

Management’s Discussion and Analysis and Condensed Interim Consolidated Financial Statements

September 30, 2025

**Management's Discussion and Analysis of the
Greater Toronto Airports Authority**

September 30, 2025



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE AND NINE MONTHS ENDED September 30, 2025

Dated November 10, 2025

FORWARD-LOOKING INFORMATION

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

This report discusses the financial and operating results of the Greater Toronto Airports Authority (the "GTAA" or "Company") for the three and nine-months ended September 30, 2025, and should be read in conjunction with the Condensed Interim Consolidated Financial Statements of the GTAA for the same period. In addition, the reader is directed to the Consolidated Financial Statements and MD&A for the years ended December 31, 2024, and 2023, and the Annual Information Form for the year ended December 31, 2024. These documents provide additional information on certain matters that may or may not be discussed in this report. Additional information relating to the GTAA, including the Annual Information Form and the Annual Audited Consolidated Financial Statements referred to above, is available on SEDAR+ at www.sedarplus.ca. The GTAA's Annual Audited Consolidated Financial Statements, MD&A and the Annual Information Form are also available on its website at www.torontopearson.com.

CORPORATE PROFILE

The GTAA is a corporation without share capital under the *Canada Not-for-profit Corporations Act* and a designated airport authority under the *Airport Transfer (Miscellaneous Matters) Act*. The GTAA manages and operates Toronto – Lester B. Pearson International Airport (the "Airport" or "Toronto Pearson") under a ground lease with the Government of Canada, dated December 2, 1996 (the "Ground Lease"). The Ground Lease had an initial term of 60 years expiring in 2056, with one renewal term of 20 years at the option of the GTAA. At the end of 2024, the GTAA exercised the 20-year extension of its Ground Lease. As a result, the Ground Lease now expires on December 1, 2076. The Ground Lease is available on SEDAR+ at www.sedarplus.ca and on the GTAA's website at www.torontopearson.com. The GTAA's wholly-owned subsidiary, Malton Gateway Inc. ("MGI"), a holding company, was incorporated in April 2017 and holds the shares of Airway Centre Inc. ("ACI"), which was also incorporated in April 2017 to acquire and manage commercial properties that are currently unrelated to the direct management, operation or maintenance of the Airport. The properties acquired by ACI do not form part of the premises leased to the GTAA by the Government of Canada under the Ground Lease.

COMPANY OVERVIEW

The GTAA's purpose includes developing, managing and operating airports within the south-central Ontario region; the GTAA currently operates Toronto Pearson. Toronto Pearson is a global hub and vital connector of people, businesses and critical goods. Toronto Pearson connects passengers to and from other Canadian airports, transborder with airports in the United States, and with other international destinations.

Corporate Strategy

The GTAA launched its 10-year Strategic Plan (the “Plan”) in 2023 with a vision of “Putting the joy back into travel by making Toronto Pearson the chosen place to fly and work”. This vision is being executed through a series of initiatives and an infrastructure investment plan designed to prioritize capital investments to restore, grow, and build system resiliency. The Plan includes a series of time horizons that support a flexible and agile approach by the GTAA over the long term to facilitate and serve anticipated passenger growth at expected service levels over the next decade.

The GTAA's mission is to:

- Establish Toronto Pearson as a global leader in airport performance, customer care and sustainability; and
- Innovate and strive for the most uplifting, safe and efficient experience for its passengers.

In pursuit of its strategy, the GTAA has developed four strategic pillars to support its vision:

- Customer Experience - make air travel seamless by connecting passengers, airlines, and key ecosystem partners through innovative tools, such as streamlined processing, digital trip planning and predictable wait times to become a global leader in passenger care and experience;
- Operational Efficiency - foster an airport-wide culture of responsibility and accountability through the “Pearson Standard” with programs and policies for the GTAA and its partners, building continuous improvement in processes, while transitioning to more sustainable energy sources;
- Innovation - champion an innovative culture that encourages continuous modernization and rewards experimentation with our ecosystem of partners to cultivate and accelerate initiatives that will make Toronto Pearson faster, better and stronger; and
- Employee Experience and Culture - build organizational readiness and preparedness to support transformation and the outcomes of these strategic pillars with highly capable, engaged and diverse talent.

Pearson Long-term Investment in Facilities and Terminals

Pearson Long-term Investment in Facilities and Terminals (or “Pearson LIFT”) is an infrastructure development plan spanning more than a decade, investing in Toronto Pearson’s facilities through several construction programs. Pearson LIFT aims to transform the Airport into one of the most advanced, sustainable and passenger-friendly airports in the world.

Pearson LIFT will focus on revitalizing existing Airport facilities, replace aging assets and building new spaces supported by a digital environment to elevate travel and passenger experience and increase capacity to meet future anticipated demands. In addition, the GTAA will collaborate with its partners to improve operational efficiency, stability and resiliency across the ecosystem while advancing sustainability at Toronto Pearson.

The Pearson LIFT Program comprises multiple construction and investment initiatives. There are three primary programs referred to as Accelerator, T1 / T3 Revitalization, and Gateway. The Accelerator Program is aimed at upgrading and replacing critical existing operational aged assets including airfield electrical systems and runways, aimed at building system resilience and unlocking capacity through efficiencies. The Accelerator Program will also construct facilities to support near term growth.

The T1 / T3 Revitalization Program involves the renovation, renewal and optimization of the two existing aged terminal facilities to upgrade the buildings and extend the useful life of these terminals. The Program aims to enhance our passenger and employee experience, safety and security through innovative solutions and design.

The Gateway Program is a large-scale terminal expansion program that will deliver a new modern expanded terminal facility and piers connected to the existing T1 terminal providing exceptional passenger experience, offering seamless passenger flow enhanced through technology in a bright and spacious terminal with capacity to meet long-term forecasted demand.

The three main programs are underpinned by a Technology Program designed to integrate the digital innovations that define one of the most digitally advanced airport in the industry, supporting seamless passenger and aircraft flow. In addition, Toronto Pearson is also executing on a High Priority Investment Program designed to tackle critical and time-

sensitive issues that have the potential to disrupt airport operations. Through all of these Programs the GTAA will create expanded passenger and cargo spaces, improve critical systems and upgrade its airfields.

The GTAA will engage in competitive procurement processes for each of the main programs. Both the Accelerator and the Gateway Programs will follow a progressive design build approach, while the T1 / T3 Revitalization Program will be delivered through a construction management approach with an associated design contract.

The Accelerator Program is the furthest along with the contract for the Progressive Design-Build work awarded in the second quarter of 2025. The GTAA is also progressing the procurement process for both the T1 / T3 Revitalization Program and the Gateway Program.

The Pearson LIFT Program anticipates significant benefits for the Airport, its partners, passengers, and the Pearson Economic Zone¹ including:

- protecting and enhancing Canada's direct air connectivity to global economies;
- creating a world-class airport experience for passengers, partners and employees;
- growing the local economy and creating jobs through business and investment opportunities;
- reducing environmental impacts to advance Canada's climate goals and energy transition; and
- improving access and connections to surrounding regions for passengers, cargo and employees.

¹ The Pearson Economic Zone is a 2,000 square kilometre area around the Airport, home to more than 2,000 factories (see: "Pearson Economic Zone home to North American manufacturing super cluster" by Trillium Network for Advanced Manufacturing, April 2025).

- Passenger volume for the third quarter was 13.1 million, an increase of 2.3%; year-to-date passenger volume was 35.8 million, an increase of 0.7% , compared to same periods in 2024;
- Revenues for the third quarter were \$562.2 million, an increase of 5.8%; year-to-date revenues were \$1,570.2 million, an increase of 5.7%, compared to the same periods in 2024;
- EBITDA¹ for the third quarter was \$291.6 million, an increase of 6.1%; year-to-date EBITDA was \$769.3 million, an increase of 4.7%, compared to the same periods in 2024;
- Net income for the third quarter was \$138.6 million, an increase of 13.3%; year-to-date net income was \$317.7 million, an increase of 12.5%, compared to the same periods in 2024;
- Cash flows from operating activities during the third quarter were \$269.6 million, a decrease of 11.5%; year-to-date cash flows from operating activities were \$729.6 million, a decrease of 0.2%, compared to the same periods in 2024; and
- Free cash flow² during the third quarter was \$175.7 million, a decrease of 9.5%; year-to-date free cash flow was \$360.3 million, an increase of 2.6%, compared to the same periods in 2024.

The financial results are primarily attributed to a marginal increase in passenger volumes and MTOW, compared to last year, combined with higher aeronautical and Airport Improvement Fees (“AIF”) rates. The decrease in Free Cash Flow for the quarter was primarily driven by lower cash flow from operations, while partially offset by lower capital expenditures.

OPERATING ACTIVITY

The GTAA’s main activity drivers that directly impact the financial results, are passenger volumes and flight activity, including aircraft movements, size and seats.

Passenger Activity

Total passenger traffic at the Airport is categorized into one of two sectors: domestic (passengers traveling within Canada) and international (passengers traveling to and from destinations outside Canada).

During the third quarter of 2025, 13.1 million passengers travelled through the Airport, representing an increase of 0.3 million passengers or 2.3%, as compared to the same period in 2024. Passenger volume was primarily driven by growth in the domestic sector of 8.3% partially offset by international sector which declined by 1.3% largely related to a decrease in transborder traffic. Passenger volume growth in the third quarter was also impacted by an air carrier labour disruption.

Year-to-date, 35.8 million passengers travelled through Toronto Pearson, an increase of 0.3 million passengers or 0.7% compared to the same period in the prior year. The marginal growth in passenger volume was driven by a 4.7% increase in domestic passengers partially offset by a reduction in the international sector of 1.4%, largely related to a decline in transborder travel. Passenger traffic was impacted overall by the global economic and political landscape as well as extreme weather events, the single aircraft incident in February and an air carrier labour disruption in August. Additionally, 2024 was a leap year resulting in an extra day's operations in February.

The following table summarizes passenger activity by sector for the three and nine-months ended September 30, 2025 and 2024:

¹ EBITDA is a non-GAAP measure and is defined in the section “Non-GAAP Financial Measures”.

² Free Cash Flow is a non-GAAP measure and is defined in the section “Non-GAAP Financial Measures”.

Passenger Activity ¹	Three months ended September 30				Nine months ended September 30			
	2025	2024	Change ²		2025	2024	Change ²	
<i>(in millions)</i>				%				%
Domestic	5.2	4.8	0.4	8.3	13.0	12.4	0.6	4.7
International	7.9	8.0	(0.1)	(1.3)	22.8	23.1	(0.3)	(1.4)
Total	13.1	12.8	0.3	2.3	35.8	35.5	0.3	0.7
<i>(in millions)</i>								
Origin and destination	10.3	9.9	0.4	4.0	27.8	27.3	0.5	1.8
Connecting	2.8	2.9	(0.1)	(3.4)	8.0	8.2	(0.2)	(2.4)
Total	13.1	12.8	0.3	2.3	35.8	35.5	0.3	0.6
<i>(in %)</i>								
Origin and destination ²	78.9%	77.1%			77.8%	76.9%		
Connecting ²	21.1%	22.9%			22.2%	23.1%		
Total	100.0%	100.0%			100.0%	100.0%		

¹ These disclosures are estimates based on airline reporting and may vary from actual numbers.

² Percentage calculations are based on detailed actual numbers (not rounded as presented).

Passengers are further segmented into two principal types of passengers: origin and destination passengers and connecting passengers. An origin and destination passenger is a passenger initiating or terminating a trip at a specific airport, whereas a connecting passenger changes aircraft at that same airport en route to a final destination.

Below is an overview of the change in the passenger mix in the three and nine-months ended September 30, 2025, compared to the same period of 2024:

- For the third quarter the number of origin and destination (“O&D”) passengers was 10.3 million, an increase of 4.0%; year-to-date O&D passengers were 27.8 million, an increase of 1.8% compared to the same periods in 2024. The number of connecting passengers during the third quarter was 2.8 million, a decrease of 3.4%; year-to-date connecting passengers were 8.0 million, a decrease of 2.4%, compared to the same periods in 2024;
- For the three and nine-months ended September 30, 2025, the proportion of O&D passengers increased 1.8 percentage points to 78.9% and increased 0.9 percentage points to 77.8%, while the proportion of connecting passengers decreased 1.8 percentage points to 21.1% and decreased 0.9 percentage points to 22.2%.

Flight Activity

Flight activity is measured by aircraft movements, defined as a landing or takeoff of an aircraft. Each aircraft has a maximum take-off weight (“MTOW”), as specified by the aircraft's manufacturer, and total number of seats. MTOW and seats are used to calculate the majority of posted air carrier charges for each aircraft landing. The load factor, being the ratio of passengers to seats, is a measure of aircraft capacity utilization and is computed as a percentage of seats filled by passengers.

The following table summarizes aircraft movements, MTOW, seats, seats per aircraft movement and load factor for the three and nine-months ended September 30, 2025 and 2024:

Flight Activity ¹	Three months ended September 30				Nine months ended September 30			
	2025	2024	Change ² %		2025	2024	Change ² %	
<i>(in thousands)</i>								
Total aircraft movements	104.6	102.0	2.6	2.5	295.4	293.8	1.6	0.5
Passenger aircraft movements	93.1	91.4	1.7	1.9	263.4	262.0	1.4	0.5
Non-passenger aircraft movements	11.5	10.6	0.9	8.5	32.0	31.8	0.2	0.6
<i>(in millions)</i>								
MTOW (tonnes)	10.0	9.7	0.3	3.4	28.0	27.3	0.7	2.8
Seats	15.4	15.0	0.4	2.5	43.1	42.3	0.8	2.0
Seats per passenger aircraft movement	165.3	164.3	1.0	0.6	163.8	161.5	2.3	1.4
Load factor (%)	84.7%	85.6%			82.9%	84.0%		

¹ Flight activity measures reflect both arriving and departing flights.

² Percentages are based on detailed actual numbers (not rounded as presented).

During the three and nine-months ended September 30, 2025, changes in flight activity, compared to the same periods of 2024, respectively, consist of the following:

- Passenger aircraft movements increased by 1.9% in the third quarter and 0.5% year-to-date, driven by a marginal increase in passenger volumes. Passenger volumes continue to be impacted by the global economic and political landscape, and by extreme weather events, and the single aircraft incident in the first quarter;
- Non-passenger aircraft movements increased 8.5% in the third quarter due to increases in cargo and business aviation and increased by 0.6% year-to-date, largely impacted by the global economic and political landscape combined with extreme weather events and the single aircraft incident in February;
- MTOW increased 3.4% to 10.0 million tonnes in the third quarter and increased 2.8% to 28.0 million tonnes year-to-date reflecting the airlines' use of larger aircraft;
- Total seats increased 2.5% to 15.4 million in the third quarter and increased 2.0% to 43.1 million year-to-date, Use of larger aircraft and slower passenger growth relative to capacity led to lower load factor of 84.7% in the third quarter and 82.9% year-to-date compared to 85.6% and 84.0% in the respective periods in the prior year; and
- The number of seats per passenger aircraft movement increased 0.6% to 165.3 seats in the third quarter and increased by 1.4% to 163.8 seats year-to-date driven by changes in carrier and fleet mix.

53 passenger airlines operated at Toronto Pearson during the first nine months of 2025 compared to 50 in the same period of 2024.

During the three and nine months ended September 30, 2025, there were 167 and 193 direct destinations from Toronto Pearson (including one-stop flights under the same flight number), representing an increase of one destination for the quarter and a decrease of two year-to-date compared to 2024. The reduction in transborder destinations was largely offset by additional domestic and international routes.

RESULTS OF OPERATIONS

The following section discusses the GTAA's financial results, and approach to setting fees and charges. Under the GTAA's financial model, funds generated at the Airport are used for Airport operations, ancillary aviation-related activities, construction, acquisitions, repairs and maintenance, and debt service costs including interest and repayment of debt principal.

Aeronautical Fees and Charges and Airport Improvement Fees

The GTAA has established aeronautical rate setting principles that balance fiscal prudence and the ability to invest in future capacity with commercial and stakeholder considerations. While maintaining the right to modify and set

aeronautical fees and charges, the GTAA consults with stakeholders on the rate framework in establishing aeronautical fees and charges on an annual basis. The GTAA undertakes an annual consultation, which is an iterative process with the airline community to discuss certain proposed and ongoing capital projects that will be funded through the AIF allowing the Airport to take wider stakeholders' interests into account. The GTAA has AIF agreements with participating air carriers that operate through Toronto Pearson whereby the air carrier undertakes to collect the AIF from each of their enplaned passengers on the GTAA's behalf in exchange for an administration fee to the airline. The net AIF received enables the GTAA to fund capital projects, both existing and upcoming, and otherwise supports building plans for the future.

The following changes to aeronautical fees and AIF were effective January 1, 2025:

- Aeronautical fees increased by 5%;
- The AIF for departing passengers increased by \$2 to \$37 per passenger; and
- The AIF for connecting passengers increased by \$1 to \$8 per passenger.

The following changes to aeronautical fees and AIF will be effective January 1, 2026:

- Aeronautical fees will increase by 5.1%;
- The AIF for departing passengers will increase by \$3 to \$40 per passenger; and
- The AIF for connecting passengers will increase by \$2 to \$10 per passenger.

Management plans to apply these fees and charges to fund, among other things:

- projects that enable additional capacity;
- renewal and replacement of existing airport assets;
- projects that digitize the Airport and improve the Airport's growth, competitiveness and environmental sustainability; and
- higher operating costs associated in part with passenger volume, growth and inflation.

The GTAA has Airline Partnership Agreements ("APA") with several airlines aimed at driving improved performance and passenger experience at Toronto Pearson. These airlines are eligible to earn aeronautical fee rebates by achieving certain passenger volume thresholds and meeting operational performance targets that improve customer service by focusing on four major areas of airline performance including:

- on-time departure;
- towing aircraft off gates when going out of service;
- meeting baggage return timelines for arriving passengers; and
- customer check-in utilization efficiency in the terminals.

These incentives are designed to help the GTAA achieve greater operational efficiency while consistently meeting customer expectations, resulting in further financial resilience for the GTAA through incentivizing passenger growth and increasing the efficient utilization of existing assets. The initial term of these agreements expires on December 31, 2026, and the GTAA has an option to extend for up to two additional years. For the three and nine-months ended September 30, 2025, the GTAA estimates the APA rebate to be \$10.6 million and \$32.2 million based on information available to date.

Revenues

Revenues are derived from aeronautical fees and charges which include landing fees, general terminal charges and apron fees, AIF, and commercial revenues which include car parking, ground transportation, concessions, rentals, counter fees, check-in fees, deicing facility fees and other sources. Rentals include leasing activities for both the GTAA and ACI.

Landing fees are based on the MTOW of arriving aircraft; general terminal charges are based on the number of seats of an arriving aircraft; and apron fees are based on the aircraft time spent at gate and utilization of gating equipment (i.e. gates, bridges, preconditioned air, etc.). The AIF is charged on a per-enplaned passenger basis, with a different rate for O&D passengers to connecting passengers. A significant portion of commercial revenues is also correlated with passenger activity.

The following table summarizes the GTAA's consolidated revenues for the three and nine-months ended September 30, 2025 and 2024:

Revenues	Three months ended September 30				Nine months ended September 30			
	2025	2024	Change ¹		2025	2024	Change ¹	
(\$ millions)			%				%	
Landing fees ²	119.0	109.5	9.5	8.7	337.1	312.8	24.3	7.8
General terminal charges	71.1	66.4	4.7	7.2	200.6	188.0	12.6	6.7
Aeronautical Revenues	190.1	175.9	14.2	8.1	537.7	500.8	36.9	7.4
Concessions and rentals	92.1	86.6	5.5	6.3	258.8	243.6	15.2	6.2
Car parking and ground transportation	69.4	68.3	1.1	1.5	192.2	187.7	4.5	2.4
Other	14.8	14.8	—	0.4	45.7	44.9	0.8	1.9
Commercial Revenues	176.3	169.7	6.6	3.8	496.7	476.2	20.5	4.3
Airport Improvement Fees	195.8	185.6	10.2	5.5	535.8	508.0	27.8	5.5
Total Revenues	562.2	531.2	31.0	5.8	1,570.2	1,485.0	85.2	5.7
Key Metric								
Air Carrier Cost / Enplaned Passenger ³ (CPE) ⁴ (\$)					29.9	29.6	0.3	1.0

¹ Percentages are based on detailed actual numbers (not rounded as presented).

² Includes apron fees.

³ For reporting metric purposes, enplaned passengers are defined as equal to half of total passengers and is based on 12-months activity.

⁴ Air Carrier cost per enplaned passenger ("CPE") is a non-GAAP measure and is defined in the section "Non-GAAP Financial Measures".

Revenues for the third quarter were \$562.2 million, an increase of 5.8%; year-to-date revenue was \$1,570.2 million, an increase of 5.7%, compared to the same periods in 2024. The increase in the third quarter and year-to-date is primarily driven by rate and fee increases, aviation activity and a marginal increase in overall passenger traffic.

Aeronautical revenues for the third quarter were \$190.1 million, an increase of 8.1%; year-to-date aeronautical revenues were \$537.7 million, an increase of 7.4% compared to the same periods in 2024. The increases in the quarter and year-to-date were primarily due to the higher aeronautical rates that were implemented at the beginning of the year as described above combined with higher aviation activity.

Commercial revenues for the third quarter were \$176.3 million, an increase of 3.8%; year-to-date commercial revenues were \$496.7 million, an increase of 4.3%, compared to the same periods in 2024. This was driven by higher utilization of flight kitchens and check-in kiosks, increases in duty free sales and lounge revenues, offset by decreases in foreign exchange and sponsorship revenues. Higher parking and ground transportation revenues were largely driven by increases in volume and rates for ground transportation.

AIF revenues for the third quarter were \$195.8 million, an increase of 5.5%; year-to-date AIF revenues were \$535.8 million, an increase of 5.5%, compared to the same periods in 2024. The increase in AIF revenues during the third quarter and year-to-date was due to a rate increase in 2025 as detailed above, combined with an increase in the mix between O&D, and connecting passengers.

Expenses

Expenses include the costs to operate and maintain the Airport, ground rent, amortization (property and equipment, investment property and intangible assets), interest and financing costs, write-down of property and equipment, and the reversal or impairment of investment property.

The following table summarizes GTAA's consolidated expenses for the three and nine-months ended September 30, 2025 and 2024:

Expenses	Three months ended September 30				Nine months ended September 30			
	2025	2024	Change ¹		2025	2024	Change ¹	
(\$ millions)			\$	%			\$	%
Ground rent	63.7	60.5	3.2	5.2	177.7	168.4	9.3	5.5
PILT ²	10.3	8.2	2.1	25.9	30.8	24.5	6.3	25.9
Total ground rent and PILT ²	74.0	68.7	5.3	7.7	208.5	192.9	15.6	8.1
Goods and services	126.0	122.2	3.8	3.2	375.2	360.4	14.8	4.1
Salaries, wages and benefits	70.7	65.5	5.2	8.0	217.2	196.9	20.3	10.3
Total Operating Expenses (before amortization)	270.7	256.4	14.3	5.6	800.9	750.2	50.7	6.8
Write-down of property and equipment	—	—	—	—	0.2	3.6	(3.4)	(93.6)
(Reversal) Impairment of investment property	—	—	—	—	—	(5.5)	5.5	(100.0)
Amortization of property and equipment, investment property and intangible assets	86.0	87.2	(1.2)	(1.5)	253.1	258.0	(4.9)	(1.9)
Total Operating Expenses	356.7	343.6	13.1	3.8	1,054.2	1,006.3	47.9	4.8
Interest expense on debt instruments and other financing costs, net of interest income	66.9	65.3	1.6	2.5	198.3	196.3	2.0	1.0
Total Expenses	423.6	408.9	14.7	3.6	1,252.5	1,202.6	49.9	4.1

¹ Percentages are based on detailed actual numbers (not rounded as presented).

² Payments-in-lieu of real property taxes to municipalities.

Total expenses in the third quarter were \$423.6 million, an increase of 3.6%; year-to-date total expenses were \$1,252.5 million, an increase of 4.1%, compared to the same periods in 2024. The increases in total expenses were driven by increases in Ground Rent and PILT, which moves in line with revenues and by increases in expenditures for goods and services and salaries, wages and benefits compared to the same period in 2024.

Ground rent payments to the Government of Canada are calculated as a percentage of Airport Revenues, at progressively increasing rates with a top rate of 12% of Airport Revenues in excess of \$250 million annually. Ground rent expense for the third quarter was \$63.7 million, an increase of 5.2%; year-to-date ground rent expense was \$177.7 million, an increase of 5.5%, compared to the same periods of 2024, the increases are directly related to the increase in Airport Revenues and are calculated as defined in the Ground Lease.

The GTAA is exempt from the payment of real property taxes under the *Assessment Act* (Ontario) and instead makes payments-in-lieu of real property taxes ("PILT") to each of the cities of Mississauga and Toronto, as prescribed by regulation under the *Assessment Act*. The annual PILT is based on actual passenger volumes from two years prior to the current year. Under an amendment in February 2022 to the applicable regulation, the previous maximum annual increase of 5.0% was temporarily suspended beginning in 2022, until Toronto Pearson's passenger volumes return to 2019 levels. The PILT expenditure for the third quarter was \$10.3 million, an increase of 25.9%; year-to-date the PILT expenditure was \$30.8 million, an increase of 25.9%, compared to the same periods of 2024. Both increases are directly related to 2023 passenger levels exceeding 2022 levels. Separately, ACI pays municipal real property taxes in the ordinary course of business as the investment properties acquired by ACI are not used directly for Airport operations.

Expenditures for goods and services during the third quarter was \$126.0 million, an increase of 3.2%; year-to-date expenditures were \$375.2 million, an increase of 4.1%, compared to the same periods of 2024. The increased costs during the third quarter were primarily due to professional and consulting services costs to support operational readiness for Pearson LIFT and other initiatives partially offset by decreases in corrective repairs and maintenance from the terminal refresh program in 2024. The year-to-date increase in costs was due to similar reasons along with higher snow removal costs due to increased frequency of snowstorms in the first quarter of 2025 compared to the milder winter in the same period in 2024.

Salaries, wages and benefits during the third quarter were \$70.7 million, an increase of 8.0%; year-to-date expenses were \$217.2 million, an increase of 10.3%, compared to the same periods in 2024. The increase reflects the retooling of teams across the organization to support skills upgrade and enhance operational readiness for the Pearson LIFT programs and other initiatives, primarily through additional employee hires in airport operations and airport development technical services as well as workforce readiness related costs.

The increase in operating costs reflects investments in expenditures to support infrastructure and capacity planning and customer experience in support of anticipated future growth in passenger levels.

Amortization of property and equipment, investment property and intangible assets during the third quarter was \$86.0 million, a decrease of 1.5%; year-to-date amortization was \$253.1 million, a decrease of 1.9%, compared to the same periods of 2024. The reduction in amortization during the third quarter and year-to-date was due to certain assets becoming fully amortized, the effect of which was partially offset by the amortization of new assets placed into service during the period.

Interest expense and other financing costs, net of interest income, during the third quarter was \$66.9 million, an increase of 2.5%; year-to-date expense was \$198.3 million, an increase of 1.0%, compared to the same periods of 2024. The increase in the third quarter and year-to-date was primarily driven by a reduction in interest income from lower short-term investments as a result of paying down commercial paper debt in March 2025.

Net Operating Results

The following table summarizes the GTAA's consolidated net operating results for the three and nine-months ended September 30, 2025 and 2024:

Net Operating Results	Three months ended September 30				Nine months ended September 30			
	2025	2024	Change ¹		2025	2024	Change ¹	
(\$ millions)			\$	%			\$	%
Net Income	138.6	122.3	16.3	13.3	317.7	282.4	35.3	12.5
Add: Interest and financing costs, net	67.0	65.3	1.7	2.5	198.3	196.3	2.0	1.0
Earnings before interest and financing costs, net	205.6	187.6	18.0	9.6	516.0	478.7	37.3	7.8
Add: (Reversal) Impairment of investment property	—	—	—	—	—	(5.5)	5.5	(100.0)
Add: Write-down of property and equipment	—	—	—	—	0.2	3.6	(3.4)	(93.6)
Add: Amortization ²	86.0	87.2	(1.2)	(1.5)	253.1	258.0	(4.9)	(1.9)
EBITDA ³	291.6	274.8	16.8	6.1	769.3	734.8	34.5	4.7
EBITDA Margin ³	51.9%	51.7%			49.0%	49.2%		

¹ Percentages are based on detailed actual numbers (not rounded as presented).

² Amortization of property and equipment, investment property and intangible assets.

³ EBITDA and EBITDA Margin are non-GAAP financial measures. Refer to section "Non-GAAP Financial Measures".

Earnings before interest and financing costs, and amortization ("EBITDA") for the third quarter was \$291.6 million, an increase of 6.1%; year-to-date EBITDA was \$769.3 million, an increase of 4.7%, compared to the same periods of 2024. The increase in EBITDA is related to higher revenues associated with the increase in aeronautical fees and AIF partially offset by an increase in operating costs (before amortization), as discussed above, and an air carrier labour disruption. EBITDA margin during the third quarter was 51.9%, an increase of 0.2 percentage points due to the aforementioned factors. Year-to-date EBITDA margin was 49.0%, a decrease of 0.2 percentage points primarily due to the impact on passenger volume from extreme weather events, and a five-day runway closure due to a single aircraft incident in the first quarter of 2025 and from an air carrier labour disruption in the third quarter of 2025. Refer to section "Non-GAAP Financial Measures" of this MD&A for additional information.

The GTAA generated net income during the third quarter of \$138.6 million, an increase of 13.3%; year-to-date net income was \$317.7 million, an increase of 12.5%, compared to the same periods of 2024 driven by the factors described in the Revenue and Expense sections above.

Summary of Quarterly Results

The following table summarizes select unaudited consolidated quarterly financial information for the eight quarters ended December 31, 2023, through September 30, 2025:

	Quarter Ended							
	2025				2024			
(\$ millions) ¹	Sep	Jun	Mar	Dec	Sep	Jun	Mar	Dec
Revenues	562	521	487	490	531	485	469	492
Operating expenses ²	271	260	271	283	256	244	250	263
Write-down of property and equipment	—	—	—	7	—	4	—	35
(Reversal) Impairment of investment property	—	—	—	—	—	(6)	—	8
Amortization ³	86	85	83	88	88	91	80	82
Earnings before interest and financing costs, net	205	176	133	112	187	152	139	104
Interest and financing costs, net	67	67	65	66	65	65	66	69
Net Income	138	109	68	46	122	87	73	35

¹ Rounding may result in the figures differing from the results reported in the condensed consolidated interim financial statements and annual audited consolidated financial statements.

² Operating expenses is a non-GAAP measure and is defined in the section "Non-GAAP Financial Measures".

³ Amortization of property and equipment, investment property and intangible assets.

The GTAA's quarterly results are influenced by passenger activity and aircraft movements, which vary with travel demand associated with holiday periods and other seasonal factors. In addition, factors such as weather and economic conditions may affect operating activity, revenues and expenses. Changes in operating facilities at the Airport may affect operating costs, which may result in quarterly results not being directly comparable.

CAPITAL PLAN, PROGRAMS AND PROJECTS

Current Capital Programs and Projects

During the first nine months of 2025, the GTAA funded capital investments through operating cash flows. The GTAA may access the debt capital markets as required to fund future capital expenditures.

In the first nine months of 2025, the GTAA invested \$227.2 million in capital programs compared to \$218.8 million in the same period in 2024. Of the total spend in the first nine months of 2025, \$127.3 million is related to ongoing construction projects and ongoing IT projects, the remaining \$99.9 million is related to the Pearson LIFT programs.

Program / Project Categories	2025 YTD Spend (\$ millions)	Details
Non-Pearson LIFT		
Active Ongoing Construction Projects	80	Continued investments in existing facilities, including revitalization of T1 public washrooms, replacement of deicing trucks, airside fleet restoration for winter operations and the GTAA hybrid workspace upgrades.
Active Ongoing IT Projects	45	Ongoing and multi-year technology initiatives continued in 2025, including key projects such as the End of Life Vulnerability Management Program, Intercom System Refresh, new Self-Serve Bag Drops, and the Land Mobile Radio System replacement, enhancements to meeting room and office space technology, and the continued implementation of the Next Generation Data Warehouse, new HR technology modules, and baggage system restoration.
Other	2.3	
Total Non-Pearson LIFT Capital	\$ 127.3	
Pearson LIFT		
T1 / T3 Revitalization	17.8	Pearson LIFT-related expenditures included project management, engineering support costs and initial site reviews for Accelerator.
Gateway	11.8	
Accelerator	60.8	
High Priority Improvement Program (“HPIP”)	9.5	HPIP expenditure included design costs, project management and engineering support costs related to the Baggage Handling System and other restoration works.
Total Pearson LIFT Capital	99.9	
Total Capital Spend	227.2	

Airport Critical Infrastructure Program (ACIP)

In 2022, Transport Canada announced up to \$142.0 million in capital funding to the GTAA under the ACIP, representing 50 per cent of eligible expenditures of certain programs and projects, to support continued air services and important transportation infrastructure projects at Toronto Pearson. The ACIP is intended to help airports mitigate the financial impact of the COVID-19 pandemic, as part of the Government of Canada’s strategy to ensure that Canada’s air transportation system provides Canadians with choice, connectivity and affordable air travel. The funding is being used to offset costs associated with GTAA's projects on the restoration of its runways, the development and installation of new check-in service kiosks, boarding and border clearance kiosk systems and to further studies and production of a development concept to connect Toronto Pearson with the proposed extension of the Eglinton Crosstown Light Rail Transit.

The GTAA has received \$104.4 million in funding from Transport Canada since the inception of the ACIP to September 30, 2025. The remaining funds are expected once eligible project work is complete and claims and holdbacks are processed.

ASSETS AND LIABILITIES

The following table summarizes the total consolidated assets, liabilities, and retained earnings (deficit) and accumulated other comprehensive loss as at September 30, 2025 as compared to December 31, 2024:

<i>(\$ millions)</i>	September 30, 2025	December 31, 2024	Change
Total assets	7,284.1	7,210.5	73.6
Total liabilities	7,240.8	7,485.8	(245.0)
Retained Earnings (Deficit) and accumulated other comprehensive loss	43.3	(275.3)	318.6

The GTAA's total assets increased by \$73.6 million as at September 30, 2025, compared to December 31, 2024 primarily due to an increase in cash and cash equivalents, accounts receivable and prepaid expenses, offset by a decrease in short term investments that were sold to pay down the commercial paper debt and a decrease in the applicable net book values. Amortization for property and equipment continues to exceed the rate of capital investment resulting in a reduction of \$26.5 million in the applicable net book values.

GTAA's total liabilities decreased by \$245.0 million primarily due to a decrease in commercial paper debt. Refer to the "Liquidity and Capital Resources" section for further details.

The retained earnings (deficit) and accumulated other comprehensive loss of \$43.3 million as at September 30, 2025, has decreased \$318.6 million compared to December 31, 2024, due to net income in the first nine months of 2025. As described above, the results were primarily due to higher revenues associated with the increase in aeronautical and AIF rates combined with marginal growth in passengers, partially offset by an increase in operating costs reflecting investments to support infrastructure and capacity planning and customer experience in support of anticipated future growth in passenger levels.

LIQUIDITY AND CAPITAL RESOURCES

The following table provides the calculation of consolidated free cash flow, net debt and key credit metrics for the GTAA for the periods indicated below:

(\$ millions)	Three months ended September 30			Nine months ended September 30		
	2025	2024	Change	2025	2024	Change
Cash Flows from Operating Activities	269.6	304.7	(35.1)	729.6	730.8	(1.2)
Capital expenditures ¹ - property and equipment	(64.9)	(79.3)	14.4	(203.0)	(221.6)	18.6
Capital expenditures ¹ - investment property	(1.4)	(5.2)	3.8	(2.4)	(7.7)	5.3
Funds received under the ACIP	—	—	—	0.8	10.4	(9.6)
Interest Income	12.9	19.1	(6.2)	41.8	54.9	(13.1)
Interest paid and other financing costs ²	(40.5)	(45.1)	4.6	(206.5)	(215.6)	9.1
Free Cash Flow ³	175.7	194.2	(18.5)	360.3	351.2	9.1
Increase in restricted funds	(19.3)	(20.8)	1.5	27.3	(37.6)	64.9
Decrease (Increase) in short-term investments	—	(390.0)	390.0	285.0	(405.0)	690.0
(Repayments) Borrowings, net	(26.6)	370.1	(396.7)	(312.8)	454.8	(767.6)
Net Cash Inflow	129.8	153.5	(23.7)	359.8	363.4	(3.6)
				As at September 30		
				2025	2024	Change
Gross Debt				6,773.8	7,084.9	(311.1)
Cash, cash equivalents and short-term investments				(1,187.9)	(1,102.0)	(85.9)
Restricted funds				(454.3)	(462.5)	8.2
Net Debt ⁴				5,131.6	5,520.4	(388.8)
Select Credit Metrics						
Gross Debt / Enplaned Passenger ⁵ (\$)				288	304	(5.3) %
Net Debt ⁴ / Enplaned Passenger ⁵ (\$)				218	237	(8.0) %
Gross Debt / EBITDA ⁶ (x)				6.9	7.4	(6.8) %
Days Cash on Hand ⁷ (#)				375	403	(28)
MTI Operating covenant ⁸ (minimum requirement of 100%)				148 %	153 %	(5.0) %
MTI Debt service covenant ⁸ (minimum requirement of 125%)				173 %	179 %	(6.0) %

¹ Capital expenditures - property and equipment relate to acquisition and construction of property and equipment and intangible assets; Capital expenditures - investment property are acquisitions of investment property. Both are per the Consolidated Statements of Cash Flows in the Consolidated Financial Statements as at September 30, 2025 and represent cash outflows in relation to capital expenditures in the period.

² Interest paid and financing costs excludes non-cash items and reflects the cash payment activities of the Corporation, as per the Consolidated Statements of Cash Flows in the Consolidated Financial Statements as at September 30, 2025.

³ Free Cash Flow is a non-GAAP measure and is defined in the section "Non-GAAP Financial Measures".

⁴ Net Debt is a non-GAAP measure and is defined in the section "Non-GAAP Financial Measures".

⁵ For credit metric purposes, enplaned passengers are defined as equal to half of total passengers and is based on a trailing 12-months activity.

⁶ Gross Debt / EBITDA is calculated as Gross Debt as at reporting date divided by trailing twelve-month EBITDA. EBITDA is a non-GAAP measure and is defined in the section "Non-GAAP Financial Measures".

⁷ Days cash on hand is a non-GAAP measure and is defined in the section "Non-GAAP Financial Measures".

⁸ The GTAA's Master Trust Indenture ("MTI") contains a Rate Covenant, consisting of two financial tests (an operating covenant and debt service covenant).

For the three and nine-months ended September 30, 2025, compared to the same period of 2024:

- Cash Flow from Operations for the third quarter was \$269.6 million, a decrease of 11.5% compared to the same period in 2024. Cash flows related to increase in net income were offset by changes in timing of working capital. Year-to-date cash flow from operations was \$729.6 million, flat to 2024.
- Free Cash Flow for the third quarter was \$175.7 million, a decrease of 9.5% compared to the same period in 2024 primarily driven by lower cash flow from operations as described above partially offset by lower cash outflows related to capital expenditure. Year-to-date free cash flow was \$360.3 million, an increase of 2.6% compared to the same period in 2024, driven by lower cash outflows related to capital expenditure partially offset by lower cash flow from operations, lower receipt of funds under the ACIP and higher net interest expense. Free Cash Flow is a non-GAAP financial measure. Refer to section “Non-GAAP Financial Measures” of this MD&A for additional information; and
- Net Cash Inflow for the third quarter was \$129.8 million, a decrease of 15.4% compared to the same period in 2024, due to changes in Free Cash Flows as described above and scheduled payments on amortizing bonds. Year-to-date Net Cash Inflow was \$359.8 million, a decrease of 1.0% compared to the same period in 2024, due to the repayment of commercial paper debt funded from short term investments and scheduled payments on amortizing bonds partially offset by increase in free cash flows as described above.

Gross Debt, as at September 30, 2025, was \$6,773.8 million, a decrease of 4.4% compared to September 30, 2024 due to strong liquidity, used for the repayment of commercial paper debt and amortizing bond. Net Debt, as at September 30, 2025 was \$5,131.6 million, a decrease of 7.0% compared to September 30, 2024 due to an increase in cash, cash equivalents of \$85.9 million. Net Debt is a non-GAAP financial measure. Refer to section “Non-GAAP Financial Measures” of this MD&A for additional information.

Based on the trailing 12-months passenger activity, the GTAA’s Gross Debt per Enplaned Passenger - one of the capital markets' financial credit quality metrics - as at September 30, 2025 was \$288, an improvement from \$304 as at September 30, 2024, and Net Debt per Enplaned Passenger as at September 30, 2025 was \$218, an improvement from \$237 as at September 30, 2024. The improvements were primarily due to settling commercial paper debt, a higher ending balance of unrestricted cash, cash equivalents balances from operating results and higher enplaned passengers. Gross and Net debt per enplaned passenger are non-GAAP financial measure. Refer to section “Non-GAAP Financial Measures” for additional information.

An overall Capital Markets Platform has been established by the GTAA with the Master Trust indenture (“MTI”) setting out the security interests and other common terms and conditions of all debt, including bank facilities, revenue bonds and medium-term-notes (“MTNs”). The Platform has been used to fund certain capital programs, and the GTAA expects to continue to access the debt capital markets to fund capital programs and to refinance maturing debt as and when needed.

The GTAA’s long-term debt obligations as issued under its MTI have been assigned credit ratings by Standard & Poor’s Rating Service (“S&P”) and Moody’s Investors Service, Inc. (“Moody’s”). The GTAA’s commercial paper debt have been assigned a credit rating by DBRS Morningstar (“DBRS”). The table below sets out each rating agency's issuer rating and each rating agency's corresponding credit rating of the GTAA's outstanding MTNs and commercial paper debt as at September 30, 2025:

	S&P	Moody’s	DBRS
Issuer Rating	A+	Aa3	A (high)
MTN Rating	A+	Aa3	-
Commercial Paper Rating	-	-	R-1 (low)
Outlook	Stable	Stable	Stable
Latest Affirmation Date	January 16, 2025	April 29, 2025	August 13, 2025

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of debt securities. Credit ratings are not a recommendation to buy, sell or hold securities of GTAA and do not comment as to market price or suitability for a particular investor. There can be no assurance that a rating will remain in effect for any

given period of time or that the rating will not be revised or withdrawn at any time by the rating agency. The GTAA's Annual Information Form for the year ended December 31, 2024, contains more detailed information about the GTAA's credit ratings.

The objective of the GTAA's investment and cash management strategy is to ensure adequate liquidity so that the cash requirements for operations, capital programs, and other demands, such as the ability to withstand air traffic disruptions, are met, and to maintain access to debt capital markets as may be required. The GTAA monitors its cash flow requirements and conducts consistent analysis of trends and expected fluctuations in the Company's liquidity and capital resources. Given the availability of its credit facilities, its restricted fund balances, the potential ability to access the capital markets, prior government support, positive cash flow from operations, its management of capital expenditures, and its unrestricted cash on hand, the GTAA does not anticipate any funding shortfalls in the near future and expects to continue to meet its payment obligations as they come due.

As at September 30, 2025, the GTAA had an aggregate of \$2,612.5 million in total available liquidity as detailed below. The unrestricted cash and cash equivalents were invested in short-term, investment grade liquid investment instruments in line with the GTAA's risk appetite, investment policy, and the MTI.

Liquidity and Credit Facilities (\$ millions)					September 30, 2025		December 31, 2024
Source	Currency	Expiry	Size	Drawn / CP Backstop	Available	Available	
Cash and cash equivalents ¹	CAD				1,187.9	828.0	
Short-term investments ¹ (STI)	CAD				—	285.0	
					1,187.9	1,113.0	
Credit facilities:							
1) Operating Credit Facility ^{2,3}	CAD	May 31, 2028	1,400.0	—	1,400.0	1,400.0	
Commercial paper backstop ³				—	—	(287.2)	
Available for general use					1,400.0	1,112.8	
2) Letter of Credit Facility	CAD	May 31, 2026	175.0	150.4	24.6	21.5	
			1,575.0	150.4	1,424.6	1,134.3	
Total net liquidity (includes cash & STI)					2,612.5	2,247.3	
3) Hedge Facility ⁴	CAD	Per contract	150.0	—	150.0	150.0	
Total (all credit facilities, cash & STI)			1,725.0	150.4	2,762.5	2,397.3	

¹ Unrestricted funds.

² The Operating Credit Facility is a committed bank facility which is revolving in nature.

³ As at September 30, 2025, there was \$nil outstanding commercial paper to backstop.

⁴ The Hedge Facility is a non-cash facility and allows the Corporation to enter into derivative transactions.

The GTAA maintains the credit facilities set out in the above table. These facilities rank *pari passu* with outstanding debt under the MTI by way of a pledged bond issued to the banking syndicate. The \$1,400.0 million Operating Credit Facility is used for general corporate purposes to fund capital projects or operating expenses as required, provide a credit backstop to the commercial paper program and provide flexibility on the timing for accessing the capital markets. As at September 30, 2025, no commercial paper was outstanding, no amounts were drawn from the Operating Credit Facility, \$150.4 million of the \$175.0 million Letter of Credit Facility was utilized, and there were no outstanding contracts under the \$150.0 million hedge facility.

As at September 30, 2025, the GTAA had a total working capital surplus of \$1,021.8 million, computed by subtracting current liabilities from current assets. This reflects the GTAA's approach in retaining a cash reserve and financial resilience. Unrestricted cash, cash equivalents and short-term investments balances built from positive cash flow from operations are partially offset by accounts payable and the current portion of long-term debt. Working capital is a financial metric that measures the short-term liquidity for those assets that can readily be converted into cash to satisfy both short-term liabilities and near-term operating costs and capital expenditures. Given the GTAA's total available liquidity of \$2,612.5 million, Management believes that the available credit under the Operating Credit Facility, its cash flows from operations, unrestricted cash on hand and the GTAA's ability to access the capital markets provide sufficient

liquidity for the GTAA to meet its financial obligations and other current liabilities as they come due for the foreseeable future.

The following table analyzes the GTAA's short- and long-term contractual obligations in nominal dollars as at September 30, 2025, by relevant maturity groupings based on the remaining period at the date of the statement of financial position to the contractual maturity date. It does not include pension and post-retirement benefit obligations as maturities are variable based on the timing of individuals leaving the plan. The table has been prepared based on the aggregate contractual undiscounted (gross) cash flows based on the earliest date on which the GTAA can be required to pay. The debt obligations include both undiscounted principal and interest cash flows.

Contractual Obligations <i>(\$ millions)</i>	Gross Payments Due by Period				
	Total	Less than 1 year	1 year to 3 years	4 years to 5 years	Thereafter
Accounts payable and accrued liabilities	293.6	293.6	—	—	—
Purchase obligations ¹	995.3	340.1	405.5	131.4	118.3
Long-term debt principal	6,701.2	28.3	883.7	1,060.7	4,728.5
Interest payable on long-term debt	3,121.2	317.7	619.5	551.1	1,632.9
	11,111.3	979.7	1,908.7	1,743.2	6,479.7

¹ Purchase obligations include operating commitments for goods and services contracts as at September 30, 2025 into which the GTAA has entered, that are required to operate the GTAA in the ordinary course of business over the next few years. It also includes capital commitments of approximately \$236.7 million.

Accounts payable, accrued liabilities, purchase obligations, long-term debt obligations and related interest payable are expected to be funded through operating cash flows.

In connection with the operation and development of the Airport, the GTAA had capital commitments outstanding as at September 30, 2025 of approximately \$236.7 million, compared to \$163.2 million at December 31, 2024. In the short-term, the GTAA expects to fund these commitments primarily through operating cash flows.

A measure of the GTAA's ability to service its indebtedness is its ability to comply with certain covenants in the MTI. The MTI contains a Rate Covenant, consisting of two financial tests (an operating covenant and debt service covenant) such that: (i) Revenues in each Fiscal Year are sufficient to make all required debt service payments and deposits in funds and reserve funds, and all other payments required to be made by the GTAA in the ordinary course of its consolidated business; and (ii) Net Revenues, together with any Transfer from the General Fund in each Fiscal Year, equal to at least 125 per cent of the Annual Debt Service for each Fiscal Year; (as such capitalized terms are defined in the MTI).

Both financial tests exclude amortization of property and equipment, investment property and intangible assets from expenses, asset write-downs and impairments. The debt service covenant does, however, include a notional principal amortization, over a 30-year period of outstanding debt. Inclusion of the notional debt amortization further evaluates whether net revenues are sufficient to retire debt over 30 years, which is considered appropriate for an infrastructure provider with significant, long-term use assets. The GTAA sets its rates and charges, fees and rentals, in part, so that these two covenants under the MTI are met. As of September 30, 2025, the GTAA is in compliance with the MTI covenants.

NON-GAAP FINANCIAL MEASURES

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

EBITDA and EBITDA Margin

EBITDA is earnings from operations before interest and financing costs, reversal or impairment of investment property, write-down of property and equipment, and amortization. EBITDA margin is EBITDA divided by revenues. EBITDA is a

commonly used measure of a company's operating performance. This is used to evaluate the GTAA's performance without having to factor in financing and accounting decisions.

Free Cash Flow

Free Cash Flow ("FCF") is cash flows from operating activities per the consolidated statements of cash flows, and ACIP grants received less capital expenditures (property and equipment, investment property, and other) and interest and financing costs paid, net of interest income (excluding non-cash items). FCF is used to assess funds available for debt reduction or future investments within Toronto Pearson.

Net Debt

Net Debt is defined as gross debt less unrestricted cash, cash equivalents and short-term investments and restricted funds.

Gross Debt and Net Debt per Enplaned Passenger

Gross Debt and Net Debt per Enplaned Passenger is defined as gross debt or net debt over total enplaned passengers ("EPAX"). For credit metric purposes, EPAX is defined as equal to half of total passengers and is based on a trailing 12-months' activity. EPAX is widely used in the aviation industry and represents a passenger boarding a plane at a particular airport. Net debt per EPAX is commonly used by airports and other users to assess an appropriate debt burden for an airport.

Net Liquidity

Net liquidity is defined as the total borrowing capacity available for general corporate purposes under its Operating Credit Facility, capacity available under its Letter of Credit Facility and unrestricted cash, cash equivalents and short-term investments. Net liquidity is a measure that demonstrates GTAA's ability to meet its short-term obligations.

Days Cash on Hand

Days cash on hand is defined as unrestricted cash, cash equivalents and short-term investments divided by the average daily operating expenses (excluding non-cash items). The GTAA targets to maintain a balance of days cash on hand to withstand the financial impact of potential reduced cash flows from disruption to travel.

Air Carrier Cost / Enplaned Passenger

Air Carrier Cost / Enplaned Passenger ("CPE") is air carrier cost per enplaned passenger. Air Carrier Cost is based on the trailing 12-months aeronautical revenue and activity. CPE is a common industry measurement of airport efficiency to gain an understanding of an airport's financial position as it relates to air carriers.

Operating Expenses

Operating expenses exclude write-down of property and equipment, reversal or impairment of investment property, and amortization.

MATERIAL ACCOUNTING POLICIES

The material accounting policies used in the preparation of these condensed interim consolidated financial statements are the same accounting policies and methods of computation as those disclosed in the December 31, 2024 consolidated financial statements.

These condensed interim consolidated financial statements were approved by the Audit Committee on November 10, 2025, pursuant to the authority delegated to it by the Board of Directors.

Accounting Standard Issued but not yet Applied

IFRS 18, Presentation and Disclosure in Financial Statements:

IFRS 18, Presentation and Disclosure in Financial Statements, was issued in 2024. 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 in the financial statements and enhanced principles on aggregation and disaggregation. IFRS 18 is effective for annual periods beginning on or after January 1, 2027. The GTAA continues to assess the impact on the consolidated financial statements.

RELATED PARTY TRANSACTIONS

As a corporation without share capital, the GTAA has Members rather than shareholders. The Members of the GTAA are also its directors. The GTAA is governed by a 15-member Board of Directors. Seven Directors are elected by the Members from candidates who are identified and assessed through a search process. Five Directors are elected by the Members from candidates nominated by the following municipalities: the regional municipalities of York, Halton, Peel and Durham, and the City of Toronto. Two Directors are elected by the Members from nominees of the Government of Canada and one Director is elected by the Members from a nominee of the Province of Ontario.

The Government of Canada and its respective government-related entities are related parties for accounting purposes only due to their ability to nominate Members, and due to the material nature of the Ground Lease. In accordance with International Financial Reporting Standards ("IFRS"), this meets the definition of significant influence, but not control. The GTAA has applied the exemption for government-related entities to disclose only significant transactions.

The GTAA's related parties also include Key Management personnel. Key Management includes the President and Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), the Chief Operating Officer ("COO") and other executives who have the authorities and responsibilities for planning, directing and controlling the activities of the GTAA. As at September 30, 2025, the GTAA had normal course transactions with Key Management personnel in the ordinary course of their employment with the GTAA. The GTAA's Board of Directors collectively oversee the management and operation of the Airport. The Board of Directors are, only for the purposes hereof, also considered Key Management, although all are independent of Management under applicable securities policies. In this respect, the GTAA only had normal course transactions with the Board of Directors with respect to compensation paid in connection with their role as an independent director.

INTERNAL CONTROLS AND PROCEDURES

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Disclosure controls and procedures within the Corporation have been designed to provide reasonable assurance that all relevant information is identified to the GTAA's CEO, CFO and Disclosure Committee to ensure appropriate and timely decisions are made regarding public disclosure.

Internal controls over financial reporting have been designed by Management, under the supervision of, and with the participation of, the GTAA's CEO and CFO, to provide reasonable assurance regarding the reliability of the GTAA's financial reporting and its preparation of financial statements for external purposes in accordance with IFRS.

The GTAA has filed certifications as required by National Instrument 52-109, *Certification of Disclosure in Issuers' Annual and Interim Filings*, signed by the GTAA's CEO and CFO, that report on the appropriateness of the financial disclosure, the design and effectiveness of the GTAA's disclosure controls and procedures and the design and effectiveness of internal controls over financial reporting.

The GTAA's Audit Committee reviewed this MD&A and the consolidated financial statements and approved these documents prior to their release, pursuant to the authority delegated to it by the Board of Directors.

Management's Report on Disclosure Controls and Procedures

Management, under the supervision of and with the participation of the Corporation's CEO and CFO, evaluated the effectiveness of the Corporation's disclosure controls and procedures (as defined under National Instrument 52-109) and concluded, as at September 30, 2025, that such disclosure controls and procedures were effective.

Management's Report on Internal Controls over Financial Reporting

Management, under the supervision of and with the participation of the Corporation's CEO and CFO, evaluated the effectiveness of the Corporation's internal controls over financial reporting (as defined under National Instrument 52-109). In making this evaluation, Management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control — Integrated Framework (2013). Based on that evaluation, Management and the CEO and CFO have concluded that, as at September 30, 2025, the Corporation's internal controls over financial reporting were effective. This evaluation took into consideration the GTAA's Disclosure Controls and Corporate Communications Policy and the functioning of its Disclosure Committee.

No changes were made in internal controls over financial reporting during the three and nine-months ended September 30, 2025 that have materially affected, or are reasonably likely to materially affect, the Corporation's internal controls over financial reporting. Management will continue to monitor the effectiveness of its internal controls over financial reporting and disclosure controls and procedures and may make modifications from time to time as considered necessary or desirable.

RISK FACTORS

The GTAA, its operations, and its financial results are subject to certain risks. The GTAA's Board of Directors is accountable for the oversight of the key enterprise risks of the GTAA's business and is responsible for determining that Management has effective policies and procedures to identify, assess and manage or mitigate such risks.

The GTAA has established an Enterprise Risk Management program that provides a disciplined approach for identifying, assessing, treating and managing risks, and the integration of risk considerations into strategy and opportunity. This enterprise-wide approach enables business and external risks to be managed and aligned with the GTAA's strategic priorities and goals. Specific risks are monitored by each of the five Board of Directors' committees and the Board of Directors monitors significant strategic risks quarterly.

Please see the GTAA's most recent Annual Information Form available on www.sedarplus.ca for a discussion of risk factors that could materially affect the GTAA's business, operating results, and financial condition. The risk factors described in the Annual Information Form are not the only risks and uncertainties that the GTAA faces. Additional risks and uncertainties not presently known to the GTAA or that the GTAA considers immaterial may also materially and adversely affect its business operations.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This document contains certain forward-looking statements or forward-looking information within the meaning of applicable securities laws, including capital programs and strategic plans. This forward-looking information is based on a variety of assumptions and is subject to risks and uncertainties. The forward-looking information reflects GTAA Management's current beliefs and is based on information currently available to GTAA Management. There is significant risk that predictions, forecasts, conclusions and projections which constitute forward-looking information will not prove to be accurate, that the GTAA's assumptions may not be correct and that actual results may vary from the forward-looking information. For more information, see the risks detailed from time to time in this MD&A and in the GTAA's other publicly filed disclosure documents including, in particular, those identified in the most recent Annual Information Form available at www.sedarplus.com.

Words such as "believe", "expect", "plan", "predict", "project", "intend", "estimate", "preliminary", "anticipate", and similar expressions, as well as future or conditional verbs such as "will", "may", "should", "would", and "could" often identify forward-looking information. Specific forward-looking information in this document includes, among others,

statements regarding the following: expected domestic and international passenger traffic and cargo; investment in the Airport including capital projects and physical infrastructure; future Airport demand or activity; the GTAA's borrowing requirements and its ability to access the capital markets; the GTAA's ability to comply with its financial covenants; debt levels and service costs; revenues, cash flows, working capital and liquidity; budgets and expenditures relating to capital programs and the funding of such programs; the timing of construction and commencement of operations of facilities currently planned or under construction at the Airport; the use of certain restricted reserve funds; and the funding of outstanding capital commitments.

The forward-looking information is based on a variety of material factors and assumptions including, but not limited to: population continues to grow in the long-term; employment and personal income provide the basis for increased aviation demand in the Greater Toronto Area; the Canadian, United States, and global economies grow at expected levels; air carrier capacity meets and encourages demand for air travel in the Greater Toronto Area; the impact of costs associated with new processes, technology solutions and facility enhancements are recoverable in the ordinary course; the Greater Toronto Area continues to attract domestic and international travelers; no other significant events such as a pandemic, natural disaster, or other calamity occur and have an impact on the ordinary course of business or the macroeconomic environment; the GTAA will be able to access the capital markets at competitive terms and rates; and no significant cost overruns relating to capital projects occur. These assumptions are based on information currently available to the GTAA, including information obtained by the GTAA from third-party experts and analysts.

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

**Condensed Interim Consolidated Financial Statements
of the Greater Toronto Airports Authority**

September 30, 2025



Greater Toronto Airports Authority

Condensed Consolidated Statements of Financial Position

	September 30	December 31
(unaudited) (in thousands of Canadian dollars)	2025	2024
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	1,187,881	827,968
Short-term investments	—	285,000
Restricted funds	103,511	126,511
Accounts receivable	215,188	154,463
Airport Critical Infrastructure Program receivable	5,447	812
Inventory	27,688	26,017
Prepays	15,421	9,565
	1,555,136	1,430,336
Non-current assets		
Restricted funds	350,740	355,031
Intangibles and other assets	91,364	102,388
Property and equipment (Note 3)	4,824,212	4,850,716
Investment property	402,503	409,774
Post-employment benefit asset	60,139	62,297
	7,284,094	7,210,542
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	293,619	282,063
Deferred ground rent payable	8,556	8,556
Airport Critical Infrastructure Program payment	—	643
Security deposits and deferred revenue	102,411	82,474
Long-term debt and commercial paper (Note 4)	128,779	374,088
	533,365	747,824
Non-current liabilities		
Post-employment benefit liabilities	12,569	12,115
Long-term debt (Note 4)	6,644,977	6,671,661
Deferred ground rent payable	49,878	54,184
	7,240,789	7,485,784
Retained Earnings (Deficit) and Accumulated Other Comprehensive Loss	43,305	(275,242)
	7,284,094	7,210,542

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

Greater Toronto Airports Authority

Condensed Consolidated Statements of Operations and Comprehensive Income

(unaudited) (in thousands of Canadian dollars)	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
	\$	\$	\$	\$
Revenues				
Landing fees	118,989	109,511	337,118	312,843
General terminal charges	71,133	66,371	200,598	187,975
Airport improvement fees	195,791	185,547	535,750	507,958
Car parking and ground transportation	69,393	68,356	192,213	187,678
Concessions	43,135	41,473	118,143	113,694
Rentals	48,917	45,151	140,683	129,955
Other	14,835	14,772	45,737	44,883
	562,193	531,181	1,570,242	1,484,986
Operating Expenses				
Ground rent	63,732	60,577	177,744	168,435
Goods and services	126,063	122,191	375,175	360,409
Salary, wages and benefits	70,657	65,405	217,158	196,815
Payments-in-lieu of real property taxes	10,277	8,165	30,830	24,494
Write-down of property and equipment (Note 3)	—	—	231	3,600
(Reversal) Impairment of investment property	—	—	—	(5,517)
Amortization of property and equipment	78,615	78,553	228,177	230,120
Amortization of intangibles	4,161	5,713	15,312	19,231
Amortization of investment property	3,209	2,991	9,627	8,697
	356,714	343,595	1,054,254	1,006,284
Earnings before interest and financing costs, net	205,479	187,586	515,988	478,702
Interest income	12,906	19,085	41,794	54,850
Interest expense on debt instruments and other financing costs	(79,823)	(84,381)	(240,050)	(251,196)
Interest and financing costs, net (Note 4)	(66,917)	(65,296)	(198,256)	(196,346)
Net Income	138,562	122,290	317,732	282,356
Items that will be reclassified subsequently to Net Income:				
Amortization of terminated hedges and interest rate swap	272	272	815	815
Other Comprehensive Income	272	272	815	815
Total Comprehensive Income	138,834	122,562	318,547	283,171

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

Greater Toronto Airports Authority

Condensed Consolidated Statements of Changes in Retained Earnings (Deficit) and Accumulated Other Comprehensive Loss

For nine months ended September 30, 2025 (unaudited) (in thousands of Canadian dollars)	Retained Earnings (Deficit)	Accumulated Other Comprehensive Loss	Total
	\$	\$	\$
Balance, January 1, 2025	(261,203)	(14,039)	(275,242)
Net Income	317,732	—	317,732
Amortization of terminated hedges and interest rate swap	—	815	815
Total Comprehensive Income for the period	317,732	815	318,547
Balance, September 30, 2025	56,529	(13,224)	43,305

For nine months ended September 30, 2024 (unaudited) (in thousands of Canadian dollars)	Retained Deficit	Accumulated Other Comprehensive Loss	Total
	\$	\$	\$
Balance, January 1, 2024	(590,742)	(15,125)	(605,867)
Net Income	282,356	—	282,356
Amortization of terminated hedges and interest rate swap	—	815	815
Total Comprehensive Income for the period	282,356	815	283,171
Balance, September 30, 2024	(308,386)	(14,310)	(322,696)

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

Greater Toronto Airports Authority

Condensed Consolidated Statements of Cash Flows

For nine months ended September 30
(unaudited) (in thousands of Canadian dollars)

	2025	2024
Cash Flows from (used in) Operating Activities	\$	\$
Net Income	317,732	282,356
Adjustments for:		
Amortization of property and equipment	228,177	230,120
Amortization of intangibles and other assets	15,851	23,244
Amortization of investment property	9,627	8,697
(Reversal) Impairment of investment property	—	(5,517)
Post-employment benefit plans	2,612	1,723
Interest and financing costs, net	198,256	196,346
Amortization of deferred credit	—	(1,697)
Deferred ground rent payable	(4,306)	(4,109)
Changes in working capital and other:		
Accounts receivable	(60,725)	(52,855)
Prepays	(5,856)	(3,957)
Inventory	(1,671)	(6,299)
Accounts payable and accrued liabilities	9,988	43,587
Security deposits and deferred revenue	19,937	19,107
	729,622	730,746
Cash Flows from (used in) Investing Activities		
Acquisition of short-term investments	—	(405,000)
Sale of short-term investments	285,000	395,000
Acquisition and construction of property and equipment and intangible assets, net	(203,022)	(221,561)
Acquisition and construction of investment property	(2,355)	(7,651)
Funds received under the Airport Critical Infrastructure Program	812	10,390
Decrease (Increase) in restricted funds	27,291	(37,559)
	107,726	(266,381)
Cash Flows from (used in) Financing Activities		
Repayment of long-term debt	(26,567)	(24,957)
Commercial paper, net	(286,196)	84,768
Interest paid and other financing costs	(206,466)	(215,559)
Interest received	41,794	54,850
	(477,435)	(100,898)
Net Cash Inflow	359,913	363,467
Cash and cash equivalents, beginning of year	827,968	333,554
Cash and cash equivalents, end of period	1,187,881	697,021

As at September 30, 2025, cash and cash equivalents consisted of cash of \$285.4 million (December 31, 2024 – \$96.7 million) and cash equivalents of \$902.5 million (December 31, 2024 – \$731.9 million) less outstanding cheques of \$nil (December 31, 2024 - \$0.6 million).

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

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2025 and 2024 (unaudited)
(Unless otherwise stated, all amounts are in thousands of Canadian dollars)

1. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. As these condensed interim consolidated financial statements do not include all information required for annual financial statements, these condensed interim consolidated financial statements should be read in conjunction with the 2024 annual financial statements.

In applying the Greater Toronto Airports Authority’s (“GTAA”) accounting policies, as described in Note 2, Material Accounting Policies, Management is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2. MATERIAL ACCOUNTING POLICIES

The material accounting policies used in the preparation of these condensed interim consolidated financial statements are the same accounting policies and methods of computation as those disclosed in the December 31, 2024 consolidated financial statements.

These condensed interim consolidated financial statements were approved by the Audit Committee on November 10, 2025, pursuant to the authority delegated to it by the Board of Directors.

Accounting Standard Issued but not yet Applied

IFRS 18, Presentation and Disclosure in Financial Statements:

IFRS 18, Presentation and Disclosure in Financial Statements, was issued in 2024. 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 in the financial statements and enhanced principles on aggregation and disaggregation. IFRS 18 is effective for annual periods beginning on or after January 1, 2027. The GTAA continues to assess the impact on the consolidated financial statements.

3. PROPERTY AND EQUIPMENT

Property and equipment are comprised of:

September 30, 2025

	Terminal and Airside Assets	Baggage Handling Systems	Improvements to Leased Land	Runways and Taxiways	Airport Operating Assets	Assets Under Construction	Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
Balance, beginning of year	7,338,320	466,412	9,480	615,811	803,887	345,919	9,579,829
Additions, net of government grants	403	—	—	—	—	201,800	202,203
Disposals	(287)	—	—	—	(4,524)	—	(4,811)
Write-down	—	—	—	—	—	(231)	(231)
Transfers	59,698	64,489	—	740	72,480	(197,407)	—
Balance, end of period	7,398,134	530,901	9,480	616,551	871,843	350,081	9,776,990
Accumulated amortization							
Balance, beginning of year	3,624,149	305,314	4,432	296,508	498,710	—	4,729,113
Amortization expense	147,807	17,349	(1,020)	18,776	45,265	—	228,177
Disposals	—	—	—	—	(4,512)	—	(4,512)
Balance, end of period	3,771,956	322,663	3,412	315,284	539,463	—	4,952,778
Net book value, end of period	3,626,178	208,238	6,068	301,267	332,380	350,081	4,824,212

December 31, 2024

	Terminal and Airside Assets	Baggage Handling Systems	Improvements to Leased Land	Runways and Taxiways	Airport Operating Assets	Assets Under Construction	Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
Balance, beginning of year	7,221,465	463,732	9,480	562,919	735,634	334,276	9,327,506
Additions, net of government grants	402	—	—	—	—	291,475	291,877
Disposals	(120)	—	—	—	(32,700)	—	(32,820)
Write-down	—	—	—	—	—	(6,734)	(6,734)
Transfers	116,573	2,680	—	52,892	100,953	(273,098)	—
Balance, end of period	7,338,320	466,412	9,480	615,811	803,887	345,919	9,579,829
Accumulated amortization							
Balance, beginning of year	3,429,257	283,203	4,274	262,615	473,859	—	4,453,208
Amortization expense	194,892	22,111	158	33,893	57,539	—	308,593
Disposals	—	—	—	—	(32,688)	—	(32,688)
Balance, end of year	3,624,149	305,314	4,432	296,508	498,710	—	4,729,113
Net book value, end of period	3,714,171	161,098	5,048	319,303	305,177	345,919	4,850,716

As at September 30, 2025, \$350.1 million (December 31, 2024 – \$345.9 million) of property and equipment was under construction and not yet subject to amortization. Included in this amount is \$16.5 million (December 31, 2024 – \$12.2 million) of capitalized interest. During the nine months ended September 30, 2025, borrowing costs for active projects were capitalized at the rate of 4.7%, which represents the weighted-average cost of the GTAA's general borrowings (January 1 to September 30, 2024 – 4.8%).

4. LONG-TERM DEBT, COMMERCIAL PAPER AND CREDIT FACILITIES

Long-term debt and commercial paper ("CP"), adjusted for unamortized discounts and premiums and accrued interest, consisted of:

Series	Coupon Rate	Maturity Date	Principal Amount	September 30	December 31
				2025	2024
Revenue Bonds			\$	\$	\$
1997-3	6.45%	December 3, 2027	321,500	327,375	321,994
1999-1	6.45%	July 30, 2029	124,543	125,659	154,873
Medium-Term Notes					
2000-1	7.05%	June 12, 2030	526,550	537,019	527,794
2001-1	7.10%	June 4, 2031	492,150	501,400	492,576
2002-3	6.98%	October 15, 2032	468,960	483,764	475,603
2004-1	6.47%	February 2, 2034	567,428	569,879	578,955
2010-1	5.63%	June 7, 2040	400,000	404,945	399,324
2011-1	5.30%	February 25, 2041	600,000	600,167	608,099
2011-2	4.53%	December 2, 2041	400,000	403,646	399,102
2018-1	3.26%	June 1, 2037	500,000	502,837	498,678
2019-1	2.73%	April 3, 2029	500,000	505,591	501,974
2019-2	2.75%	October 17, 2039	900,000	905,907	899,540
2020-1	1.54%	May 3, 2028	500,000	502,082	499,874
2021-1	3.15%	October 5, 2051	400,000	403,485	400,208
				6,773,756	6,758,594
Commercial paper outstanding				—	287,155
				6,773,756	7,045,749
Less: Current portion (including accrued interest)				(128,779)	(374,088)
				6,644,977	6,671,661

As at September 30, 2025, accrued interest included in the current portion of the long-term debt was \$100.5 million (December 31, 2024 – \$60.4 million).

Interest and financing costs and interest income consisted of the following:

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
	\$	\$	\$	\$
Interest income	12,906	19,085	41,794	54,850
Interest expense on debt instruments	(80,842)	(84,559)	(242,773)	(252,504)
Capitalized interest	2,668	2,058	8,001	6,996
Amortization of terminated hedges and interest rate swap	(272)	(272)	(815)	(815)
Other financing fees	(673)	(838)	(2,351)	(2,564)
Deferred ground rent interest accretion	(704)	(770)	(2,112)	(2,309)
	(79,823)	(84,381)	(240,050)	(251,196)
Interest and financing costs, net	(66,917)	(65,296)	(198,256)	(196,346)

Set out below is a comparison of the amounts that would be reported if long-term debt amounts were reported at fair values. Fair values are based on quoted market rates for GTAA bonds as at the date of the condensed interim consolidated statements of financial position. The fair values are within Level 2 of the fair value hierarchy as detailed in Note 6, Financial Instruments.

	September 30, 2025		December 31, 2024	
	Book Value	Fair Value	Book Value	Fair Value
	\$	\$	\$	\$
Long-term debt	6,773,756	6,865,748	6,758,594	6,885,361

All notes are redeemable in whole or in part at the option of the GTAA at any time. Early redemption may be subject to certain penalties in accordance with the terms of the notes.

Each series of notes issued after 2017 has a specific par call date which occurs before the respective maturity date of each series. Any redemptions after the par call date would be made at the bond's respective par value. Any redemptions made prior to the par call date would be subject to the redemption price. The redemption price is defined as the greater of: (i) the face value amount plus accrued and unpaid interest; and (ii) the price based on yields over Government of Canada bonds with similar terms to the par call date (calculated from the redemption date).

Credit Facilities

The \$1,400.0 million Operating Credit Facility is used for general corporate purposes to fund capital projects or operating expenses as required, provide a credit backstop to the commercial paper program and provide flexibility on the timing for accessing the capital markets.

As at September 30, 2025, no commercial paper was outstanding (December 31, 2024 – \$287.2 million), no amounts were drawn from the Operating Credit Facility (December 31, 2024 – \$nil), \$150.4 million of the \$175.0 million Letter of Credit Facility was utilized (December 31, 2024 – \$138.5 million), and there were no outstanding contracts under the \$150.0 million hedge facility. During the year, the Letter of Credit Facility was increased from \$160.0 million to \$175.0 million.

As at September 30, 2025, the GTAA had an aggregate of \$2,612.5 million in total available liquidity comprised of \$1,400.0 million borrowing capacity available under its Operating Credit Facility, \$24.6 million available under its Letter of Credit Facility, and \$1,187.9 million of unrestricted cash and cash equivalents. The unrestricted cash and cash equivalents were invested in short-term, investment grade liquid investment instruments in line with the GTAA's risk appetite, investment policy, and the Master Trust Indenture.

Indebtedness under the credit facility bears interest at underlying benchmark plus applicable spread based on credit rating pricing grid.

5. COMMITMENTS

Capital Commitments

In connection with the operation and development of the Airport, the GTAA had capital commitments outstanding as at September 30, 2025, of approximately \$236.7 million (December 31, 2024 - \$163.2 million).

6. FINANCIAL INSTRUMENTS

Fair Value Hierarchy

Fair value measurements recognized in the condensed interim consolidated statements of financial position must be categorized in accordance with the following levels:

- a) Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- b) Level 2 – Observable inputs other than quoted prices included in Level 1 such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data; or
- c) Level 3 – Significant unobservable inputs that are supported by little or no market activity.

Financial instruments that are not measured at fair value in the condensed interim consolidated statements of financial position are represented by cash equivalents, short-term investments, accounts receivable, accounts payable and accrued liabilities, security deposits, long-term debt, advanced payments, and other liabilities. The fair values of these items, excluding long-term debt, approximate their carrying values due to their short-term nature. The fair value of long-term debt is disclosed in Note 4, Long-Term Debt, Commercial Paper and Credit Facilities.

Restricted funds are categorized as Level 2 as the GTAA uses observable inputs such as yield curves applicable to identical assets to fair value this group. Deferred ground rent payable is categorized as Level 3 as there are no observable inputs.

There were no transfers of financial instruments between the levels during the period.