2025

International Airport Authority
Administration de l'aéroport international
Ottawa

# Annual Report


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# LAND ACKNOWLEDGEMENT

We acknowledge that the Ottawa International Airport (YOW) is located on the traditional, unceded, and un-surrendered territory of the Anishinabeg Algonquin people. We honour the deep connection the Algonquin people have with their land, its waterways, and its resources. We are grateful for the opportunity to welcome and educate all who travel through YOW. We commit to working with the Indigenous communities and especially the Host Nation, the Anishinabeg Algonquin Nation, in a respectful manner to create ways that YOW can help reflect their past, present, and future.

# Message from the President and CEO

It's hard to believe it has been more than a year since I joined the Ottawa Airport Authority, but what a year it has been. Thanks to the generosity of our team, the many industry colleagues I have had the pleasure of meeting, and partners across our community, I have had a front-row seat in what has truly felt like an aviation classroom. The learning has been constant, and it has been energizing.

2025 was a year of growth. Nearly 4.9 million passengers travelled through YOW, representing a six percent increase over 2024. This progress came amid ongoing economic and geopolitical uncertainty. While those conditions are expected to persist, we are encouraged by what we are seeing and anticipate continued growth in 2026 and beyond.

International travel led the way, with domestic traffic close behind. Porter Airlines, now our largest carrier by destinations served, operates 26 routes from Ottawa, with additional destinations launching soon. Air Canada, a longstanding key partner, reaffirmed its commitment to the Ottawa-Gatineau region with the reinstatement of non-stop service to London-Heathrow in March 2025. This route has quickly become a meaningful economic and cultural connector for our community. We are also watching the expansion of Canadian North at YOW with pride, as increased cargo capacity strengthens the essential role the airline plays in supplying Canada's eastern Arctic.

As I considered my transition to YOW, I set three priorities to guide my early days, alongside learning the organization and the industry. These were to get to know our employees, strengthen relationships with our stakeholders, and establish a clear strategy for the next five to ten years. I am pleased to say that each of these priorities moved forward in meaningful ways.

Within my first two weeks, I met nearly every employee and committed to open, ongoing, and transparent communication. Over the past year, I have learned a great deal from their experience and institutional knowledge, and I have appreciated the opportunity to spend time with them as they go about their day-to-day work and to listen to their insightful ideas about how to improve our culture and business. I am grateful for their professionalism, their strong safety culture, and their commitment to YOW's success.

Building relationships with stakeholders was equally important. Highlights included participating in a trade mission to London with Ottawa Tourism and several regional economic development partners, becoming a Pillar Partner of the Ottawa Board of Trade, and meeting with elected leaders at every level of government. These relationships matter, and they play an important role in supporting the long-term growth and prosperity of our airport and our region. ↘

# "As we look ahead to 2026, I am confident we are well positioned to advance our priorities, thanks to a talented team and strong partners."

2025 was also a year of transformation, which set the foundation for my third priority: establishing a clear strategy for the future. Throughout 2025, the senior leadership team worked collaboratively to define a new Strategic Plan that positions the organization for long-term success. We introduced a new vision: to be the North American hub of choice, supported by a refreshed mission, purpose, and values, along with five strategic objectives focused on growth, passenger experience, our people, stakeholder engagement, and innovation. Our vision is ambitious, and it is intentional. We're putting the building blocks in place to achieve it and ensuring that our partners, stakeholders and our people are at the centre of it.

This strategic clarity is especially important as we advance our capital improvement plans. Porter Airlines' growth in Ottawa has shifted our passenger mix. While YOW has traditionally served primarily origin and destination travellers, we are increasingly welcoming connecting passengers, a trend we expect to continue. This is the underpinning for our development of a connection centre – aimed at improving the experience of these passengers. Our total projected growth over the next five to ten years will likely require additional gates and facilities to accommodate several million more passengers annually. We are now in the early stages of planning the major capital infrastructure projects to address these terminal demands, while including plans for refreshing other aspects of the existing campus over the same period.

I would like to thank our Chair Bonnie Boretsky and the entire Board of Directors for their guidance and support throughout the year. Together, we put important and ambitious plans in place and navigated meaningful change, often requiring trust and confidence in the organization and its leadership. We share a strong commitment to delivering on these plans.

As we look ahead to 2026, I am confident we are well positioned to advance our priorities, thanks to a talented team and strong partners. I am grateful for them all. I also encourage our community to continue choosing YOW when travelling. Every trip that includes our airport strengthens the case for continued airline investment in Ottawa-Gatineau. Together, we can ensure YOW remains an engine for growth and a source of pride for our community.

**Susan Margles** | President and CEO

# Message from the Chair of the Board

The past year marked an important period of transition for the Ottawa International Airport Authority, with a new CEO at the helm. A renewed focus on employee culture, strengthened stakeholder relationships, and the development of a comprehensive Strategic Plan have positioned the organization well and generated momentum as it moves into 2026.

I would like to congratulate Susan and her leadership team for the significant work undertaken to develop a clear and ambitious Strategic Plan. The Board appreciated not only the rigour of the process, but also the engagement across the organization to ensure that employees see themselves reflected in the airport's future success. The depth of discussion and thoughtful debate throughout the process strengthened the final plan and reinforced our confidence in the path forward.

It was also gratifying to see the team's efforts recognized during the year. YOW maintained Level 3 certification under Airports Council International's Airport Carbon Accreditation Program, recognizing its ongoing commitment to sustainability and greenhouse gas reduction. Air Canada's extension of the London-Heathrow service throughout the year was honoured with a Best Ottawa Business Award in the Tourism Partnership category. These achievements speak to the strength of our partnerships and the dedication of the entire team. Congratulations to all involved.

The Authority benefits from the oversight of an engaged and experienced Board of Directors. I want to thank my fellow Board members for their diligence, insight, and constructive dialogue throughout the year, particularly during the strategic planning process. Through strong collaboration and thoughtful discussion with the leadership team, with a clear focus on transformative priorities such as the Connection Centre and airport expansion, we have established a forward-looking plan that positions YOW to grow, adapt and lead in a rapidly evolving environment.

In 2025, we said farewell to Dick Brown and Lisa Stilborn at the conclusion of their terms. We are grateful for their service. We were pleased to welcome Yazmine Laroche as the City of Ottawa's nominee to the Board and Ross Meredith as Ottawa Tourism's nominee. Each brings extensive experience and unique perspectives that will no doubt enrich the conversations around the boardroom table.

The airport plays a vital role in regional economic growth and connectivity, and that role depends on strong collaboration. It underscores the importance of sustained focus on partnership, open dialogue with our stakeholders, and a shared commitment to advancing common priorities. Together, we are well positioned to strengthen Ottawa–Gatineau as a dynamic and competitive place to live, work, and visit.

With a clear strategy in place and strong leadership guiding the organization, I look forward the year ahead with confidence and optimism.

**Bonnie Boretsky** | Chair, Board of Directors

# YEAR IN REVIEW Financial highlights

In 2025, the Ottawa airport welcomed 4.9 million passengers which marked a 6% increase over 2024. International traffic experienced the greatest growth at 12%, while domestic traffic grew by 7% and transborder decreased by 2%. These volumes were achieved amid ongoing economic and geopolitical uncertainty. Despite these and other socio-economic factors that are expected to persist throughout 2026, there are reassuring signs for continued improvements in passenger growth – particularly in the domestic and international sectors – and solid financial performance in 2026 through increased passenger demand, air carrier schedules and flight capacity.

Total revenues for the year were $162.1 million, which was similar to 2024 figures. Excluding accounting adjustments, revenues increased by approximately 5 %, commensurate with the increase in passenger volumes and positive underlying performance across all revenue streams.

The Authority generated earnings before depreciation of $39.9 million, compared to $45.7 million in 2024, and closed the year with earnings of $8.9 million after depreciation. A strong balance sheet and available credit capacity supported continued investment while meeting all regulatory, operational, and debt service obligations.↘

**4.9 million**

Total passenger volume, 6% increase from 2024.

**3.7 million**

Domestic passengers, 6% increase from 2024.

**730,000**

Transborder passengers, -2% decrease from 2024.

**490,000**

International passengers, 12% increase from 2024.

# Strategic performance overview

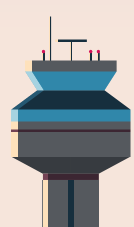
2025 marked a pivotal transition for the Authority as we prepared for a new phase of leadership and the development of a comprehensive Strategic Plan for 2026 to 2030 and beyond. YOW welcomed 4.9 million passengers in an operating environment that continued to evolve rapidly. New competitive dynamics, including Porter Airlines' transition from a regional operator to a North American network carrier, heightened security risks, capacity constraints, and growing expectations around environmental sustainability, equity, and diversity, all reinforced the need for a more forward-looking strategic approach.

In response, Senior Management undertook a strategic reset in 2024, identifying six strategic priorities to guide a focused 2025 Strategic Plan. This framework was intentionally designed as a bridge, moving the organization beyond day-to-day operational priorities and creating space for deeper, more rigorous strategic work with our new CEO. While not a full strategic plan, the approach applied a disciplined no-regrets lens to ensure that near-term initiatives would be consistent with future priorities, positioning the organization to enter its next planning cycle with clarity, momentum, and optionality.

The priorities that we set include **People and Culture; Air Service and Business Growth; Guest Experience; Operational Excellence; Community; and Sustainability and Resilience.**


## Five-year review (in thousands of Canadian dollars)

| | 2021 $ | 2022 $ | 2023 $ | 2024 $ | 2025 $ |
|---|---|---|---|---|---|
| Revenues | 56,638 | 111,795 | 145,624 | 162,050 | 162,120 |
| Expenses before depreciation | 62,029 | 86,123 | 105,629 | 116,315 | 122,207 |
| Earnings (loss) before depreciation | -5,391 | 25,672 | 39,995 | 45,735 | 39,913 |
| Capital expenditures | 9,799 | 14,728 | 20,595 | 26,685 | 37,860 |
| AIF revenues | 19,343 | 50,265 | 67,189 | 70,480 | 73,363 |



## Passenger growth by sector

| | YEAR | DOMESTIC | % | TRANSBORDER | % | INTERNATIONAL | % | TOTAL | % |
|---|---|---|---|---|---|---|---|---|---|
| ACTUAL | 2020 | 1,032,037 | -74.2 | 163,093 | -76.2 | 168,382 | -60.5 | 1,363,512 | -73.3 |
| | 2021 | 1,143,950 | 10.8 | 11,242 | -93.1 | 15,597 | -90.7 | 1,170,789 | -14.1 |
| | 2022 | 2,708,999 | 136.8 | 190,335 | 1,593.1 | 93,000 | 496.3 | 2,992,334 | 155.6 |
| | 2023 | 3,202,899 | 18.2 | 576,133 | 202.7 | 316,883 | 240.7 | 4,095,915 | 36.9 |
| | 2024 | 3,431,500 | 7.1 | 741,449 | 28.7 | 433,875 | 36.9 | 4,606,824 | 12.5 |
| | 2025 | 3,654,284 | 6.5 | 726,311 | -2.0 | 485,641 | 11.9 | 4,866,236 | 5.6 |
| FORECAST | 2026 | 3,924,864 | 7.4 | 676,790 | -6.8 | 498,346 | 2.6 | 5,100,000 | 4.8 |
| | 2030 | 4,339,101 | 10.6 | 1,137,497 | 68.1 | 623,402 | 25.1 | 6,100,000 | 19.6 |
| | 2031 | 4,425,883 | 2.0 | 1,160,247 | 2.0 | 635,870 | 2.0 | 6,222,000 | 2.0 |
| | 2032 | 4,514,401 | 2.0 | 1,183,452 | 2.0 | 648,587 | 2.0 | 6,346,440 | 2.0 |
| | 2033 | 4,604,689 | 2.0 | 1,207,121 | 2.0 | 661,559 | 2.0 | 6,473,369 | 2.0 |
| | 2034 | 4,696,782 | 2.0 | 1,231,263 | 2.0 | 674,790 | 2.0 | 6,602,835 | 2.0 |
| | 2035 | 4,790,781 | 2.0 | 1,255,889 | 2.0 | 688,286 | 2.0 | 6,734,956 | 2.0 |
| | 2040 | 5,367,654 | 12.0 | 1,407,114 | 12.0 | 771,165 | 12.0 | 7,545,933 | 12.0 |

## Key measurements

| | YEAR | PASSENGERS | ANNUAL GROWTH % | AIRCRAFT MOVEMENTS | ANNUAL GROWTH % | RENT TO TRANSPORT CANADA $ | ANNUAL GROWTH % |
|---|---|---|---|---|---|---|---|
| ACTUAL | 2020 | 1,363,512 | -73.3 | 23,384 | -69.1 | 439,000 | -95.8 |
| | 2021 | 1,170,789 | -14.1 | 17,397 | -25.6 | — | -100.0 |
| | 2022 | 2,992,334 | 155.6 | 39,716 | 128.3 | 7,832,000 | 100.0 |
| | 2023 | 4,095,915 | 36.9 | 49,971 | 25.8 | 11,032,000 | 40.9 |
| | 2024 | 4,606,824 | 12.5 | 56,196 | 12.5 | 11,797,000 | 6.9 |
| | 2025 | 4,866,236 | 5.6 | 58,557 | 4.2 | 12,624,000 | 7.0 |
| FORECAST | 2026 | 5,100,000 | 4.8 | 60,406 | 3.2 | 14,411,000 | 14.2 |
| | 2027 | 5,250,000 | 2.9 | 61,249 | 1.4 | 15,232,000 | 5.7 |
| | 2028 | 5,450,000 | 3.8 | 62,500 | 2.0 | 16,158,000 | 6.1 |
| | 2029 | 5,800,000 | 6.4 | 65,654 | 5.0 | 17,455,000 | 8.0 |
| | 2030 | 6,100,000 | 5.2 | 67,823 | 3.3 | 19,866,000 | 13.8 |

Notes:
Federal Government Net Book Value at time of transfer: $75 million. Total rent projected 1997-2028: $294 million.
Forecast passenger volumes are as provided by outside consultants. For financial planning purposes, the Authority forecasts on a more conservative basis.

# PRIORITY #1
## People and Culture

Our employees and corporate culture are central to the Authority's ability to deliver on its long-term strategy. In 2025, the organization focused on strengthening the foundations of a high-performing, inclusive, and adaptable workforce as part of the transition to new leadership and the development of the 2026 - 2030 Strategic Plan. With the operating environment becoming more complex and the organization preparing for a period of growth and change, building engagement, capability, and trust was essential.

Throughout the year, the Authority concentrated on creating a workplace that supports accountability, continuous learning, and collaboration, while reinforcing diversity, equity, and inclusion into our values. These efforts position the organization to attract, develop, and retain the talent required to deliver on the next phase of YOW's evolution. ↘

## Strategic focus areas for People and Culture included:

- **Employee Engagement and Recognition**
  Developed an employee recognition program that began with service-milestone celebrations as its kickoff priority, and will later broaden to celebrate innovation, teamwork, individual contributions, and ongoing employee feedback.
- **Enhanced Training and Development**
  Strengthening the foundation for a more structured and intentional approach to employee development by improving how we prioritize, assess, and identify targeted learning opportunities, making growth more accessible, focused, and impactful across the organization.
- **Fostering Inclusion**
  Advanced employee inclusion by deepening engagement across the organization, strengthening equitable compensation practices through the completed Pay Equity Plan, and improving communications with employees to support a more connected and informed workforce.

## Airport Workers Day

**On June 25, YOW joined more than 30 airports across Canada in celebrating Airport Workers Day and recognizing the many people who keep the aviation ecosystem running. Ice cream trucks travelled across the campus sharing cool treats with teams on a warm summer day, offering a small thank you to the people who keep our airport moving.**


## Milestones achieved:

- 34 external hires, 29 internal promotions, strengthening depth and succession across the organization
- New skills testing firefighter recruitment program launched
- New contract negotiated with Public Service Alliance of Canada
- Launch of revamped long service award program
- Employee survey completed and organization-wide action plan implemented
- Policy creation and updates, including Hybrid Work, Learning and Development, Employment Equity, and Recruitment and Selection
- Launched first employee Inclusion Survey to understand how to best advance Accessibility, Diversity, Equity, and Inclusion (ADE&I) across the organization
- Employee information display screens deployed across the organization in key employee gathering spaces


# PRIORITY #2
## Air Service and Business Growth

Air service and business growth are central to the Authority's role as a driver of regional economic development and connectivity. The plan focused on positioning YOW as a prominent North American gateway by strengthening infrastructure and financial resilience, enhancing operational efficiency, and improving passenger amenities. As passenger volumes continued to recover and Porter Airlines prioritized YOW as a major hub for both passenger connectivity and aircraft maintenance, these efforts were critical to ensuring YOW is ready to support increased travel, expanded cargo activity, and long-term growth.↘

## Strategic focus areas for Air Service and Business Growth included the following:

- **Infrastructure Investment:**

  Anticipated passenger growth, and the increase in connecting traffic due to the continuation Air France's year-round non-stop Paris flight, the addition of Air Canada's London-Heathrow flight, and Porter Airlines' expanding network, reinforced the need to develop a dedicated Connection Centre to support more efficient and reliable passenger processing. In 2025, a project was initiated with reduced transit times and improved passenger experience at its core. Significant progress was made, positioning the project to move into the design phase in January 2026.

- **Strategic Partnerships:**

  Leveraging partnerships with Ottawa Tourism and Destination Canada, YOW secured the resumption of non-stop service to London-Heathrow beginning March 31, strengthening the airport's international connectivity and the region's global profile. These partnerships also supported the retention of the route through the winter 2025–2026 season, reinforcing the long-term sustainability of this new service.

  Cargo continued to emerge as an increasingly important growth area, particularly through Canadian North's role in supporting supply chains to the eastern Arctic. Progress on the airline's new cargo facility, expected to be completed in summer 2026, will double cargo capacity while improving operational resilience and environmental responsibility.

- **Diversification of Revenue Streams:**

  In cooperation with SSP Canada, the YOW+ terminal enhancement program continued to advance, expanding food and beverage offerings and improving the passenger experience across the terminal. A competitive process for key concession renewals further strengthened the commercial program and supported the growth of non-aeronautical revenues.

  Parking and ground transportation remained vital revenue streams, supported by separate studies focused on long-term demand and pricing to ensure capacity and fee structures remain aligned with future growth.

## Milestones achieved:

- The Airport Station connecting YOW with Line 2 of the City of Ottawa's O-Train network opened
- The Connection Centre design team was selected
- North end check-in counter optimization to enhance passenger flow, operational efficiency and capacity to support long-term growth
- Secured non-stop air service to London-Heathrow, Victoria, Costa Rica, Cancún, Grand Cayman, Nassau, Puerto Vallarta
- New Starbucks in Canada/International gate area and Urban Crave in the transborder gate area opened
- Concession contracts were renewed for Vino Volo and Booster Juice
- Duty free contract was renewed with provider 3sixty

### London Calling!

**On March 31, we celebrated the long-awaited return of Air Canada's nonstop service to London Heathrow. Together with our partners from Ottawa Tourism, Destination Canada, Tourism Outaouais, the British High Commission and the City of Ottawa, we co-hosted hosted a fun and festive gate celebration for the inaugural flight with Air Canada. From the music to the décor and treats, we sent passengers off across the pond with a bit of British flair!**

# PRIORITY #3 Guest Experience

As Canada's capital airport, YOW is expected to deliver a level of service that reflects the importance of its role and the diversity of the region it serves. In 2025, the Authority focused on strengthening the end-to-end passenger journey by making it more seamless, welcoming, accessible, and inclusive, while laying the groundwork for a data-driven and responsive approach to customer experience.

### Strategic focus areas for Guest Experience included the following:

- **Seamless Airport Journey**
  A fully accessible interactive digital map was deployed to allow passengers to move more easily through the terminal.
- **Customer Feedback**
  We re-engaged with the Airport Service Quality (ASQ) program with launch expected in early 2026. ASQ provides a structured, internationally benchmarked platform to measure passenger satisfaction and guide operational and investment decisions.
- **Accessibility Enhancements**
  Building on initiatives such as the Sunflower and Aira programs, we worked with Spoke, a local provider, to test voice-to-text technology for travellers, supporting a more inclusive and barrier-free airport experience.

### Milestones achieved:

- Collaboration with CHEO on a video to help families with neurodiverse children be better prepared to enjoy the wonder of travel.
- Completion of YOW's Accessibility Plan progress report.

# PRIORITY #4
## Operational Excellence

Operational excellence is essential to maintaining safe, secure, and reliable airport operations while supporting continued growth. In 2025, the Authority focused on hardening its cybersecurity posture and the systems, processes and technologies that underpin day-to-day operations. We recognized that a more complex and digitally enabled airport requires higher levels of coordination, resilience, and situational awareness. ↘

## Strategic focus areas for Operational Excellence included the following:

- **Digital Roadmap**
  An enterprise-wide digital roadmap was developed to align technology investments with business priorities and guide further modernization efforts in 2026.
- **Improve Cyber Resilience and Overall Cyber Hygiene**
  A major upgrade of the Authority's data centre infrastructure improved service availability to a 99.9% reliability objective while strengthening cybersecurity. Disaster recovery plans, documentation, and testing were fully refreshed to align with the new architecture, and we established a Cyber Security Operations Centre to enhance monitoring, incident response, and reporting.
- **Safety and Security**
  Investments in camera systems, radio communications, and staffing within the Airport Operations Coordination Centre (AOCC) improved real-time oversight and strengthened the airport's ability to manage incidents, and disruptions, while maintaining stable daily operations.

## Milestones achieved:

- Upgrades to systems including parking, common use passenger processing, primary inspection kiosks, C-Cure physical access control, and baggage
- Large-scale emergency exercise conducted using an aircraft crash scenario
- Multiple tabletop exercises completed, including disaster recovery and crisis communications
- Six positions created in the AOCC and a formalized training program launched
- Safety Management System performance tracking refined

## Ottawa Innovation Week

**During Ottawa Innovation Week, the Authority partnered with Invest Ottawa and Porter Airlines to welcome members of the business community for a behind-the-scenes look inside Porter's hangar. Guests had the opportunity to learn about the advanced technology integrated into Porter's new aircraft maintenance operation supporting its growing Embraer E195-E2 fleet. The event also highlighted the important role Ottawa-Gatineau plays in Porter's expansion plans and offered a closer look at how innovation and aviation intersect at YOW.**

# PRIORITY #5 Community

Community and stakeholder engagement are central to the Authority's ability to grow responsibly and generate economic prosperity for the region. In 2025, the focus was on strengthening relationships with all levels of government, educational institutions, and Indigenous communities to support airport expansion, workforce development, and more meaningful collaboration across the communities we serve.

### Strategic focus areas for Community included the following:

- **Stakeholder Engagement**
  Formalized and regular engagement at various levels of government to discuss critical airport needs, including funding, regulatory matters, and airspace protection.
- **Educational Outreach**
  Partnered with the Transport Training Centre of Canada and Algonquin College for hiring programs. These efforts strengthened pathways into airside operations and emergency management roles, helping to build a more sustainable and locally rooted talent pipeline.
- **Local Representation**
  Relationships with local Algonquin communities strengthened through participation in the Canadian Museum of History's Algonquin Council. This led to dialogue and collaboration, including the development and adoption of a jointly created Land Acknowledgement and supporting policy.

### Milestones achieved:

- Ottawa Board of Trade Pillar Partnership agreement signed
- New Community Investment Program developed aligning sponsorships and donations with strategic and Environmental, Social and Governance (ESG) priorities
- Continued sponsorship of Elevate Aviation
- Land Acknowledgement introduced at Annual Public Meeting and supporting Policy was implemented
- Partnered with the Canadian Museum of Nature for YOW Showcase exhibit

# PRIORITY #6

## Sustainability and Resilience

Sustainability and resilience are essential to ensuring YOW can continue to operate responsibly and adapt to an increasingly complex and uncertain environment. In 2025, the Authority continued to focus on reducing environmental impact, strengthening resilience to climate and operational risks, and refined how major projects are governed to support better accountability and decision-making as the airport prepares for expansion.

### Strategic focus areas for Sustainability and Resilience included the following:

- **Enhance Governance Practices and Reporting**
  A foundational framework, including a formal decision log, was established to improve transparency, consistency, and accountability across major projects, with plans to expand the model across the full project portfolio in 2026 and beyond.
- **Energy Strategy**
  A comprehensive energy audit and strategic roadmap were initiated to guide future infrastructure development while meeting the Authority's environmental commitments.

### Highlights achieved:

- Electric vehicle fleet expansion
- Eight new electric vehicle charging stations installed, bringing the total installed across the campus to 42 units

### JUMP IN for Heart Health

**In September 2025, the YOW team proudly took part in JUMP IN for heart health in support of the University of Ottawa Heart Institute. About 30 employees joined the team, committing to 30 minutes of active movement each day throughout the month. Colleagues checked in daily, encouraging one another and building momentum together in support of heart health. The month concluded with a memorable team walk along the runway to celebrate the shared effort and commitment.**

## 2025 ACTUAL VS. BUSINESS PLAN (IN MILLIONS OF CANADIAN DOLLARS)

| | ACTUAL | PLAN | VARIANCE | |
|---|---|---|---|---|
| REVENUE | 162.1 | 167.8 | -5.7 | The variance is due to a lower number of passengers than planned. Given the impact of geopolitical and economic headwinds that emerged in 2025, the number of passengers was lower than expected with notable impact to transborder destinations. |
| EXPENSES | 153.2 | 149.0 | 4.3 | Operational expenses were higher than the Plan with increases in operational contracts, utilities and maintenance together with higher airfield materials and higher overtime due to a significant number of winter events in late 2025. |
| CAPITAL EXPENDITURES | 37.9 | 55.0 | -17.1 | The Authority experienced a combination of delays including further design and scoping of projects, supply chain and labour capacity with deferral of project spending into 2026. |

## FINANCIAL PROJECTION 2026 - 2030

| | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|
| REVENUE | 177.5 | 184.9 | 196.7 | 208.3 | 237.1 |
| EXPENSE | 163.0 | 173.7 | 185.0 | 199.4 | 213.0 |
| CAPITAL EXPENDITURES | 64.0 | 100.0 | 137.5 | 94.5 | 175.0 |

## Summary of amounts spent in the Ottawa region (in millions of Canadian dollars)

| | 2021 $ | 2022 $ | 2023 $ | 2024 $ | 2025 $ | TOTAL $ |
|---|---|---|---|---|---|---|
| Wage bill | 21.8 | 23.9 | 28 | 32.7 | 35.7 | 165.8 |
| Payments in lieu of municipal taxes | 1.5 | 1.3 | 3.2 | 4.4 | 5 | 20.9 |
| Operations costs | 22 | 31.6 | 42.5 | 47.4 | 49.8 | 217.3 |
| Capital costs | 9.8 | 14.7 | 20.5 | 26.7 | 37.9 | 126.4 |
| **Total** | **55.1** | **71.5** | **94.2** | **111.2** | **128.4** | **530.4** |

Notes:
The wage bill includes benefits and excludes CEWS subsidy. Payments in lieu of municipal taxes (PILT) – paid to the City of Ottawa.
Operations costs do not include rent, PILT, payroll, depreciation and interest expenses.

## Average nonstop departures (based on peak period)

Origin and destination (estimated)
87.6% in 2025 vs 88.2% in 2024

**Peak travel periods**
Domestic: August
Transborder: December
International: March

*Daily

| | DAILY | | WEEKLY |
|---|---|---|---|
| YEAR | DOMESTIC | TRANSBORDER | INTERNATIONAL |
| 2020 | 27 | 4 | 11 |
| 2021 | 34 | 2 | 2 |
| 2022 | 61 | 5 | 10 |
| 2023 | 64 | 19 | 38 |
| 2024 | 68 | 19 | 7* |
| 2025 | 69 | 17 | 7* |


# 2026 and Beyond

In addition to the many milestones achieved and building on the priorities identified in the 2025 Strategic and Action Plan, the entire leadership team worked diligently throughout the year to prepare a new five-year Strategic Plan. Leveraging comprehensive market survey data and stakeholder feedback, we identified development and other opportunities that will facilitate growth, capitalize on innovation, and strengthen ties with our community.

As a part of the strategic planning work, we also developed new guiding principles reflective of our ambitious goals for the future. We are proud of the team engagement throughout the process and the following elements that resulted.

### Purpose

We connect people, move goods, and create economic prosperity for our community.

### Vision

To be the North American hub of choice

### Mission

We operate a safe, sustainable and future-ready airport to meet the evolving needs of our customers, partners, and communities.

### Values

- Caring
- Courageous
- Innovative
- Collaborative

## Strategic Objectives

We recognize that the vision is ambitious. It is intentionally so – we need to be courageous if we are to pave the way to achieving our expansion and growth goals.

Five strategic objectives were developed to bring the Vision to reality:

- **Growth and Capacity:** Expand YOW's hub capability through sustainable growth and infrastructure.
- **Passenger Experience:** Excel in seamless passenger experience.
- **People and Culture:** Build a thriving, innovative inclusive culture through employee engagement and talent development.
- **Stakeholder Engagement:** Develop broad stakeholder relationships to champion future airport plans.
- **Digital Modernization:** Advance YOW as a digitally enabled airport to drive operational excellence and passenger experience.

We have determined tactics under each objective, which we will track throughout 2026. We look forward to reporting on the Strategic Plan and quantifying our progress.


# CORPORATE GOVERNANCE, ACCOUNTABILITY AND TRANSPARENCY

The Authority's mission is to operate a safe, sustainable and future ready airport to meet the evolving needs of our customers, partners, and communities. Details about the Board of Directors, including its composition, mandate, member profiles, by-laws, and Committee information, is available in the Governance section of our website.

## Attendance at Board and Committee meetings in 2025

| Director | Occupation | Selecting Body and year appointed | Board meetings attended | Committee member | Committee meetings attended while member of a committee |
|---|---|---|---|---|---|
| Bonnie Boretsky Chair of the Board Chair, Ad hoc Committee | Retired Executive | Transport Canada 2019 | 7 out of 7 | 3, 4, 5, 6, 7 | 25 out of 25 |
| Dick Brown (1) | Retired Executive | Ottawa Tourism 2016 | 2 out of 2 | 4, 5 | 4 out of 4 |
| Mario Cuconato | Vice President, Integrated Services, Civeo Canada | City of Ottawa 2020 | 7 out of 7 | 4, 5 | 11 out of 11 |
| Marc Joyal | Retired Executive | At Large 2022 | 7 out of 7 | 3, 6 | 12 out of 13 |
| Michèle Lafontaine, Chair, Governance Committee | Strategic Executive Counsel, Groupe Nordik | Ville de Gatineau 2017 | 7 out of 7 | 4, 7 | 6 out of 6 |
| Sylvain Laporte | Independent Director, Business Coach and Mentor | Transport Canada 2024 | 7 out of 7 | 3 | 11 out of 11 |
| Yazmine Laroche (2) | Retired Executive | City of Ottawa 2025 | 4 out of 5 | 4, 6 | 2 out of 5 |
| Bruce Lazenby | Semi-retired Executive Coach | At Large 2022 | 6 out of 7 | 6 | 9 out of 9 |
| Kevin McGarr, Chair, Human Resources and Compensation Committee | Principal, McGarr Advisory Services | At Large 2019 | 7 out of 7 | 5, 7 | 7 out of 7 |
| Ross Meredith (2) | Dual General Manager, Westin Ottawa/Delta Ottawa | Ottawa Tourism 2025 | 5 out of 5 | 5 | 3 out of 3 |
| Sam Michaud | Retired Aerospace and Defence Executive | Invest Ottawa 2024 | 7 out of 7 | 5, 6 | 9 out of 9 |
| Deanna Monaghan, Chair, Audit Committee | Retired Executive | At Large 2022 | 7 out of 7 | 3, 7 | 8 out of 8 |
| Jagdeep Perhar | Broker, Royal LePage Team Realty CEO, Perhar Consultants | Government of Ontario 2024 | 6 out of 7 | 4 | 5 out of 5 |
| Vanessa Pilotte | CEO, Choquette Legault Family Office | Chambre de commerce de Gatineau 2023 | 7 out of 7 | 3, 5 | 12 out of 13 |
| John Proctor, Chair, Major Infrastructure and Environment Committee | Business Executive, PwC | Ottawa Board of Trade 2021 | 7 out of 7 | 6, 7 | 6 out of 7 |
| Lisa Stilborn (1) | Vice President, Public Affairs and Government Relations Canadian Fuels Association | City of Ottawa 2016 | 2 out of 2 | 4 | 2 out of 2 |

**(1)** Term ended on: April 23, 2025 **(2)** Term started on: April 24, 2025 **(3)** Audit Committee **(4)** Governance Committee **(5)** Human Resources and Compensation Committee **(6)** Major Infrastructure and Environment Committee **(7)** Ad Hoc Committee

# Director's compensation in 2025

## Annual Retainer

- Chair: $58,930
- Audit Committee Chair: $28,812
- Committee Chairs: $26,193
- Other Directors: $15,715

## Per Meeting Fee

- $722 per meeting
- $262 per teleconference

# Transparency

The Authority accounts for its actions in a number of ways and is transparent about its procurement and contracting practices, at-risk pay program for management, fees and charges and public access to documents. More information is available in the Governance section of our website.

Contracts in excess of $144,046 that were not awarded on the basis of a public competitive process during 2025:

| CONTRACTOR | CONTRACT DESCRIPTION | REASON FOR SOLE SOURCE |
|---|---|---|
| Robly Mechanical Maintenance Ltd. | ThyssenKrupp passenger boarding bridge modernization work | See A below |
| Averest | Supply electric charging infrastructure for ground support equipment (GSE) | See B below |
| Beumer | Perform server software upgrades across integrated networks for the gage handling system (BHS) | See B below |
| Brock Solutions Inc. | Supply, programming, and installation of a new motor control panel to the collector conveyor system at the departure level | See A below |
| Deloitte Inc. | Strategic advisory services | See B below |
| Aviramp Limited | Aviramp ground loading ramp system | See B below |
| VMWare | 3-year licence agreement for virtualization software | See B below |
| Burovision | Office furniture designed to integrate with existing systems | See A below |
| Brock Solutions Incl | Supply hardware and software upgrades for passenger self-service bag drop | See B below |
| Collins Aerospace (ARINC) | 5-year licence and support agreement for the common-use passenger processing system (cMUSE) | See B below |
| Hi-Lite Canada, ULC | Installation of preformed thermoplastic airfield markings using AirMark products, including reinstatement of runway identifiers and hold-short lines | See B below |
| Beumer | 6-year resident services and support for baggage handing system (BHS) | See B below |
| COBUS Limited | COBUS 3000 Airport passenger bus | See A below |
| Bell Canada Inc. (Radio Division) | 5-year maintenance support agreement | See B below |

A. Sole source to ensure integration, functionality and familiarity with existing systems and regulations and product/services originally purchased following a public competitive process.

B. Single source for specialized proprietary equipment and/or services are available from only one supplier.

# Executive management salary ranges

The base salary range for the President of the Authority in 2025 was between $367,000 and $477,000. The base salary range for Vice Presidents in 2025 was between $143,097 and $289,749.

# Financial Review — 2025

This Financial Review reports on the results and financial position of the Ottawa International Airport Authority ["Authority"] for its year ended December 31, 2025. This review should be read in conjunction with the audited financial statements and related notes of the Authority. This review contains forward-looking statements, including statements regarding the business and anticipated financial performance of the Authority. These statements are subject to a number of risks and uncertainties that will cause actual results to differ from those contemplated in the forward-looking statements.

## OVERALL PERFORMANCE

The Authority recorded income of $39.9 million before depreciation for the year ended December 31, 2025 and compares to income of $45.7 million for the year ended December 31, 2024. The Authority recorded depreciation of $31.0 million in 2025 compared to $29.8 million in 2024. After subtracting depreciation, the Authority generated net income of $8.9 million in 2025 compared to net income of $16.0 million in 2024.

The Authority's net operating results for the three years ended December 31, 2025 are summarized as follows:

| IN MILLIONS OF CANADIAN DOLLARS | 2025 | 2024 | 2023 |
|---|---|---|---|
| Revenues | **162.1** | 162.1 | 145.6 |
| Expenses | **122.2** | 116.3 | 105.6 |
| Income before depreciation | **39.9** | 45.8 | 40.0 |
| Depreciation | **31.0** | 29.8 | 29.2 |
| Net income (loss) | **8.9** | 16.0 | 10.8 |
| Total assets | **480.2** | 481.2 | 483.9 |
| Gross - long-term debt | **433.1** | 450.0 | 465.8 |

## RESULTS OF OPERATIONS

### Operating Activities

During 2025, the airport experienced a 6% increase in passenger volume compared to 2024 and 19% higher than 2023.

The following table summarizes passenger volumes for the last three fiscal years:

| | | | | % CHANGE – 2025 VERSUS | |
|---|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2024 | 2023 |
| Domestic | **3,654,284** | 3,431,500 | 3,202,899 | 6 | 14 |
| Transborder | **726,311** | 741,449 | 576,133 | (2) | 26 |
| International | **485,641** | 433,875 | 316,882 | 12 | 53 |
| Total | **4,866,236** | 4,606,824 | 4,095,914 | 6 | 19 |

Domestic passenger volume was 6% higher on a year over year basis and showed encouraging trends through the summer and winter months. Traffic in each quarter was better compared to 2024 with notable increases from Air Canada and Porter Airlines to various markets, including Halifax, Winnipeg, Calgary and Victoria. WestJet was a solid performer to their western Canadian markets.

The first half of the year saw strong U.S. performance, with year over year growth of 7% and notable increases in passenger volume to Chicago, Fort Myers, Orlando, and Tampa. However, the impact of geopolitical and socioeconomic headwinds affected demand later in the year for transborder travel. As a result, the last six months recorded a 12% decline, driven in part by Porter's cancelled Las Vegas service, as well as reductions to Tampa, Newark, and Fort Myers. Despite the robust start, U.S. volume ultimately finished the year 2% below 2024 levels.

International traffic increased 12% compared to 2024. This increase was attributable to the re-launch of Air Canada's non-stop service to London-Heathrow at the end of March 2025, coupled with the continued year-round success of Air France's non-stop flight to Paris. Much of the United States Florida capacity decline was reallocated to the Caribbean, including new services to Costa Rica, the Cayman Islands, and Nassau late in the year.

By sector, a quarterly view of 2025 passenger volumes as compared to 2024 is as follows:

| | DOMESTIC | TRANSBORDER | INTERNATIONAL |
|---|---|---|---|
| Q1 | Higher by 14% | Higher by 12% | Lower by 10% |
| Q2 | Higher by 9% | Higher by 1% | Higher by 25% |
| Q3 | Higher by 5% | Lower by 3% | Higher by 66% |
| Q4 | Higher by 1% | Lower by 18% | Higher by 22% |
| Total | Higher by 6% | Lower by 2% | Higher by 12% |

By quarter, total passenger volumes were as follows:

| | 2025 | 2024 | % CHANGE |
|---|---|---|---|
| Q1 | **1,179,597** | 1,084,303 | 9 |
| Q2 | **1,209,444** | 1,114,467 | 9 |
| Q3 | **1,281,134** | 1,206,045 | 6 |
| Q4 | **1,196,061** | 1,202,009 | 0 |
| Total | **4,866,236** | 4,606,824 | 6 |

The size of an aircraft [based on maximum takeoff weight] and the number of "landed" seats on an aircraft [regardless of whether those seats are occupied by passengers] are the most significant drivers of aeronautical revenue. In 2025, the number of landed seats increased by 6% from the comparable period in 2024.

Domestic and international landed seats increased by 6% and 12% respectively while transborder decreased by 2%, on a year over year basis. Variances in the sectors mirror the variances experienced in passenger volume as explained above.

# REVENUES

In 2025, total revenues remained consistent with 2024 totals finishing the year with $162.1 million. All major revenue categories showed year over year growth as described further below, with the exception of other revenue (with a large component being gain on land lease). Discounting revenues recognizing the gain on land lease, revenues in 2025 increased by 5% on a year over year basis.

| REVENUES BY CATEGORY | | | CHANGE | |
|---|---|---|---|---|
| (IN THOUSANDS OF CANADIAN DOLLARS) | 2025 | 2024 | $ | % |
| Airport improvement fees | **73,363** | 70,480 | 2,883 | 4 |
| Terminal fees | **24,646** | 23,280 | 1,366 | 6 |
| Landing fees | **12,916** | 11,837 | 1,079 | 9 |
| Concessions | **19,212** | 18,036 | 1,176 | 7 |
| Car parking | **15,446** | 14,475 | 971 | 7 |
| Land and space rentals | **8,565** | 8,152 | 413 | 5 |
| Other revenue | **7,972** | 15,790 | (7,818) | (50) |
| Total | **162,120** | 162,050 | 70 | 0 |

Airport improvement fees ["AIF"] of $73.4 million in 2025 increased $2.9 million as compared to 2024. The year over year increase of 6% in passenger volume favourably impacted AIF revenue and was offset by an increase in connecting passengers in 2025 (12.4% vs 11.8% in 2024) attributable primarily to the increased flows from Air Canada and Porter Airlines and the opportunity to connect in Ottawa to points beyond.

Passengers connecting through YOW are exempt from the AIF. Under an agreement with the air carriers, AIF is collected by the air carriers in the price of a ticket and are remitted to the Authority on an estimated basis, net of air carrier service fees of 4% (reduced from 6% due to the implementation of a new AIF agreement effective March 1, 2025), on the first of the month following the month of enplanement of passengers. Final settlement based on actual passenger enplanements occurs at the end of the month following the month of enplanement.

Aeronautical revenue of $37.6 million, encompassing terminal fees, landing fees, security fees and loading bridge charges levied on air carriers, increased 7% over the prior year, which aligns to the 6% increase in landed seats in 2025 compared to 2024.

Revenue of $19.2 million from concessions increased 7% over the prior year. The increase was attributable mostly to the higher passenger volume combined with strong food and retail results given the new retail/food offerings on the post-security side of the passenger terminal. Car rental results remained consistent with prior year, while ground transportation outperformed prior year results by 12%.

Parking revenues of $15.4 million are $1.0 million higher than 2024 and represent an increase of 7% compared to 2024. The year over year passenger volume increase of 6% contributed to this favourable variance and was also offset by the impact of the higher number of connecting passengers who do not require car parking.

Land and space rentals increased $0.4 million as compared to 2024. The increase was mainly attributable to the annual increase in leasing rates.

Other revenues decreased by $7.8 million in comparison to last year. In 2024, results included the recognition of a significant one-time gain ($8.6 million) on a land lease in 2024 pursuant to IFRS 16. In 2025, a one-time gain of $1.5 million on another land lease was recognized pursuant to IFRS 16. Additionally, 2025 experienced lower interest income for the year due to lower cash balances and a lower interest rate environment in 2025 as compared to 2024.

# EXPENSES

Total expenses before depreciation increased by 5% to $122.2 million from $116.3 million in 2024.

| EXPENSES BY CATEGORY (IN THOUSANDS OF CANADIAN DOLLARS) | 2025 | 2024 | CHANGE $ | CHANGE % |
|---|---|---|---|---|
| Interest | **19,095** | 20,041 | (946) | (5) |
| Ground rent | **12,624** | 11,797 | 827 | 7 |
| Materials, supplies and services | **49,808** | 47,419 | 2,389 | 5 |
| Salaries and benefits | **35,717** | 32,645 | 3,072 | 9 |
| Payments in lieu of municipal taxes | **4,963** | 4,413 | 550 | 12 |
| Total | **122,207** | 116,315 | 5,892 | 5 |

Interest expense reflected in the statement of operations and comprehensive income results from borrowing to invest in the Authority's capital programs. The $0.9 million favorable variance in interest expense in 2025 relates to interest on the declining total principal balance of the three bonds held by the Authority.

Rent payable to the Government of Canada increased by 7% to $12.6 million in 2025 due to higher revenues. The Authority operates the airport under the terms of a Ground Lease [as amended, the "Lease"] with the Government of Canada that sets out the formula for calculating annual rent. The amount reflected as rent expense is estimated based on that formula. The formula calculates rent as a royalty based on a percentage of gross annual revenues on a progressive scale. Rent is calculated as a percentage of gross annual revenues as defined in the Lease, with no rent payable on the Authority's first $5.0 million in annual revenue and an increasing rent percentage payable as revenue increases, on a cumulative basis. Rent is levied at a maximum 12% rate on annual revenues in excess of $250.0 million as follows:

| GROSS REVENUES | RENT PAYABLE % | CUMULATIVE MAXIMUM RENT $ |
|---|---|---|
| On the first $5.0 million of revenues | 0.0 | 0 |
| On the next $5.0 million | 1.0 | 50,000 |
| On the next $15.0 million | 5.0 | 800,000 |
| On the next $75.0 million | 8.0 | 6,800,000 |
| On the next $150.0 million | 10.0 | 21,800,000 |
| On revenues over $250.0 million | 12.0 | |

Based on the Authority's projections, estimated rent payments under the Lease for the next five years are as follows:

| | |
|---|---|
| 2026 | $14.4 million |
| 2027 | $15.2 million |
| 2028 | $16.2 million |
| 2029 | $17.5 million |
| 2030 | $19.9 million |

The cost of materials, supplies and services increased $2.4 million to $49.8 million in 2025. While continuing to apply strict cost discipline, the Authority continues to adjust its spending on operations to ensure operational readiness aligns to expected passenger and flight volume increases. Contracted and professional services increased $3.0 million with increases in policing and security, recruiting, legal, cleaning and maintenance, utilities and technology initiatives. The impact of a larger number of intense weather events in 2025 as compared to 2024 resulted in $1.0 million in additional expenses for airside materials and fuel. These increases were offset by reductions in repairs of $0.5 million and a reduction of $1.0 million in AIF handling fees paid to air carriers as a result of a new AIF agreement earlier in 2025.

The cost of salaries and benefits increased by $3.1 million to $35.7 million in 2025. The annualized impact of 2024 hiring activities and the successful hiring of 2025 roles increased the year over year salaries expense. Furthermore, the impact of annual contracted increases for salaries and related benefit programs was also compounded by higher overtime than the comparable period in 2024. This overtime was required to ensure full staffing in critical positions during staff illness, training events, emergency exercises and seasonal peaks such as winter weather events.

Payments in lieu of municipal taxes have increased by 12% and reflect the impact of the prescribed calculation of this obligation under provincial legislation. Under this legislation, payments in lieu of municipal taxes are based on a fixed legislated rate per passenger for the Authority, multiplied by the previous year's passenger numbers. This legislation was adjusted in 2022 to suspend temporarily the cap that was previously in place in the prescribed formula and which limited the year over year increase in payments to 5%. Upon the return of 2019 passenger volume, the 5% cap will be reinstated within the prescribed calculation. The removal of the cap benefits the municipality as payments in lieu of municipal taxes will rise at the same rate as passenger volume [expected to be higher than 5% per year until 2019 levels are reached]. The Authority agreed to this change. The $5.0 million paid in 2025 reflects this prescribed calculation.

Depreciation reflects the allocation of cost over the useful life of the assets and investments in property, plant and equipment. In 2025, depreciation of $31.0 million was $1.3 million higher than 2024. The depreciation is related to capital projects completed in current and prior years and includes apron and taxiway reconstruction, terminal enhancement projects, major fleet vehicles and information technology initiatives.

# SUMMARY OF QUARTERLY RESULTS

The Authority's quarterly results are influenced by passenger activity, aircraft movements, public health and other factors such as weather and economic conditions and do not necessarily fluctuate consistently over time based on the season. Due to these external factors, the historic results on a quarterly basis cannot be relied upon as a predictor of future trends.

Selected unaudited quarterly financial information for the eight most recently completed quarters is set out below:

| QUARTER ENDED | 2025 | | | | 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| (IN MILLIONS OF CANADIAN DOLLARS) | MAR | JUNE | SEPT | DEC | MAR | JUNE | SEPT | DEC |
| Revenues | **40.5** | **38.6** | **41.1** | **42.0** | 38.9 | 36.4 | 37.5 | 49.2 |
| Expenses | **29.9** | **29.0** | **28.8** | **34.5** | 28.7 | 28.9 | 26.6 | 32.2 |
| Income before depreciation | **10.6** | **9.6** | **12.2** | **7.5** | 10.2 | 7.5 | 10.9 | 17.0 |
| Depreciation | **7.4** | **7.4** | **7.5** | **8.7** | 7.3 | 7.6 | 7.3 | 7.5 |
| Net income (loss) | **3.3** | **2.1** | **4.7** | **(1.2)** | 2.9 | (0.1) | 3.6 | 9.5 |

# CAPITAL EXPENDITURES

In accordance with the Authority's mandate, all net income is retained and reinvested in airport operations and development, including investment in property, plant, and equipment to meet ongoing operating requirements.

During 2025, the Authority invested $37.9 million in its capital expenditure program. Significant spending on capital projects includes terminal upgrades at $7.9 million, technology upgrades at $6.3 million, taxiway refurbishment at $5.4 million, elevated road project at $4.1 million, check-in capacity increases at $4.0 million, Parkade HVAC and refurbishment project at $2.8 million, additional primary inspection kiosks at $2.0 million, loading bridge modernization enhancements at $1.8 million and greenhouse gas emission reduction projects at $1.3 million.

# CONTRACTUAL OBLIGATIONS

In addition to rent payments noted above, the Authority has operating commitments in the ordinary course of business requiring payments, which diminish as contracts expire, as follows:

| (IN THOUSANDS OF CANADIAN DOLLARS) | PAYMENTS FOR YEARS ENDING DECEMBER 31 | | | | | | |
|---|---|---|---|---|---|---|---|
| | TOTAL | 2026 | 2027 | 2028 | 2029 | 2030 | THEREAFTER |
| Long-term debt [1] | 434,666 | 18,271 | 19,509 | 20,828 | 22,231 | 23,726 | 330,101 |
| Operating commitments | 42,816 | 17,586 | 7,265 | 6,540 | 5,819 | 5,606 | |
| Capital commitments | 61,100 | 36,066 | 12,288 | 12,746 | | | |
| Total contractual obligations | 538,582 | 71,923 | 39,062 | $40,114 | 28,050 | 29,332 | 330,101 |

[1]Further information on interest rates and maturity dates on long-term debt are provided in Note 7 to the Authority's audited financial statements.

# LIQUIDITY AND CAPITAL RESOURCES

As a non-share capital corporation, the Authority funds its operating requirements, including debt service, through operating and AIF revenues. The Authority manages its operations to ensure that AIF revenues are not used to fund regular operational expenses or operational capital. AIF revenues are used to fund debt service costs and other expenses and cash flows related to the Authority's infrastructure investment programs including airport expansion projects. The Authority finances infrastructure expenditures by borrowing in the capital markets and by using bank indebtedness.

The Authority maintains access to an aggregate of $120.0 million in committed credit facilities ["Credit Facilities"] with two Canadian banks. The following table summarizes the amounts available under each of these Credit Facilities, along with their related expiry dates and intended purposes:

| TYPE OF FACILITY | DEC 31, 2025 CDN$ [MILLIONS] | DEC 31, 2024 CDN$ [MILLIONS] | MATURITY | PURPOSE |
|---|---|---|---|---|
| Revolver - 364 Day | **40.0** | 40.0 | October 13, 2026 | General corporate and capital expenditures |
| Revolver - 3-Year | **40.0** | 40.0 | July 4, 2026 | General corporate and capital expenditures |
| Revolver - 5-Year | **40.0** | 40.0 | May 31, 2030 | General corporate and capital expenditures |
| Total | **120.0** | 120.0 | | |

The Authority's cash and cash equivalents decreased by $16.3 million during 2025 to $24.1 million as at December 31, 2025.

The Authority issues revenue bonds [collectively, "Bonds"] under a trust indenture dated May 24, 2002 [as amended or supplemented, the "Master Trust Indenture"] setting out the terms of all debt, including bank facilities and revenue bonds. Under the Master Trust Indenture, the Authority is required to maintain with the trustee under the Master Trust Indenture ["Trustee"], a debt service fund ["Debt Service Reserve Fund"] equal to six months' debt service in the form of cash, qualified investments or letter of credit.

At December 31, 2025, the balance of cash and qualified investments held in the Debt Service Reserve Fund for the Series B Amortizing Revenue Bonds and the Series F Revenue Bonds was $8.7 million.

Furthermore, in order to satisfy the Debt Service Reserve Fund requirement for the Series E Amortizing Revenue Bonds, $9.5 million of the Authority's Credit Facility has been drawn from an irrevocable standby letter of credit in favor of the Trustee.

The Master Trust Indenture also requires that the Authority maintain an operating fund ["Operating and Maintenance Reserve Fund"] in an amount equal to 25% of defined operating and maintenance expenses for the previous year. This fund may be maintained in the form of cash and investments held by the Authority or the undrawn availability of a committed credit facility. As at December 31, 2025, $21.4 million of the Authority's Credit Facilities had been designated exclusively to the Operating and Maintenance Reserve Fund.

As at December 31, 2025, Credit Facilities available net of designated and drawn amounts is $89.1 million [2024 - $90.5 million].

As at December 31, 2025, the Authority was in full compliance with the provisions of its debt facilities, including the Master Trust Indenture provisions related to reserve funds, the flow of funds and the rate covenant requirements.

In 2025, S&P Global maintained the Authority's credit rating at A+ in respect of the Authority's Bonds under the Master Trust Indenture and also maintained its outlook to "Stable" on the basis of strong passenger recovery trends, positive income levels and trends and the Authority's track record of systematic debt reduction.

# STATEMENT OF FINANCIAL POSITION AND OTHER HIGHLIGHTS

Accounts receivables increased $4.5 million to $15.4 million at December 31, 2025, and is a return to expected levels as the balance of December 31, 2024 was lower than usual due to an early receipt of $2.9 million from one major carrier in late December 2024.

Finance lease receivables increased by $2.1 million in 2025. This increase is attributable to the recognition of a new lease receivable relating to the commencement of a long-term finance lease with a subtenant.

Accounts payable and accrued liabilities increased by $5.1 million to $22.7 million on December 31, 2025, and is reflective of accruals for amounts payable due to increased levels of infrastructure work in the latter part of year and airfield operational activity that were required due to significant and frequent winter weather in November and December.

# RISKS AND UNCERTAINTIES

## Aviation Activity

The Authority will continue to face certain risks beyond its control which can have a significant impact on its financial condition. The Canadian airports model is based on the user base paying for all Authority activities with no ongoing government funding of operations. Airports establish reasonable rates and charges to its users and stakeholders that must ensure financial sustainability. Airport revenue is largely a function of passenger volume. Air travel demand is the primary driver of supply.

The air transportation industry has been resilient over the course of time. There are events that could negatively affect passenger demand at the airport and therefore the Authority's revenues. These risks, among others, include economic conditions and disruption resulting from tariffs, recessionary trends, currency volatility, regulatory actions and legislative changes, air carrier instability, the ability and willingness of airlines to provide air service, the increase in the cost of air fares, labour disputes, the availability and cost of aviation fuel, insurance costs, environmental regulation.

The financial uncertainty of the airline industry remains an ongoing risk to the Authority given the ongoing impact of new air carriers, evolution of business and leisure traveller profiles, traveller discretion on mode of travel and associated environmental impact and volatility of political and economic factors that present risks to expected activity levels. At YOW, Porter Airlines is notable due to its rapid growth in number of destinations served and passenger volume – inclusive of increased connectivity. Air Canada remains a significant operator and has also increased capacity. The airport continues to see high levels of origin and destination passenger activity [87.6% - 2025; 88.2% - 2024] and this continues to be a strong driver and predictor of the strength of the Canada's Capital Region as a market

## Aviation Liability Insurance

The availability of adequate insurance coverage is subject to the conditions of the overall insurance market and the Authority's claims and performance record. The Authority participates with an insurance buying group that also includes airport authorities from Vancouver, Edmonton, Calgary, Winnipeg, Montreal, and Halifax. This group has been successful in placing all of its insurance needs.

# Financial Statements

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Management of Ottawa Macdonald-Cartier International Airport Authority is responsible for the integrity of the accompanying financial statements and all other information in this Annual Report. The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles, which for publicly accountable enterprises, and in the case of the Authority, require International Financial Reporting Standards. Their preparation necessarily involves the use of management's best estimates and careful judgement, particularly in those circumstances where transactions affecting a current period are dependent upon future events. All financial information in the Annual Report is consistent with the information and data contained in the financial statements.

To discharge its responsibilities for financial reporting and safeguarding of assets, management believes that it has established appropriate systems of internal accounting control which provide reasonable assurance that the financial records are reliable and form a proper basis for the timely and reliable preparation of financial statements.

The Board of Directors discharges its responsibilities for the financial statements primarily through its Audit Committee, which is composed solely of directors who are neither officers nor employees of the Authority. This committee meets periodically with management and the independent auditors to review performance and to discuss audit, internal control, accounting policy, and financial reporting matters. The Audit Committee reports its findings to the Board of Directors which reviews and approves the annual financial statements. These financial statements were reviewed by the Audit Committee and approved by the Board of Directors.

The financial statements have been audited by Ernst & Young LLP, who were appointed at the annual general meeting. Their report is presented below.

Susan Margles
President and Chief Executive Officer

Rob Turpin, CPA, CA, CPA (Illinois, USA)
Vice President, Finance and Chief Financial Officer

Ottawa Ontario Canada February 25, 2026

# Independent auditor's report

To the Directors of
**Ottawa Macdonald-Cartier International Airport Authority**

## Opinion

We have audited the financial statements of **Ottawa Macdonald-Cartier International Airport Authority** [the "Authority"], which comprise the statement of financial position as at December 31, 2025, and the statement of operations and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ["IFRSs"].

## Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other information

The other information obtained at the date of the auditor's report is the section *Financial Review* included in the annual report. Management is responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Canada
February 25, 2026

**Ottawa Macdonald-Cartier International Airport Authority**

# Statement of financial position

[expressed in thousands of dollars]

As at December 31

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| **Assets** | | |
| **Current** | | |
| Cash | **24,132** | 40,398 |
| Trade and other receivables *[note 11]* | **15,406** | 10,884 |
| Consumable supplies | **4,327** | 4,656 |
| Prepaid expenses | **5,913** | 4,704 |
| **Total current assets** | **49,778** | 60,642 |
| Debt Service Reserve Fund *[note 7[a]]* | **8,761** | 8,656 |
| Finance lease receivables *[note 12]* | **22,897** | 20,781 |
| Property, plant and equipment, net *[note 3]* | **392,360** | 385,540 |
| Other assets *[note 4]* | **5,977** | 5,501 |
| Post-employment pension benefit asset, net *[note 9]* | **380** | 105 |
| | **480,153** | 481,225 |
| **Liabilities and equity** | | |
| **Current** | | |
| Accounts payable and accrued liabilities | **22,679** | 17,578 |
| Current portion of long-term debt *[note 7]* | **18,271** | 17,107 |
| **Total current liabilities** | **40,950** | 34,685 |
| Other post-employment benefit liability *[note 9]* | **7,711** | 6,711 |
| Long-term debt *[note 7]* | **414,834** | 432,880 |
| **Total liabilities** | **463,495** | 474,276 |
| Commitments and contingencies *[note 14]* | | |
| **Equity** | | |
| Retained earnings | **22,153** | 13,271 |
| Accumulated other comprehensive loss | **(5,495)** | (6,322) |
| **Total equity** | **16,658** | 6,949 |
| | **480,153** | 481,225 |

*See accompanying notes*

On behalf of the Board:

Director

Director

**Ottawa Macdonald-Cartier International Airport Authority**

# Statement of operations and comprehensive income

[expressed in thousands of dollars]

Year ended December 31

| | 2025 | 2024 |
|---|---|---|
| | $ | $ |
| **Revenue** | | |
| Airport improvement fees *[note 8]* | **73,363** | 70,480 |
| Terminal fees and loading bridge charges | **24,648** | 23,280 |
| Landing fees | **12,916** | 11,837 |
| Concessions | **19,212** | 18,036 |
| Car parking | **15,446** | 14,475 |
| Land and space rentals *[note 12]* | **8,565** | 8,152 |
| Other *[note 12]* | **7,970** | 15,790 |
| | **162,120** | 162,050 |
| **Expenses** | | |
| Interest and financing costs *[note 7[b]]* | **19,095** | 20,041 |
| Ground rent *[note 12]* | **12,624** | 11,797 |
| Materials, supplies and services | **49,808** | 47,419 |
| Salaries and benefits *[note 9]* | **35,717** | 32,645 |
| Payments in lieu of municipal taxes | **4,963** | 4,413 |
| | **122,207** | 116,315 |
| Income before depreciation | **39,913** | 45,735 |
| Depreciation *[note 3]* | **31,031** | 29,763 |
| **Net income for the year** | **8,882** | 15,972 |
| **Other comprehensive income** | | |
| Item that will never be reclassified subsequently to net income | | |
| Remeasurement of defined benefit plans *[note 9]* | **827** | 193 |
| **Comprehensive income for the year** | **9,709** | 16,165 |

*See accompanying notes*

**Ottawa Macdonald-Cartier International Airport Authority**

## Statement of changes in equity

[expressed in thousands of dollars]

Year ended December 31

| | 2025 | 2024 |
|---|---|---|
| | $ | $ |
| **Retained earnings (deficit), beginning of year** | **13,271** | (2,701) |
| Net income for the year | **8,882** | 15,972 |
| **Retained earnings, end of year** | **22,153** | 13,271 |
| **Accumulated other comprehensive loss, beginning of year** | **(6,322)** | (6,515) |
| Item that will never be recycled into net income | | |
| Income on remeasurement of defined benefit plan *[note 9]* | **827** | 193 |
| **Accumulated other comprehensive loss**, **end of year** | **(5,495)** | (6,322) |
| **Total equity** | **16,658** | 6,949 |

*See accompanying notes*

**Ottawa Macdonald-Cartier International Airport Authority**

# Statement of cash flows

[expressed in thousands of dollars]

Year ended December 31

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| **Operating activities** | | |
| Net income for the year | **8,882** | 15,972 |
| Add (deduct) items not affecting cash | | |
| Other revenue – finance lease gain | **(1,548)** | (8,556) |
| Depreciation | **31,031** | 29,763 |
| Interest and financing costs | **19,095** | 20,041 |
| Interest income | **(2,895)** | (4,049) |
| Amortization of tenant inducements | **98** | (466) |
| Increase in other post-employment benefit liability | **725** | 400 |
| | **55,388** | 53,105 |
| Changes in non-cash working capital balances related to operations | | |
| Trade and other receivables | **(4,522)** | 2,923 |
| Prepaid expenses and consumable supplies | **235** | (2,376) |
| Accounts payable and accrued liabilities | **3,572** | (2,042) |
| **Cash provided by operating activities** | **54,673** | 51,610 |
| **Investing activities** | | |
| Purchase of property, plant and equipment | **(37,860)** | (26,685) |
| Proceeds on disposal of property, plant and equipment | **9** | 157 |
| Lease payments received from finance leases | **542** | 534 |
| Change in accounts payable and accrued liabilities related to investing activities | **414** | (1,368) |
| Interest received | **2,003** | 3,025 |
| **Cash used in investing activities** | **(34,892)** | (24,337) |
| **Financing activities** | | |
| Interest paid | **(18,940)** | (19,852) |
| Repayment of long-term debt | **(17,107)** | (16,014) |
| **Cash used in financing activities** | **(36,047)** | (35,866) |
| **Net decrease in cash during the year** | **(16,266)** | (8,593) |
| Cash, beginning of year | **40,398** | 48,991 |
| **Cash, end of year** | **24,132** | 40,398 |

*See accompanying notes*

**Ottawa Macdonald-Cartier International Airport Authority**

# Notes to financial statements

[expressed in thousands of dollars, unless otherwise noted]

December 31, 2025

## 1. Description of business

Ottawa Macdonald-Cartier International Airport Authority [the “Authority”] was incorporated January 1, 1995 as a corporation without share capital under Part II of the *Canada Corporations Act* and continued under the *Canada Not-for-profit Corporations Act* on January 17, 2014. All earnings of the Authority are retained and reinvested in airport operations and development.

The objectives of the Authority are:

[a] To manage, operate and develop the Ottawa Macdonald-Cartier International Airport [the “Airport”], the premises of which are leased to the Authority by the Government of Canada *[note 12],* and any other airport in the National Capital Region for which the Authority becomes responsible, in a safe, secure, efficient, cost-effective and financially viable manner with reasonable airport user charges and equitable access to all carriers;

[b] To undertake and promote the development of the Airport lands, for which it is responsible, for uses compatible with air transportation activities; and

[c] To expand transportation facilities and generate economic activity in ways that are compatible with air transportation activities.

The Authority is governed by a 14-member Board of Directors, 10 of whom are nominated by the Minister of Transport for the Government of Canada, the Government of the Province of Ontario, the City of Ottawa, the City of Gatineau, the Ottawa Chamber of Commerce, the Ottawa Tourism and Convention Authority, Chambre de commerce de Gatineau and Invest Ottawa. The remaining four members are appointed by the Board of Directors from the community at large.

On January 31, 1997, the Authority signed a 60-year ground lease [that was later extended to 80 years in 2013] with the Government of Canada and assumed responsibility for the management, operation and development of the Airport.

The Authority is exempt from federal and provincial income taxes and Ontario capital tax. The Authority is domiciled in Canada. The address of the Authority’s registered office and its principal place of business is Suite 2500, 1000 Airport Parkway Private, Ottawa, Ontario, Canada, K1V 9B4.

## 2. Basis of preparation and summary of material accounting policies

The financial statements were authorized for issuance by the Board of Directors on February 25, 2026. The financial statements and amounts included in the notes to the financial statements are presented in Canadian dollars, which is the Authority’s functional currency.

The Authority prepares its financial statements in accordance with International Financial Reporting Standards [“IFRS”]. These financial statements have been prepared on a going-concern basis using the historical-cost basis.

**Ottawa Macdonald-Cartier International Airport Authority**

# Notes to financial statements

[expressed in thousands of dollars, unless otherwise noted]

December 31, 2025

**Consumable supplies**

Inventories of consumable supplies are valued at the lower of cost, determined on a first-in, first-out basis, and net realizable value, based on estimated replacement cost.

**Property, plant and equipment**

Property, plant and equipment are recorded at cost, and include only the amounts expended by the Authority. These assets will revert to the Government of Canada upon the expiration or termination of the Authority's ground lease with the Government of Canada. Property, plant and equipment do not include the cost of facilities that were included in the original ground lease with the Government of Canada. Incremental borrowing costs incurred during the construction phase of qualifying assets are included in the cost. During the years ended December 31, 2025 and 2024, no incremental borrowing costs were capitalized.

Amounts initially recognized in respect of an item of property, plant and equipment are allocated to its significant parts and depreciated separately when the cost of the component is significant in relation to the total cost of the item and when its useful life is different from the useful life of the item. The method of depreciation and useful lives of assets are reviewed annually and adjusted if appropriate.

Depreciation is provided on a straight-line basis over the useful lives of individual assets and their component parts as follows:

| | |
|---|---|
| Buildings and support facilities | 3–40 years |
| Runways, roadways and other paved surfaces | 10–50 years |
| Information technology, furniture and equipment | 2–25 years |
| Vehicles | 3–20 years |
| Land improvements | 10–25 years |

Construction-in-progress is recorded at cost and is capitalized to buildings and support facilities and other asset categories as appropriate when the project is complete and the asset is available for use, or is written off when, due to changed circumstances, management does not expect the project to be completed. Construction-in-progress is not subject to depreciation until the project is completed and the relevant asset is available for use.

The Authority may acquire investment property, or the right to a share of an investment property, which is property held for capital appreciation and/or to earn rental income. Property is stated at historical cost less accumulated depreciation and any recognized accumulated impairment loss, with the exception of land, which is recorded at cost less any accumulated impairment loss.

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use. The gain or loss arising from derecognition [determined as the difference between net disposal proceeds and the carrying amount of the item] is included in net income when the item is derecognized.

**Ottawa Macdonald-Cartier International Airport Authority**

## Notes to financial statements

[expressed in thousands of dollars, unless otherwise noted]

December 31, 2025

**Impairment of non-financial assets**

Property, plant and equipment are tested for impairment at the cash-generating unit level when events or changes in circumstances indicate that their carrying amount may not be recoverable. A cash-generating unit is the smallest group of assets that generates cash flows from continuing use that are largely independent of the cash flows of other assets or groups of assets. An impairment loss is recognized when the carrying value of the assets in the cash-generating unit exceeds the recoverable amount of the cash-generating unit.

Because the Authority's business model is to provide services to the travelling public, none of the property, plant and equipment of the Authority are considered to generate cash flows that are largely independent of the other assets and liabilities of the Authority. Consequently, all property, plant and equipment are considered part of the same cash-generating unit. In addition, the Authority's unfettered ability to raise its rates and charges as required to meet its obligations mitigates its risk of impairment losses. Management regularly reviews indicators and has assessed that there are no indicators of impairment affecting non-financial assets.

Additionally, the interest in 4160 Riverside Drive *[note 4]* is tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

**Deferred financing costs**

Bond discounts and transaction costs relating to the issuance of long-term debt, including underwriting fees and professional fees, are deferred and amortized using the effective interest rate method over the term of the related debt. Under the effective interest rate method, amortization is recognized over the life of the debt at a constant rate applied to the net carrying amount of the debt. Amortization of deferred financing costs is included in interest expense. Deferred financing costs are reflected as a reduction in the carrying amount of related long-term debt.

**Leases**

At inception of a contract, the Authority assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

*Ground lease*

The Authority recognizes its ground lease in the similar manner as a short-term lease given the payments are variable in nature. Rent imposed under the ground lease with the Government of Canada is calculated based on airport revenues for the year as defined in the lease and is considered contingent rent. Ground rent expense is accounted for as a short-term lease in net income.

*The Authority as lessee*

Except for the ground lease, the Authority elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery and equipment that have a lease term of 12 months or less and leases of low-value assets, including photocopiers and printers. The Authority recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**Ottawa Macdonald-Cartier International Airport Authority**

# Notes to financial statements

[expressed in thousands of dollars, unless otherwise noted]

December 31, 2025

*The Authority as lessor*

When the Authority acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Authority makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Authority considers certain indicators, such as whether the lease is for the major part of the economic life of the asset.

The Authority recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of land and space rentals.

The amount receivable from the lessee in accordance with a finance lease is recognized at an amount equal to the net investment of the Authority in the lease. Payments received from finance leases are recognized over the term of the lease in order to reflect a constant periodic return on the Authority's net investment in the finance lease as part of other revenue. Finance lease receivables are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable using the simplified approach.

**Revenue recognition**

The Authority's principal sources of revenue comprise revenue from the rendering of services for landing fees, terminal fees and loading bridge charges, Airport improvement fees ["AIF"], car parking, concessions, land and space rentals, and other revenue.

Revenue is measured by reference to the transaction price agreed to by the Authority and the customer for services rendered, net of rebates and discounts.

Revenue is recognized when or as, the Authority satisfies a performance obligation by transferring control of a product or service to a customer, which occurs when the criteria for each of the Authority's different revenue activities have been met, as described below.

Landing fees, terminal fees, loading bridge charges and car parking revenues are recognized as the Airport facilities are utilized.

AIF are recognized upon the enplanement of origination and destination passengers using information from air carriers obtained after enplanement has occurred. AIF revenue is remitted to the Authority based on airlines self-assessing their passenger counts. The Authority performs an annual reconciliation with air carriers.

Concession revenue is recognized on the accrual basis and calculated using agreed percentages of reported concessionaire sales, with specified minimum annual guarantees for some concession contracts.

Land and space rentals revenue is recognized on a straight-line basis over the lives of respective leases. Tenant inducements associated with leased premises, including the value of rent-free periods, are deferred and amortized on a straight-line basis over the term of the related lease.

Other revenue includes income from other sources, including interest income, and is recognized as earned.

**Ottawa Macdonald-Cartier International Airport Authority**

# Notes to financial statements

[expressed in thousands of dollars, unless otherwise noted]

December 31, 2025

**Pension plan and other post-employment benefits**

The post-employment pension benefit asset (liability) recognized on the statement of financial position is the fair value of plan assets less the present values of defined pension benefit obligations as at the statement of financial position date subject to the asset ceiling test. The accrued benefit obligation is discounted using the market interest rate on high-quality corporate debt instruments as at the measurement date, approximating the terms of the related pension liability.

The Authority accrues its obligations under pension and other post-employment benefit plans as employees render the services necessary to earn these benefits. The costs of these plans are actuarially determined using the projected unit credit method based on length of service. This determination reflects management's best estimates at the beginning of each fiscal year of the rate of salary increases and various other factors including mortality, termination, retirement rates and expected future health care costs. For the purpose of calculating the net interest cost on the pension obligations net of pension plan assets, the pension plan assets are valued at fair value.

The other post-employment benefit liability recognized on the statement of financial position is the present value of the defined benefit obligation as at the statement of financial position date. The accrued benefit obligation is discounted using the market interest rate on high-quality corporate debt instruments as at the measurement date, approximating the terms of the related other post-employment benefit liability.

Pension expense for the defined benefit pension plan includes current and past service cost and the net interest cost on the pension obligations, net of pension plan assets calculated using the market interest rate on high-quality corporate debt instruments as determined for the previous statement of financial position date. Current and past service costs are recognized immediately in net income. Pension expense is included in salaries and benefits in net income.

Actuarial gains and losses [experience gains and losses that arise because actual experience for each year will differ from the beginning-of-year assumptions used for purposes of determining the cost and liabilities of these plans] and the effect of the asset ceiling are recognized in full as remeasurements of defined benefit plans in the period in which they occur in other comprehensive income or loss ["OCI"] without recycling to the statement of operations and comprehensive income in subsequent periods.

Pension expense for the defined contribution pension plan is recorded as the benefits are earned by the employees covered by the plan.

**Employee benefits other than post-employment benefits**

The Authority recognizes the expense related to compensation and compensated absences, such as sick leave and vacations, as short-term benefits in the period the employee renders the service. Costs related to employee health, dental and life insurance plans are recognized in the period that expenses are incurred. The liabilities related to these benefits are not discounted due to their short-term nature.

**Ottawa Macdonald-Cartier International Airport Authority**

# Notes to financial statements

[expressed in thousands of dollars, unless otherwise noted]

December 31, 2025

**Financial instruments**

*Financial assets*

The Authority's financial assets, consisting of cash, trade and other receivables [excluding sales taxes receivable] and the Debt Service Reserve Fund, are classified at amortized cost.

*Financial liabilities*

The Authority's financial liabilities, including accounts payable and accrued liabilities and long-term debt, are classified at amortized cost.

*Measurement of ECLs*

Expected credit loss ["ECL"] is defined as the weighted average of credit losses determined by evaluating a range of possible outcomes using reasonable supportable information about past events, and current and forecasted future economic conditions.

The Authority has developed an impairment model to determine the allowance for ECL on trade and other receivables [excluding sales taxes receivable] classified at amortized cost. The Authority determines an allowance for ECL at initial recognition of the financial instrument that is updated for each reporting period throughout the life of the instrument.

The Authority assesses, on a forward-looking basis, the ECL associated with its financial instruments carried at amortized cost. The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Authority uses judgment in making these assumptions and selecting the inputs to the impairment calculation based on the Authority's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

The Authority has adopted the simplified approach and, as such, the Authority does not track changes in its customers' credit risk but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Authority has established a provision that is based on its historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment.

Therefore, the Authority recognizes impairment and measures ECL as lifetime ECL. The carrying amount of these assets in the statement of financial position is stated net of any loss allowance. Impairment of trade and other receivables is presented within materials, supplies and services expenses in the statement of operations and comprehensive income.

**Estimation uncertainty and key judgments**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, commitments and contingencies as at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Accounting estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

These accounting estimates and assumptions are reviewed on an ongoing basis. Actual results could significantly differ from those estimates. Adjustments, if any, will be reflected in the statement of operations and comprehensive income in the period of settlement or in the period of revision and future periods if the revision affects both current and future periods.

**Ottawa Macdonald-Cartier International Airport Authority**

# Notes to financial statements

[expressed in thousands of dollars, unless otherwise noted]

December 31, 2025

Key judgment areas, estimations and assumptions include the useful lives of property, plant and equipment, and the cost of employee future benefits.

*Useful lives of property, plant and equipment*

Critical judgments are used to determine the useful lives of assets that impact depreciation amounts.

*Cost of employee future benefits*

The Authority accounts for pension and other post-employment benefits based on actuarial valuation information provided by the Authority's independent actuaries. These valuations rely on statistical and other factors in order to anticipate future events. These factors include discount rates and key actuarial assumptions, such as expected salary increases, expected retirement ages and mortality rates.

**Payment in lieu of municipal taxes**

In December 2000, the Province of Ontario amended the *Assessment Act* to change the methodology for determining payments in lieu of taxes ["PILT"] for airports in Ontario. Under regulations signed in March 2001, PILT paid by airport authorities designated under the *Airport Transfer (Miscellaneous Matters) Act* are based on a fixed rate specific to each airport multiplied by the airport's prior year passenger volumes. This legislation effectively removes airports in Ontario from the effects of market value assessment.

**New and amended standards and interpretations**

The Authority actively monitors new standards and amendments to existing standards that have been issued by the International Accounting Standards Board. The Authority has consistently applied the accounting policies to all periods presented in these financial statements.

The Authority has noted the following amendments and new standard.

*Amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates ["IAS 21"]: Lack of Exchangeability*

The amendments to IAS 21 are to determine if the currency is exchangeable into another currency at the measurement date and for specified purposes. If the amount is not exchangeable, then the entity shall estimate the spot exchange rate at the measurement date taking into consideration the prevailing economic conditions between the two markets. When estimated spot rates are used, additional disclosure requirements include the nature of the transaction, effects on the financial statements, spot rate used, estimation process and any associated risks. The amendments are effective for annual periods beginning on or after January 1, 2025. The amendments did not result in any changes to the financial statements.

*IFRS 18, Presentation and Disclosure in Financial Statements ["IFRS 18"]*

IFRS 18 was issued in 2024 and is effective for annual periods beginning on or after January 1, 2027. It includes requirements related to the presentation and disclosure of information in the financial statements. The key changes introduced in IFRS 18 relate to the structure of the statement of operations and comprehensive income, required disclosures of management-defined performance measures in the financial statements and enhanced principles on aggregation and disaggregation. The Authority continues to assess the impact on the financial statements and related disclosures.

**Ottawa Macdonald-Cartier International Airport Authority**

## Notes to financial statements
[expressed in thousands of dollars, unless otherwise noted]

December 31, 2025

### 3. Property, plant and equipment

| | Buildings and support facilities<br>$ | Runways, roadways and other paved surfaces<br>$ | Information technology, furniture and equipment<br>$ | Vehicles<br>$ | Land improvements<br>$ | Construction-in-progress<br>$ | Total<br>$ |
|---|---|---|---|---|---|---|---|
| **Gross value** | | | | | | | |
| As at January 1, 2025 | 571,595 | 142,355 | 58,985 | 37,812 | 12,206 | 12,062 | 835,015 |
| Additions | | | | | | 37,860 | 37,860 |
| Transfers | 9,428 | 5,272 | 11,685 | 304 | 182 | (26,871) | — |
| Disposals | (8,756) | — | (2,380) | — | (90) | — | (11,226) |
| **As at December 31, 2025** | 572,267 | 147,627 | 68,290 | 38,116 | 12,298 | 23,051 | 861,649 |
| **Accumulated depreciation** | | | | | | | |
| As at January 1, 2025 | 305,472 | 65,347 | 44,883 | 23,788 | 9,985 | — | 449,475 |
| Depreciation | 20,119 | 4,964 | 3,668 | 2,011 | 269 | — | 31,031 |
| Disposals | (8,756) | — | (2,380) | 9 | (90) | — | (11,217) |
| **As at December 31, 2025** | 316,835 | 70,311 | 46,171 | 25,808 | 10,164 | — | 469,289 |
| **Net book value** | | | | | | | |
| **As at December 31, 2025** | 255,432 | 77,316 | 22,119 | 12,308 | 2,134 | 23,051 | 392,360 |

**Ottawa Macdonald-Cartier International Airport Authority**

## Notes to financial statements

[expressed in thousands of dollars, unless otherwise noted]

December 31, 2025

| | Buildings and support facilities $ | Runways, roadways and other paved surfaces $ | Information technology, furniture and equipment $ | Vehicles $ | Land improvements $ | Construction-in-progress $ | Total $ |
|---|---|---|---|---|---|---|---|
| **Gross value** | | | | | | | |
| As at January 1, 2024 | 561,465 | 135,875 | 59,482 | 36,204 | 12,137 | 8,043 | 813,206 |
| Additions | — | — | — | — | — | 26,685 | 26,685 |
| Transfers | 10,461 | 6,501 | 2,394 | 2,695 | 615 | (22,666) | — |
| Disposals | (331) | (21) | (2,891) | (1,087) | (546) | — | (4,876) |
| **As at December 31, 2024** | 571,595 | 142,355 | 58,985 | 37,812 | 12,206 | 12,062 | 835,015 |
| **Accumulated depreciation** | | | | | | | |
| As at January 1, 2024 | 286,559 | 60,569 | 44,860 | 22,496 | 9,946 | — | 424,430 |
| Depreciation | 19,244 | 4,799 | 2,914 | 2,221 | 585 | — | 29,763 |
| Disposals | (331) | (21) | (2,891) | (929) | (546) | — | (4,718) |
| **As at December 31, 2024** | 305,472 | 65,347 | 44,883 | 23,788 | 9,985 | — | 449,475 |
| **Net book value** | | | | | | | |
| **As at December 31, 2024** | 266,123 | 77,008 | 14,102 | 14,024 | 2,221 | 12,062 | 385,540 |

**Ottawa Macdonald-Cartier International Airport Authority**

# Notes to financial statements

[expressed in thousands of dollars, unless otherwise noted]

December 31, 2025

## 4. Other assets

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Interest in 4160 Riverside Drive, at cost | **2,930** | 2,930 |
| Tenant inducements, net of amortization | **3,047** | 2,571 |
| | **5,977** | 5,501 |

**Interest in 4160 Riverside Drive**

In an agreement signed on May 27, 1999, the Authority agreed to assist the Regional Municipality of Ottawa-Carleton [now the City of Ottawa, the "City"] in acquiring lands municipally known as 4160 Riverside Drive by contributing to the City 50% of the funds required for the acquisition. In return, the City agreed to place restrictions on the use of the lands to ensure the lands are used for purposes that are compatible with the operations of the Authority. In addition, the Authority will receive 50% of the net proceeds from any future sale, transfer, lease or other conveyance of the lands.

**Tenant inducements**

In 2011 and in 2021, the Authority entered into long-term lease agreements with subtenants that included multi-year rent-free periods, and in one situation, the Authority provided, as a tenant inducement, a payment of $1.5 million towards the cost of utilities infrastructure and other site improvements. The value of the tenant inducements are being amortized over the term of the respective leases.

## 5. Credit facilities

The Authority maintains access to an aggregate of $120.0 million [2024 – $120.0 million] in committed credit facilities ["Credit Facilities"] with two Canadian banks. The 364-day Credit Facilities that expired on October 13, 2025 have been extended for another 364-day term expiring on October 13, 2026. The Credit Facilities are secured under a trust indenture dated May 24, 2002 [as amended or supplemented, the "Master Trust Indenture"] *[note 7[a]]* and are available by way of overdraft, prime rate loans or bankers' acceptances. Indebtedness under the Credit Facilities bears interest at rates that vary with the lender's prime rate and bankers' acceptance rates, as appropriate.

The following table summarizes the amounts authorized under each of the Credit Facilities, along with their related expiry dates and intended purposes:

| Type of facility | Maturity | Purpose | 2025<br>$ millions | 2024<br>$ millions |
|---|---|---|---|---|
| Revolver – 364-day | October 13, 2026 | General corporate and capital expenditures | **40** | 40 |
| Revolver – 3-year | July 4, 2026 | General corporate and capital expenditures | **40** | 40 |
| Revolver – 5-year | May 31, 2030 | General corporate and capital expenditures | **40** | 40 |
| | | | **120** | 120 |

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As at December 31, 2025, there is no bank indebtedness under these facilities.

As at December 31, 2025, $21.4 million [2024 – $20.0 million] of the Credit Facilities has been designated to the Operating and Maintenance Reserve Fund *[note 7[a]]*.

In order to satisfy the Debt Service Reserve Fund requirement for the Series E Amortizing Revenue Bonds, an irrevocable standby letter of credit in favour of the trustee under the Master Trust Indenture [“Trustee”] in the amount of $9.5 million has been drawn from the available Credit Facilities.

As at December 31, 2025, Credit Facilities available net of designated and drawn amounts total $89.1 million [2024 – $90.5 million].

## 6. Capital management

The Authority is continued without share capital under the *Canada Not-for-profit Corporations Act* and, as such, all earnings are retained and reinvested in airport operations and development. Accordingly, the Authority’s only sources of capital for investing in airport operations and development are long-term debt and accumulated net income included on the Authority’s statement of financial position as retained earnings.

The Authority incurs debt, including long-term debt, to finance development. It does so on the basis of the amount that it considers it can afford and manage based on revenue from AIF and to maintain appropriate debt service coverage and long-term debt per enplaned passenger ratios. This provides for a self-imposed limit on what the Authority can spend on major development of the Airport, such as the Authority’s major infrastructure construction programs.

The Authority manages its rates and charges for aeronautical and other fees to safeguard the Authority’s ability to continue as a going concern and to maintain a conservative capital structure. It makes adjustments to these rates in light of changes in economic conditions, operating expense profiles and regulatory environment to maintain sufficient net yes to meet ongoing debt coverage requirements.

The Authority is not subject to capital requirements imposed by a regulator, but manages its capital to comply with the covenants of the Master Trust Indenture *[note 7[a]]* and to maintain its credit ratings in order to secure access to financing at a reasonable cost.

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### 7. Long-term debt

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| 6.973% Amortizing Revenue Bonds, Series B, due May 25, 2032, interest payable on May 25 and November 25 of each year until maturity commencing November 25, 2002, scheduled accelerating semi-annual instalments of principal payable on each interest payment date commencing November 25, 2004 through to May 25, 2032 | **78,160** | 86,651 |
| 3.933% Amortizing Revenue Bonds, Series E, due June 9, 2045, interest payable on June 9 and December 9 of each year commencing December 9, 2015 followed by scheduled fixed semi-annual instalments of $9,480 including principal and interest payable on each interest payment date commencing December 9, 2020 through to June 9, 2045 | **256,506** | 265,122 |
| 2.698% Revenue Bonds, Series F, due May 5, 2031, interest payable on May 5 and November 5 of each year until maturity commencing November 5, 2021 through to May 5, 2031 | **100,000** | 100,000 |
| | **434,666** | 451,773 |
| Less deferred financing costs | **1,561** | 1,786 |
| | **433,105** | 449,987 |
| Less current portion | **18,271** | 17,107 |
| | **414,834** | 432,880 |

**[a] Bond issuances**

The Authority issues revenue bonds [collectively, "Bonds"] under the Master Trust Indenture. In May 2002, the Authority completed its original $270.0 million revenue bond issuance with two series, the $120.0 million Revenue Bonds, Series A at 5.64% due on May 25, 2007, and the $150.0 million Amortizing Revenue Bonds, Series B at 6.973% due on May 25, 2032. In May 2007, the Authority completed the $200.0 million Revenue Bonds, Series D at 4.733%, in part to refinance the Series A Revenue Bonds repaid on May 25, 2007.

On June 9, 2015, the Authority completed the $300.0 million Amortizing Revenue Bonds, Series E, which bear interest at a rate of 3.933% and are due on June 9, 2045. Part of the net proceeds from this offering were used to prefund the repayment of the $200.0 million Series D Bonds, which matured and were repaid on May 2, 2017.

On May 5, 2021, the Authority completed the issuance of the Series F $100.0 million Revenue Bonds that bear interest at a rate of 2.698% and are due on May 5, 2031. Part of the net proceeds from this offering were used for the repayment of $35.0 million in bank indebtedness, and $1.4 million was allocated to satisfy the Debt Service Reserve Fund requirement for the Series F Revenue Bonds.

The Series B Amortizing Revenue Bonds and the Series F Revenue Bonds are redeemable, in whole or in part, at the option of the Authority at any time, and the Series E Amortizing Revenue Bonds are redeemable until six months prior to the maturity date, upon payment of the greater of:

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[i] The aggregate principal amount remaining unpaid on the Bonds to be redeemed; and

[ii] The value that would result in a yield to maturity equivalent to that of a Government of Canada bond of equivalent maturity plus a premium. The premium is 0.24% for the Series B Amortizing Revenue Bonds, 0.42% for the Series E Amortizing Revenue Bonds and 0.27% for the Series F Revenue Bonds. If the Series E Amortizing Revenue Bonds are redeemed within six months of the maturity date, the Series E Amortizing Revenue Bonds will be redeemable at a price equal to 100% of the principal amount outstanding plus any accrued and unpaid interest.

The net proceeds from these offerings were used to finance the Authority's infrastructure construction programs, and for general corporate purposes. These purposes included refinancing existing debt and bank indebtedness incurred by the Authority in connection with these construction programs and funding of the Debt Service Reserve Fund [see below].

Under the Master Trust Indenture, all of these bond issuances are direct obligations of the Authority ranking pari passu with all other indebtedness issued. All indebtedness, including indebtedness under Credit Facilities, is secured under the Master Trust Indenture by an assignment of revenues and related book debts, a security interest on money in reserve funds and certain accounts of the Authority, a security interest in leases, concessions and other revenue contracts of the Authority, and an unregistered mortgage of the Authority's leasehold interest in airport lands.

For the year ended December 31, 2025, the Authority is compliant with all provisions of its debt facilities, including the Master Trust Indenture provisions related to reserve funds, the flow of funds and the rate covenant requirements.

Under the terms of the Master Trust Indenture, the Authority is required to maintain with the Trustee a Debt Service Reserve Fund equal to six months' debt service in the form of cash, qualified investments or a letter of credit. As at December 31, 2025, the balance of cash and qualified investments held to satisfy the Debt Service Reserve Fund requirements is $8.7 million [2024 – $8.7 million] and includes the Debt Service Reserve Fund requirement for the Series B Amortizing Revenue Bonds of $7.3 million [2024 – $7.3 million] and the Debt Service Reserve Fund requirement for the Series F Revenue Bonds of $1.4 million [2024 – $1.4 million]. Furthermore, in order to satisfy the Debt Service Reserve Fund requirement for the Series E Amortizing Revenue Bonds, an irrevocable standby letter of credit in favour of the Trustee in the amount of $9.5 million has been drawn from the available Credit Facilities. These trust funds are held for the benefit of the bondholders for use and application in accordance with the terms of the Master Trust Indenture. In addition, the Authority is required to maintain an Operating and Maintenance Reserve Fund equal to 25% of defined operating and maintenance expenses from the previous 12 months. As at December 31, 2025, $21.4 million [2024 – $20.0 million] of the Credit Facilities has been designated to the Operating and Maintenance Reserve Fund *[note 5]*.

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December 31, 2025

**[b] Interest and financing costs**

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Bond interest | **18,854** | 19,755 |
| Other interest and deferred financing expense | **241** | 286 |
| | **19,095** | 20,041 |

**[c] Future annual principal payments for all long-term debt**

| | $ |
|---|---|
| 2026 | 18,271 |
| 2027 | 19,509 |
| 2028 | 20,828 |
| 2029 | 22,231 |
| 2030 | 23,726 |
| Thereafter | 330,101 |
| | 434,666 |

**[d] Deferred financing costs**

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Deferred financing costs | **5,155** | 5,155 |
| Less accumulated amortization | **3,594** | 3,369 |
| | **1,561** | 1,786 |

## 8. Airport improvement fees

AIF are collected by the air carriers in the price of a ticket and are paid to the Authority on an estimated basis, net of air carrier administrative fees of 6% for the period from January 1, 2025 to February 28, 2025 and 4% from March 1, 2025 to December 31, 2025 [2024 – 6%], on the basis of estimated enplaned passengers under an agreement between the Authority, the Air Transport Association of Canada and the air carriers serving the Airport. Under the agreement, AIF revenue may only be used to pay for the capital and related financing costs of airport infrastructure development. AIF revenue is recorded at its gross amount in net income. Administrative fees paid to the air carriers were $3.2 million [2024 – $4.2 million].

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December 31, 2025

AIF funding activities in the year are outlined below:

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Earned revenue | **73,363** | 70,480 |
| Air carrier administrative fees | **(3,173)** | (4,229) |
| **Net AIF revenue earned** | **70,190** | 66,251 |
| Eligible capital asset purchases | **(37,860)** | (26,685) |
| Eligible interest expense | **(18,474)** | (19,380) |
| Eligible other expenses | **(267)** | (275) |
| | **(56,601)** | (46,340) |
| **Excess of AIF revenue over AIF expenditures** | **13,590** | 19,911 |

AIF funding activities on a cumulative basis since inception of the AIF are outlined below:

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Earned revenue | **991,546** | 918,182 |
| Air carrier administrative fees | **(59,492)** | (56,319) |
| **Net AIF revenue earned** | **932,054** | 861,863 |
| Eligible capital asset purchases | **(846,191)** | (808,330) |
| Eligible interest expense | **(505,760)** | (487,285) |
| Eligible other expenses | **(3,912)** | (3,645) |
| | **(1,355,863)** | (1,299,260) |
| **Deficiency of AIF revenue over AIF expenditures** | **(423,809)** | (437,397) |

The AIF will continue to be collected until the cumulative excess of expenditures over AIF revenue is reduced to zero.

### 9. Pension plan and other post-employment benefits

The amounts recognized as the post-employment assets/liabilities on the statement of financial position as at December 31 are as follows:

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Post-employment pension benefit asset, net | **380** | 105 |
| Other post-employment benefit liability | **7,711** | 6,711 |

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The Authority sponsors and funds a pension plan for its employees, which has defined benefit and defined contribution components.

Under the defined contribution plan, the Authority pays fixed contributions into an independent entity to match certain employee contributions. The Authority has no legal or constructive obligation to pay further contributions after its payment of the fixed contribution.

The defined benefit plan includes employees who were employees of the Authority on the date of transfer of the responsibility for the management, operation and development of the Airport from Transport Canada on January 31, 1997 *[note 1]*, including former Transport Canada employees, the majority of whom transferred their vested benefits from the Public Service Superannuation Plan to the Authority's pension plan. Pension benefits payable under the defined benefit component of the plan are based on members' years of service and the average of the best six years' consecutive earnings near retirement up to the maximum allowed by law. Benefits are indexed annually to reflect the increase in the consumer price index to a maximum of 8% in any one year.

Pension plan costs are charged to operations as services are rendered based on an actuarial valuation of the obligation.

In addition to pension plan benefits, the Authority provides other post-employment and retirement benefits to some of its employees, including health care insurance and payments upon retirement or termination of employment. The Authority accrues the cost of these future benefits as employees render their services based on an actuarial valuation. This plan is not funded.

As at the date of the most recent actuarial valuation of the pension plan, which was as at December 31, 2024 and was completed and filed in June 2025 as required by law, the plan had a surplus on a funding [going concern] basis of $1,912 assuming a discount rate of 3.5% [2023 – $3,248 assuming a discount rate of 3.50%]. This amount differs from the amount reflected below primarily because the obligation is calculated using the discount rate that represents the expected long-term rate of return of assets. For accounting purposes, it is calculated using an interest rate determined with reference to market rates on high-quality debt instruments with cash flows that match the timing and amount of expected benefit payments.

*The Pension Benefits Standards Act, 1985* [the "Act"] requires that a solvency analysis of the plan be performed to determine the financial position [on a "solvency basis"] of the plan as if it were fully terminated on the valuation date due to insolvency of the sponsor or a decision to terminate. As at December 31, 2024, the plan had a surplus on a solvency basis of $2,352 [2023 – $1,416 surplus] before considering the present value of additional solvency payments required under the Act.

The next required actuarial valuation of the defined benefit pension plan, which will be as at December 31, 2025, is scheduled to be completed and filed by its June 2026 due date. The plan's funded position and the amounts of solvency payments required under the Act are subject to fluctuations in interest rates. It is expected that, once the actuarial valuation is completed, the additional solvency payments that are required for 2025 will be nil [2024 – nil]. In addition, the Authority expects to contribute approximately $115 [2025 actuals – $142] on account of current service in 2025 to the defined benefit component of the pension plan for the year ending December 31, 2025.

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Based on the most recent actuarial determination of pension plan benefits completed as at December 31, 2024 and extrapolated to December 31, 2025 by the Authority's actuaries, the estimated status of the defined benefit pension plan is as follows:

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| **Accrued benefit obligation – defined benefit pensions** | | |
| **Balance, beginning of year** | **54,051** | 54,348 |
| Employee contributions | **28** | 37 |
| Benefits paid | **(3,179)** | (2,971) |
| Current service cost | **112** | 157 |
| Interest cost on accrued benefit obligation | **2,499** | 2,520 |
| Actuarial loss (gain) – change in economic assumptions | **(15)** | 544 |
| Actuarial gain – change in plan experience | **(355)** | (584) |
| **Balance, end of year** | **53,141** | 54,051 |
| | | |
| **Plan assets – defined benefit pensions** | | |
| **Fair value, beginning of year** | **58,530** | 58,803 |
| Employee contributions | **28** | 37 |
| Employer contributions | **142** | 193 |
| Benefits paid | **(3,179)** | (2,971) |
| Interest on plan assets [net of administrative expenses] | **2,513** | 2,590 |
| Actuarial loss on plan assets | **(788)** | (122) |
| Fair value – plan assets | **57,246** | 58,530 |
| Effect of limiting the net defined benefit asset to the asset ceiling | **(3,725)** | (4,374) |
| **Fair value, end of year** | **53,521** | 54,156 |
| | | |
| **Post-employment pension benefit asset, net** | **380** | 105 |

The net defined benefit pension plan expense for the year ended December 31 was as follows:

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Current service cost | **112** | 157 |
| Interest cost on accrued benefit obligation, net of interest on effect of limiting ceiling | **2,707** | 2,732 |
| Interest on plan assets [net of administrative expenses] | **(2,513)** | (2,590) |
| **Defined benefit pension plan expense recognized in salaries and benefits expense in net income** | **306** | 299 |

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In addition to pension benefits, the Authority provides other post-employment benefits to its employees. The status of other post-employment benefit plans, based on the most recent actuarial reports, measured as of December 31 is as follows:

| | **2025** | **2024** |
|---|---|---|
| | $ | $ |
| **Accrued benefit obligation – other post-employment benefits** | | |
| **Balance, beginning of year** | **6,711** | 6,399 |
| Benefits paid | **(435)** | (316) |
| Past service cost | **910** | (53) |
| Current service cost | **373** | 296 |
| Interest cost | **360** | 308 |
| Actuarial loss (gain) – change in economic assumptions | **(208)** | 77 |
| **Balance, end of year** | **7,711** | 6,711 |

The net expense for other post-employment benefit plans for the year ended December 31 was as follows:

| | **2025** | **2024** |
|---|---|---|
| | $ | $ |
| Current service cost | **373** | 296 |
| Interest cost | **360** | 308 |
| **Expense recognized in salaries and benefits expense in net income** | **733** | 604 |

The amount recognized in OCI for the defined benefit pension plan and other post-employment benefit plans for the year ended December 31 was as follows:

| | **2025** | **2024** |
|---|---|---|
| | $ | $ |
| **Defined benefit pension plans** | | |
| Actuarial loss (gain) – change in economic assumptions | **(15)** | 544 |
| Actuarial gain – change in plan experience | **(355)** | (584) |
| Actuarial loss on plan assets | **788** | 122 |
| Effect of limiting the net defined benefit asset to the asset ceiling | **(1,036)** | (352) |
| **Other post-employment benefit plans** | | |
| Actuarial loss (gain) – change in economic assumptions | **(209)** | 77 |
| **Total income recognized in OCI** | **(827)** | (193) |

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The costs of the defined benefit component of the pension plan and of other post-employment benefits are actuarially determined using the projected benefit method prorated on services. This determination reflects management's best estimates of the rate of return on plan assets, rate of salary increases and various other factors, including mortality, termination and retirement rates.

The significant economic assumptions used by the Authority's actuaries in measuring the Authority's accrued benefit obligations as at December 31 are as follows:

| | **2025** | **2024** |
|---|---|---|
| | % | % |
| **Defined benefit pension plan** | | |
| Discount rate to determine expense | **4.75** | 4.75 |
| Discount rate to determine year-end obligations | **4.75** | 4.75 |
| Interest rate on plan assets | **4.75** | 4.75 |
| Rate of average compensation increases | **3.10** | 3.10 |
| Rate of inflation indexation post-retirement [consumer price index] – 2024 represents 3.00% for next two years and 2.10% thereafter | **2.10** | 3.00/2.10 |
| **Other post-employment benefit plans** | | |
| Discount rate to determine expense | | |
| Health care | **4.75** | 4.75 |
| Severance program | **4.75** | 4.75 |
| Discount rate to determine year-end obligation | | |
| Health care | **4.75** | 4.75 |
| Severance program | **4.75** | 4.50 |
| Rate of average compensation increases | **3.10** | 3.00 |
| Rate of increases in health care costs | | |
| Trend rate for the next fiscal year | **4.25** | 5.10 |
| Ultimate trend rate | **3.30** | 3.90 |
| Fiscal year the ultimate trend rate is reached | **2039** | 2039 |

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The Authority's defined benefit pension plans and post-retirement benefit plans face a number of risks, including inflation, but the most significant of these risks relates to changes in interest rates [discount rate]. The defined benefit pension plan's liability is calculated for various purposes using discount rates set with reference to corporate bond yields. If plan assets underperform this yield, this will increase the deficit. A decrease in this discount rate will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings. In addition to the risks of fluctuations in interest rates [discount rate] outlined above, the Authority's pension plans are subject to a number of other risks. Relative to the actuarial assumptions noted above, the financial impact of changes in key assumptions is outlined below:

| | Change in assumption | Impact on obligation after increase in assumption | Impact on obligation after decrease in assumption |
|---|---|---|---|
| | %/year | $ | $ |
| **Defined benefit pension plan** | | | |
| Discount rate | 1% | (604) | 752 |
| Inflation | 1% | 665 | (550) |
| Compensation | 1% | — | — |
| Life expectancy | 1 year | 94 | — |
| Discount rate – solvency liability as at December 31, 2024 | 1% | (1,522) | 1,921 |
| **Other post-employment benefit plans** | | | |
| Discount rate | | | |
| Health care | 1% | (546) | 690 |
| Severance program | 1% | (205) | 239 |
| Health care costs | 1% | 688 | (549) |
| Life expectancy | 1 year | 176 | (181) |

The Authority's pension and other post-employment benefit plans are designed to provide benefits for the life of the member. Increases in life expectancy will result in an increase in the plans' liabilities. The obligations for these plans as at December 31, 2025 have been estimated by the Authority's actuaries using the most recent mortality tables available [Canadian Pensioner Mortality 2014 Combined Sector Mortality Table].

The investment policy for the pension plan's defined benefit funds was revised in 2018 to adopt a strategy based on plan maturity with segmentation based on retirees as at December 31, 2018 and all other members at that date. This approach involved setting up a liability-matching fund for retired members who were receiving a pension as at December 31, 2018 and a balanced growth fund for managing the assets related to the liabilities of all other members.

Under the liability-matching fund, all assets are fully invested in a buy-in annuity contract purchased in December 2018 for 57 retired members.

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Under the balanced growth fund, the pension plan purchased fully indexed buy-in annuity contracts as follows: December 1, 2020 for five retired members; November 1, 2022 for five retired members; August 1, 2025 for six retired members.

As at December 31, 2025, 100% [2024 – 94%] of all retired members are covered by fully indexed buy-in annuity contracts. For future retirements of active and deferred members, additional buy-in or buy-out annuities may be considered depending on market conditions. The defined benefit plan is a closed plan. As at the date of the most recent actuarial valuation, being December 31, 2024, the average age of the three active members was 58 years. The average age of the 70 retired members was 71 years.

Responsibility for governance of the plans, including overseeing aspects of the plans such as investment decisions, lies with the Authority through a Pension Committee. The Pension Committee in turn has appointed experienced independent experts such as investment advisors, investment managers, actuaries and a custodian for assets.

The financial instruments measured at fair value are to be classified according to the following hierarchy:

Level 1 – Valuation based on quoted prices [unadjusted] in active markets for identical assets or liabilities;
Level 2 – Valuation techniques with significant observable market parameters; and
Level 3 – Valuation techniques with significant unobservable market parameters.

The percentage distribution of total fair value of assets of the pension plans by major asset category as at December 31 is as follows:

| | Level | 2025<br>% | 2024<br>% |
|---|---|---|---|
| Fixed-income fund | 2 | **10.0** | 17.0 |
| Commercial mortgages fund | 2 | **1.5** | 2.0 |
| Annuity buy-in contract | 3 | **85.0** | 75.0 |
| Equity funds – Canadian funds | 2 | **1.0** | 1.0 |
| Equity funds – international and global funds | 2 | **2.0** | 3.0 |
| Emerging market fund | 2 | **0.5** | 1.0 |
| Real estate fund | 2 | **—** | 1.0 |

The Authority's contribution to the defined contribution component of the pension plan is a maximum of 8% of the employee's gross earnings to match employee contributions.

Information on this component is as follows:

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Employer contributions – defined contribution plan | **1,861** | 1,521 |
| Employee contributions – defined contribution plan | **2,118** | 1,688 |
| Net expense recognized in salaries and benefits expense in net income | **1,861** | 1,521 |

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## 10. Fair value measurement

Fair values are measured and disclosed in relation to the fair value hierarchy that reflects the significance of inputs used in determining the estimates.

The Authority has assessed that the fair values of cash, trade and other receivables [except for sales tax receivable/payable], and accounts payable and accrued liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Authority's long-term debt is reflected in the financial statements at amortized cost *[note 7]*. As at December 31, 2025, the estimated fair value of the long-term Series B and Series E Amortizing Revenue Bonds and Series F Revenue Bonds is $85.6 million, $234.4 million and $91.1 million, respectively [2024 – $94.5 million, $243.7 million and $91.1 million, respectively]. The fair value of the Bonds is estimated by calculating the present value of future cash flows based on year-end benchmark interest rates and credit spreads for similar instruments.

## 11. Financial instruments and risk management

The Authority is exposed to a number of risks as a result of the financial instruments on its statement of financial position that can affect its operating performance. These risks include interest rate risk, liquidity risk, credit risk and concentration risk. The Authority's financial instruments are not subject to foreign exchange risk or other price risk.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The following financial instruments are subject to interest rate risk as at December 31:

| | **2025** | | **2024** | |
|---|---|---|---|---|
| | **Carrying value** $ | **Effective year-end interest rate** % | **Carrying value** $ | **Effective year-end interest rate** % |
| Cash and Debt Service Reserve Fund [floating rates] [1] | **32,893** | **3.57** | 49,054 | 4.32 |
| Long-term debt [at fixed cost] | **433,105** | **See note 7** | 449,987 | See note 7 |

[1] Includes Debt Service Reserve Fund of $8,761 [2024 – $8,656]

The Authority has entered into fixed rate long-term debt, and, accordingly, the impact of interest rate fluctuations has no effect on interest payments until such time as this debt is to be refinanced. Changes in prevailing benchmark interest rates and credit spreads, however, may impact the fair value of this debt. The Authority's most significant exposure to interest rate risk relates to its future anticipated borrowings and refinancing.

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In addition, the Authority's cash and its Debt Service Reserve Fund are subject to floating interest rates. Management has oversight over interest rates that apply to its cash and the Debt Service Reserve Fund. These funds are invested from time to time in short-term bankers' acceptances and guaranteed investment certificates as permitted by the Master Trust Indenture, while maintaining liquidity for purposes of investing in the Authority's capital programs. Management has oversight over interest rates that apply to its bank indebtedness and fixes these rates for short-term periods of up to 90 days based on bankers' acceptance rates.

If interest rates had been 50 basis points [0.50%] higher/lower and all other variables were held constant, including timing of expenditures related to the Authority's capital expenditure programs, the Authority's income for the year would have increased/decreased by $0.3 million as a result of the Authority's exposure to interest rates on its floating rate assets and liabilities. The Authority believes, however, that this exposure is not significant and that interest income is not essential to the Authority's operations as these assets are intended for reinvestment in airport operations and development, and not for purposes of generating interest income.

**Liquidity risk**

The Authority manages its liquidity risk by maintaining adequate cash, bank indebtedness and Credit Facilities, by updating and reviewing multi-year cash flow projections on a regular and as-needed basis, and by matching its long-term financing arrangements with its cash flow needs. The Authority believes it has a strong credit rating that gives it access to sufficient long-term funds as well as committed lines of credit through Credit Facilities with two Canadian banks.

The Authority has unfettered ability to raise its rates and charges as required to meet its obligations. Under the Master Trust Indenture entered into by the Authority in connection with its debt offerings *[note 7[a]]*, the Authority is required to take all lawful measures, such as increasing its rates, to maintain its compliance with the gross debt service coverage ratio of 1.25 and the debt service coverage ratio of 1.0. If this gross debt service covenant ratio is not met in any year, the Authority is not in default of its obligations under the Master Trust Indenture as long as the test is met in the subsequent year. Because of the unfettered ability to increase rates and charges and with strong cash balances, the Authority expects to continue to have sufficient liquidity to cover all of its obligations as they come due, including interest payments of approximately $18.8 million per year. The future annual principal payment requirements of the Authority's obligations under its long-term debt are described in note 7[c].

**Credit risk and concentration risk**

The Authority is subject to credit risk through its cash, its Debt Service Reserve Fund, and its trade and other receivables [except for sales tax receivable/payable]. The counterparties of cash and the Debt Service Reserve Fund are highly rated Canadian financial institutions. The trade and other receivables [except for sales tax receivable/payable] consist primarily of current aeronautical fees and AIF owing from air carriers. The majority of the Authority's trade and other receivables [except for sales tax receivable/payable] are paid within 33 days [2024 – 31 days] of the date that they are due. A significant portion of the Authority's revenue, and resulting receivable balances, is derived from air carriers. The Authority performs ongoing credit valuations of receivable balances and maintains an allowance for potential credit losses. The Authority's right under the *Airport Transfer (Miscellaneous Matters) Act* to seize and detain aircraft until outstanding aeronautical fees are paid mitigates the risk of credit losses. ECLs are maintained, consistent with the credit risk, historical trends, general economic conditions and other information, as described below, and are taken into account in the financial statements.

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Impairment analysis is performed at each reporting date using a credit loss provision model to measure ECLs. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns [i.e., airlines, concessionaires, land tenants, etc.]. The calculation reflects the probability-weighted outcome, the time value of money, and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

The Authority has adopted the simplified method to evaluate the required ECL provision for trade and other receivables [except for sales tax receivable/payable]. Approximately 87% of the Authority's trade and other receivables are in the current category [less than 30 days overdue]. The Authority has recognized $41 in 2025 as an ECL provision [2024 – $106], which is largely represented by the 0.47% [2024 – 1.25%] of ECL rate in the less than 30 days overdue category.

The Authority derives 73% [2024 – 70%] of its passenger flow from Air Canada and its affiliates, and Porter Airlines. Management believes, however, that the Authority's long-term exposure to two air carriers is mitigated by the fact that approximately 87.6% [2024 – 88.0%] of the passenger traffic through the Airport is origin and destination traffic and, therefore, other carriers are likely to absorb the traffic of any carrier that ceases operations. The Authority will continue to monitor its concentration exposure going forward, acknowledging the Authority's unfettered ability to increase its rates and charges can mitigate the financial impact of this risk.

**Industry risk**

Industry risk is related to events that could occur within or to the air transportation industry that could negatively affect passenger demand at the airport and therefore the Authority's revenues. These risks, among others, include: economic conditions and disruptions resulting from tariffs, recessionary trends, and currency volatility; regulatory actions and legislative changes; air carrier instability; the ability and willingness of airlines to provide air service; the increase in the cost of air fares; labour disputes; the availability and cost of aviation fuel; insurance costs and environmental regulation.

### 12. Leases

**The Authority as lessee**

On January 31, 1997, the Authority signed a 60-year ground lease [as amended, the "Lease"] with the Government of Canada [Transport Canada] for the management, operation and development of the Airport. The Lease contains provisions for compliance with a number of requirements, including environmental standards, minimum insurance coverage, specific accounting and reporting requirements, and various other matters that have a significant effect on the day-to-day operation of the Airport. The Authority believes that it has complied with all requirements under the Lease.

On February 25, 2013, the Minister of Transport for the Government of Canada signed an amendment to the Lease to extend the term from 60 years to 80 years ending on January 31, 2077. At the end of the renewal term, unless otherwise extended, the Authority is obligated to return control of the Airport to the Government of Canada.

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The Authority recognizes its ground lease in the similar manner as a short-term lease given the payments are variable in nature. Rent imposed under the ground lease with the Government of Canada is calculated based on airport revenue for the year as defined in the Lease and is considered contingent rent. Ground rent expense is accounted for as a lease in net income.

Based on forecasts of future revenues, which are subject to change depending on economic conditions, passenger volumes and changes in the Authority's rates and fees, estimated rent payments for the next five years are approximately as follows:

| | $ |
|---|---|
| 2026 | 14,411 |
| 2027 | 15,232 |
| 2028 | 16,158 |
| 2029 | 17,455 |
| 2030 | 19,866 |

**The Authority as lessor**

*Finance leases*

The Authority has entered into four land lease arrangements as a lessor that are considered finance leases. This is the result of the Authority transferring substantially all of the risks and rewards of ownership of these assets to the lessee, and the Authority, as the lessor, recognizes these agreements as finance lease receivables. In the last two years, the Authority recognized finance leases receivable for long-term land leases in the amount of $1.5 million [2024 – $8.6 million] commencing on January 1, 2024 and October 1, 2025, respectively, which were recorded in other revenue as the leased assets have a net book value of nil.

The maturity analysis of the finance lease receivables, including the undiscounted lease payments to be received, is as follows:

| | **2025** $ |
|---|---|
| Less than 1 year | **621** |
| 1–2 years | **631** |
| 2–3 years | **640** |
| 3–4 years | **650** |
| 4–5 years | **660** |
| Over 5 years | **72,173** |
| Total undiscounted lease payments receivable | **75,375** |
| Unearned finance income | **(52,478)** |
| **Finance lease receivables** | **22,897** |

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*Operating leases*

In addition, the Authority also leases out, under operating leases, land and certain assets that are included in property, plant and equipment. Many leases include renewal options, in which case they are subject to market price revision. The lessee does not have the possibility of acquiring the leased assets at the end of the lease.

The estimated lease revenue under operating leases for the next five years and thereafter is approximately as follows:

| | $ |
|---|---|
| 2026 | 9,085 |
| 2027 | 9,542 |
| 2028 | 10,791 |
| 2029 | 11,295 |
| 2030 | 13,211 |
| Thereafter | 348,804 |

### 13. Related party transactions

Compensation paid, payable or provided by the Authority to key management personnel during the year ended December 31 is recorded at cost and is as follows:

| | **2025** | **2024** |
|---|---|---|
| | $ | $ |
| Salaries and short-term benefits | **3,092** | 2,738 |
| Post-employment benefits | **284** | 271 |
| | **3,376** | 3,009 |

Key management includes the Authority's Board of Directors and members of the executive team, including the President and CEO, and seven vice-presidents.

The defined benefit pension plan referred to in note 9 is a related party to the Authority. The Authority's transactions with the pension plan include contributions paid to the plan, which are disclosed in note 9. The Authority has not entered into other transactions with the pension plan.

### 14. Commitments and contingencies

**Ground lease commitments**

The Lease requires the Authority to calculate rent payable to Transport Canada utilizing a formula reflecting annual airport revenues *[note 12]*.

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**Operating and capital commitments**

As at December 31, 2025, the Authority has total operating commitments from the ordinary course of business in the amount of $42.8 million [2024 – $28.2 million], for which payments of $17.6 million relate to 2026, and diminishing in each year over the next five years as contracts expire. In addition to these operating commitments, there are further capital investment commitments related to contracts for the purchase of property, plant and equipment of approximately $61.1 million for completion in 2026 and beyond.

The operating commitments from the ordinary course of business for the next five years are approximately as follows:

| | $ |
|---|---|
| 2026 | 17,586 |
| 2027 | 7,265 |
| 2028 | 6,540 |
| 2029 | 5,819 |
| 2030 | 5,606 |

**Contingencies**

The Authority may, from time to time, be involved in legal proceedings, claims and litigation that arise in the ordinary course of business. The Authority does not expect the outcome of any proceedings to have a material adverse impact on the financial position or results of operations of the Authority.