MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022

Dated November 22, 2022

This Management's Discussion and Analysis ("MD&A") report discusses the financial and operating results of The Calgary Airport Authority (the "Authority") for the three and nine months ended September 30, 2022, and should be read in conjunction with the Authority's unaudited interim financial statements and note disclosures for the three and nine months ended September 30, 2022. Additional information, including the Authority's most recent annual MD&A ("2021 MD&A") and audited financial statements for the year ended December 31, 2021, is available at www.yyc.com. Information contained in the 2021 MD&A is not discussed in this MD&A if it remains substantially unchanged. 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.

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.

MANAGEMENT'S DISCUSSION & ANALYSIS

CORPORATE PROFILE

The Calgary Airport Authority was incorporated in July 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 earned 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

The COVID-19 pandemic has had a severe impact on the travel and aviation industry, which was further exacerbated by strict travel restrictions and quarantine periods imposed by Federal and Provincial governments in an attempt to reduce active and new COVID-19 cases. The pandemic arrived late in Q1 2020, decimating travel demand and erasing almost 25 years of passenger growth at YYC. Travel came to a grinding halt in April 2020 with the impact felt into 2021. However, commencing in the second quarter of 2021 and accelerating throughout 2021, the Authority experienced growth in demand, which drove improvements in operating results. This continued improvement is evident in the financial and operating results delivered during the third quarter of 2022 and the first nine months of 2022.

During the third quarter of 2022:

- Enplaned & Deplaned ("E&D") Passengers increased by 87.9% to 4.5 million compared to the third quarter of 2021, making YYC the fourth busiest airport in Canada.
- Locally enplaned passengers increased by 85.3% to 1.5 million compared to the third quarter of 2021, driving an 81.3% increase in AIF revenue to $51.3 million in the period.
- YYC saw a 46.7% increase in aircraft landings compared to the third quarter of 2021, predominantly driven by a 68.3% increase in passenger aircraft landings. YYC also experienced a 73.6% increase in landed passenger seats compared to the third quarter of 2021.
- The abovementioned increase in passenger and flight activity resulted in total revenue increasing by 77.6% to $129.5 million in the third quarter of 2022.

- The Authority generated $70.4 million of EBITDA in the third quarter of 2022, an increase of $35.7 million from the $34.7 million EBITDA in the third quarter of 2021.

During the first nine months of 2022:

- E&D Passengers increased by 178.5% to 10.6 million compared to the first nine months of 2021, making YYC the fourth busiest airport in Canada.
- Locally enplaned passengers increased by 182.8% to 3.3 million compared to the first nine months of 2021, driving a 182.9% increase in AIF revenue to $115.7 million in the period.
- YYC saw a 79.0% increase in aircraft landings compared to the first nine months of 2021, predominantly driven by a 120.0% increase in passenger aircraft landings. YYC also experienced a 134.0% increase in landed passenger seats compared to the first nine months of 2021.
- The abovementioned increase in passenger and flight activity resulted in total revenue increasing by 114.9% to $304.7 million in the first nine months of 2022.
- The Authority generated $141.6 million of EBITDA in the first nine months of 2022, an increase of $105.9 million from the $35.7 million EBITDA in the same period of 2021.

Management's Financial Assessment

Although YYC has seen a significant recovery in passenger activity since Q2 2022, with Q2 and Q3 at 84.3% and 88.8% of pre-pandemic 2019 levels, respectively, the COVID-19 pandemic continues to be a significant risk for the aviation sector and passenger and flight activity may not return to pre-pandemic levels for at least one to two years according to certain industry participants. While the full duration and scope of the COVID-19 pandemic cannot be known at this time, the Authority believes that the pandemic will not have a material impact on the long-term financial sustainability of YYC. A new risk facing the aviation sector is the possibility of a worldwide recession, which could significantly affect demand for both leisure and business travel. However, the sector is currently experiencing a spike in demand after two years of pandemic related restrictions, which is resulting in passengers eagerly buying airplane tickets, seemingly indifferent to price increases. This sudden increase in demand placed severe pressure on airports and airlines from an operational perspective, initially causing flight scheduling and baggage handling issues at a number of major Canadian airports. Being a domestic hub airport, YYC fared better than other Canadian airports throughout most of the pandemic, moving from fourth to second largest, which has also helped in ramping back up operationally, as the passenger traffic increase was less volatile than what was experienced at some airports. By the beginning of the second quarter of 2022, YYC had returned to being the fourth largest Canadian airport based on passenger activity.

SELECT KEY FINANCIAL AND OPERATIONAL INFORMATION

	For the three months ended Sept 30			For the nine months ended Sept 30		
FINANCIAL INFORMATION *($ millions)*	**2022**	2021	2022/21	**2022**	2021	2022/21
			$ Change			$ Change
Total Revenues	**129.5**	72.9	56.6	**304.7**	141.8	162.9
Direct operating costs	**43.0**	30.3	(12.7)	**125.9**	91.7	(34.2)
Canada Lease	**14.3**	6.2	(8.1)	**31.5**	11.9	(19.6)
Airport improvement fee handling fees	**1.8**	1.7	(0.1)	**5.7**	2.5	(3.2)
EBITDA	**70.4**	34.7	35.7	**141.6**	35.7	105.9
Net Income (Loss)	**7.3**	(25.2)	32.5	**(46.8)**	(144.3)	97.5
See "Results of Operations" for details						
See Net Operating Results for reconciliation from net loss						
Free Cash Flow *($ millions)*	**41.4**	40.8	0.6	**55.4**	46.5	8.9
See "Liquidity and Capital Resources" section for details						

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

	For the three months ended Sept 30			For the nine months ended Sept 30		
OPERATIONAL INFORMATION	**2022**	2021	2022/21	**2022**	2021	2022/21
			% Change			% Change
Enplaned & Deplaned Passengers *(thousands)*	**4,534.7**	2,413.5	87.9	**10,588.9**	3,802.6	178.5
Local Enplanements *(thousands)*	**1,455.9**	785.5	85.3	**3,307.6**	1,169.6	182.8
% Connecting Enplanements	**35.7%**	33.8%	1.9 pts	**37.2%**	37.3%	-0.1 pts
Aircraft landings *(thousands)*	**26.7**	18.2	46.7	**67.3**	37.6	79.0
Total MTOW *(million kg)*	**1,618.9**	1,017.2	59.2	**4,050.3**	2,059.5	96.7
Landed passenger seats *(thousands)*	**2,744.1**	1,581.0	73.6	**6,629.3**	2,833.2	134.0
Load factor	**82.5%**	75.0%	7.5 pts	**79.4%**	65.8%	13.6 pts
Non-Aeronautical Revenue per Enplanement	**$ 20.32**	$ 18.88	7.6	**$ 19.67**	$ 27.24	(27.8)
Aeronautical Revenues per Landed Passenger Seat	**$ 11.73**	$ 14.04	(16.5)	**$ 12.88**	$ 17.68	(27.1)
Direct Operating Cost per E&D Passenger	**$ 9.48**	$ 12.55	24.5	**$ 11.89**	$ 24.12	50.7
EBITDA Margin	**54.4%**	47.6%	6.8 pts	**46.5%**	25.2%	21.3 pts
Free Cashflow per E&D Passenger	**$ 9.13**	$ 16.90	46.0	**$ 5.23**	$ 12.23	57.2
See "Operating Activity" section for details						

The volatility in passenger activity caused by the COVID-19 pandemic in 2021, and the current industry recovery underway, will impact the comparability of key performance indicators in the table above.

OPERATING ACTIVITY

The Authority’s key activity drivers, which have a direct impact on its financial results, are passenger levels and flight activity, including aircraft movements, aircraft size and the number of seats per aircraft.

Passenger Activity

Total passenger traffic 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

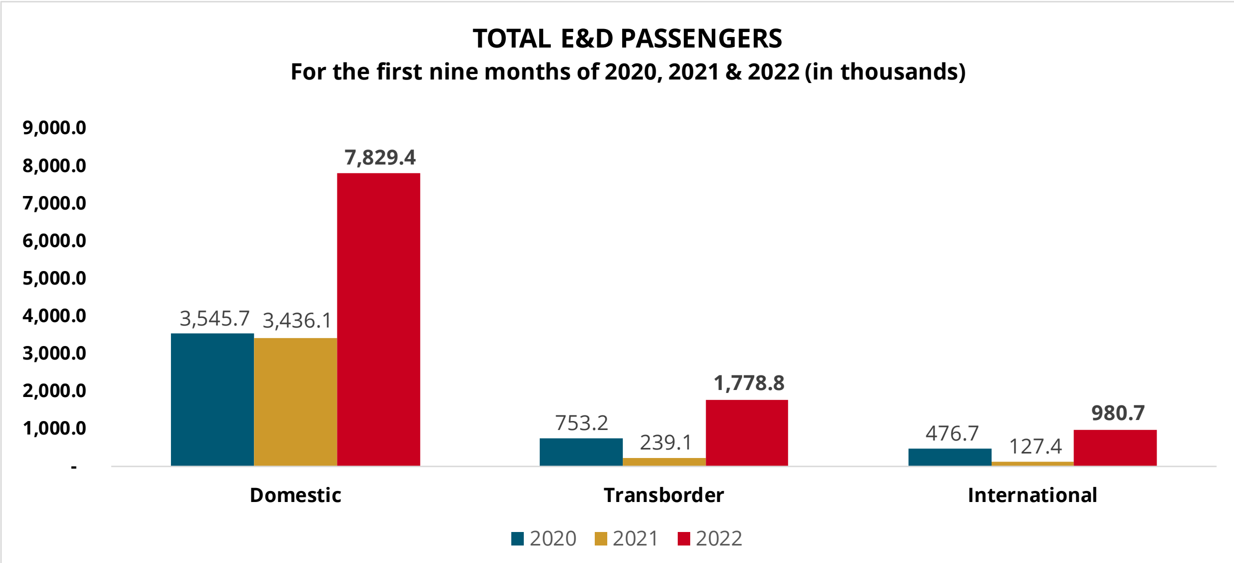
United States of America (USA)) and International (passengers travelling to and from destinations outside Canada excluding the USA).

Passenger traffic at YYC in the third quarter of 2022 was 4.5 million, an increase of 2.1 million passengers, or 87.9%, from the 2.4 million passengers in same period of 2021. During the third quarter of 2022, the largest percentage improvements were in the Transborder sector, followed by International, and then the Domestic sector, recording increases in passenger traffic of 400.3%, 311.9%, and 57.3%, respectively, when compared to the same period of 2021. The significant increases experienced in Transborder and International were mainly due to pent-up demand for travel and the removal of international travel restrictions.

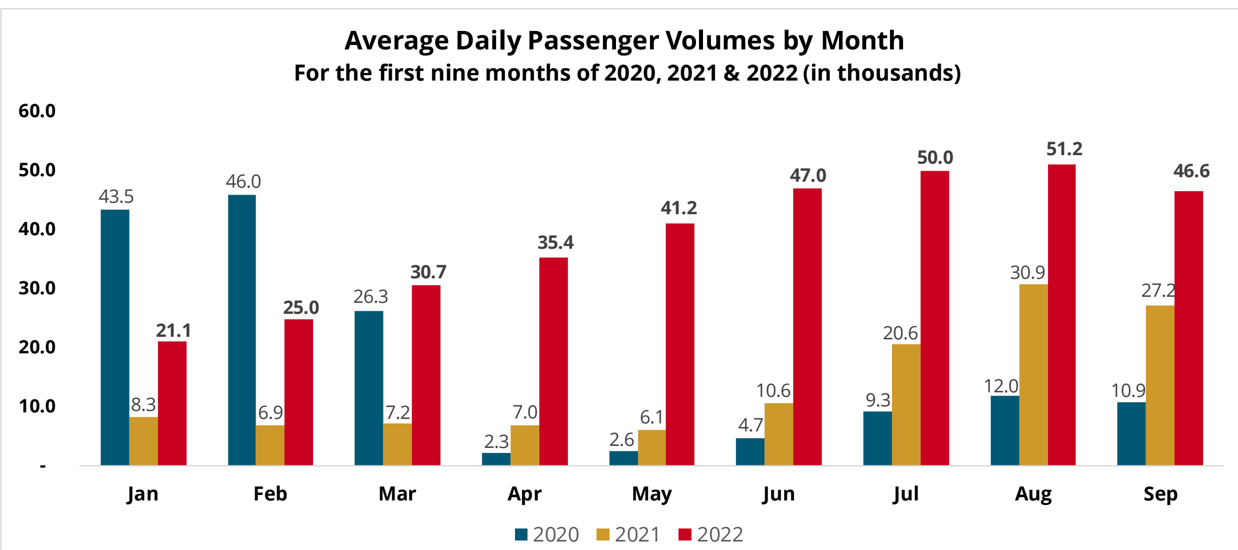
Passenger traffic at YYC in the first nine months of 2022 was 10.6 million, an increase of 6.8 million passengers, or 178.5%, from the 3.8 million passengers in same period of 2021. The significant increase was mainly due to passenger confidence driving the demand for travel after the easing of international travel restrictions by the Canadian and foreign governments towards the end of 2021.

The following table summarizes passenger activity by sector for the three and nine months ended September 30, 2022 and 2021:

	For the three months ended Sept 30			For the nine months ended Sept 30		
PASSENGER ACTIVITY *(thousands)*	**2022**	2021	2022/21	**2022**	2021	2022/21
			% Change			% Change
Domestic	**3,422.1**	2,175.4	57.3	**7,829.4**	3,436.1	127.9
Transborder	**746.4**	149.2	400.3	**1,778.8**	239.1	644.0
International	**366.2**	88.9	311.9	**980.7**	127.4	669.8
Total Enplaned & Deplaned	**4,534.7**	2,413.5	87.9	**10,588.9**	3,802.6	178.5
Local Enplanements	**1,455.9**	785.5	85.3	**3,307.6**	1,169.6	182.8
Connecting Enplanements	**808.4**	400.9	101.6	**1,958.0**	695.4	181.6
Total Enplaned	**2,264.3**	1,186.4	90.9	**5,265.6**	1,865.0	182.3
Local Enplanements	**64.3%**	66.2%	-1.9 pts	**62.8%**	62.7%	0.1 pts
Connecting Enplanements	**35.7%**	33.8%	1.9 pts	**37.2%**	37.3%	-0.1 pts
Total Enplaned	**100.0%**	100.0%		**100.0%**	100.0%	



The above table shows Enplaned & Deplaned ("E&D") passenger activity by flight category for the first nine months of 2020, 2021, and 2022. With the onset of the COVID-19 pandemic in mid-March 2020, the first two months of 2020 had normal "pre-pandemic" flight activity. As a result, the first nine months of 2020 do not show the full impact of the pandemic compared to the same period in 2021. As travel demand began to recover in the latter half of 2021, passenger traffic was notably stronger in the first nine months of 2022.



In the first nine months of 2022, passenger volumes at YYC increased 178.5% to an average of 38,800 passengers per day, from an average of 13,900 per day for the same period of 2021. Passenger activity in the first nine months of 2021 was directly impacted by new international travel restrictions rolled out by the Canadian Government on December 30, 2020.

The Authority monitors two principal types of passengers: local enplanements and connecting enplanements. A local enplanement is a passenger trip originating at YYC, while a connecting passenger changes aircraft at YYC en route to a final destination, characteristic of a hub airport.

During the second quarter of 2022, local enplanements increased 85.3% to 1.5 million passengers and connecting enplanements increased 101.6% to 0.8 million passengers, when compared to 2021. During the third quarter of 2022, the percentage of local enplanements versus connecting enplanements has returned to pre-pandemic levels at 64.3% and 35.7%, respectively, compared to 66.2% and 33.8% in the same period of 2021.

During the first nine months of 2022, local enplanements increased 182.8% to 3.3 million passengers and connecting enplanements increased 181.6% to 2.0 million passengers, when compared to 2021. The percentage of local enplanements versus connecting enplanements has returned to pre-pandemic levels at 62.8% and 37.2%, respectively, compared to 62.7% and 37.3% in the same period of 2021.

Flight Activity

Flight activity is measured by aircraft landings. Each aircraft has a maximum take-off weight ("MTOW"), as specified by the aircraft manufacturers, and total number of seats. MTOW and seats are used to calculate the majority of posted air carrier charges for each aircraft landing, driving Aircraft landing fee revenue. The load factor, the ratio of passengers to seats, is a measure of aircraft capacity utilization and is computed 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 three and nine months ended September 30, 2022 and 2021.

	For the three months ended Sept 30			For the nine months ended Sept 30		
FLIGHT ACTIVITY	**2022**	2021	2022/21	**2022**	2021	2022/21
(thousands)			% Change			% Change
Aircraft landings	**26.7**	18.2	46.7	**67.3**	37.6	79.0
Passenger aircraft landings	**20.7**	12.3	68.3	**50.6**	23.0	120.0
Landed Passenger Seats	**2,744.1**	1,581.0	73.6	**6,629.3**	2,833.2	134.0
(millions)						
Total MTOW (kg)	**1,618.9**	1,017.2	59.2	**4,050.3**	2,059.5	96.7
Passenger MTOW (kg)	**1,391.1**	801.0	73.7	**3,355.6**	1,433.2	134.1
Seats per passenger aircraft movement	**132.6**	128.5	3.2	**131.1**	123.2	6.4
Load factor	**82.5%**	75.0%	7.5 pts	**79.4%**	65.8%	13.6 pts

Passenger aircraft landings increased 68.3% and 120.0% in the three and nine months ended September 30, 2022, respectively, compared to the same periods of 2021, due to the easing of COVID-19 air travel restrictions increasing passenger demand as the industry recovery continues. Total aircraft landings, which include both passenger and non-passenger movements, increased 46.7% in Q3 2022 compared to 2021. With the resumption of operations of Alaska Airlines, and the commencement of operations of Lynx Air and Eurowings, there were 14 airlines operating at YYC during the first nine months of 2022, compared to 11 that were operating during the same period of 2021.

During the third quarter of 2022, MTOW was 1,618.9 million kilograms, an increase of 59.2% from the same period of 2021. This change was driven mainly by the 73.7% increase in passenger MTOW due to the increase in landings and larger aircraft being utilized by carriers as the industry recovers from the COVID-19 pandemic.

Landed Passenger Seats in the third quarter of 2022 was 2.7 million, an increase of 1.1 million, or 73.6%, compared to 1.6 million seats in the same period of 2021. The number of seats per passenger aircraft movement during the third quarter of 2022 was 132.6, an increase of 4.1 seats, or 3.2%, compared to 128.5 seats per passenger aircraft movement in the same period in 2021 due to larger aircraft utilized. Load factors increased 7.5 percentage points from 75.0% in Q3 2021, to 82.5% in the third quarter of 2022.

In the third quarter of 2022, Cargo landings decreased 0.2% to 1,282, from 1,284 in the same period of 2021, while Cargo MTOW increased 0.8% over the same period.

FINANCIAL PERFORMANCE

Net Operating Results

The following table summarizes the Authority's net operating results for the three and nine months ended September 30, 2022 and 2021.

	For the three months ended Sept 30			For the nine months ended Sept 30		
NET OPERATING RESULTS *($ millions)*	**2022**	2021	2022/21	**2022**	2021	2022/21
			$ Change			$ Change
Net Income (Loss) from Operations	**7.3**	(25.2)	32.5	**(46.8)**	(144.3)	97.5
Add: Interest and financing costs	**29.0**	25.9	3.1	**86.2**	77.6	8.6
Depreciation and amortization	**34.1**	34.0	0.1	**102.2**	102.4	(0.2)
EBITDA	**70.4**	34.7	35.7	**141.6**	35.7	105.9
EBITDA Margin	**54.4%**	47.6%	6.8 pts	**46.5%**	25.2%	21.3 pts

The Authority generated net income of $7.3 million and a net loss of $46.8 million for the three and nine months ended September 30, 2022, respectively, compared to a net loss of $25.2 million and $144.3 million for the same periods of 2021. The main driver of the improved results in 2022 was due to higher revenues from the increase in passenger and flight activity in 2022. These items were partially offset by higher expenses from the increased operational footprint of the airport to meet the increased passenger activity, higher Canada Lease rent from increased airport revenues, and higher salaries and benefits due to the termination of the Federal CEWS program.

EBITDA was $70.4 million and $141.6 million for the three and nine months ended September 30, 2022, respectively, an increase of $35.7 million and $105.9 million, compared to the same periods of 2021. The EBITDA Margin was 54.4% and 46.5% for the three and nine months ended September 30, 2022, respectively, an increase of 6.8 and 21.3 percentage points, compared to the same periods of

2021. The increase in EBITDA and EBITDA Margin was due to increased revenue from the higher flight and passenger activity experienced as the COVID-19 pandemic recovery continues.

Revenues

Revenues are derived from i) aeronautical revenue (which include general terminal charges, aircraft landing fees, and other aeronautical fees), ii) AIF revenue and iii) non-aeronautical revenue (which include concessions, rentals, car parking, ground transportation, and other sources).

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 fees per enplaned passenger. The AIF is charged on a per-local originating enplaned passenger basis.

Non-Aeronautical revenues are earned from non-aeronautical commercial activities, such as concessions, real estate, parking, ground transportation, and other revenue. A significant portion of non-aeronautical revenues is correlated with passenger activity.

The following table summarizes the Authority's revenues for the three and nine months ended September 30, 2022 and 2021.

	For the three months ended Sept 30			For the nine months ended Sept 30		
REVENUES *($ millions)*	**2022**	2021	2022/21	**2022**	2021	2022/21
			$ Change			$ Change
Airport Improvement Fees	**51.3**	28.3	23.0	**115.7**	40.9	74.8
Concessions	**26.0**	9.0	17.0	**48.6**	17.7	30.9
Car parking	**9.9**	5.7	4.2	**26.0**	10.0	16.0
Land rental	**5.9**	5.3	0.6	**17.6**	16.0	1.6
Terminal space rental	**2.4**	2.2	0.2	**7.0**	6.3	0.7
Other revenue	**0.5**	0.2	0.3	**2.8**	0.6	2.2
Interest income	**1.3**	-	1.3	**1.6**	0.2	1.4
Non-Aeronautical Revenues	**46.0**	22.4	23.6	**103.6**	50.8	52.8
Aircraft landing fees	**11.6**	9.9	1.7	**34.0**	25.4	8.6
General terminal fees	**13.8**	8.6	5.2	**34.5**	17.4	17.1
Other aeronautical fees	**6.8**	3.7	3.1	**16.9**	7.3	9.6
Aeronautical Revenues	**32.2**	22.2	10.0	**85.4**	50.1	35.3
Total Revenues	**129.5**	72.9	56.6	**304.7**	141.8	162.9
			% Change			% Change
Non-Aeronautical Revenue per Enplanement	**$ 20.32**	$ 18.88	7.6	**$ 19.67**	$ 27.24	(27.8)
Aeronautical Revenues per Landed Passenger Seat	**$ 11.73**	$ 14.04	(16.5)	**$ 12.88**	$ 17.68	(27.1)

AIF revenue was $51.3 million and $115.7 million for the three and nine months ended September 30, 2022, respectively, an increase of $23.0 million, or 81.3%, and $74.8 million, or 182.9%, compared to the same periods of 2021. The main driver for the increased AIF revenue in the periods was local enplanement passenger traffic growth.

Total Non-Aeronautical revenues ("NAR") in the third quarter of 2022 increased by $23.6 million, or 105.4%, while NAR for the first nine months of 2022 increased $52.8 million, or 103.9%, from the same periods of 2021. The increases are mainly due to higher passenger activity, which drives most NAR revenue streams.

Concessions revenue includes percentage rent revenues generated from in-terminal concessionaires, ground transportation providers, car rental providers, and advertising. The main driver of these revenue sources is passenger activity, hence, with passenger activity showing significant improvement, the positive effects can be seen in the Concession revenue results. Concessions revenue was $26.0 million and $48.6 million in the three and nine months ended September 30, 2022, respectively, an increase of $17.0 million, or 188.9%, and $30.9 million, or 174.6%, compared to the same periods of 2021.

Car parking revenue was $9.9 million and $26.0 million in the three and nine months ended September 30, 2022, respectively, an increase of $4.2 million, or 73.7%, and $16.0 million, or 160.0%, compared to the same periods of 2021. The increase was predominantly driven by public parking from the increase in passenger activity in the year and from the positive response to YYC's online parking reservation system launched in September 2021.

Land Rental revenue is generated by sub-leasing airport lands to companies that want to operate on YYC grounds. Most land lease agreements tend to be longer term and are usually at a fixed rate for the number of acres leased, some with escalation clauses, therefore, this revenue stream does not fluctuate with passenger activity. Land Rental revenue was $5.9 million and $17.6 million in the three and nine months ended September 30, 2022, respectively, an increase of $0.6 million, or 11.3%, and $1.6 million, or 10.0%, compared to the same periods of 2021. The increase was due to annual rent escalations and the Authority adding a casino and a new industrial tenant in the latter part of 2021 and the beginning of 2022.

Terminal Space Rental revenue is generated by leasing physical space inside the terminal buildings to companies that want to operate in the terminal. These leases are usually on a rent-per-square-foot basis, and include customer service counters and office space, as such, this revenue stream is not directly impacted by passenger activity. Terminal Space Rental revenue was $2.4 million and $7.0 million in the three and nine months ended September 30, 2022, respectively, an increase of $0.2 million, or 9.1%, and $0.7 million, or 11.1%, compared to the same periods of 2021.

Amongst other things, Other Revenue comprises of Federal rent recovery fees, construction services, and pass office fees. For the first nine months of 2022, Other Revenue was $2.8 million, an increase of $2.2 million from 2021, mainly driven by a $1.5 million insurance proceeds received in the first quarter of 2022.

Total Aeronautical revenue of $32.2 million and $85.4 million in the three and nine months ended September 30, 2022, respectively, were $10.0 million, or 45.0%, and $35.3 million, or 70.5%, higher than the same periods of 2021. A 3% tariff increase which became effective February 1, 2022, coupled with increased landed MTOW from larger passenger planes and additional cargo, resulted in a $5.2 million, or 60.5%, and $17.1 million, or 98.3%, increase in Aircraft landing fees in the three and nine months ended September 30, 2022, compared to the same periods in 2021. General terminal fees increased $1.7 million, or 17.2%, and $8.6 million, or 33.9%, in the three and nine months ended September 30, 2022, respectively, compared to the same periods of 2021, due to higher landed passenger seats. Other aeronautical fees, which is made up of bridge, apron, CUTE, AIF-E, and Preclearance fees, was $6.8 million and $16.9 million in the three and nine months ended September 30, 2022, respectively, an increase of $3.1 million, or 83.8%, and $9.6 million, or 131.5%, compared to the same periods of 2021 due to higher enplaned passengers and increased bridge usage.

Expenses

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

The following table summarizes Authority's expenses for the three and nine months ended September 30, 2022 and 2021.

	For the three months ended Sept 30			For the nine months ended Sept 30		
EXPENSES *($ millions)*	**2022**	2021	2022/21	**2022**	2021	2022/21
			$ Change			$ Change
Goods and services	**29.6**	20.4	(9.2)	**84.5**	60.5	(24.0)
Salaries and benefits	**9.0**	5.7	(3.3)	**28.5**	18.1	(10.4)
Property taxes	**4.4**	4.2	(0.2)	**12.9**	13.1	0.2
Direct Operating Costs	**43.0**	30.3	(12.7)	**125.9**	91.7	(34.2)
Canada Lease	**14.3**	6.2	(8.1)	**31.5**	11.9	(19.6)
Airport improvement fee handling fees	**1.8**	1.7	(0.1)	**5.7**	2.5	(3.2)
Total Operating Expenses	**59.1**	38.2	(20.9)	**163.1**	106.1	(57.0)
Depreciation and amortization	**34.1**	34.0	(0.1)	**102.2**	102.4	0.2
Interest and financing costs	**29.0**	25.9	(3.1)	**86.2**	77.6	(8.6)
Total Expenses	**122.2**	98.1	(24.1)	**351.5**	286.1	(65.4)
			% Change			% Change
Direct Operating Costs per E&D Passenger	**$ 9.48**	$ 12.55	24.5	**$ 11.89**	$ 24.12	50.7

Goods and Services increased by $9.2 million, or 45.1%, and $24.0 million, or 39.7%, in the three and nine months ended September 30, 2022, respectively, compared to the same periods of 2021. The increase in Goods and Services was largely due to the airport utilizing a reduced operational footprint in 2021 to manage costs and to match passenger activity, whereas in 2022 the facility was fully opened to accommodate the increased passenger and flight activity. The remainder of the increase was from higher utility costs, as contractual rates increased at the start of the year, and consumption has scaled with the increased operational footprint.

Salaries & Benefits costs increased by $3.3 million, or 57.9%, and $10.4 million, or 57.5%, in the three and nine months ended September 30, 2022, respectively, compared to the same periods of 2021. The increase was driven mainly by higher direct salary costs due to the increase in staffing levels required to support the higher passenger traffic and larger operational footprint of the airport. Also contributing to the higher expense was $1.3 million and $5.6 million CEWS benefits received in the three and nine months ended September 30, 2021, respectively, as this Federal program ended in October 2021.

Canada Lease expense at YYC increased by $8.1 million, or 130.6%, and $19.6 million, or 164.7%, in the three and nine months ended September 30, 2022, respectively, compared to the same periods of 2021 due to higher revenues at YYC. The Canada Lease expense for 2022 and 2021 was recorded based on the contractual lease rate multiplied by the actual qualifying revenues for the entire period. While Transport Canada did not waive rent for 2021, payments have been deferred until January 2024 over a 10-year period. For 2022, the Authority has resumed making monthly instalment payments.

Airport improvement fee handling fees ("AIF Collection 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 Collection Fee expense of $1.8 million and $5.7 million in the three and nine months ended September 30, 2022, respectively, was $0.1 million, or 5.9%, and $3.2 million, or 128.0%, higher than the same periods of 2021 due to higher AIF revenue.

Interest and Financing Costs of $29.0 million and $86.2 million in the three and nine months ended September 30, 2022, respectively, were $3.1 million, or 12.0%, and $8.6 million, or 11.1%, higher than the same periods of 2021. The increase was largely due to the higher long-term debt outstanding by the Authority. The Authority received deferral of interest payments for 2021. For 2022, the Authority has resumed semi-annual interest payments with the first payment made on April 7, 2022.

Summary of Quarterly Results

Select unaudited consolidated quarterly financial information for the quarters ended December 31, 2020, through September 30, 2022, is set out in the following table.

	Quarter Ended							
	2022			2021				2020
($ millions)	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenues	129.5	102.4	72.8	74.4	72.9	36.1	32.9	36.0
Operating expenses	(59.1)	(53.5)	(50.5)	(48.0)	(38.2)	(31.9)	(36.1)	(34.1)
Adjusted EBITDA	70.4	48.9	22.3	26.4	34.7	4.2	(3.2)	1.9
Contribution to interchange	—	—	—	—	—	—	—	(22.5)
EBITDA	70.4	48.9	22.3	26.4	34.7	4.2	(3.2)	(20.6)
Post-employment pension benefits	—	—	—	9.6	—	—	—	(9.9)
Depreciation and amortization	(34.1)	(34.1)	(34.0)	(34.1)	(34.0)	(34.2)	(34.2)	(34.5)
Interest and financing costs	(29.0)	(28.7)	(28.5)	(172.4)*	(25.9)	(26.0)	(25.7)	(25.9)
Net Income (loss)	7.3	(13.9)	(40.2)	(170.5)	(25.2)	(56.0)	(63.1)	(90.9)

** Includes $146.0 million pre-payment penalties charged for early termination of debentures*

Earnings before interest and financing costs and amortization ("EBITDA") adjusted for the Contribution to interchange is "Adjusted EBITDA". Adjusted 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. The quarterly Adjusted EBITDA clearly shows the impact of the COVID-19 pandemic with Q3 2021 starting to show signs of recovery.

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 the customer experience.

The following table provides information on the actual capital expenditures for the three and nine months ended September 30, 2022 and 2021.

	For the three months ended Sept 30			For the nine months ended Sept 30		
Capital Expenditures ($ millions)	**2022**	2021	2022/21	**2022**	2021	2022/21
			$ Change			$ Change
Improvement Projects	**6.3**	3.8	2.5	**11.2**	6.0	5.2
Restoration Capital	**4.9**	7.6	(2.7)	**11.5**	11.1	0.4
Revenue Projects	**1.9**	0.2	1.7	**2.5**	1.1	1.4
Capital Expenditures	**13.1**	11.6	1.5	**25.2**	18.2	7.0
Capital Leases	—	—	—	—	1.7	(1.7)
Total Capital	**13.1**	11.6	1.5	**25.2**	19.9	5.3

Capital expenditures in the third quarter of 2022 were $13.1 million, an increase of $1.5 million compared to the same period of 2021. The planned capital expenditures for 2022 is $50.2 million.

The most significant current capital projects, progress-to-date and capital funds expended by the Authority are as follows:

- West Runway Reconstruction – Project resumed in 2021, with $8.9 million spent on the project life-to-date, with $6.5 million spent in 2022. Planned spend in 2022 of $10.7 million. Total project is expected to be completed in 2025 at a budgeted cost of approximately $178 million. The Authority was approved for grant funding of $57.5 million under the Airport Critical Infrastructure Program (ACIP), and received $1.5 million, which has been recognized as deferred revenue in the current period;
- Airside Pavement Restoration Program – A multi-year project with $15.8 million spent on the project life-to-date, $5.8 million spent YTD in 2022. Planned spend in 2022 of $6.3 million;
- Fire Sprinkler System Restoration – A multi-year project with costs to date of $4.1 million, $3.0 million spent YTD in 2022. Planned spend in 2022 of $4.5 million;
- Concourse B Transformer Upgrades – $0.4 spent in 2022 with an expected completion in 2024 at a cost of $7.8 million;
- Parkade Restoration – annual parkade restoration project. $1.2 spent in 2022 with a planned spend in 2022 of $2.9 million.

During the third quarter of 2022, there were new projects approved to commence work to enhance security, pavement and roadways, IT infrastructure, and Commercial and Retail operations, with a total expected cost of approximately $15.1 million and expected completion dates in 2022 and 2023.

LIQUIDITY AND CAPITAL RESOURCES

The following table provides cash flow information for the three and nine months ended September 30, 2022:

	For the three months ended Sept 30			For the nine months ended Sept 30		
CASHFLOW *($ millions)*	**2022**	2021	2022/21	**2022**	2021	2022/21
			$ Change			$ Change
Cash provided by operating activities	**75.1**	35.0	40.1	**106.3**	36.3	70.0
Cash used by financing activities	**(0.1)**	(50.1)	50.0	**(4.0)**	(48.5)	44.5
Cash used in investing activities	**(15.5)**	(4.6)	(10.9)	**(26.3)**	(10.8)	(15.5)
Increase in cash and cash equivalents	**59.5**	(19.7)	79.2	**76.0**	(23.0)	99.0

Net cash flows were $59.5 million and $76.0 million for the three and nine months ended September 30, 2022, respectively, increases of $79.2 million and $99.0 million compared to the same periods of 2021 due to increase in cash generated from operating activities and lower cash used in financing activities. The improved cash flow from operating activities during the three and nine months was primarily due to increased revenue from higher passenger and flight activity.

The following table provides information on the Authority's Free Cash Flow for the three and nine months ended September 30, 2022:

	For the three months ended Sept 30			For the nine months ended Sept 30		
CASHFLOW *($ millions)*	**2022**	2021	2022/21	**2022**	2021	2022/21
			$ Change			$ Change
Net Income (Loss)	**7.3**	(25.2)	32.5	**(46.8)**	(144.3)	97.5
Add: Interest and financing costs	**29.0**	25.9	3.1	**86.2**	77.6	8.6
Depreciation and amortization	**34.1**	34.0	0.1	**102.2**	102.4	(0.2)
EBITDA	**70.4**	34.7	35.7	**141.6**	35.7	105.9
Less: Interest and financing costs, net of prepayment penalty and deferrals	**(29.0)**	(0.1)	(28.9)	**(86.2)**	(1.1)	(85.1)
Add: Canada Lease deferral	**—**	6.2	(6.2)	**—**	11.9	(11.9)
Free Cash Flow	**41.4**	40.8	0.6	**55.4**	46.5	8.9
			% Change			% Change
Free Cash Flow per E&D Passenger	**$ 9.13**	$ 16.90	46.0	**$ 5.23**	$ 12.23	57.2

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.

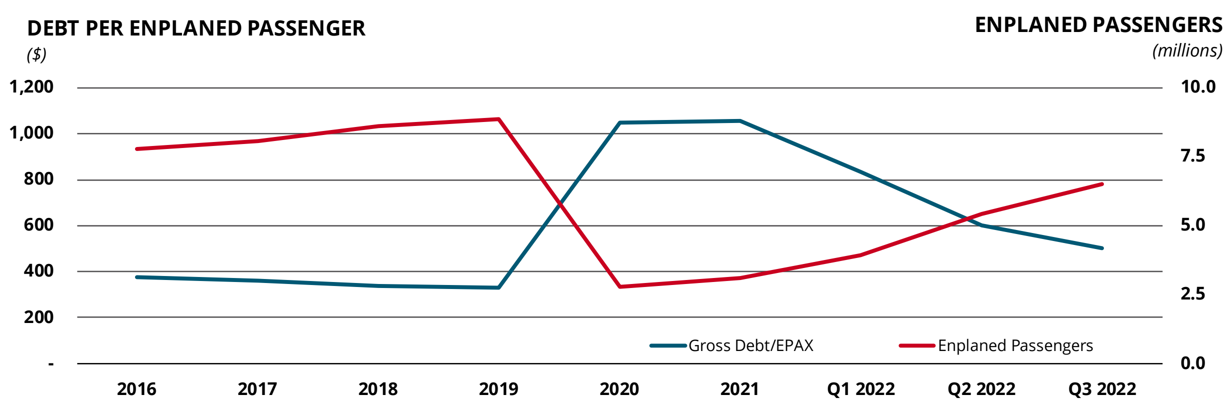
The following table provides information on Authority's debt position at September 30, 2022, and December 31, 2021:

LONG TERM DEBT *($ millions)*		**As at Sept 30, 2022**		**As At Dec 31, 2021**	2022/21
					$ Change
Long Term Debt, including current portion		**3,273.3**		3,276.0	2.7
Cash		**196.9**		120.9	76.0
Net Debt		**3,076.4**		3,155.1	78.7
Key Credit Metrics					% Change
Debt Service Coverage Ratio		**1.46**		0.25	
Gross Debt Service Coverage Ratio		**2.01**		1.63	
Total Debt/Enplaned Passenger ($)	**$**	**503.20**	$	1,055.31	52.3
Net Debt/Enplaned Passenger ($)	**$**	**472.93**	$	1,016.36	53.5

Key Credit Metrics in the above table have been calculated based on operating results for the twelve months ended September 30, 2022, for the purpose of providing an annualized metric.

As at September 30, 2022, long-term debt remained at $3.3 billion, while net debt decreased by $78.7 million to $3.1 billion mainly due to the increase in cash. Net Debt is a non-GAAP financial measure. Refer to section "Non-GAAP Financial Measures" of this MD&A for additional information.

The MTI Agreement contains certain financial covenants to be calculated on a yearly basis. The Authority received covenant waivers from the Trustee up to January 1, 2023. Accordingly, as at the date of the interim financial statements' authorization, the Authority is not in breach of its covenants. Based on a trailing twelve-month calculation, the Authority exceeded the required covenant threshold as per the MTI Agreement.



Gross debt per enplaned passenger is one of the airport industry's key financial metrics. As at September 30, 2022, total debt per enplaned passenger decreased to $503.22, while net debt per enplaned passenger decreased to $472.95, both as a result of the increase in passenger activity experienced in the third quarter of 2022. The Authority's debt per enplaned passenger was on a downward trajectory over the last several years; however, it increased significantly in 2020 due to higher debt and lower passenger volumes from the impacts of the COVID-19 pandemic, and with increases in passenger traffic as the recovery continues is now trending towards historical 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 the Authority's available liquidity at September 30, 2022, and December 31, 2021:

LIQUIDITY & CREDIT FACILITIES *($ millions)*	**As at Sept 30, 2022**	**As At Dec 31, 2021**	2022/21 $ Change
1) Cash and cash equivalents	**196.9**	120.9	76.0
Credit facilities:			
2) Available Operating Credit Facility	**332.5**	332.5	—
Less: Letters issued `	**(49.3)**	(49.8)	0.5
Amounts drawn	**—**	—	—
Operating Credit Facility	**283.2**	282.7	0.5
Total net liquidity (including cash)	**480.1**	403.6	76.5
3) Available Letter of Credit Facility	**70.0**	70.0	—
Less: Letters Issued	**(60.0)**	(60.0)	(0.1)
Letter of Credit Facility	**10.0**	10.0	—

As at September 30, 2022, the Authority's total net liquidity was $480.1 million, an increase of $76.5 million, or 19.0%, from December 31, 2021. The increase in 2022 was due to an extra $76.0 million available cash and cash equivalents due to $106.3 million cash generated from operating activities partially offset by investing and financing activities in the period.

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.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA is earnings before interest and financing costs and amortization adjusted for one-time non-operational items, and Adjusted EBITDA margin is Adjusted EBITDA divided by total revenues.

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.

Free Cash Flow per E&D Passenger

Free Cashflow per E&D Passenger is defined as Free Cash Flow over total Enplaned and Deplaned (E&D) passengers. Free Cashflow per E&D Passenger is used to evaluate how effective the business is at turning volume into residual cashflow to invest in the facility.

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.

Non-Aeronautical Revenue per Enplanement

Non-Aeronautical Revenue per Enplanement is defined as total Non-Aeronautical revenues including concessions, land rental, car parking, terminal space rental, interest income and other revenue not associated with airport improvement fees or aeronautical fees, over total enplaned passengers. Non-Aeronautical Revenue per Enplanement is commonly used by airports and other users to assess how well commercial revenue is being generated from the users of the airport.

Aeronautical Revenue per Landed Passenger Seat

Aeronautical Revenue per Landed Passenger Seat is defined as Aeronautical revenues including general terminal fees, aircraft landing fees, and other aeronautical fees, over Landed Passenger Seats. Aeronautical Revenue per Landed Passenger Seat is commonly used by airports to represent the approximate incremental cost incurred by airline partners to add additional flights and capacity.

Direct Operating Cost per E&D Passenger

Direct Operating Cost per E&D Passenger is defined as Direct Operating Costs, consisting of salaries and benefits, goods and services, and property taxes, over total Enplaned and Deplaned (E&D) passenger. Direct Operating Cost per E&D Passenger is used to assess how efficiently the airport is being operated from a cost efficiency perspective relative to the volume of users of the airport.

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 about the Authority. This forward-looking information is based on a variety of assumptions and is subject to risks and uncertainties. Words such as “believe”, “expect”, “plan”, “intend”, “estimate”, “anticipate” 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 expected impact of COVID-19 including on the long-term financial sustainability of the Airport; expected domestic and international passenger traffic and cargo; expected return to pre-COVID-19 passenger and flight levels; investment in YYC including with respect to capital projects and physical infrastructure; future Airport demand or activity; the Authority's borrowing requirements and its ability to access the capital markets, including in respect of the ability of the Authority to refinance maturing debt as and when needed; the Authority's ability to comply with its contractual covenants, including those related to its outstanding debt; debt levels and service costs; revenues, cash flows, working capital and liquidity; capital projects and other developments at the Airport and the timing, budgets and funding of such projects and developments; the timing of construction and commencement of operations of facilities currently planned or under construction at YYC, including in respect of previously reduced, deferred or delayed; and the funding of outstanding capital commitments.

Given the rapidly evolving circumstances surrounding the COVID-19 pandemic and the resulting economic contraction, there is inherently more uncertainty associated with the material factors and assumptions underlying the forward-looking information contained in this document compared to prior periods. There is limited visibility on travel demand given changing government restrictions in Canada and around the world. Restrictions and concerns about travel due to the COVID-19 pandemic, including passengers' concerns, have the ability to severely inhibit demand for air travel. The COVID-19 pandemic is also having significant impacts, including on business and consumer spending which may impact demand for travel. The Authority cannot predict the full impact or the timing for when conditions may improve.

Other material factors and assumptions include: the course of the COVID-19 virus and the emergence and spread of variants; availability of rapid, effective testing, vaccinations and effective treatments for the virus; government and passenger actions; the post-pandemic economic recovery; the impact of costs associated with new processes, technology solutions and facility enhancements in response to the COVID-19 pandemic; the 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; no other significant event such as a 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; 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.

There is significant 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. Risk 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: risks related to the COVID-19 pandemic or other public health emergencies on the Authority's business; 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; continuing volatility in current and future economic activity including shocks to the macroeconomic environment (changes in fuel prices, inflation, currencies, employment and spending); capital market conditions and credit rating risk; competition from other airports; outbreaks of war, riots or political action; 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 Ground 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.

YYC CALGARY AIRPORT AUTHORITY

INTERIM FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2022

BALANCE SHEET *(unaudited)*
As at September 30, 2022 and December 31, 2021

As at *($ millions)*	**Note**		**September 30, 2022**		December 31, 2021
ASSETS					
Current Assets					
Cash and cash equivalents		**$**	**196.9**	$	120.9
Accounts receivable			**28.3**		18.0
Inventory			**7.1**		5.6
Prepaid expenses			**3.2**		3.2
			235.5		147.7
Tenant Inducements and Other Long-term Assets			**4.5**		6.4
Long-term prepaid expenses			**2.5**		2.0
Capital and Intangible Assets	3		**2,965.3**		3,042.5
Pension Asset			**36.7**		36.7
		$	**3,244.5**	$	3,235.3
LIABILITIES AND NET ASSETS					
Current Liabilities					
Accounts payable and accrued liabilities			**39.7**		21.9
Interest payable on long-term debt	4		**54.5**		26.6
Deferred revenue			**0.6**		0.3
Current portion of other-long term liabilities			**0.1**		2.7
Current portion of long-term debt	4, 8		**7.4**		7.2
			102.3		58.7
Other Long-term Liabilities	7		**59.3**		44.0
Pension Liability			**16.6**		16.6
Long-Term Debt	4, 8		**3,265.9**		3,268.8
		$	**3,444.1**	$	3,388.1
Net Deficit			**(199.6)**		(152.8)
		$	**3,244.5**	$	3,235.3

See accompanying notes to the unaudited interim financial statements.

STATEMENT OF OPERATIONS AND NET ASSETS *(unaudited)*
For the three and nine months ended September 30, 2022

($ millions)	Note	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
REVENUES					
Airport improvement fees		**$ 51.3**	$ 28.3	**$ 115.7**	$ 40.9
Non-aeronautical revenues	6				
Concessions		**26.0**	9.0	**48.6**	17.7
Car parking		**9.9**	5.7	**26.0**	10.0
Land rental		**5.9**	5.3	**17.6**	16.0
Terminal space rental		**2.4**	2.2	**7.0**	6.3
Other revenue		**0.5**	0.2	**2.8**	0.6
Interest income		**1.3**	—	**1.6**	0.2
		46.0	22.4	**103.6**	50.8
Aeronautical revenues					
General terminal fees		**13.8**	8.6	**34.5**	17.4
Aircraft landing fees		**11.6**	9.9	**34.0**	25.4
Other aeronautical fees		**6.8**	3.7	**16.9**	7.3
		32.2	22.2	**85.4**	50.1
		129.5	72.9	**304.7**	141.8
EXPENSES					
Goods and services		**29.6**	20.4	**84.5**	60.5
Salaries and benefits	7	**9.0**	5.7	**28.5**	18.1
Property taxes		**4.4**	4.2	**12.9**	13.1
Canada Lease		**14.3**	6.2	**31.5**	11.9
Airport improvement fee handling fees		**1.8**	1.7	**5.7**	2.5
		59.1	38.2	**163.1**	106.1
Earnings before interest and financing costs and amortization		**70.4**	34.7	**141.6**	35.7
Interest and financing costs	9	**29.0**	25.9	**86.2**	77.6
Depreciation and amortization	3	**34.1**	34.0	**102.2**	102.4
Net Income (Loss)		**$ 7.3**	$ (25.2)	**$ (46.8)**	$ (144.3)
Net (Deficit) Assets, Beginning of Period		**$ (206.9)**	$ 42.9	**$ (152.8)**	$ 162.0
Net (Deficit) Assets, End of Period		**$ (199.6)**	$ 17.7	**$ (199.6)**	$ 17.7

See accompanying notes to the unaudited interim financial statements.

STATEMENT OF CASH FLOWS *(unaudited)*
For the three and nine months ended September 30, 2022

($ millions)	Note	Three months ended September 30, 2022	2021	Nine months ended September 30, 2022	2021
OPERATING					
Net income (loss)		**$ 7.3**	$ (25.2)	**$ (46.8)**	$ (144.3)
Adjustments:					
Depreciation and amortization	3	**34.1**	34.0	**102.2**	$ 102.4
Amortization of deferred financing costs	4	**0.2**	—	**0.6**	—
		41.6	8.8	**56.0**	$ (41.9)
Change in non-cash working capital:					
Accounts receivable		**(6.6)**	(5.7)	**(10.3)**	(7.3)
Inventory		**0.3**	—	**(1.5)**	(0.2)
Prepaid expenses		**(1.9)**	(2.0)	**—**	(0.3)
Tenant Inducements and Other Long term Assets		**0.1**	(0.5)	**1.4**	(0.7)
Accounts payable and accrued liabilities		**6.3**	8.6	**18.9**	10.1
Interest payable on long term debt		**28.4**	25.9	**27.9**	76.7
Deferred revenue		**0.4**	0.1	**0.3**	(0.2)
Other liabilities		**6.5**	(0.2)	**13.6**	0.1
		33.5	26.2	**50.3**	78.2
Cash provided by operating activities		**75.1**	35.0	**106.3**	36.3
FINANCING					
Repayment on operating facility		—	(50.0)	—	(50.0)
Repayment on long-term debt	4	—	—	**(3.6)**	—
Purchased of leased assets		—	—	—	1.8
Repayment of lease liabilities		**(0.1)**	(0.1)	**(0.4)**	(0.3)
Cash used by financing activities		**(0.1)**	(50.1)	**(4.0)**	(48.5)
INVESTING					
Investment in capital and intangible assets	3	**(13.1)**	(11.6)	**(25.2)**	(19.9)
Change in accounts payable and accrued liabilities related to capital and intangible assets		**(2.4)**	7.0	**(1.1)**	9.1
Cash used in investing activities		**$ (15.5)**	(4.6)	**(26.3)**	(10.8)
Increase (decrease) in cash and cash equivalents		**$ 59.5**	$ (19.7)	**$ 76.0**	$ (23.0)
Cash and cash equivalents, beginning of period		**$ 137.4**	$ 63.2	**$ 120.9**	$ 66.5
Cash and cash equivalents, end of period		**$ 196.9**	$ 43.5	**$ 196.9**	$ 43.5
Cash and cash equivalents consists of:					
Cash in bank				**$ 196.9**	$ 43.5
Short-term investments				**$ -**	$ -
				$ 196.9	$ 43.5

See accompanying notes to the unaudited interim 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 Note 3. 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 interim financial statements were approved for circulation on November 22, 2022 by the Audit and Finance Committee.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of measurement and presentation

These interim financial statements have been prepared in accordance with Canadian Accounting Standards for Private Enterprises ("ASPE"), which sets out generally accepted accounting principles ("GAAP"). The interim 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.

These interim financial statements have been prepared following the same accounting policies and methods as those used in preparing the Authority's 2021 annual audited financial statements.

Use of estimates and measurement uncertainty

The preparation of interim 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 interim financial statements and the reported amounts of revenues, expenses and other income (loss) 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.

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

3 CAPITAL AND INTANGIBLE ASSETS

As at September 30, 2022	Land	Capital Assets							Intangible Assets		Total
	Land	Leased Land	Buildings & Structures	Computer Equipment	Vehicles	Machinery & Equipment	Furniture & Fixtures	Construction in Progress	Computer Software	Work in Progress	
Cost:											
Beginning Balance	$ 5.8	$ 28.0	$ 4,203.1	$ 40.4	$ 45.2	$ 161.3	$ 20.3	$ 7.1	$ 38.3	$ 0.5	$ 4,550.0
Additions	—	—	—	—	—	1.1	—	23.8	—	0.3	25.2
Transfers	—	—	2.3	—	—	—	—	(2.3)	0.3	(0.3)	—
Disposals and write-offs	—	—	—	—	(0.1)	(0.2)	—	—	(0.2)	—	(0.5)
Ending Balance	5.8	28.0	4,205.4	40.4	45.1	162.2	20.3	28.6	38.4	0.5	4,574.7
Accumulated Amortization											
Beginning Balance	—	5.4	1,343.5	39.5	34.5	40.5	7.2	—	36.9	—	1,507.5
Depreciation & Amortizatic	—	0.4	93.3	0.8	1.4	5.5	—	—	0.8	—	102.2
Disposals and write-offs	—	—	—	—	(0.1)	(0.2)	—	—	—	—	(0.3)
Ending Balance	—	5.8	1,436.8	40.3	35.8	45.8	7.2	—	37.7	—	1,609.4
Net Carrying Value	$ 5.8	$ 22.2	$ 2,768.6	$ 0.1	$ 9.3	$ 116.4	$ 13.1	$ 28.6	$ 0.7	$ 0.5	$ 2,965.3

Construction in progress balance consists of costs capitalized for both airside and groundside facility improvement projects. As at September 30, 2022, interest capitalized in construction in progress in respect to borrowings for infrastructure expansion under the operating line of credit facility was $0.3 million (December 31, 2021 – $0.3 million).

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

4 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 and will be issued through a supplemental indenture authorizing that particular series of bonds.

The bonds issued and outstanding under the MTI Agreement are ($millions):

Supplemental Indenture	**Series**	**Interest rate**	**Maturity Date**	**September 30, 2022**	December 31, 2021
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	**422.7**	425.0
Second	4002957	2.2580%	October 7, 2031	**164.7**	166.0
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				**3,286.3**	3,289.9
Less: Debt issuance costs				**(13.0)**	(13.9)
Less: Current portion				**(7.4)**	(7.2)
Long term debt				**3,265.9**	3,268.8

The MTI Agreement contains certain financial covenants to be calculated on a yearly basis. The Authority received covenant waivers from the Trustee up to January 1, 2023.

5 CREDIT FACILITIES

The Authority has an available $350.0 million revolving operating line of credit (the "Operating Facility"). Draws on the Operating Facility are by way of overdraft, Canadian prime rate loans, U.S. base-rate loans, letters of credit, bankers' acceptance, and Libor loans. The Operating Facility bears interest at the Lender's prime rate 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 September 30, 2022 and December 31, 2021, the amount drawn on the Operating Facility was $nil.

The letters of credit that were outstanding under the Operating Facility as at September 30, 2022, total $49.3 million (December 31, 2021- $49.8 million) which were issued for specific operational expenses including a letter of credit of $28.6 million (December 31, 2021 - $29.9 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.

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 September 30, 2022 and December 31, 2021, the letter of credit that was outstanding under the L/C Facility is $60.0 million. This letter of credit was 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.

As of September 30, 2022 and December 31, 2021, the Authority has outstanding two pledged bonds to the Operating and L/C Facilities lenders for $385.0 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 where the Authority has received covenant waivers up to January 1, 2023.

6 NON-AERONAUTICAL REVENUES

Due to the impact of the COVID-19 pandemic on the air transportation sector, the Authority provided support to tenants by providing either rent waivers or deferrals. The Authority applied the practical expedient for COVID-19 related rent concessions consistently to eligible rent concessions relating to similar lease arrangements.

For the nine months ended September 30, 2022, the amount recognized on the Statement of Operations and Net Assets to reflect changes in lease payments arising from rent concession waivers to which the Authority has applied the practical expedient for COVID-19 related rent concessions is $nil (three and nine months ended September 30, 2021 - $0.6 million and $6.9 respectively). The aggregate amount of lease receivables related to the deferral of lease payments as at September 30, 2022 was $0.1 million (December 31, 2021 - $0.6 million).

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

7 GOVERNMENT ASSISTANCE

The Authority previously applied for and received approval to participate in the Canada Emergency Wage Subsidy (CEWS) program. The Authority qualified for the wage subsidy because it experienced significant reduction in revenue due to the impact of the COVID-19 pandemic. This program ended October 23, 2021. For the nine months ended September 30, 2022, no subsidy was received. For the three and nine months ended September 30, 2021, $1.3 and $5.6 million, respectively was recognized on the Statement of Operations and Net Assts as a reduction of "Salaries and benefits" expense.

In 2021, the Authority secured $57.5 million in funding from Transport Canada's Airport Critical Infrastructure Program as part of the funding for the construction of the West Runway. The funds will be reimbursed when claims have been submitted. As of September 30, 2022, the Authority has received $1.5 million.

8 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, current portion of long-term debt, long-term debt and the Canada Lease rent payable.

The fair value of the Authority's financial instruments, other than its long-term debt and long-term payables, approximates its 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 September 30, 2022, the fair value of the Authority's long-term debt and Canada Lease rent payable is $2.8 billion (December 31, 2021 - $3.5 billion).

9 SUPPLEMENTARY INFORMATION

	Three months ended September		Nine months ended September	
	2022	2021	**2022**	2021
Interest and financing costs				
Interest on long-term debt	**$ 28.2**	$ 25.8	**$ 84.1**	$ 76.5
Amortization of deferred financing costs	**0.2**	—	**0.6**	—
Fair value adjustment on long-term payable	**0.1**	—	**0.3**	—
Standby fees	**0.4**	—	**0.7**	0.1
Operating facility interest	**—**	0.1	**—**	0.8
Other interest expense	**0.1**	—	**0.5**	0.2
Interest and financing costs	**$ 29.0**	$ 25.9	**$ 86.2**	$ 77.6

10 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 Licence (the "Tunnel Agreement") with the City of Calgary (the "City"). The Tunnel Agreement, which expires June 29, 2072, requires the City to extend Airport Trail east, across airport lands and, among other things, to construct, operate and maintain an associated tunnel under Runway 17L-35R. Under the terms of the Tunnel Agreement the Authority will provide all required airport lands at no cost to the City. 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 is for interchanges, which will enhance access to and egress from airport facilities and, at that time, the Authority agreed to contribute $20.0 million towards the cost this phase. 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 are under construction and the second phase third party land has been acquired, the Authority as of September 30, 2022, has a liability of $14.8 million (December 31, 2021 - $20.7 million) towards these obligations. The Authority continues to have a commitment to contribute towards the second phase construction and additional land costs.

As of September 30, 2022, the Authority has approximately $6.9 million in commitments for capital projects commenced during the year. The capital projects include various restoration projects and the construction of a new runway.

11 INCOME TAXES

Pursuant to the Airport Transfer (Miscellaneous Matters) Act, 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 nine months ended in 2022 and 2021 are considered to be derived from airport business and therefore, exempt from income tax.

12 COMPARATIVE INFORMATION

Comparative figures for certain expenses have been reclassified to conform to the current year's presentation.

13 SUBSEQUENT EVENTS

Subsequent events have been reviewed through November 22, 2022, the date on which these interim financial statements were approved by the Audit and Finance Committee. There were no subsequent events requiring disclosure or adjustment to the interim financial statements.