary Airport Authority ("the Authority") to issue an Annual Report and include the following information:

Audited Financial Statements

The auditors' report and the annual audited financial statements and the summary of analysis (Management's Discussion and Analysis or "MD&A") is found within the 2024 Financial Report.

Performance Summary for 2024

(in millions)	**Forecast 2024**	**Actual 2024**
Total Revenue	513.1	518.9
Operating Expenses	292.7	288.2
Transport Canada Rent	53.4	53.0
Capital Expenditures	187.3	148.1

Variance in total revenue was driven by higher passenger related revenue and interest income, partially offset by lower aeronautical revenue driven by the cessation of Lynx Air during the period. The increased revenue also caused the variance between forecast and actuals for Transport Canada rent expense.

Variance in operating expenses was due to operational service contracts experiencing cost increases due to both enhancements as well as inflation. In addition, unexpected repair and maintenance costs primarily due to unanticipated repairs, as well as costs related to the August 5, 2024 hailstorm, were incurred, partially offset by favourable utility rates and consumption.

Capital expenditures for the period were lower than forecast due to cost savings realized for the West Runway Rehabilitation Project, delayed timing to 2025 of other projects, partially offset by spend incurred in response to the severe hailstorm experienced by the Authority on August 5, 2024, which caused significant damage to the Authority's assets.

Summary of the Five-Year Business Plan

(in millions)	**2025**	**2026**	**2027**	**2028**	**2029**
Total Revenue	531.9	594.4	630.6	674.0	768.6
Operating Expenses	306.6	330.5	346.1	356.2	376.5
Transport Canada Rent	55.2	63.7	68.1	73.3	84.6
Capital Expenditures	263.6	310.6	187.8	141.7	83.9

The five-year Business Plan (2025 to 2029) is driven by the Authority's mandate of connecting local and global communities while creating exceptional experiences as the airport of choice. The key components that are supporting the Authority's strategy are:

- Delivering reliable, efficient and high-quality operations;
- Creating a world class guest experience;
- Optimizing the Authority's assets to broaden and grow economic impact.

During the Fall of 2024, the Authority announced to airline stakeholders the following changes to its Tariff effective February 1, 2025, which comprised of an increase in Aeronautical rates on a blended basis by an average of 3.62 per cent. The AIF rate remained consistent with 2024.

The Authority typically undertakes capital projects to meet one of the following objectives:

- to comply with regulatory requirements (e.g., safety, security or environmental);

- to restore or replace existing assets;
- to modify existing infrastructure to improve revenue or reduce costs;
- to add new capacity or businesses beyond the existing infrastructure.

The reader is cautioned that some assumptions used to derive forecast information may not materialize due to unanticipated events and circumstances. Therefore, the actual results achieved during the period may vary, and the variations may be material. For a more complete discussion of the risks and uncertainties and caution regarding forward-looking statements, see the MD&A, found in the 2024 Financial Report.

Remuneration to the Board of Directors ("Directors") and Salary of Senior Officers

In compliance with the Authority's governance practices and as required by the Regional Airports Authorities Act (Alberta), the Authority outlines the Directors' and Officers' remuneration and expenses as follows:

(all figures in this table are expressed in whole dollars)			
Board Chair	$	155,000	per annum
Committee Chair	$	10,000	per annum
Director (excluding Board Chair)	$	37,500	per annum
Board and Board Committee meeting fees (in person)	$	1,250	per meeting
Board and Board Committee meeting fees (virtual)	$	1,000	per meeting

Total remuneration and expenses paid during the year ended December 31, 2024 for each Director:

(all figures in this table are expressed in whole dollars)	**Compensation**	**Expenses**	**Total**
Andrea Robertson (Board Chair)	**$ 155,000**	**$ 1,603**	**$ 156,603**
Donald Cormack (prior Audit & Finance Committee Chair) **	**39,980**	**—**	**39,980**
Tracey Zehl (current Audit & Finance Committee Chair)	**62,638**	**—**	**62,638**
Phillip J. Scheibel (Commercial and Property Committee Chair)	**73,750**	**—**	**73,750**
Lisa Oldridge (Strategic Planning Committee Chair)	**73,750**	**—**	**73,750**
Jina Abells Morissette (Governance & Compensation Committee Chair)	**68,000**	**—**	**68,000**
David C. Blom (prior Safety & Operational Resiliency Committee Chair)**	**41,605**	**—**	**41,605**
Craig Richmond (Safety & Operational Resiliency Committee Chair)	**69,763**	**11,236**	**80,999**
Randolph Charron	**58,000**	**—**	**58,000**
Dino DeLuca	**56,500**	**—**	**56,500**
Nancy Foster*	**30,403**	**—**	**30,403**
Andrea Goertz	**52,625**	**1,740**	**54,365**
Rodney Gray*	**11,653**	**—**	**11,653**
Catherine Luelo*	**31,778**	**—**	**31,778**
Manjit K. Minhas	**54,500**	**—**	**54,500**
Lara Murphy	**57,250**	**—**	**57,250**
Sheldon Schroeder**	**30,681**	**—**	**30,681**

New appointment in 2024

***** Term completed in 2024***

For the year ended December 31, 2024, total remuneration received by the Board totalled $1.0 million. Fees were paid to certain Directors for attendance at meetings of special ad-hoc committees of the Board of Directors.

Key Management Compensation
The base salary range for the Executives during 2024 was $0.3 million to $0.6 million. Total remuneration paid to the Executives during 2024 was $3.9 million. Executives are also eligible for short term and long term performance incentives.

Code of Conduct

The Authority has a "Code of Business Conduct and Conflict of Interest Policy" (the "Code"), which has been approved by the Authority's Board of Directors. The Code represents a comprehensive approach to addressing, among other matters, conflicts of interest and promoting fair, honest and ethical behaviour by all of the Authority's Directors, Officers, employees and contractors.

The Board monitors compliance with the Code, and the Authority requires that each Director sign an annual declaration advising that the Director has read the Code and either declares in compliance or not in compliance with the Code and then state the reasons for the non-compliance. In addition, the Board has implemented a Whistleblower Policy which permits the anonymous reporting of a Director, Executive, or employee's perceived unethical behaviour.

All Directors confirmed that they are in compliance with the Code for the year ended December 31, 2024.

Sole Source Contracts issued in 2024

Per the Ground Lease, the Authority reports on contracts in excess of $140,000 (adjusted periodically by Consumer Price Index (CPI) from an original threshold of $75,000) that were not competitively procured. This is disclosed in the Authority's 2024 Annual Report.

Section 9.01.07, Paragraphs (a) to (g) of the Ground Lease

The Tenant shall, prior to each public meeting to be held pursuant to Subsection 9.01.05, publish an annual report in respect of the Lease Year (in this Subsection 9.01.07 called "that Lease Year") immediately preceding the Lease Year in which the public meeting is held which shall, as a minimum:

a. include the audited annual financial statements of the Tenant for that Lease Year, the Tenant's Auditor's report on such Tenant's audited annual financial statements, and a summary of the Tenant's affairs for that Lease Year;
b. contain a report on the Tenant's performance relating to the Tenant's business plan and objectives established for that Lease Year, and as applicable for the previous five Lease Years;
a. include an explanation by the Tenant of all variances and corrective actions taken with respect to the Tenant's performance described in Paragraph 9.01.07(b);
b. present a summary of the Tenant's business plan for the then current Lease Year and the Tenant's business plan containing a forecast for the next five Lease Years, including specific objectives (measurable where feasible), for such summary and forecast and relating to the approved objectives of the Tenant;
c. contain a report on the remuneration provided to each Board member and on the salary of each of the Senior Officers of the Tenant;
d. contain a report on compliance or non-compliance with the Tenant's Code of Conduct; and
e. report on all contracts in excess of an amount obtained by multiplying seventy-five thousand ($75,000) dollars by the CPI Adjustment Factor for that Lease Year which are entered into during that Lease Year and which contracts were not awarded on the basis of a public competitive tendering process. Such report shall identify the parties to the contract, the amount of the contract, the nature of the contract, the circumstances of the contract and the reasons for not awarding such contract on the basis of a public competitive tendering process.