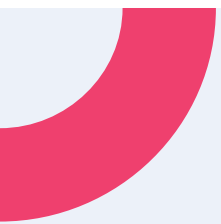




2024 Annual Report

ST. JOHN'S
INTERNATIONAL
AIRPORT
AUTHORITY

YYT



Land Acknowledgement

St. John's is home to a rich, diverse, and vibrant urban Indigenous community. Located on the ancestral and unceded territory of the Beothuk, the lands and waters in and around the City have traditionally served as a gathering place for the Mi'kmaq. The broader region of Newfoundland and Labrador continues to be home to diverse Indigenous Peoples, including First Nations, Inuit, and Métis. We honour and pay respect to the past, present, and future caretakers of these territories.





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01.

Message from the Chair

Message from the Chair



As Chair of the St. John's International Airport Authority's Board of Directors, I am pleased to present our 2024 Annual Report.

This year has been one of growth and development as the Airport Authority continued to fulfill its vision to be an airport leader, advancing Newfoundland and Labrador's economy and global reach.

The global landscape has continued to evolve, with many unexpected hurdles. Despite these challenges, we have maintained our commitment to proudly connect Newfoundland and Labrador with the world with over 1.38 million passengers travelling through YYT in 2024.

This report highlights our 2024 achievements and milestones, such as the approval of a new 10-year Capital Plan, completion of the rehabilitation of our secondary runway, 16/34, and collaborating with our airline partners to enhance and create new routes to and from YYT, to name a few. Each of these accomplishments is a testament to the hard work and dedication of the entire SJIAA team, our stakeholders and partners, and the Board of Directors, all of whom play a critical role in achieving our vision and mission.

We have also focused on strengthening our foundations. With a clear focus on Financial Strength, People and Culture,

Digital Transformation, Operational Excellence and Resiliency, and Airport Development and Community Partnerships, we have made significant strides in ensuring the future of the airport remains bright.

We are pleased with the direction we are heading, but there is still much to be done. Looking ahead, we will continue to focus on ensuring we are ready to meet the increased demands for air service for the communities we serve.

I would like to take this opportunity to welcome Mr. Peter Adams to the Board of Directors. Mr. Adams was appointed as a representative of the Government of Canada on April 1, 2024. With this appointment, we said good-bye to Mr. William Malone who completed his term on March 31, 2024. We thank Mr. Malone for his dedicated service and invaluable guidance while he served as Chair of the Governance Committee and a member of the Finance and Audit Committee.

Thank you for your trust, your belief in our mission, and your ongoing support and partnership. I look forward to what lies ahead for YYT.



David Howe
Board Chair

02.

Message from the CEO

Message from the CEO



I am extremely proud of the many accomplishments of our team here at the St. John's International Airport Authority (SJIAA).

Our new three-year strategic plan was adopted by the Board of Directors after extensive input from our employees, partners, stakeholders, and community groups to ensure we are best serving our communities.

Air service is our core business function, and in 2024, 1.38 million passengers travelled through YYT, with every month seeing an increase when compared to 2023. We celebrated the long-awaited return of non-stop transatlantic service in May with WestJet's London-Gatwick route, which was met with overwhelming community support. Building on that momentum, 2025 will see daily non-stop European service with increased London-

Gatwick flights, the return of Dublin service, and a brand-new non-stop route to Paris. Porter also introduced non-stop service to Ottawa, directly reconnecting our provincial and national capitals for the first time in five years.

There were several significant infrastructure projects undertaken in 2024. Construction on our secondary runway, 16/34, was completed with minimal disruptions to the travelling public, and no safety incidents or incursions. We also began a multi-year, multi-phase parking lot improvement project, and installed two new passenger boarding bridges.

In September, our Emergency Response and Planning team led the bi-annual full-scale emergency planning training exercise, bringing together first responders, community organizations, and municipalities from our region. Due to our unique location bordering the Atlantic Ocean, we are an ideal stopping point for diverting transatlantic flights, and it's critical to ensure we are prepared.

Process improvements were made throughout the organization in 2024. Our IT team introduced new self-check-in kiosks, providing passengers with a streamlined, modern experience comparable to other major Canadian airports. The team also conducted cyber security education sessions to enhance awareness and preparedness. Our Finance team implemented a cloud-based accounting system, significantly reducing administrative burdens and improving efficiency, and Risk Management and Policy advanced critical initiatives in training, risk

assessments, and incident response planning, which further strengthens our organizational resilience.

We were honored in 2024 to have been recognized with Airport Caron Accreditation (ACA) Carbon Accreditation (Level 1) from Airports Council International – North America, and we were named one of Atlantic Canada's Top Employers.

These accomplishments would not be possible without the approximately 800 dedicated people who work across the YYT campus to keep our communities connected and economies thriving. In 2024, we proudly joined over 30 airports across Canada to celebrate the inaugural Airport Workers Day – a new annual celebration of the dedicated and talented employees who work at Canada's airports.

In May, we were deeply honored to take part in the historic repatriation of the unknown Royal Newfoundland Regiment Soldier's remains. A brief ceremony on our tarmac marked this special event before the Soldier's remains passed through historic landmarks in St. John's.

I want to thank our Board of Directors for providing sound guidance to our organization, our Senior Leadership Team for continuing to advance key strategic priorities, and our employees for giving their best each day.

A stylized, handwritten signature in white ink, consisting of a large 'D' and 'H' followed by a series of loops and a horizontal line.

Dennis Hogan
Chief Executive Officer



03.

Who
We Are



Mission

*Proudly connecting
Newfoundland and Labrador
with the world.*



Vision

*To be an airport leader advancing
Newfoundland and Labrador's
economy and global reach.*

Values

-  Accountability
-  Collaboration
-  Inclusion
-  Safety and Security
-  Sustainability



Who We Are

Recognized as a Top Employer in Atlantic Canada for 2024, the St. John's International Airport Authority (SJIAA) is a not-for-profit, non-share capital corporation with a workforce of approximately 100 employees. As Newfoundland and Labrador's gateway to the world, SJIAA is committed to offering an exceptional passenger experience while serving as a tourism and economic catalyst. In 2024, SJIAA facilitated safe and efficient air travel for over 1.38 million passengers. Managing over 350,000 square metres with over 75 airport tenants, SJIAA generates its own revenue and raises its own capital.



Senior Leadership Team

From left to right:

Roy Langmead, Manager - Emergency Response and Planning; **Wayne Morris**, Director - Operations; **Steve Denty**, Manager - Commercial Development and Customer Experience; **Phil O'Connell**, Manager - Safety, Security, and Environment; **Lisa Bragg**, Director - Business Development and Marketing; **Jamie Smith**, Manager - Airside Services; **Patricia Mahon**, Executive Assistant and Corporate Secretary; **Dennis Hogan**, Chief Executive Officer; **Jill Grant**, Director - Information Technology; **Connie Duffett**, Director - Strategy, People, and Culture; **Holly Wilson**, Human Resources Business Partner; **Adam Churchill**, Manager - Information Technology and Cyber Security; **Paul Angel**, Manager - Infrastructure; **Cameron Spinney**, Director - Finance (Acting)

Missing from photo: **Scott Mercer**, Director - Infrastructure and Planning

04.

Strategic
Plan

Strategic Plan

In 2024, the St. John's International Airport Authority adopted a new three-year strategic plan through to 2026. This strategic plan reflects extensive input from our employees, partners, stakeholders, and community groups to ensure we are best serving our communities. Education sessions were conducted with all SJIAA staff to learn more about how this plan shapes the important work we do.

SJIAA's **five** strategic priorities are:

1. People and Culture
2. Digital Transformation
3. Financial Strength
4. Operational Excellence and Resiliency
5. Airport Development and Community Partnerships

1. People and Culture

SJIAA recognizes that its people and culture are the foundation to offering world-class airport services. This strategic priority reflects our commitment to fostering a dynamic, inclusive, and engaged workforce, and encompasses talent development, diversity and inclusion, and employee wellness.

Employee Town Hall

In October, the Airport Authority held its first employee town hall event. Following strategic business and operational updates, our employees were surprised with a hands-on, bike building exercise with a few twists, turns, and challenges to promote teamwork. The highlight of the event was that the new bikes were matched with nine children in our communities and the children joined the group to be presented with their bikes. This truly heartwarming event brought smiles, laughs, and even a few tears to participants.



SJIAA employees presenting nine children with bikes

Atlantic Canada's Top Employers Award

SJIAA was proud to be named one of Atlantic Canada's Top Employers for 2024. This distinguished award is presented to employers in Canada's four Atlantic provinces that lead their industries with exceptional places to work.

Employers are evaluated using eight criteria: workplace; work and social atmosphere; health, financial, and family benefits; vacation and time off; employee communications; performance management; training and skills development; and community involvement. The selection panel recognized SJIAA in particular for its parental leave policies and comprehensive career development opportunities including leadership development, and apprenticeship opportunities.



Talent Management

In 2024, 24 positions were successfully recruited. That number reflects almost 25% of the organization's workforce, and includes several internal promotions. SJIAA engaged with Memorial University of Newfoundland and College of the North Atlantic for co-operative education placements and apprentice programs in our organization. The apprenticeship program continued into 2024.

Pay Equity Plan

SJIAA developed a comprehensive Pay Equity Plan, led by a dedicated Pay Equity Committee. This process involved identifying job classes, assessing gender representation, evaluating the value of work across classes, and analyzing discrepancies, all with the aim of ensuring fair and equitable compensation for all employees.



Employee Engagement

SJIAA's Employee Engagement Committee, comprised of both unionized employees and management, ensures that our employees are celebrated and supported. This Committee oversees several initiatives, including the Years of Gratitude program where employees are recognized for their service. 2024 marked the third year of this program, which recognized 16 employees with a combined total of 225 years of service.

This Committee also leads the Scholarship Program, which rewards the dependents of our employees for post-secondary endeavours. This year, applicants were asked how SJIAA can improve its accessibility offerings or reduce its carbon footprint to promote a sustainable future. In 2024, seven students received scholarships for a total value of \$7,000, bringing the total amount invested into our scholarship program to nearly \$17,000 since its launch in 2022.



2024 Scholarships recipients Ava Kelly, Ella Duffett, Erica Chant, Sophie Tulk, Jenna Butler, and Ivan Fang with CEO Dennis Hogan



Phil O'Connell, John Shea, Lesley Neville-White, Roy Langmead, Colleen Bolger, Darren Devereaux, Andre Pearcey, and Matt Howse receiving their service awards



Airport Workers Day

On June 26, SJIAA joined over 30 airports across Canada to celebrate the inaugural Airport Workers Day – a new initiative led by the Canadian Airports Council. All tenants and employees throughout airport property were invited and hundreds came together for this event which featured a barbeque, games, prizes, and live entertainment.

From our ground crews to our concessions and hoteliers to our air traffic controllers and many more, these heroes ensure our airports run smoothly every day, keeping our communities connected and our economies thriving. We look forward to celebrating this day every year moving forward.

Partner Accolades

SJIAA was proud to celebrate the achievements of two outstanding employees from our partners in 2024 - Georginna Perez was named a Paradies Lagardère First Class Associate and Charles Chatman received the Air Canada Award of Excellence.



2. Digital Transformation

Digital transformation plays a critical role in modernizing operations, enhancing the passenger experience, and ensuring SJIAA's long-term sustainability. This involves exploring and applying transformational technologies and processes to support the organization, partners, and stakeholders.

In 2024, SJIAA made significant strides in advancing its three-year strategic technology vision, with a focus on enhancing cybersecurity, improving digital experiences, and advancing IT service management. Our initiatives have strengthened operational foundations while positioning the organization to meet evolving challenges in an increasingly digital landscape.

Cyber Security and Information Technology (IT) Organizational Resiliency

In 2024, SJIAA developed and implemented a robust cybersecurity framework that encompasses threat detection, incident response, and employee awareness training. This program has significantly reduced our vulnerability to cyber threats and improved our overall security posture.

A new scalable disaster recovery strategy was also created to ensure business continuity in the face of potential disruptions. We have implemented redundant systems and testing protocols to minimize downtime and protect critical data.

Digital Transformation Initiatives

- **Process Digitalization:** We have successfully digitalized several key operational processes, resulting in improved efficiency and reduced manual tasks.
- **Document Management System:** The implementation of our new Document Management System has streamlined data accessibility and improved decision-making processes across the organization. This has resulted in faster response times to customer inquiries and more informed strategic planning.
- **Enhanced Digital Communication:** We have expanded our digital communication and collaboration capabilities, facilitating seamless remote work and improving inter-departmental coordination. This has been particularly valuable in maintaining operational efficiency during challenging times.



IT Service Management (ITSM) Advancements

- **IT Transformation Strategy:** Our newly developed IT transformation strategy aligns technology initiatives with business objectives, ensuring that our IT investments deliver maximum value to the organization. In 2024, we focused on modernizing foundational services including the replacement of all check-in kiosks featuring improvements in accessibility, customer experience and real-time analytics.
- **Business Intelligence Services:** The implementation of advanced data analytics in priority areas has improved our ability to derive actionable insights, supporting data-driven decision-making across the organization.
- **ITSM Maturity:** We have achieved a higher level of IT service delivery management maturity, resulting in more efficient issue resolution and root cause analysis.

3. Financial Strength

SJIAA recognizes the importance of fiscal responsibility and financial strength as a pillar in our long-term vision. We are committed to maintaining a robust, sustainable financial foundation to ensure we continue to provide for the community as an employer, influential organization, and transportation gateway for Newfoundland and Labrador.

As a private, not-for-profit, non-share capital corporation, the St. John's International Airport Authority is responsible for generating its own revenue and raising its own capital to support Airport operations, improvements and maintenance plans.

Ensuring a financially sustainable airport is a top priority for the St. John's International Airport Authority. Increased passenger traffic, growth in non-aeronautical revenue and prudent expense management, gave rise to favourable earnings in 2024. As a not-for-profit, all earnings generated through Airport operations are reinvested back into the infrastructure and operations of the Airport.

Growth in passenger traffic met expectations with an increase of 9.4% over 2023. Landing and terminal fees as well as passenger driven revenue such as concessions and public parking increased year over year. Higher interest rates also resulted in significant interest revenue on cash deposits in 2024.

The Authority maintains an A2 credit rating with Moody's Investor Services. Among other things, this strong rating results from the Authority's continued growth in passenger traffic and strong liquidity position. In 2024, the Authority retired a \$60 million bond and replaced it with a \$45 million short-term loan to serve as bridge financing while we finalize our ten year financial plan.

In 2022 the Authority successfully secured \$19 million in Airport Critical Infrastructure

Program (ACIP) funding for two multi-year projects: airfield asphalt rehabilitation and fleet replacement. In 2024, the Authority completed the fleet replacement project, while the airfield asphalt rehabilitation project will continue into 2026.

Since the establishment of the Airport Authority in 1996, the Authority has invested \$399 million in infrastructure improvements at the Airport and has collected \$318 million in Airport Improvement Fee (AIF) revenue. The Authority is committed to conducting business in a competitive fashion. Goods, services, and construction contracts in excess of an aggregate of \$138,000 (subject to an annual adjustment for inflation according to the Consumer Price Index based on \$75,000 in 1994 dollars) shall be awarded following a competitive tendering process except when otherwise determined by the Board of Directors having regard to what may be efficient and practicable.

To that end, the Authority sought competitive bids on all contracts as required, with the exception of a sole sourced Rosenbauer Aircraft Rescue and Firefighting (ARFF) vehicle. Rosenbauer was the successful bidder for the first and second ARFF vehicles, and there are numerous significant advantages to maintaining a common fleet of ARFF vehicles. Based on a unanimous vote by the Board of Directors to proceed, the sole source purchase was approved. 50% of the total cost of the vehicle will be funded through ACIP.

4. Operational Excellence and Resiliency

Operational excellence and resiliency are at the heart of delivering exceptional airport services, and underscores our commitment to achieving a positive safety culture, environmental stewardship, and organizational strength.



Airfield Asphalt Rehabilitation

2024 was the third of a four-year asphalt rehabilitation program. The key project in 2024 was the asphalt rehabilitation of YYT's secondary runway, 16/34, which began in late-May and concluded in early November. This project required approximately 150,000 square metres of surface asphalt milling, and 20,000 tonnes of new surface asphalt – equating to nearly 1,250 tandem loads.

Lighting on runway 16/34 was also converted to LED, including 150 runway centerline lights, 100 taxiway centre lights, and 75 runway edge lights.

This complex project was completed without any injury or aircraft incidents, and had minimal impacts on the travelling public.



10-Year Capital Plan

2024 saw the creation of a new, 10-year rolling capital plan, which will be updated annually. This plan is essential in guiding capital investment projects, ensuring assets are replaced at appropriate times, and informing the organization's business planning. This includes larger capital investments such as the potential restart of the West Terminal Expansion Project.

Jet Bridges

This project saw the decommissioning of passenger boarding bridges nearing the end of their useful life and the installation of two new ones. The new bridges have several improvements, including new baggage handling chutes, improved camera coverage, strengthened curtain walls, modern operator interface and control system, and improved internal temperature controls.

Winter Maintenance

SJIAA operates over 80 pieces of equipment. The Airport's heavy-duty fleet for heavy snow clearing comprises approximately 33 pieces of heavy equipment and includes plow-sweeper-blowers, high capacity snowblowers, loaders, bulldozers, chemical application trucks, tractors, and sidewalk plows. SJIAA receives an average of 335 cm of snow annually and clears 1.3 million square metres of asphalt.

Environmental Stewardship

SJIAA remains committed to environmental stewardship and minimizing our impact on the local environment.

In 2023, SJIAA introduced a Carbon Management Policy statement, and followed that up in 2024 with a comprehensive Carbon Management Plan that outlines several immediate energy reduction projects and long-term goals.

In 2024, SJIAA received Level 1 Airport Carbon Accreditation from Airports Council International - North America (ACI-NA). We are committed to achieving further status levels, and were proud to receive \$240,000 in funding from the Government of Newfoundland and Labrador's Green Transition Fund to support our efforts in this area.



SJIAA CEO Dennis Hogan receiving the ACA Level 1 Certificate of Accreditation from ACI-NA President & CEO Kevin M. Burke

Additional carbon reduction initiatives over the past year include:

- Update of SJIAA's Greenhouse Gas Inventory
- Design of electric vehicle charging stations for the long-term parking lot
- Energy retrofit in the Combined Services Building Maintenance Garage and Firehall to reduce energy consumption

Privacy Management Program

Protecting personal and sensitive organizational data is not only a regulatory requirement, but is key to fostering and maintaining trust with our employees and stakeholders. In 2024, SJIAA experienced significant progress on formalizing its privacy management program by completing phase one of a three-year plan aimed at strengthening privacy culture and data protection, and providing training delivered by industry experts across the organization.

Enhancing Organizational Resiliency

As part of our ongoing commitment to enhancing organizational resiliency, SJIAA focused on developing incident response plans. These plans ensure that we are prepared to address unforeseen disruptions. Incident response planning is not only about reacting to crisis, but proactively safeguarding operations and stakeholders while ensuring compliance with evolving regulatory requirements. As cyber and operational risks evolve, the need for a robust incident response strategy has become a necessity.



Occupational Health and Safety

SJIAA continued to advance its Occupational Health and Safety program in 2024 by updating several programs including Hazardous Materials Handling, Hazardous Energy Isolation, Fall Protection, and Confined Spaces. Work also commenced on developing a draft Occupational Health and Safety Manual with the purpose of converting the current program into a true management system approach.

SJIAA employees participated in a hike to promote physical well-being. This event was held during North America Occupational and Safety and Health (NAOSH) week and was one of several activities held throughout the week.



Emergency Planning Exercise

SJIAA held its bi-annual, full-scale emergency planning training exercise in September to ensure that all partners are prepared in the event of an actual emergency at the airport. This exercise tested both our security and firefighting response with simulated active shooter and aircraft crash scenarios. Participants included SJIAA, Royal Newfoundland Constabulary, NL Health Services, St. John's Regional Fire Department, St. John Ambulance, Canadian Red Cross, Salvation Army, Air Canada, Town of Torbay, Town of Portugal Cove-St. Phillips, and the Government of Newfoundland and Labrador Department of Health and Community Services.



Security Course

SJIAA Security Officer Rick Stacey led a week-long National Security Manager/Officer course in 2024, bringing together security personnel from across the country to learn all aspects of airport security. This course covers critical topics including security regulations and measures, Aeronautics Act, emergency planning, and airport security plans. The course features presentations from Transport Canada, Canadian Security Intelligence Service, Royal Canadian Mounted Police, Royal Newfoundland Constabulary, Canadian Border Services Agency, and airline security.

Diversions

St. John's International Airport is uniquely located on Canada's eastern edge bordering the Atlantic Ocean and is an ideal stopping point for diverting flights. In 2024, YYT received 39 flight diversions which required various levels of service and coordinated efforts from SJIAA's Operations and Emergency Response and Planning teams, NL Health Services, Canadian Border Services Agency, and airline partners.



5. Airport Development And Community Partnerships

SJIAA is committed to fostering growth, enhancing connectivity, and contributing to the well-being of the community. Focusing on airport development and community partnerships highlights our commitment to expanding infrastructure and air access, creating economic opportunities for the community and our partners, and enhancing the passenger experience.

Air Service Development

The demand for air travel continues to increase, and as its core mandate, SJIAA continues to work with key stakeholders to increase air access in our province. In 2024, SJIAA served more than 1.38 million passengers, with every month seeing a year-over-year increase from 2023.

SJIAA attends key air service development conferences and events and meets regularly with both active and prospective airline partners. These relationships are key to connecting us with the world. Over the past year, we have celebrated a range of successes:

- In March, Sunwing returned to YYT with five sun destinations – Cancun, Cayo Coco, Montego Bay, Punta Cana, and Veradero – with a 10% capacity increase compared to 2023.
- In March, Porter added seasonal capacity to Halifax by upgauging to the Embraer E195-E2 aircraft for Spring and Summer.
- In May, the eagerly anticipated return of European service returned with WestJet's St. John's to London-Gatwick route.
- In May, Flair began operating out of YYT, serving a new route in Kitchener-Waterloo, and additional capacity to Toronto-Pearson.



SJIAA Business Development and Marketing Team celebrating the first Sunwing flight of 2024



Porter Airlines' flight crew for the inaugural St. John's-Ottawa flight



City of St. John's Councillor Tom Davis, Porter Airlines' Vice President of Network Planning and Reporting Andrew Pierce, Porter Airlines' YOW Base Purser Shelly Firth, SJIAA Manager of Commercial Development and Customer Experience Steve Denty, and Minister of Justice and Public Safety The Honourable Bernard Davis celebrating the return of St. John's-Ottawa service

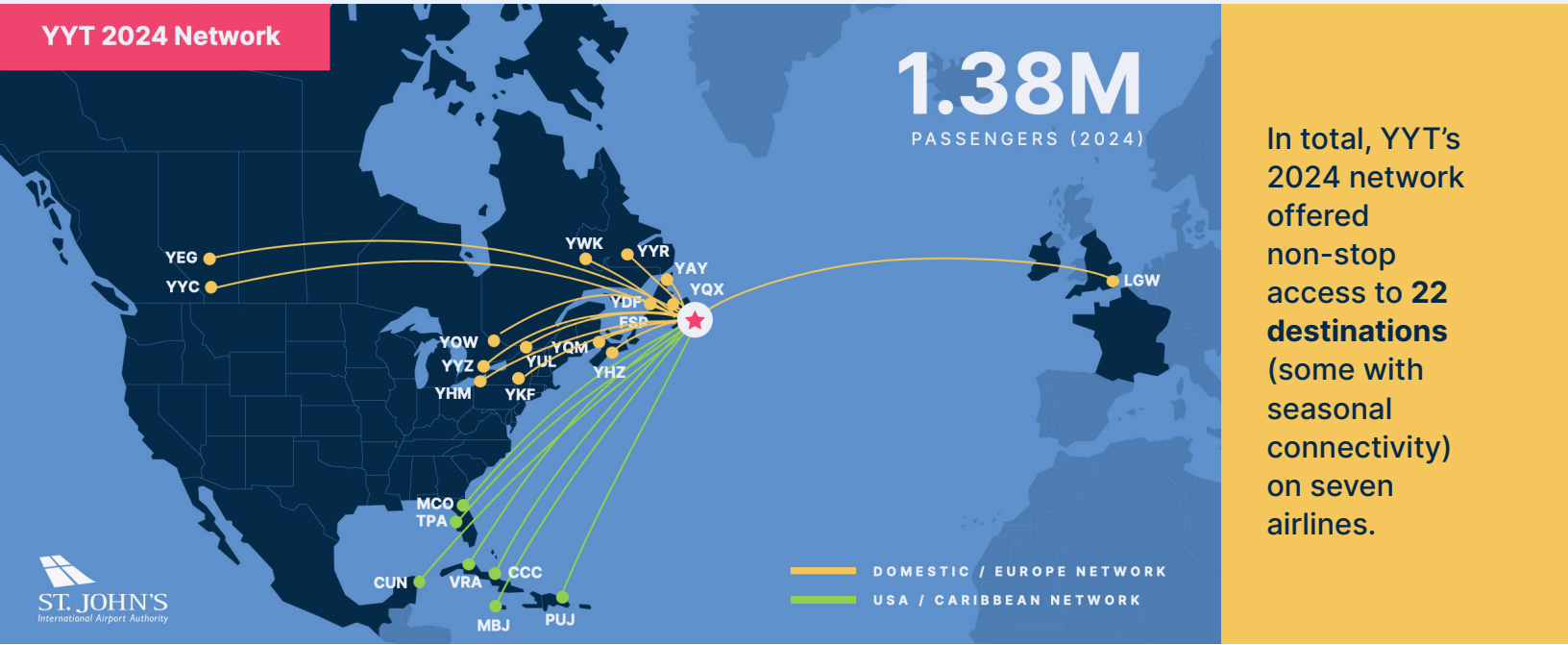


SJIAA CEO Dennis Hogan, St. John's Board of Trade CEO Ann-Marie Boudreau, Hospitality Newfoundland and Labrador CEO Craig Foley, Premier Dr. Andrew Furey, Former WestJet Vice-President of External Affairs Andrew Gibbons, and Minister of Tourism, Culture, Arts, and Recreation The Honourable Steve Crocker at a WestJet air access announcement

- In June, Porter added non-stop service to Ottawa, marking the first connection between our provincial and national capitals in five years. This route was originally planned as seasonal, but was made year-round in August.
- In August, Sunwing announced they will be returning to YYT in Winter 2025.
- In October, WestJet announced expanded service to London-Gatwick, the resumption of service to Dublin, and a new service to Paris beginning May 2025.



We also said goodbye to Lynx Air who concluded operations in February 2024, and to Flair Airlines who ceased operating in Newfoundland and Labrador in Fall of 2024.



Terminal Concessions

Directly overlooking the airfield, O'Reilly's Irish Newfoundland Pub officially opened in July 2024 serving food, craft beer, and other beverages.



O'Reilly's Irish Newfoundland Pub launch

In February 2024, SJIAA issued an expression of interest to seek concessions interested in operating at YYT. This extensive process resulted in formalizing agreements with two exciting concessionaires bringing fresh flavours and convenience in early 2025. Mamacita's Mexican Kitchen and Latin Market, known for their unique and vibrant menu, will be joining the departures lounge, and Pizza Shed will be introducing a 24-hour vending machine on the first floor of the Terminal Building.



Ground Transportation

In April 2024, SJIAA was pleased to add ride-sharing to our mix of ground transportation options to ensure convenience and choice for all passengers.

Parking Lot Improvement Project

In 2024, we began a multi-phase parking lot improvement project carefully designed to enhance both the functionality and aesthetics of the parking lots, but most importantly, the passenger experience. This project will bring several improvements, including:

- 20% increase in total number of parking stalls
- Relocation of the car rental lot closer to the Terminal Building
- Relocation of the long-term entrances for ease of access
- Transitioning World Parkway to one-way traffic, with re-oriented entry and exit points to improve traffic flow
- Upgraded signage, wayfinding, lighting, and pedestrian infrastructure
- New parking management system
- Landscaping upgrades and public art installation with Newfoundland and Labrador inspired themes



Copper Codfish Installation

SJIAA is proud to have been the recipient of the Copper Codfish, a stunning 3D hanging sculpture created by Troy Mitchell of Spiller's Rock Studios, for a one-year loan term in December 2024. As a gateway to Newfoundland and Labrador, we take pride in welcoming travellers to a vibrant, historic city with a thriving arts community. This installation is part of our multi-phase Sense of Arrival project, and reflects our province's deep ties to the fishery.

Accessibility Initiatives

SJIAA developed a robust three-year accessibility plan to ensure that all passengers have access to safe, efficient, and equitable air travel. SJIAA recognizes that an essential part of ensuring an inclusive society is an ongoing commitment to identifying, removing, and preventing barriers, and this plan serves as a roadmap for the organization and its employees, partners, and stakeholders.

In addition, SJIAA's partnership with the Autism Society of Newfoundland and Labrador expanded in 2024 with the introduction of the First Responder Tool Kits designed to help individuals on the Autism spectrum in distress feel regulated and more comfortable in an unfamiliar environment. The kit includes several tools including a weighted blanket, noise-cancelling headphones, fidget toys, and a snack.

SJIAA's sensory initiatives include a social story that documents the entire airport experience from stepping into the terminal to boarding an aircraft and walks through potential anxiety-inducing experiences including security screening. In 2024, seven airport tours were conducted as part of our sensory initiatives.

YYT Holiday Concert Series

Each December, elementary school choirs are invited to the Terminal Building to spread holiday cheer to passengers, meeters and greeters, and staff as part of the YYT Holiday Concert Series. In 2024, over 200 students from eight schools in the St. John's area participated, including the NL School's Deaf/Hard of Hearing Cohort from East Point Elementary, St. Paul's Junior High, and Holy Heart of Mary High.

Advocacy

The St. John's International Airport Authority is represented on the Atlantic Canada Airports Association, the Board of Directors of Destination St. John's, and Hospitality Newfoundland and Labrador's Access and Transportation Committee.

In January 2024, SJIAA's CEO, Mr. Dennis Hogan, was appointed to the Airports Council International – North America (ACI-NA) Board of Directors, extending through to 2027.

Mr. Hogan also participated in many aviation advocacy events over the past year, including:

- Panel speaker during Hospitality Newfoundland and Labrador's annual conference
- Panel speaker during ACI-NA Airport Customer Experience Symposium
- Canadian Airports Council's Airports on the Hill Lobby Day
- Newfoundland and Labrador Air Access and Development Meeting hosted by Destination Canada
- Hospitality Newfoundland and Labrador's Leadership Engagement Session



SJIAA CEO Dennis Hogan speaking at the ACI-NA Airport Customer Experience Symposium in Denver, Colorado



SJIAA CEO Dennis Hogan speaking at the Hospitality Newfoundland and Labrador annual conference

Stakeholder Engagement Initiatives

- In January, SJIAA joined industry partners on a trade mission lead by the Government of Newfoundland and Labrador's Department of Tourism, Culture, Arts and Recreation to London, UK to promote WestJet's return of non-stop service between YYT and Europe.
- In May, SJIAA, alongside industry partners, hosted WestJet CEO Alexis von Hoensbroech for a fireside chat where he shared WestJet's strategic vision and support for the province, and engaged with stakeholders to gain valuable market perspectives. This was Mr. von Hoensbroech's first public address in Newfoundland and Labrador.
- In May, SJIAA hosted the staff and Board of Destination Canada, along with local and regional partners for a discussion on air access and destination marketing initiatives.
- In May, SJIAA presented on air service development and commercial activity to Legendary Coasts of Eastern NL.
- In September, SJIAA was invited to a reception celebrating the Royal Air Force Aerobatic Team, also known as the Red Arrows, as they celebrated their 100th anniversary with the 2024 Maple Hawk Tour.
- In September, SJIAA's CEO spoke at a Mount Pearl Paradise Chamber of Commerce luncheon to discuss air service development, commercial activity, and the priorities and challenges moving into 2025.
- In October, SJIAA, alongside industry partners, hosted Air Canada for meetings on air access and destination marketing initiatives.
- In December, SJIAA attended the Tourism Industry Association of Canada's Annual Congress in Vancouver, connecting and fostering relationships with local, regional, and federal partners.



WestJet CEO Alexis van Hoensbroech speaks to a sold-out audience at The Rooms



SJIAA CEO Dennis Hogan speaking at a Mount Pearl Paradise Chamber of Commerce luncheon



SJIAA and Air Canada leadership meeting

Elevate Aviation

On May 30, SJIAA welcomed approximately 50 high school students as part of the Elevate Aviation Cross-Country Tour, designed to empower youth to consider a career in aviation. Participants heard from incredible guest speakers across various sectors, and received exclusive tours of the NAV Canada control tower and Cougar Helicopters facilities.



Airport Experience Surveys

The passenger experience is the heart of our airport. To measure our passengers' satisfaction level, SJIAA participates in the Airport Council International's (ACI) Airport Service Quality (ASQ) index benchmarking survey. This global research tool provides both qualitative and quantitative data on all aspects of the airport experience, and provides benchmark data from more than 300 airports worldwide. In 2024, over 1,400 surveys were voluntarily completed by departing passengers. These results guide improvements and future investments.



“
Easy and efficient from the rental lot to the gate.

“
Extremely pleasant staff which made the overall experience delightful.

“
Everyone I encountered was helpful, friendly and professional.

“
I was greeted by everyone with a smile and “good morning, how are you today?”

“
Very simple layout and easy to get around.





CANFORCE4147 arriving at St. John's International Airport with the remains of the Unknown Soldier. Photo Credit: Todd Baker

Repatriation of the Unknown Soldier

On May 25, 2024, SJIAA was deeply honoured and privileged to participate in the emotional homecoming and historic repatriation of Newfoundland and Labrador's Unknown Soldier. In a solemn ceremony on the Airport tarmac, the exhumed remains of a heroic Unknown Soldier returned home from the battlefield in France where he had died more than 100 years ago during the First World War.

Following the tarmac ceremony, a procession with the casket of the Unknown Soldier passed by several historical sites in St. John's that are of significance to the Royal Newfoundland Regiment. Subsequently, after lying in state at the Confederation Building, on Memorial Day July 1, 2024, the remains of the Unknown Soldier were permanently interred during a moving ceremony at the War Memorial in St. John's. The Unknown Soldier represents not only those who died during the devastating battle of Beaumont-Hamel in France during World War I, but Newfoundlanders and Labradorians from all branches of the military, including the merchant marine, killed in conflict.



04.

Business Plan

Business Plan

2024 Actual vs. Business Plan

(Shown in thousands of dollars)

	ACTUAL	PLAN	DIFFERENCE	EXPLANATION
REVENUES	\$57,628	\$56,295	\$1,333	Additional flights resulted in higher landing and terminal fees. Higher interest rates on cash deposits resulted in higher interest revenue.
EXPENSES	\$47,256	\$52,117	-\$4,861	Favourable weather resulted in lower winter operating costs, including deicing, diesel and heating fuel. Amortization of capital assets was lower than expected due to timing of capital additions.
CAPITAL	\$24,836	\$24,234	\$602	Higher spending on the Airfield Rehab project along with the purchase of an ice control truck.

Business Plan Forecast 2025-2029

Preparation of this forecast required management to make estimates and assumptions. Actual results could differ materially. Readers are cautioned not to place undue reliance on this forecast.

	2025	2026	2027	2028	2029
REVENUES	\$61,719	\$62,939	\$64,854	\$67,511	\$70,121
EXPENSES	\$55,071	\$54,171	\$57,878	\$60,561	\$62,057
CAPITAL	\$23,879	\$4,999	\$11,304	\$6,151	\$5,269

05.

Corporate Governance

Corporate Governance

The role of the Board of Directors is to guide the strategic direction for the Airport Authority while ensuring its vision, mission, and objective are realized while operating in a safe, efficient, and reliable manner.

The community's interests are represented through a diverse Board of Directors, composed of 12 members who are nominated by the following nominating entities:

Government of Canada

Peggy Coady
William Malone
(January-March 31, 2024)
Peter Adams
(April 1, 2024)

Government of Newfoundland and Labrador

Robert Gosse

City of St. John's

Kenneth Baggs
Andrea Marshall

City of Mount Pearl

Brian Butt

Mount Pearl-Paradise Chamber of Commerce

David Howe

Town of Conception Bay South

Paul Fitzpatrick

St. John's Board of Trade

David Mitchell

St. John's International Airport Authority

Louise Bradley
Charlene Johnson
Stephen Outerbridge

The Board has three standing Committees – Development, Finance and Audit, and Governance, on which Board members and SJIAA employees collaborate on key initiatives. The Committees are generally comprised of a Committee Chair, three directors, and the Board Chair.

In 2024, the Board of Directors held nine regularly scheduled meetings. In addition, Directors attended Development Committee (seven), Finance and Audit (seven), and Governance Committee (seven) meetings throughout the year and participated in two education sessions. The Board also participated in several public and private meetings and events as airport ambassadors.

Code of Business Conduct and Ethics

Board members sign an annual Code of Business Conduct and Ethics and complete an annual disclosure statement, which is filed with the Corporate Secretary, and identifies any real or perceived conflicts of interest. Directors are required to abstain from any discussions or voting that may be a potential conflict. In 2024, there were no violations of the Code of Business Conduct and Ethics.

Board of Directors



First Row: **David Howe** – Board Chair; **Peter Adams**; **Brian Butt**; **Paul Fitzpatrick**; **David Mitchell**; **Ken Baggs**;
Second Row: **Robert Gosse** – Board Vice Chair; **Louise Bradley**; **Peggy Coady**; **Charlene Johnson**; **Stephen Outerbridge**; **Andrea Marshall**;

Change in Membership to the Board of Directors

Mr. Peter Adams was appointed to the Board of Directors as a representative of the Government of Canada effective April 1, 2024. We welcome Mr. Adams to the Board and look forward to working with him. This new appointment marked the conclusion of the tenure of former Governance Committee Chair and Board member William Malone. The Airport Authority expresses its sincere appreciation to Mr. Malone for his dedicated service and commitment to SJIAA.

Board of Directors' Remuneration

In 2024, the Board of Directors were compensated as follows:

POSITION	RETAINER FEE
BOARD CHAIR	\$27,000 PER YEAR
BOARD VICE-CHAIR	\$19,000 PER YEAR
COMMITTEE CHAIRS	\$17,000 PER YEAR
DIRECTORS (EACH)	\$12,000 PER YEAR

Directors also receive \$500 for each meeting attended.

BOARD MEMBER	COMMITTEE MEMBERSHIP	REMUNERATION
DAVID HOWE	CHAIR, BOARD OF DIRECTORS	\$54,500
ROBERT GOSSE	VICE-CHAIR, BOARD OF DIRECTORS MEMBER, GOVERNANCE COMMITTEE	\$27,000
LOUISE BRADLEY	CHAIR, GOVERNANCE COMMITTEE	\$24,750
PEGGY COADY	CHAIR, FINANCE AND AUDIT COMMITTEE	\$26,500
WILLIAM MALONE (TERM CONCLUDED MARCH 31, 2024)	CHAIR, GOVERNANCE COMMITTEE MEMBER, FINANCE AND AUDIT COMMITTEE	\$7,750
ANDREA MARSHALL	CHAIR, DEVELOPMENT COMMITTEE	\$26,500
PETER ADAMS (TERM COMMENCED APRIL 1, 2024)	MEMBER, GOVERNANCE COMMITTEE	\$16,000
KENNETH BAGGS	MEMBER, FINANCE AND AUDIT COMMITTEE	\$19,500
BRIAN BUTT	MEMBER, FINANCE AND AUDIT COMMITTEE	\$21,000
PAUL FITZPATRICK	MEMBER, GOVERNANCE COMMITTEE	\$20,500
CHARLENE JOHNSON	MEMBER, DEVELOPMENT COMMITTEE	\$20,000
DAVID MITCHELL	MEMBER, DEVELOPMENT COMMITTEE	\$19,500
STEPHEN OUTERBRIDGE	MEMBER, DEVELOPMENT COMMITTEE	\$19,000

07. Financials

Financial Statements

St. John's International Airport Authority

December 31, 2024

Independent Auditor's Report

St. John's International Airport Authority

Balance Sheet

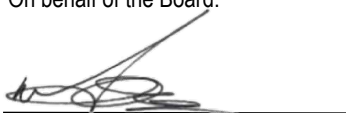
As at December 31, 2024
(in thousands of dollars)

	2024	2023
Assets		
Current		
Cash and cash equivalents	\$ 23,856	\$ 29,615
Accounts receivable (note 3)	6,147	3,901
Consumable inventory	675	589
Prepaid expenses	798	738
Total current assets	31,476	34,843
Capital assets, net (note 4)	206,066	198,803
Debt service reserve fund (note 6)	1,734	2,784
Intangible assets, net	11	15
Defined benefit pension asset (note 9)	541	-
	\$ 239,828	\$ 236,445

Liabilities and Equity in Capital Assets

Current		
Accounts payable and accrued liabilities (note 5)	\$ 14,275	\$ 8,501
Current portion of long-term debt (note 6)	46,081	61,027
Total current liabilities	60,356	69,528
Long-term debt (note 6)	42,068	42,977
Capital contribution advances (note 14)	-	1,803
Deferred contributions for capital projects, net (note 7)	35,711	31,357
Equity in capital assets (note 1)	101,693	90,780
	\$ 239,828	\$ 236,445

Commitments (note 11)
See accompanying notes
On behalf of the Board:



David Howe, Chair



Peggy Coady, Chair, Finance and Audit Committee

St. John's International Airport Authority

Statement of Operations and Equity in Capital Assets

For the year ended December 31, 2024
(in thousands of dollars)

	2024	2023
Revenues		
Landing fees	\$ 6,260	\$ 5,998
Terminal fees	4,797	4,466
Concessions	6,964	6,505
Rentals	5,293	5,214
Car parking	4,245	3,732
Other	2,822	2,643
	30,381	28,558
Airport improvement fees (note 8)	27,247	24,956
	57,628	53,514
Expenses		
Amortization	14,524	15,014
Salaries and benefits (note 13)	11,906	10,569
Operating	8,802	8,425
Interest and financing costs	4,986	4,774
Ground rent (note 11)	3,448	3,130
General and administrative	1,346	972
Municipal tax	982	963
Professional services	797	1,134
Business development	465	408
	47,256	45,389
Excess of revenues over expenses, before undernoted items	10,372	8,125
Defined benefit pension asset (note 9)	541	-
Excess of revenue over expenses, end of year	\$ 10,913	\$ 8,125
Total equity in capital assets, beginning of year	90,780	82,655
Total equity in capital assets, end of year	\$ 101,693	\$ 90,780

See accompanying notes

St. John's International Airport Authority

Statement of Cash Flows

For the year ended December 31, 2024
(in thousands of dollars)

	2024	2023
Operating Activities		
Excess of revenues over expenses	\$ 10,913	\$ 8,125
Add (deduct) items not involving cash		
Amortization - capital assets, net	17,568	17,525
Amortization - deferred contributions	(3,049)	(2,519)
Amortization - intangible assets	5	8
Amortization - other	201	208
Gain on disposal of capital assets	(90)	(142)
Defined benefit pension asset	(541)	-
	25,007	23,205
Changes in non-cash working capital balances related to operations		
Accounts receivable	(2,246)	2,267
Consumable inventory	(86)	(106)
Prepaid expenses	(60)	(213)
Accounts payable and accrued liabilities	5,774	78
Cash provided by operating activities	28,389	25,231
Financing Activities		
Decrease (increase) in debt service reserve fund	1,050	(7)
Proceeds from term loan	45,000	-
Increase in transaction cost	(29)	-
Repayment of revenue bond	(61,027)	(975)
Cash used in financing activities	(15,006)	(982)
Investing Activities		
Additions to capital assets	(24,835)	(15,323)
(Recognition) addition of capital contribution advances	(1,803)	1,803
Additions to deferred contributions	7,403	5,025
Additions to intangible assets	(1)	(5)
Proceeds from sale of capital assets	94	151
Cash used in investing activities	(19,142)	(8,349)
Net (decrease) increase in cash and cash equivalents during the year	(5,759)	15,900
Cash and cash equivalents, beginning of year	29,615	13,715
Cash and cash equivalents, end of year	\$ 23,856	\$ 29,615

See accompanying notes

St. John's International Airport Authority

Notes to Financial Statements

December 31, 2024

(tabular amounts expressed in thousands of dollars except where otherwise noted)

1. Organization and nature of operations:

The St. John's International Airport Authority (the "SJIAA") was incorporated on May 6, 1996 as a corporation without share capital under Part II of the *Canada Corporations Act*. The *Airport Transfers (Miscellaneous Matters) Act* exempts the corporation from paying income and large corporations tax.

On December 1, 1998, the operations and undertakings of the St. John's International Airport (the "Airport"), previously administered by Transport Canada, were transferred to the SJIAA. The SJIAA operates the Airport pursuant to the provisions of a long-term lease with the Government of Canada (the "Ground Lease"). As the principal document governing the relationship and allocating responsibilities between the SJIAA and the Government of Canada, the Ground Lease provides a formula for the calculation and payment of Ground Rent, after an initial rent-free period which ended December 31, 2005. The term of the Ground Lease is eighty years, ending 2078.

The SJIAA has all the powers and obligations of any Canadian private corporation and operates on a fully commercial basis. The SJIAA has the autonomy to set all fees and charges and does not rely on grants, donations or on contributions with restrictions imposed by the contributor.

The corporate structure ensures that the excess of revenues over expenses, or surplus from operations, is retained and reinvested in capital assets for development of the Airport. Equity in capital assets includes the net assets invested in capital assets to date and cumulative surpluses restricted for future airport infrastructure projects and associated financing costs.

2. Significant accounting policies:

Basis of presentation

The financial statements have been prepared in accordance with Canadian accounting standards for private enterprises (ASPE) as issued by the Canadian Accounting Standards Board.

Management estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenues and expenses during the year. Significant estimates include the valuation of accounts receivable, useful lives of depreciable assets, completeness of accounts payable and accrued liabilities and the valuation of the defined benefit pension plan. Actual results could materially differ from those estimates.

Cash and cash equivalents

The SJIAA considers deposits in banks, certificates of deposits and short-term investments with original maturities of three months or less as cash and cash equivalents.

Ground lease

The Ground Lease is accounted for as an operating lease.

Severance pay

A liability for severance pay is recorded in the accounts for all employees who have a vested right to receive such payment.

St. John's International Airport Authority

Notes to Financial Statements

December 31, 2024

(tabular amounts expressed in thousands of dollars except where otherwise noted)

2. Significant accounting policies (continued):

Capital assets

Capital assets are recorded at cost and are amortized on a straight-line basis from their in-service date over the estimated useful lives of the assets at the following annual rates:

<u>Asset</u>	<u>Rate</u>
Airport terminal building, other buildings and bridges	15 - 30 years
Leasehold improvements and improvements to leased land	15 - 30 years
Vehicles, machinery, furniture and fixtures	5 - 20 years
Computer hardware and software	3 - 15 years
Central de-icing facility	25 years

Assets under construction or development are recorded at cost and are transferred to capital assets when the projects are complete and the assets are placed into service.

The SJIAA tests capital assets and other long-lived assets for impairment whenever events or changes in circumstances result in potential indicators of impairment. An impairment loss is recognized when the carrying value of an asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying value exceeds the fair value of the asset.

Intangible assets

Intangible assets of the SJIAA include computer software and are recorded at cost and amortized on a straight-line basis over their estimated useful lives. Amortization of \$5,361 (2023 - \$7,819) is included in operating expenses for the year.

Revenue recognition

Landing fees, terminal fees, and car parking revenues are recognized as the facilities are utilized. Airport improvement fees ("AIF"), net of airline administration costs, are recognized when originating departing passengers board the respective aircraft and are subject to reconciliation with air carriers. Concessions revenue is charged on a monthly basis and is recognized based on a percentage-of-sales or specified minimum levels. Rental revenue is recognized on a straight-line basis over the duration of the respective agreements.

Contributions for capital projects, exclusive of AIF, are accounted for under the deferral method. Contributions externally restricted for the purchase of capital assets are deferred and recognized in income as the related assets are amortized.

Pension plans

In 2005, the SJIAA established a contributory defined contribution pension plan for new employees hired after March 9, 2003, whereby retirement benefits are based on the investment in the marketplace of both the employer and the employee contributions. The employees determine where their funds are invested. The SJIAA's contributions to this plan for the year ended December 31, 2024 amounted to \$453,623 (2023 - \$393,962).

The SJIAA has a contributory defined benefit pension plan for employees hired prior to March 10, 2003. Retirement benefits are based on length of service and the best six years' average earnings. The defined benefit pension cost is charged to salaries and benefits expense as employees render services.

St. John's International Airport Authority

Notes to Financial Statements

December 31, 2024

(tabular amounts expressed in thousands of dollars except where otherwise noted)

2. Significant accounting policies (continued):

The Authority's policies for accounting for future employee benefits for the defined benefit pension plan are as follows:

- I. The defined benefit obligation of the pension plan is measured using the most recently completed funding valuation filed with the Office of the Superintendent of Financial Institutions ("OSFI"). The cost of pensions earned by employees is actuarially determined using the projected unit credit actuarial cost method. Under this method, the accrued benefit obligation represents the pensionable service accrued as at the valuation date and long-term best estimate assumptions consistent with the going concern valuation prepared for funding purposes.
- II. For the purpose of calculating expected return on plan assets, those assets are valued at market value.
- III. Actuarial gains and losses are recognized in full in the period in which they occur, in excess of revenues over expenses.

Financial instruments

The financial instruments, which include cash and cash equivalents, accounts receivable, debt service reserve fund, accounts payable and accrued liabilities and long-term debt, are recorded at amortized cost. Amortization is recorded on a straight-line basis using the effective interest rate method.

Financial assets are tested for impairment at the end of each reporting period when there are indications that the assets may be impaired.

Transaction costs related to financial instruments measured subsequent to initial recognition at fair value are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method.

Effective interest rate method

Transaction costs are included in the debt balances and are recognized as an adjustment to interest expense over the term of the debt. The SJIAA uses the effective interest rate method to recognize bond interest expense and financing costs where the amount to be recognized varies over the life of the debt based on the principal outstanding.

Consumable inventory

Inventories are valued at the lower of cost and replacement cost. For 2024, \$1,093,234 (2023– \$1,161,517) of inventories were recognized as an expense.

3. Accounts receivable:

	2024	2023
Trade	\$4,438	\$2,032
Airport improvement fees	75	940
Payroll advances	114	126
HST	-	72
Other	1,633	852
Allowance for doubtful accounts	(113)	(121)
	\$6,147	\$3,901

St. John's International Airport Authority

Notes to Financial Statements

December 31, 2024

(tabular amounts expressed in thousands of dollars except where otherwise noted)

4. **Capital assets:**

			2024	2023
	Cost	Accumulated Amortization	Net book Value	Net book Value
Airport terminal building, other buildings and bridges	\$161,736	\$82,358	\$79,378	\$79,706
Leasehold improvements and improvements to leased land	149,599	68,240	81,359	78,427
Vehicles, machinery, furniture and fixtures	54,234	21,048	33,186	29,098
Computer hardware and software	3,392	1,919	1,473	878
Central de-icing facility	14,344	10,060	4,284	4,859
Assets under construction or development	6,386	-	6,386	5,835
	\$389,691	\$183,625	\$206,066	\$198,803

Assets under construction or development in 2024 are not being amortized and consisted of the Airport Terminal Building West Expansion and the Parking Lot Refresh Project.

5. **Accounts payable and accrued liabilities:**

	2024	2023
Trade	\$5,135	\$2,288
Accrued liabilities	6,881	4,470
HST	85	-
Salaries and benefits	1,361	1,152
Deferred revenue and other	813	591
	\$14,275	\$8,501

6. **Long-term debt:**

	2024	2023
Revenue bonds	\$45,035	\$106,062
Term Loan credit facility	45,000	-
	90,035	106,062
Less transaction costs (net of amortization of \$200,977; 2023 - \$208,144)	(1,886)	(2,058)
	88,149	104,004
Current portion	46,081	61,027
	\$42,068	\$42,977

St. John's International Airport Authority

Notes to Financial Statements

December 31, 2024

(tabular amounts expressed in thousands of dollars except where otherwise noted)

6. Long-term debt (continued):

(a) Bond Issue

In May 2007, the SJIAA completed its inaugural \$55,000,000 Revenue Bond issue. The \$55,000,000, 5.252% Series A Revenue Bonds pay interest semi-annually. \$27,500,000 of the initial principal amount is repayable in semi-annual installments. The remaining principal is payable on maturity, which is May 11, 2037.

In July 2024, the \$60,000,000, 3.479% Series C Revenue Bonds matured. These bonds were repaid using \$15,000,000 in cash and a \$45,000,000 short term loan that matures in July 2025.

The net proceeds from these offerings are used to finance the capital plan and for general corporate purposes. These purposes include repaying existing bank indebtedness and funding of the Debt Service Reserve Fund. The bonds are direct obligations of the Authority ranking *pari passu* with all other indebtedness issued under the Master Trust Indenture.

(b) Reserve Funds

Pursuant to the terms of the Master Trust Indenture, the SJIAA is required to establish and maintain with a trustee a Debt Service Reserve Fund with a balance at least equal to 50% of the annual debt service costs. As at December 31, 2024, the Debt Service Reserve Fund included \$1,733,878 (2023 - \$2,783,632) in interest-bearing deposits held in trust. These trust funds are held for the benefit of bondholders for use in accordance with the terms of the Master Trust Indenture.

For 2024, the SJIAA was required to maintain an Operating and Maintenance Reserve Fund of approximately \$5,389,446 (2023 - \$4,658,618). The Operating and Maintenance Reserve Fund must be established and funded as required by the Master Trust Indenture, for the benefit of bondholders. The balance in the fund is equal to 25% of the actual or estimated Operating and Maintenance Expenses incurred by the SJIAA over the previous 12-month period. For 2025, approximately \$5,773,425 will be required to fund the Operating and Maintenance Reserve Fund. The Operating and Maintenance Reserve Fund may be satisfied by cash, qualified investments, letters of credit and the allocation by the Authority of un-drawn availability under a Committed Credit Facility.

(c) Credit Facilities

The credit facilities of the SJIAA are secured by a \$75,000,000 pledge bond issued pursuant to the Master Trust Indenture. Indebtedness under the credit facilities ranks *pari passu* with other indebtedness issued under the Master Trust Indenture.

i) Revolving Credit Facility

The SJIAA has a Revolving Credit Facility of \$30,000,000. The facility has a term of one year and a maturity date of July 12, 2025.

Indebtedness under the Revolving Credit Facility bears interest at a rate that varies with the lender's prime rate and CORRA rates, as appropriate. The lender's prime rate at December 31, 2024 was 5.45% (2023 - 7.20%).

ii) Term Loan Credit Facility

The SJIAA has a short-term loan facility of \$45,000,000 with a maturity date of July 12, 2025. This term loan bears interest at a rate of 5.879%, with interest paid monthly. The full principal is payable upon maturity.

St. John's International Airport Authority

Notes to Financial Statements

December 31, 2024

(tabular amounts expressed in thousands of dollars except where otherwise noted)

6. Long-term debt (continued):

(d) The annual principal payments required over the next five years and thereafter are as follows:

2025	\$46,081
2026	1,139
2027	1,200
2028	1,263
2029	1,331
Thereafter	39,022
	<u>\$90,036</u>

7. Deferred contributions for capital projects:

From time to time the SJIAA receives contributions for capital projects from various sources. These funds are accounted for under the deferral method, as outlined in note 2.

	2024	2023
Balance, beginning of the year	\$31,357	\$28,851
Add capital contributions received during the year	7,403	5,025
Less amortization	(3,049)	(2,519)
Net deferred contributions for capital projects	<u>\$35,711</u>	<u>\$31,357</u>

During the year the SJIAA received capital contributions of \$4,063,668 (2023 - \$4,944,223) from the Government of Canada for the airfield rehabilitation project and for critical fleet replacement (note 14).

8. Airport improvement fees:

The SJIAA entered into an AIF agreement dated May 27, 1999 with the Air Transport Association of Canada and major air carriers serving the Airport. The AIF agreement provides for a consultative process with air carriers regarding the expansion of airport facilities and the collection of AIF by air carriers. The air carriers collect the AIF from passengers on behalf of the SJIAA which entitles them to withhold a handling fee. The AIF rate at December 31, 2024 was \$42 (2023 - \$42) and applies to each departing enplaned passenger. AIF revenues earned and the cash collected can only be used to fund Airport infrastructure projects and associated financing costs that relate primarily to the passenger-handling functions of the Airport.

As at December 31, 2024, cumulative expenditures of \$398,988,406 (2023 - \$374,161,243) exceeded cumulative net AIF revenue collected of \$317,917,641 (2023 - \$290,670,782) by \$81,070,765 (2023 - \$83,490,461). A summary of the AIF collected and the related collection costs are as follows:

AIF revenue (net):	2024	2023
AIF revenue	\$29,307	\$26,845
AIF collection costs	(2,060)	(1,889)
	<u>\$27,247</u>	<u>\$24,956</u>

St. John's International Airport Authority

Notes to Financial Statements

December 31, 2024

(tabular amounts expressed in thousands of dollars except where otherwise noted)

9. Defined benefit pension plan:

	2024	2023
Plan assets		
Market value, beginning of year	\$33,405	\$30,117
Interest earned	413	952
Employer contributions	-	185
Employee contributions	54	63
Benefits paid	(378)	(869)
Annuity purchase	(14,945)	-
Actuarial gain	244	2,957
Market value, end of year	18,793	33,405
Plan obligations		
Accrued benefit obligations, beginning of year	20,877	21,460
Employee contributions	54	63
Current service cost	314	273
Interest cost	421	954
Benefits paid	(378)	(869)
Annuity purchase	(14,945)	-
Actuarial losses (gains)	1,434	(1,004)
Accrued benefit obligations, end of year	7,777	20,877
Determination of total cost for the year		
Current service cost	314	273
Remeasurement and other items	(855)	(88)
Income for the year	541	185
Defined benefit asset		
Defined benefit asset, beginning of year	-	-
Income for the year	541	185
Employer contributions during the year	-	(185)
Defined benefit asset, end of year	541	-
Valuation allowance		
Valuation allowance, beginning of year	12,528	8,657
Effect of valuation allowance on finance cost	(8)	(2)
Remeasurement of valuation allowance	(2,046)	3,873
Valuation allowance, end of year	10,474	12,528
Weighted average actuarial assumptions		
	2024	2023
Discount rate	4.60%	5.00%
Rate of salary increases	3.25%	3.25%

St. John's International Airport Authority

Notes to Financial Statements

December 31, 2024

(tabular amounts expressed in thousands of dollars except where otherwise noted)

Defined benefit pension plan (continued):

The assets of the pension plan are invested and maintain the following asset mix:

	Percentage of plan assets	
	2024	2023
Bonds/fixed-income securities	39.98%	42.26%
Equity securities	60.02%	57.74%
Total	100%	100%

The date of the last actuarial valuation of the defined benefit pension plan is December 31, 2023. According to this valuation, the SJIAA's employer service contribution as a percentage of payroll was 24.9% for 2024 (2023 – 23.0%). A \$ 8,224,400 wind-up surplus in the defined benefits pension plan existed as of December 31, 2024. In 2024, SJIAA recognized pension assets valued at \$541,000 (2023 - \$nil). This asset represents future economic benefits resulting from a mandatory contribution holiday on employer defined benefit contributions as a result of the plan surplus.

10. Financial risk factors:

(a) Interest rate risk:

The SJIAA's exposure to interest rate risk relates to its floating rate Credit Facilities described in note 6 (c). It should be noted that the majority of SJIAA's debt is fixed-rate debt and therefore changes in interest rates do not significantly impact interest payments but may impact the fair value of this debt.

(b) Credit risk:

The SJIAA is subject to credit risk through its financial assets. The SJIAA performs ongoing credit valuations of these balances and maintains valuation allowances for potential credit loss. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about the customer.

The SJIAA's revenues are largely dependent on the domestic air transportation industry. One major carrier providing passenger traffic to the Airport accounted for approximately 56.2% (2023 – 61.2%) of the total enplaned and deplaned passengers for the Airport during the year.

11. Commitments:

Ground Lease:

In January 2006, the SJIAA began paying Ground Rent to Transport Canada as outlined in its terms of the Ground Lease.

The annual payments are forecasted to be as follows over the next five years:

2025	\$3,842
2026	3,996
2027	4,146
2028	4,321
2029	4,495

St. John's International Airport Authority

Notes to Financial Statements

December 31, 2024

(tabular amounts expressed in thousands of dollars except where otherwise noted)

12. Other information:

The Authority may, from time to time, be involved in legal proceedings, claims and litigation that arise in the ordinary course of business which the Authority believes would not reasonably be expected to have a material adverse effect on the financial condition of the Authority.

13. Directors' and officers' remuneration:

The salary range for the Authority's Chief Executive Officer and for senior managers reporting to the Chief Executive Officer was \$155,830 to \$242,830 during 2024 (2023 - \$146,352 to \$233,300).

14. Government Assistance

In 2022, the SJIAA was successful in its Airport Critical Infrastructure Program ("ACIP") application to the Government of Canada for critical fleet replacement and airfield rehabilitation. This multi-year program provides 50% funding for approved projects from 2022 to 2026. During the year funding of \$4,063,668 (2023 - \$4,944,223) was received (note 7). During the year advances of \$nil (2023 - \$1,802,944) were received and are included in capital contribution advances.