YYC CALGARY AIRPORT AUTHORITY

Q1 2025

Financial Report

CALGARY AIRPORT AUTHORITY

Management's Discussion and Analysis

For the three months ended March 31, 2025

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2025

Dated May 13, 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 three months ended March 31, 2025, and should be read in conjunction with the Authority's unaudited interim Financial Statements and note disclosures for the three months ended March 31, 2025. Additional information, including the Authority's most recent annual MD&A ("2024 MD&A") and audited Financial Statements for the year ended December 31, 2024, is 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.

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. 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. 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.

HIGHLIGHTS

The financial and operating results for the first quarter of 2025 showed modest growth compared to the prior period.

During the first quarter of 2025:

- Enplaned & Deplaned ("E&D") Passengers increased by 0.4% to 4.1 million, compared to the first quarter of 2024.
- Locally Enplaned Passengers increased by 2.8% to 1.4 million, compared to the first quarter of 2024, driving a 3.0% increase in Airport Improvement Fee (AIF) revenue to $48.0 million, compared to the same period of 2024.
- Landed Passenger Seats increased by 3.0% compared to the first quarter of 2024.
- Total Revenue increased by 0.4% to $113.6 million in the first quarter of 2025, compared to the same period of 2024.
- The Authority generated $40.5 million of EBITDA (margin 35.7%) in the first quarter of 2025, a decrease of $0.8 million, or 1.9%, from the $41.3 million of EBITDA (margin 36.5%) in the first quarter of 2024.

During the quarter, 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 2025, and the Authority will be responsible for planning, development, construction and deployment. This is the first facility which will form part of a premier aviation hub (the "YYC AeroNex") 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 under the existing Master Trust Indenture Agreement with the Canada Infrastructure Bank ("CIB") to support the design and construction of the YYC AeroNex. This transaction authorizes a total issuance of $171.9 million. On March 6, 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. The funds are restricted to projects related to the YYC AeroNex.

The Authority is continuing to monitor the impact of US tariffs on air passenger demand as well as on economic growth. For the quarter ended March 31, 2025, the Authority experienced a traffic decline of 2.0% in the Transborder sector compared to the same period in 2024. Significant impacts could be experienced over the remainder of 2025, in the event of broad and persistent tariffs. YYC's status as a hub airport may mitigate unfavourable impacts of potential air travel demand reductions. The Authority will continue to monitor the evolving environment, and work closely with partners to accommodate current and future potential adjustments to capacity.

SELECT KEY FINANCIAL AND OPERATIONAL INFORMATION

	For the three months ended Mar 31		
FINANCIAL INFORMATION ($ millions)	**2025**	2024	$ Change
Total Revenues	**113.6**	113.1	0.5
Direct operating costs	**59.5**	58.7	0.8
Canada Lease	**11.7**	11.3	0.4
Airport improvement fee handling fees	**1.9**	1.8	0.1
EBITDA	**40.5**	41.3	(0.8)
Net Loss	**(22.1)**	(23.8)	1.7
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	**13.2**	13.1	0.1

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 Mar 31		
OPERATIONAL INFORMATION	**2025**	2024	% Change
Enplaned & Deplaned Passengers *(thousands)*	**4,081.7**	4,065.7	0.4
Local Enplanements *(thousands)*	**1,366.5**	1,329.4	2.8
Connecting Enplanements (%)	**33.4%**	34.8%	-1.4 pts
Aircraft Landings (thousands)	**21.3**	21.4	(0.5)
Total MTOW *(million kg)*	**1,481.7**	1,430.9	3.6
Landed Passenger Seats *(thousands)*	**2,398.8**	2,329.0	3.0
Load Factor (%)	**85.5%**	87.5%	-2.0 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.

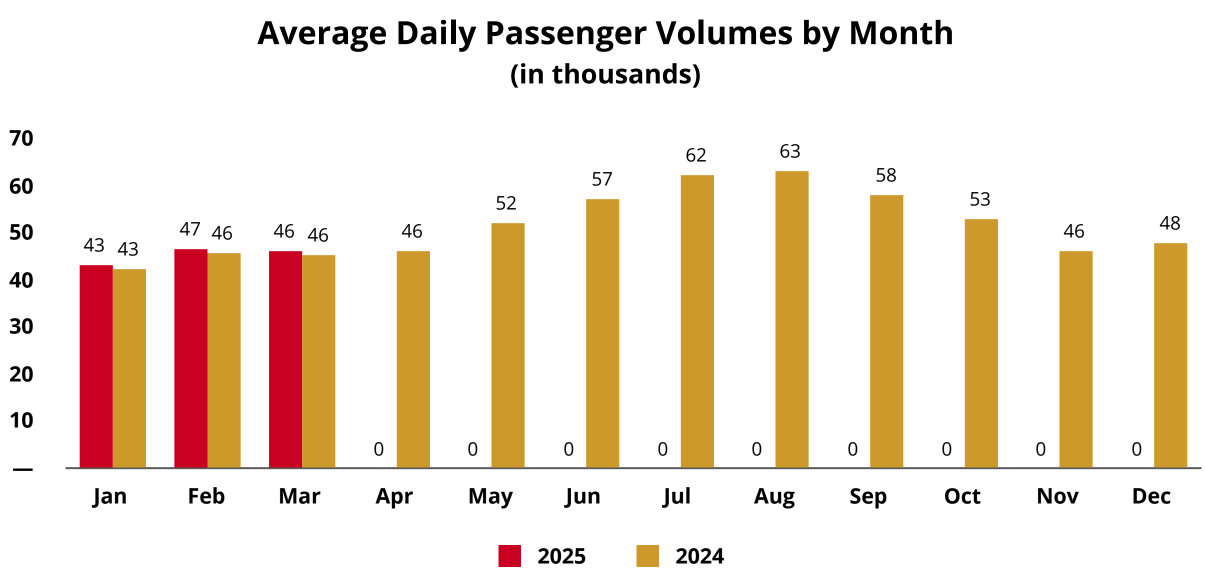
Passenger Activity

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 first quarter ended March 31, 2025 and 2024:

	For the three months ended Mar 31		
PASSENGER ACTIVITY *(thousands)*	**2025**	2024	% Change
Domestic	**2,608.7**	2,614.7	(0.2)
Transborder	**829.0**	845.6	(2.0)
International	**644.0**	605.4	6.4
Total Enplaned & Deplaned	**4,081.7**	4,065.7	0.4
Local Enplanements	**1,366.5**	1,329.4	2.8
Connecting Enplanements	**684.1**	709.2	(3.5)
Total Enplaned	**2,050.6**	2,038.6	0.6
Local Enplanements (%)	**66.6%**	65.2%	1.4 pts
Connecting Enplanements (%)	**33.4%**	34.8%	-1.4 pts
Total Enplaned (%)	**100.0%**	100.0%	

Total E&D Passenger activity at YYC in the first quarter of 2025 was 4.1 million, an increase of 0.4%, compared to the same period of 2024. During the first quarter of 2025, the International sector saw growth of 6.4%, partially offset by declines of 2.0% and 0.2% in the Transborder and Domestic sectors, respectively. Growth in the International sector was mainly driven by WestJet's increased flight activity, with the introduction of a new international route to Tulum, Mexico, as well as frequency increases to Paris, Tokyo and Liberia, Costa Rica, compared to the same period in 2024.



Daily Passenger Volumes at YYC for the first quarter of 2025 increased 1.6% to an average of 45,400 passengers per day, up from an average of 44,700 per day in the same period of 2024.

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 first quarter of 2025, Local Enplanements increased by 2.8% to 1.4 million passengers while Connecting Enplanements decreased by 3.5% to 0.7 million passengers when compared to the same period of 2024. The percentage split between Local and Connecting Enplanements was 66.6% and 33.4%, respectively, compared to 65.2% and 34.8% in the same period of 2024.

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 first quarter ended March 31, 2025 and 2024.

	For the three months ended Mar 31		
FLIGHT ACTIVITY	**2025**	2024	% Change
(thousands)			
Aircraft Landings	**21.3**	21.4	(0.5)
Passenger Aircraft Landings	**16.4**	16.3	0.6
Landed Passenger Seats	**2,398.8**	2,329.0	3.0
(millions)			
Total MTOW (kg)	**1,481.7**	1,430.9	3.6
Passenger MTOW (kg)	**1,246.1**	1,195.1	4.3
Seats per Passenger Aircraft Movement	**145.9**	142.6	2.3
Load Factor (%)	**85.5%**	87.5%	-2.0 pts

Passenger Aircraft Landings in the first three months of 2025 were 16,400, an increase of 0.6% compared to the same period of 2024. Total Aircraft Landings, which include both Passenger and Non-passenger movements, decreased 0.5% in Q1 2025, compared to 2024, largely due to a decrease in general aviation activity (i.e. non-commercial airline activity). There were 13 airlines operating at YYC as at March 31, 2025, compared to 13 in the same period of 2024.

During the first three months of 2025, MTOW was 1,481.7 million kilograms, an increase of 3.6% from the same period of 2024. This change was driven mainly by the 4.3% increase in Passenger MTOW due to the increase in landings and larger aircraft being utilized by carriers.

Landed Passenger Seats in the first three months of 2025 were 2.4 million, an increase of 0.1 million, or 3.0%, compared to 2.3 million seats in the same period of 2024. The number of Seats per Passenger Aircraft Movement during the first quarter of 2025 was 145.9, an increase of 3.3 seats, or 2.3%, compared to 142.6 Seats per Passenger Aircraft Movement in the same period in 2024, due to carriers utilizing larger aircraft. Load Factors decreased 2.0 points, from 87.5% in Q1 2024, to 85.5% in the first quarter of 2025.

In the first three months of 2025, Cargo Candings increased 3.2% to 1,305, from 1,264 in the same period of 2024, while Cargo MTOW decreased 2.4% over the same period.

FINANCIAL PERFORMANCE

Net Operating Results

The following table summarizes the Authority's Net Operating Results for the first quarter ended March 31, 2025 and 2024.

	For the three months ended Mar 31		
NET OPERATING RESULTS *($ millions)*	**2025**	2024	$ Change
Net Loss	**(22.1)**	(23.8)	1.7
Post-employment pension benefits loss	**(0.3)**	(1.7)	1.4
Loss from Operations	**(21.8)**	(22.1)	0.3
Add: Interest and financing costs	**27.3**	28.2	(0.9)
Depreciation and amortization	**35.0**	35.2	(0.2)
EBITDA	**40.5**	41.3	(0.8)
EBITDA margin (%)	**35.7%**	36.5%	-0.8 pts

In the first three months of 2025, the Authority incurred a Loss from Operations of $21.8 million, compared to a Loss from Operations of $22.1 million, for the same period of 2024. The main driver of the decreased Loss from Operations in 2025 was reduced Interest and financing costs as well as lower Depreciation and amortization, offset partially by lower EBITDA.

In the first three months of 2025, EBITDA was $40.5 million, a decrease of $0.8 million, compared to the same period of 2024. The EBITDA margin was 35.7% in the first quarter of 2025, a decrease of 0.8 points compared to the same period of 2024. The decrease in EBITDA was due to a planned increase in Total Operating Expenses, offset partially by an increase in Total Revenue, compared to the first three months of 2024.

Revenues

Revenues are derived from Aeronautical Revenue, Airport Improvement Fees ("AIF") 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 first quarter ended March 31, 2025 and 2024.

	For the three months ended Mar 31		
REVENUES *($ millions)*	**2025**	2024	$ Change
Airport Improvement Fees	**48.0**	46.6	1.4
Aeronautical Revenues	**22.1**	23.1	(1.0)
Concessions	**19.2**	18.9	0.3
Car parking	**11.6**	11.6	—
Rentals and other	**10.6**	9.8	0.8
Interest income	**2.1**	3.1	(1.0)
Non-Aeronautical Revenues	**43.5**	43.4	0.1
Total Revenues	**113.6**	113.1	0.5

In the first three months of 2025, AIF revenue was $48 million, an increase of $1.4 million, or 3.0%, compared to the same period of 2024, driven mainly by increased Local Enplanement Passenger traffic.

Aeronautical Revenues in the first three months of 2025 decreased by $1.0 million, or 4.3%, compared to the same period of 2024, due to a decrease in total Aircraft Landings. The Authority may enter into long-term commercial agreements with airline partners which may include rebates of aeronautical fees if certain growth thresholds are achieved.

In the first three months of 2025, NAR was $43.5 million, an increase of $0.1 million, or 0.2%, compared to the same period of 2024, mainly due to the increase in Passenger activity, which drives most NAR streams, offset partially by a reduction in Interest income.

Concessions revenue includes percentage rent revenues generated from in-terminal concessionaires, in-terminal hotels, ground transportation providers, car rental providers, and advertising. The main driver of these revenue sources is passenger activity. Concession revenue was $19.2 million in the first three months of 2025, an increase of $0.3 million, or 1.6%, compared to the same period of 2024.

In the first three months of 2025, Car parking revenue was flat compared to the same period of 2024.

Rentals and other revenue is primarily generated by sub-leasing airport lands and the leasing of physical space inside the terminal buildings. Most land lease agreements tend to be longer term and do not fluctuate with passenger activity. Rentals and other revenue was $10.6 million in Q1 2025, an increase of $0.8 million, or 8.2%, compared to the same period of 2024, driven by year-over-year rent escalations and other lease amendments. Since March 31, 2024, YYC has welcomed a number of new tenants, both inside and outside 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 first quarter ended March 31, 2025 and 2024.

	For the three months ended Mar 31		
EXPENSES *($ millions)*	**2025**	2024	$ Change
Goods and services	**38.8**	39.4	(0.6)
Salaries and benefits	**15.0**	13.6	1.4
Property taxes	**5.7**	5.7	—
Direct Operating Costs	**59.5**	58.7	0.8
Canada Lease	**11.7**	11.3	0.4
Airport improvement fee handling fees	**1.9**	1.8	0.1
Total Operating Expenses	**73.1**	71.8	1.3
Depreciation and amortization	**35.0**	35.2	(0.2)
Interest and financing costs	**27.3**	28.2	(0.9)
Pension benefits remeasurement loss	**0.3**	1.7	(1.4)
Total Expenses	**135.7**	136.9	(1.2)

In the first three months of 2025, Goods and services expenses were $38.8 million, a decrease of $0.6 million, or 1.5%, compared to the same period of 2024, largely due to reduced utility costs, driven by favourable market conditions which resulted in rate reductions.

Salaries and benefits costs in the first three months of 2025 were $15.0 million, an increase of $1.4 million, or 10.3% compared the same period of 2024 due to additional hiring as well as annual merit increases.

Canada Lease expense at YYC in the first three months of 2025 was $11.7 million, an increase of $0.4 million, or 3.5%, compared to the same period of 2024. The Canada Lease expense for 2025 and 2024 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. The AIF handling fee expense of $1.9 million in the first three months of 2025 was $0.1 million, or 5.6%, higher than the same period of 2024, due to the growth in Local Enplanements.

In the first three months of 2025, Interest and financing costs were $0.9 million, or 3.2%, lower than the same period of 2024, primarily due to increased capitalization of interest expense to capital projects.

Pension benefits remeasurement resulted in a loss of $0.3 million in the first three months of 2025, primarily due to the difference between the actual return on pension plan assets and the expected actuarial return during the period.

Summary of Quarterly Results

Select unaudited consolidated quarterly financial information for the quarters ended June 30, 2023 through March 31, 2025 is set out in the following table.

	Quarter Ended							
	2025	2024				2023		
($ millions)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenues	113.6	124.9	155.2	125.7	113.1	120.7	152.6	121.2
Operating expenses	(73.1)	(76.6)	(70.6)	(69.2)	(71.8)	(73.0)	(68.8)	(62.4)
EBITDA	40.5	48.3	84.6	56.5	41.3	47.7	83.8	58.8
Depreciation and amortization	(35.0)	(34.8)	(35.0)	(36.3)	(35.2)	(37.3)	(34.2)	(34.2)
Interest and financing costs	(27.3)	(28.2)	(28.0)	(28.3)	(28.2)	(29.4)	(28.3)	(28.5)
Post-employment pension benefits (loss) gain	(0.3)	(1.3)	3.4	(7.6)	(1.7)	8.0	(6.7)	(1.2)
Loss on disposal of capital asset	—	(9.4)	(1.5)	—	—	—	—	—
Insurance recovery accrued	—	10.9	—	—	—	—	—	—
Net (Loss) Income	(22.1)	(14.5)	23.5	(15.7)	(23.8)	(11.0)	14.6	(5.1)

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 first quarter ended March 31, 2025 and 2024.

	For the three months ended Mar 31		
CAPITAL EXPENDITURES *($ millions)*	**2025**	2024	$ Change
Improvement projects	**10.3**	7.0	3.3
Restoration capital	**5.0**	2.0	3.0
Revenue projects	**0.7**	0.3	0.4
Total Capital	**16.0**	9.3	6.7

Capital Expenditures of $16.0 million in the first quarter ended March 31, 2025 were $6.7 million higher than the same period of 2024, primarily due to the costs incurred by the Domestic Restoration Project, Centralized Passenger Screening Project and various in-terminal restoration projects started in 2025, along with Fleet purchases finalized in the first quarter of 2025.

ASSETS AND LIABILITIES

Total assets, Total liabilities and Net Deficit as at March 31, 2025 and December 31, 2024 are set out in the following table.

Net Assets *($ millions)*	**As at Mar 31, 2025**	**As at Dec 31, 2024**	$ Change
Total assets	**3,209.6**	3,150.4	59.2
Total liabilities	**3,516.2**	3,434.9	81.3
Net Deficit	**(306.6)**	(284.5)	(22.1)

As at March 31, 2025, when compared to December 31, 2024, the Authority's Total assets increased by $59.2 million, primarily due to a increase of $67.2 million in restricted cash, partially offset by a $19.0 million decrease in capital and intangible assets, net of depreciation and a $2.4 million decrease in prepaid expenses. The restricted cash relates to funds raised from the Fifth Supplemental Indenture which is restricted to the projects under the YYC AeroNex as agreed upon with the CIB. The Authority's Total liabilities increased by $81.3 million, primarily due a $36.2 million net increase in Long-term debt, a $31.0 million increase in Other long-term liabilities and $27.7 increase in Interest payable on Long-term debt for blended payment due on April 7, 2025.

The Authority has a Net Deficit position of $306.6 million as at March 31, 2025. The Net Deficit has increased by $22.1 million, compared to December 31, 2024, due to the Loss from Operations incurred in the period.

LIQUIDITY AND CAPITAL RESOURCES

The following table provides Cash Flow information for the first quarter ended March 31, 2025 and 2024.

	For the three months ended Mar 31		
CASH FLOW *($ millions)*	**2025**	2024	$ Change
Cash generated by operating activities	**20.6**	28.6	(8.0)
Cash used in investing activities	**(5.7)**	(7.4)	1.7
Cash used in financing activities	**(0.6)**	(0.4)	(0.2)
Increase in cash and cash equivalents	**14.3**	20.8	(6.5)

Cash and cash equivalents increased $14.3 million for the first quarter ended March 31, 2025, $6.5 million less than the same period of 2024 due to lower Cash generated by operating activities, partially offset by lower Cash used in investing activities and higher Cash used in financing activities.

The following table provides information on the Authority's Free Cash Flow for the first quarter ended March 31, 2025 and 2024.

	For the three months ended Mar 31		
CASH FLOW *($ millions)*	**2025**	2024	$ Change
Net Loss	**(22.1)**	(23.8)	1.7
Add: Depreciation and amortization	**35.0**	35.2	(0.2)
Interest and financing costs	**27.3**	28.2	(0.9)
Pension benefits remeasurement loss	**0.3**	1.7	(1.4)
EBITDA	**40.5**	41.3	(0.8)
Less: Interest and financing costs	**(27.3)**	(28.2)	0.9
Free Cash Flow	**13.2**	13.1	0.1

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

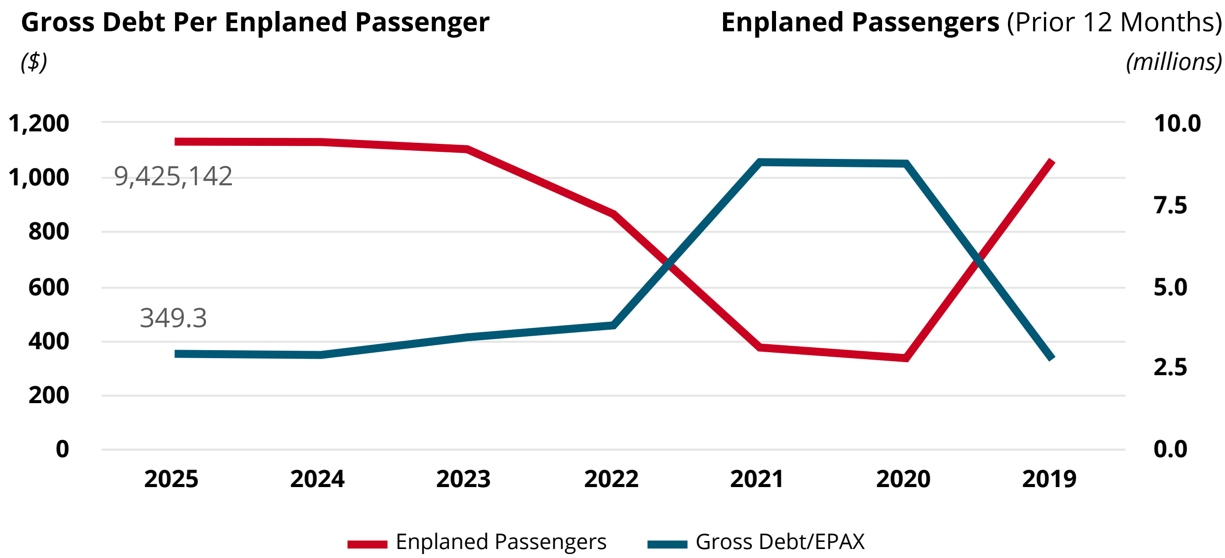
The following table provides information on the Authority's debt position as at March 31, 2025 and December 31, 2024.

LONG TERM DEBT *($ millions)*		**As at Mar 31, 2025**		**As at Dec 31, 2024**	$ Change
Long term debt, including current portion		**3,292.1**		3,255.9	36.2
Government assistance related to financing		**32.3**		—	32.3
Cash		**211.7**		197.4	14.3
Restricted cash		**67.2**		—	67.2
Net Debt		**3,045.5**		3,058.5	(13.0)
Key Credit Metrics					% Change
Debt service coverage ratio		**2.09**		2.12	
Gross debt service coverage ratio		**5.62**		5.46	
Gross debt/enplaned passenger ($)	**$**	**349.29**	$	345.89	1.0
Net debt/enplaned passenger ($)	**$**	**319.70**	$	324.92	(1.6)

Key Credit Metrics in the above table have been calculated based on operating results for the twelve months ended March 31, 2025, for the purpose of providing an annualized metric.

As at March 31, 2025, Long term debt increased by $36.2 million, while Net Debt decreased by $45.3 million to $3.0 billion, compared to December 31, 2024, due to a new bond issued on March 6, 2025 which increased Long term debt by $36.2 million offset by an increase in Cash of $81.6 million which includes the $67.2 million of Restricted cash received from the bond issuance to the CIB. 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 March 31, 2025, Gross Debt per Enplaned Passenger increased to $349.29 and Net Debt per Enplaned Passenger decreased to $319.70, both as a result of the bond issued on March 6, 2025 offset by an 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 the Authority's liquidity position at March 31, 2025 and December 31, 2024.

LIQUIDITY & CREDIT FACILITIES *($ millions)*	**As at Mar 31, 2025**	**As at Dec 31, 2024**	$ Change
Cash and cash equivalents	**211.7**	197.4	14.3
O&M expense reserve	**(52.6)**	(47.9)	(4.7)
Credit facilities:			
Available operating credit facility	**200.0**	200.0	—
Less: Letters issued	**—**	—	—
Operating Credit Facility	**200.0**	200.0	**—**
Total Net Liquidity (including cash and cash equivalents)	**359.1**	349.5	9.6
Available letter of credit facility	**70.0**	70.0	—
Less: Letters issued	**(65.0)**	(65.0)	—
Letter of Credit Facility	**5.0**	5.0	—

As at March 31, 2025, the Authority's Total Net Liquidity stood at $359.1 million reflecting an increase of $9.6 million, or 2.7%, from December 31, 2024. This increase was primarily driven by a $14.3 million increase in available Cash and cash equivalents offset partially by an increase in contribution of $4.7 million allocated to the Operating and Maintenance ("O&M") expense reserve.

The increase in available Cash and cash equivalents was due to the $20.6 million in Cash generated by operating activities during the period being more than offset by $5.7 million used in investing activities and $0.6 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 depreciation, and EBITDA margin is EBITDA divided by total revenues. EBITDA is a commonly used measure of a company's cash flow and operating performance. This is used to evaluate the Authority's performance and cash flow generation.

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 divided by 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 divided by total enplaned passengers. Net debt per Enplaned Passenger is commonly used by airports and other users to assess the relative debt burden of an 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.

MANAGEMENT’S DISCUSSION & ANALYSIS

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 opportunities, as well as its future financial and operational performance; future demand, capacity or activity and related monitoring efforts, including with respect to the volume of traffic experienced by the Authority over the remainder of 2025 and the mitigating impact YYC’s status as a hub airport may have on any unfavourable demand reductions; expectations concerning 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, as well as the anticipated effects, timing, responsibilities, budgets and funding of such projects, programs and developments.

Forward-looking information is based on certain assumptions and other factors, including: government and passenger actions; Calgary’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 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 Agreement 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.

The Calgary Airport Authority's Interim Financial Statements

For the three months ended March 31, 2025

BALANCE SHEET *(unaudited)*
As at March 31, 2025 and December 31, 2024

($ millions)	Note		March 31, 2025		December 31, 2024
ASSETS					
Current Assets					
Cash and cash equivalents		**$**	**211.7**	$	197.4
Restricted cash	5		**67.2**		—
Accounts receivable	9		**47.6**		49.0
Inventory			**9.5**		8.3
Prepaid expenses			**5.5**		8.1
			341.5		262.8
Tenant inducements			**3.3**		3.5
Other long-term assets and prepaid expenses			**2.3**		2.5
Capital Assets	3		**2,847.5**		2,866.3
Intangible Assets	4		**2.5**		2.7
Pension Asset	8		**12.5**		12.6
		$	**3,209.6**	$	3,150.4
LIABILITIES AND NET DEFICIT					
Current Liabilities					
Accounts payable and accrued liabilities	9		**39.6**		56.5
Interest payable on long-term debt	5, 9		**54.0**		26.4
Deferred revenue			**1.7**		1.3
Current portion of other long-term liabilities	9		**7.9**		9.7
Current portion of long-term debt	5, 9		**8.0**		8.0
			111.2		101.9
Other Long-term Liabilities	5, 7, 9		**106.7**		70.9
Pension Liability	8		**14.2**		14.2
Long-term Debt	5, 9		**3,284.1**		3,247.9
		$	**3,516.2**	$	3,434.9
Net Deficit			**(306.6)**		(284.5)
		$	**3,209.6**	$	3,150.4

See accompanying notes to the interim financial statements.

STATEMENT OF OPERATIONS AND NET DEFICIT *(unaudited)*
For the three months ended March 31, 2025

			Three months ended March 31,	
($ millions)	Note		**2025**	2024
REVENUES				
Airport improvement fees		**$**	**48.0** $	46.6
Aeronautical revenues			**22.1**	23.1
Non-aeronautical revenues				
Concessions			**19.2**	18.9
Car parking			**11.6**	11.6
Rentals and other			**10.6**	9.8
Interest income			**2.1**	3.1
			43.5	43.4
			113.6	113.1
EXPENSES				
Goods and services			**38.8**	39.4
Salaries and benefits	8		**15.0**	13.6
Canada Lease			**11.7**	11.3
Property taxes			**5.7**	5.7
Airport improvement fee handling fees			**1.9**	1.8
			73.1	71.8
Earnings before interest and financing costs and depreciation			**40.5**	41.3
Depreciation and amortization	3, 4		**35.0**	35.2
Interest and financing costs	5,10		**27.3**	28.2
Loss from Operations		**$**	**(21.8)** $	(22.1)
Other Income (Expense)				
Post-employment pension benefits remeasurement loss	8		**(0.3)**	(1.7)
Net Loss		**$**	**(22.1)** $	(23.8)
Net Deficit, Beginning of Period		**$**	**(284.5)** $	(254.0)
Net Deficit, End of Period		**$**	**(306.6)** $	(277.8)

See accompanying notes to the interim financial statements.

STATEMENT OF CASH FLOWS *(unaudited)*
For the three months ended March 31, 2025

($ millions)	Note		Three months ended March 31, 2025		2024
OPERATING					
Net Loss		**$**	**(22.1)**	$	(23.8)
Employer defined benefit contributions	8		**(0.4)**		(0.5)
Adjustments:					
Depreciation and amortization	3, 4		**35.0**		35.2
Amortization of deferred financing costs	10		**0.2**		0.2
Post-employment pension benefits	8		**0.4**		1.7
			13.1		12.8
Changes in non-cash working capital:					
Accounts receivable			**1.4**		(1.4)
Inventory			**(1.2)**		0.1
Prepaid expenses			**2.6**		1.3
Tenant inducements			**0.2**		0.2
Other long-term assets and prepaid expenses			**0.2**		0.1
Accounts payable and accrued liabilities			**(11.4)**		(13.4)
Interest payable on long-term debt			**27.6**		27.7
Deferred revenue			**0.4**		(0.3)
Other liabilities			**(12.3)**		1.5
			7.5		15.8
Cash provided by operating activities			**20.6**		28.6
FINANCING					
Proceeds from bond issuance	5		**67.2**		—
Transfer to restricted cash	5		**(67.2)**		—
Transaction costs incurred on issuance of long-term debt	5		**(0.2)**		—
Repayment of lease liabilities			**(0.4)**		(0.4)
Cash used in financing activities			**(0.6)**		(0.4)
INVESTING					
Investment in capital and intangible assets	3, 4		**(16.0)**		(9.3)
Government capital grant funds received	7		**15.8**		1.8
Change in accounts payable and accrued liabilities related to capital and intangible assets			**(5.5)**		0.1
Cash used in investing activities			**(5.7)**		(7.4)
Increase in cash and cash equivalents		**$**	**14.3**	$	20.8
Cash and cash equivalents, beginning of period		**$**	**197.4**	$	208.7
Cash and cash equivalents, end of period		**$**	**211.7**	$	229.5

See accompanying notes to the 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 Notes 3 and 4. 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 on May 13, 2025 by the Audit and Finance Committee of the Board of Directors.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of measurement and presentation
These unaudited interim financial statements have been prepared in accordance with Canadian Accounting Standards for Private Enterprises ("ASPE"), which sets out generally accepted accounting principles ("GAAP"). These financial statements do not include all the disclosures required in the annual financial statements and should be read in conjunction with the Authority's financial statements for the year ended December 31, 2024, prepared according to ASPE. 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 unaudited interim financial statements have been prepared following the same accounting policies and methods as those used in preparing the Authority's 2024 annual audited financial statements.

Restricted cash
The Authority considers restricted cash to be those amounts received under contractual or regulatory agreements that are limited in use. These balances are maintained in separate bank accounts and disbursed in accordance with the related agreement's terms.

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 (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.

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

3 CAPITAL ASSETS

As at March 31, 2025	Land	Leased Land	Buildings & Structures	Computer Equipment	Vehicles	Machinery & Equipment	Furniture & Fixtures	Construction in Progress	Total
Cost									
Beginning Balance	$ 5.8	$ 34.6	$ 4,236.3	$ 23.9	$ 60.3	$ 154.7	$ 20.5	$ 137.4	$ 4,673.5
Additions	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**15.9**	**15.9**
Transfers	**—**	**—**	**0.4**	**0.6**	**1.0**	**1.1**	**0.1**	**(3.2)**	**—**
Disposals and write-offs	**—**	**—**	**(0.1)**	**—**	**—**	**—**	**—**	**—**	**(0.1)**
Ending Balance	**5.8**	**34.6**	**4,236.6**	**24.5**	**61.3**	**155.8**	**20.6**	**150.1**	**4,689.3**
Accumulated Amortization									
Beginning Balance	—	6.9	1,690.0	18.4	39.3	45.6	7.0	—	1,807.2
Depreciation & Amortization	**—**	**0.2**	**31.5**	**0.3**	**0.8**	**1.6**	**0.3**	**—**	**34.7**
Disposals and write-offs	**—**	**—**	**(0.1)**	**—**	**—**	**—**	**—**	**—**	**(0.1)**
Ending Balance	**—**	**7.1**	**1,721.4**	**18.7**	**40.1**	**47.2**	**7.3**	**—**	**1,841.8**
Net Carrying Value									
December 31, 2024	$ 5.8	$ 27.7	$ 2,546.3	$ 5.5	$ 21.0	$ 109.1	$ 13.5	$ 137.4	$ 2,866.3
March 31, 2025	**$ 5.8**	**$ 27.5**	**$ 2,515.2**	**$ 5.8**	**$ 21.2**	**$ 108.6**	**$ 13.3**	**$ 150.1**	**$ 2,847.5**

Construction in progress balance consists of costs capitalized for both airside and groundside facility improvement projects. As at March 31, 2025, interest capitalized in construction in progress was $1.3 million (December 31, 2024 – $2.9 million). During the period, borrowing costs for active projects were capitalized at a weighted average interest rate of 3.43% (2024 – 3.43%).

4 INTANGIBLE ASSETS

As at March 31, 2025	Computer Software	Work in Progress	Total
Cost			
Beginning Balance	$ 9.3	$ 0.3	$ 9.6
Additions	**—**	**0.1**	**0.1**
Ending Balance	**9.3**	**0.4**	**9.7**
Accumulated Amortization			
Beginning Balance	6.9	—	6.9
Depreciation & Amortization	**0.3**	**—**	**0.3**
Ending Balance	**7.2**	**—**	**7.2**
Net Carrying Value			
December 31, 2024	$ 2.4	$ 0.3	$ 2.7
March 31, 2025	**$ 2.1**	**$ 0.4**	**$ 2.5**

5 LONG-TERM DEBT

The Authority has an agreement with Computershare Advantage Trust of Canada (formerly 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.

On March 6, 2025, the Authority entered into a Bond Purchase Agreement, under the existing MTI Agreement, with the Canada Infrastructure Bank ("CIB") to support the design and construction of an aviation hub (the "YYC AeroNex") that will support both cargo and passenger flights. This transaction has been formalized through the execution of the "Fifth Supplemental Indenture" authorizing a total issuance of $171.9 million. Funds raised from this Indenture are restricted to the projects under the YYC AeroNex program, as agreed upon with the CIB. The agreement allows for issuance of four bonds under the Series G subject to certain conditions precedent.

On March 6, 2025, the first bond under the "Fifth Supplemental Indenture" (Series G-1 to G-4), was issued for $67.2 million. These funds are considered restricted cash. For the Series G-1 bond, interest accrues on a daily basis and is payable on a semi-annual basis on April 7 and October 7 of each year until the earlier of construction completion for the related project to the Series G-1 bond (LHT project) or December 31, 2028. Once the threshold has been met, the semi-annual payments on April 7 and October 7 turn into principal and interest payments for the term of the bond. This Series G-1 bond is subject to partial redemption based on the final capital cost incurred on the project and also a full redemption in the event that the Authority does not issue Series G-2 and G-3 bonds.

The fair market value of the Series G-1 bond, was calculated using a fair market interest rate of 4.80%, resulting in a calculated fair value of $36.2 million, as at the issuance date. The difference between the proceeds and fair market value of the bond of $31.0 million was classified as Government Assistance under "Other Long-term Liabilities". The Government assistance will be amortized using the effective interest method over the term of the loan.

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

The bonds issued and outstanding, are:

Supplemental Indenture	Series	Interest Rate		Maturity Date		March 31, 2025		December 31, 2024
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**		410.4
Second	4002957	2.2580%		October 7, 2031		**158.0**		158.0
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
Fifth	G-1	4.8000%	(1)	December 31, 2053		**36.2**		—
Total bonds issued					**$**	**3,303.5**	$	3,267.3
Less: Debt issuance costs						**(11.4)**		(11.4)
Less: Current portion						**(8.0)**		(8.0)
Long-term debt					**$**	**3,284.1**	$	3,247.9

(1) This interest rate represents the market rate of similar termed instruments.

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 was in compliance with all its covenants.

6 CREDIT FACILITIES

As at March 31, 2025, 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 March 31, 2025, the amount drawn on the Operating Facility was $nil (December 31, 2024 - $nil).

The letters of credit that were outstanding under the Operating Facility as at March 31, 2025 were $nil, (December 31, 2024 - $nil). The letter of credit 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 covered by the Authority with $52.6 million in cash (December 31, 2024 - $47.9 million).

As at March 31, 2025, 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 March 31, 2025, the letter of credit that was outstanding under the L/C Facility was $65.0 million (December 31, 2024 - $65.0 million). This includes a letter of credit of $55.0 million (December 31, 2024 - $ 55.0 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 March 31, 2025 and December 31, 2024, the Authority has outstanding two pledged bonds to the Operating and L/C Facilities lenders for $385.0 million and $77.0 million, respectively, under the Third and Fourth Supplemental Indenture. 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 was in compliance with all its covenants.

7 GOVERNMENT ASSISTANCE

In March 2022, the Authority obtained grant approval under the Government of Canada's Airport Critical Infrastructure Program ("ACIP"). As at March 31, 2025, the Authority has recognized $50.3 million (December 31, 2024 – $45.1 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 assets, when completed and in service.

8 EMPLOYEE FUTURE BENEFITS

As at March 31, 2025, the discount rate assumption used to measure the pension benefit obligation remains consistent from December 31, 2024. The discount rate assumption is based on market interest rates of high quality bonds that match the timing and amount of expected benefit payments.

Due to the re-measurement of the pension benefit obligations and related plan assets, as at March 31, 2025, the Authority recognized a pension asset of $12.5 million and pension liability of $14.2 million (December 31, 2024 - $12.6 million and $14.2 million, respectively).

9 FINANCIAL INSTRUMENTS

The Authority's financial instruments consist of Cash and cash equivalents, Restricted cash, 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 March 31, 2025, the fair value of the Authority's long-term debt and Canada Lease rent payable is $3,083.4 million (December 31, 2024 - $2,980.4 million).

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

10 INTEREST AND FINANCING COST

	Three months ended March 31,	
	2025	2024
Interest on long-term debt	**$ 26.5**	$ 27.4
Amortization of government assistance	**(0.1)**	—
Amortization of deferred financing costs	**0.2**	0.2
Standby fees	**0.1**	0.3
Fair value adjustment on long-term payable	**0.2**	0.1
Other interest expense	**0.4**	0.2
Interest and financing costs	**$ 27.3**	$ 28.2

11 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.

Effective January 31, 2025, the Authority entered into Development and Lease Agreements with Lufthansa Technik to build an engine maintenance and test cell facility on nine acres of land at YYC Calgary International Airport, for lease to Lufthansa Technik. The project, which involves an investment of approximately $120 million in partnership with Lufthansa Technik, is expected to break ground in 2025 and the Authority will be responsible for planning, development, construction and deployment. Under the Development and Lease Agreements, the Authority is contractually obligated to complete the construction of the engine maintenance and test cell facility in 2027.

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 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 enhanced access to and egress from 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 now completed and the second phase third party land has been acquired, the Authority as of March 31, 2025, has recognized a liability of $5.6 million (December 31, 2024 - $5.4 million) towards these obligations. The Authority continues to have a commitment to contribute towards the second phase construction and additional land costs.

As of March 31, 2025, the Authority had approximately $131.4 million in commitments for capital projects commenced during the year. The capital projects include various restoration projects and the rehabilitation of the West Runway.

12 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 three months ended March 31, 2025 and 2024 is considered to be derived from airport business and therefore exempt from income tax.