

Halifax International Airport Authority 2025 Annual Report

LIMITLESS

The
25th
Anniversary
Issue

**Building for
What's Next**

**A Quarter Century
of Growth:**

Connecting people and possibilities through
Canada's greatest gateway airport.



HalifaxStanfield

Land Acknowledgment

Halifax Stanfield International Airport is located in Mi'kma'ki, the ancestral and unceded territory of the Mi'kmaq. We acknowledge the Peace & Friendship Treaties which Mi'kmaq Wəlastəkwiyyik (Maliseet), and Passamaquoddy Peoples signed with the British Crown in this Territory. We recognize that we are all Treaty People.





Mission

Accelerating the growth of our communities by connecting people and goods to the world

Vision

Inspired people and partners creating Canada's best gateway airport

Strategic Priorities



Champion People and Community



Reinforce Our Foundation



Chart New Territory



Advance the Stanfield Experience



Lead a Sustainable Future



Message from the Chair of the Board of Directors

John S. Fitzpatrick, K.C.

It is a pleasure to note that 2025 was another very successful year for Halifax International Airport Authority (HIAA).

Yet again, our economic impact report highlighted our substantial contribution of \$4.1 billion in annual economic impact for Nova Scotia. Indeed, HIAA has a tremendous economic impact on the provincial and regional economy.

Our passenger numbers continue to grow with a very impressive 4,140,668 passengers in 2025. Halifax Stanfield truly has obtained hub status, and, at the time of this report, is the most internationally connected airport of its size in North America.

Our President & CEO, Joyce Carter, will comment further on our tremendous growth and many other successes. I want to emphasize that last year I mentioned in my report that we made great progress on our International Connections Facility. This magnificent facility is now open and reflects the significant growth in international travel. There are only a few other airports in Canada that have International-to-Domestic processing capabilities within such a facility. We truly are a gateway to the world.

At the heart of Halifax Stanfield's overwhelming success are the people who make it possible. From those who help create welcoming experiences for travellers, to the operations, security, and emergency response teams who keep everyone safe behind the scenes, I extend my sincere appreciation to everyone for your continued dedication. I am particularly proud of the many volunteers who truly make our airport special.

Through initiatives such as The Stanfield Way Program, it is evident that the airport community shares a common vision: to deliver the highest level of service and ensure every person's experience at Halifax Stanfield is positive and stress-free. This commitment is reflected in the Airports Council International's globally recognized Airport Service Quality survey results, with Halifax Stanfield achieving an overall passenger satisfaction score of 86% in 2025.

These collective efforts, along with HIAA's leadership, innovation and people-first approach, were recognized when, in 2025, we were proudly recognized as one of Atlantic Canada's top employers. In 2026, HIAA was named Business of the Year at the Halifax Chamber of Commerce's Business Awards.

Equally important is the organization's commitment to community impact and responsible growth. Through the Uplifted program, HIAA invested in local communities, with the majority of funding supporting diversity, equity and inclusion initiatives. The organization also strengthened relationships with groups such as Autism Nova Scotia and the Make-A-Wish Foundation.

This commitment to community is also reflected in the people who help foster a supportive and inclusive culture across HIAA. I would like to recognize the Sunshine Committee for its work supporting the well-being and mental health of employees. Further, thank you to the volunteers, the Stanfield Wayfinders, whose warmth and generosity reflect the spirit of our region. On behalf of the Board of Directors, thank you for the care and commitment you bring to the organization.

We also remain stewards of our environment. We are particularly proud of our carbon reduction efforts as we lead the way to a sustainable aviation future. We once again obtained the Airports Council International Airport Carbon Accreditation Level 3.

So, I want to thank everyone at HIAA for their energy, dedication and commitment to maintaining our reputation as a world class airport. With their drive to succeed, the sky is the limit.

I would like to acknowledge the leadership of Joyce Carter, President & CEO, HIAA, whose vision, community engagement, and steady guidance have helped position the airport for continued success. It has been an absolute pleasure to work with such an accomplished leader. I am grateful as well to my fellow Board members for their thoughtful oversight and collaboration, and extend my appreciation to outgoing Board member, Doug Bastow. As well, I welcome incoming Board members, Peter Fardy and Peter Bing.

I have had the honour and the pleasure of serving on the HIAA Board for the maximum allowable 12 years, the last 3 as Chair of the Board. Serving as the Board Chair has been a privilege. I am extremely proud of what we have accomplished together, and I am confident that the airport will continue to thrive as a vital gateway and economic engine for our region.



A handwritten signature in black ink, which appears to be "J.S. Fitzpatrick". The signature is stylized and written in a cursive-like font.

Message from the President & CEO

Joyce Carter, FCPA, CPA

In 2025, Halifax Stanfield marked two important milestones: 25 years since HIAA assumed responsibility for the airport's management, operation, and development, as well as the 25th anniversary of our Volunteer Program. Together, these milestones reflect the collaboration, resilience, and ambition that have shaped our organization and continue to guide our future.

Over the past 25 years, and throughout my time with HIAA, I have had a front-row seat to Halifax Stanfield's growth. What began in 2000 as a \$1.5 billion economic engine supporting approximately 11,000 jobs, has grown into an organization that now supports more than 26,000 jobs and generates over \$4 billion in annual economic activity. That growth reflects not only increasing demand, but the sustained effort, investment, and partnerships that have shaped the airport into a critical gateway for Nova Scotia and Atlantic Canada.

This momentum carried into 2025, with passenger numbers increasing by four per cent year over year, reflecting strong airline partnerships and the continued confidence they place in our market as they offer robust service across our domestic, U.S., and international networks.

Building on this strong foundation, in 2025 our network expanded to 48 non-stop destinations. WestJet introduced new transatlantic services to Amsterdam, Paris and Barcelona, along with new domestic links to Regina and Saskatoon. Edelweiss launched service to Zurich, Air Canada added Nassau, and we welcomed new Chicago service with United Airlines and American Airlines, as well as Porter's expansion to Hamilton. Together with our established routes, these additions expand our global reach and reinforce Halifax Stanfield's role as Atlantic Canada's gateway to the world.

A defining moment in 2025 was the opening of our new International Connections Facility. This transformative investment enhances the passenger journey today while laying the groundwork for expanded cargo capacity, increased trade, and long-term economic growth across our region. Thoughtfully integrated Indigenous artwork in our International Arrivals hall creates an authentic arrival experience, welcoming travellers with meaningful expressions of culture and identity. We are grateful to the federal and provincial governments for their support of this project.

We elevated the passenger experience by investing in technological advancements such as CATSA's new CT X-ray screening technology, installing digital wayfinding kiosks, and upgrading our self-serve bag drop technology. These efforts contributed to Halifax Stanfield achieving Level 2 Customer Experience Accreditation from Airports Council International, a reflection of our commitment to continuous improvement.

Our work in air service development was also recognized on the global stage with a Routes World Award in the under five million passenger category, highlighting the strength of our route strategy, airline partnerships, and innovative marketing. We were further honoured to be named one of Atlantic Canada's Top Employers for 2025, underscoring our commitment to fostering a supportive workplace culture where our people can grow and thrive.

None of this progress happens by accident. It is made possible by the dedication of our employees, airport workers, and volunteers, the strength of our airline and business partnerships, and the ongoing support of our community, at the airport and beyond. I extend my deepest gratitude to each of you for the role you play in our collective success.

As his time at HIAA comes to an end, I would like to thank Board Chair John Fitzpatrick for his exceptional leadership over the past three years and for the valuable perspective he has brought to HIAA since joining our Board of Directors in 2014.

Twenty-five years in, and our focus remains clear: strengthening connectivity, supporting our region's economy and delivering a welcoming airport experience for every traveller.

The opportunities before us are limitless, and I am confident that, together, we will continue connecting people and possibilities for many years to come.



A handwritten signature in black ink that reads "Joyce Carter". The signature is written in a cursive, flowing style.

Champion People and Community



Supporting Wellbeing at Every Level

A strong workplace flourishes when people feel supported, included, and connected. Last year, that focus continued across HIAA through a range of initiatives centred on wellbeing, inclusion, and community.

Mental health supports remained an important part of that work, enabled through everyday resources and practical training. Employees were provided with complimentary access to the Calm app, which offers tools for mindfulness, stress management, and better sleep. HIAA's Sunshine Committee also shared resources proactively, including guidance on grief and loss during the holiday season, ensuring support was available when it was needed most.

For the first time, employees came together for the Mental Health Foundation of Nova Scotia's Body Movin challenge, encouraging movement and connection, with HIAA placing second overall through collective fundraising efforts. In 2025, employees also took part in four Mental Health First Aid training sessions, building the knowledge and confidence needed to recognize and respond to mental health challenges.

"Mental health is something that touches everyone in different ways," says Kathy Temple, Chair of HIAA's Sunshine Committee.

"When we create space for those conversations and provide the right supports, it helps build a workplace where people feel more connected and supported." HIAA has recently increased the annual cap for mental health counselling to \$2000 for all active employees and HIAA employees have additional access to counselling through our Employee and Family Assistance Program.

This spirit of support also extends into our community. Through Uplifted, HIAA's community outreach program, the efforts of 21 employees were matched with charitable donations on the organization's behalf, supporting important causes across the community.

Alongside this work, diversity, equity, and inclusion continue to shape the organization's growth. Agreements with organizations such as ReachAbility, the Black Cultural Centre, and My East Coast Experience support inclusive recruitment efforts, alongside participation in job fairs and cross-promotion of opportunities.

"Due to these collaborations, we've seen an increase in diverse applications in 2025, reaffirming the importance of working together to build a workforce that reflects the communities we serve," says Deb Aucion, Human Resource Generalist, HIAA.

"Mental health is something that touches everyone in different ways," says Kathy Temple, Chair of HIAA's Sunshine Committee.

Creating opportunities for learning and understanding, through initiatives such as Indigenous blanket exercises, continued throughout the year to help build awareness and deepen connections across HIAA.

These collective efforts were recognized in 2025, when HIAA was named one of Atlantic Canada's Top Employers, reflecting its ongoing commitment to creating a workplace that values inclusion, well-being, and opportunity.

Because when people feel supported, the entire organization is stronger for it.



2025 Air Service Summary

As travel demand continued to rise, the airport expanded its network by linking Atlantic Canada to new markets, strengthening key hubs, and creating more seamless options for both passengers and cargo.

Connectivity across Canada continued to grow, as Air Canada increased capacity to Ottawa, Vancouver, Toronto and St. John's. WestJet also expanded its reach with new service to Regina and Saskatoon, and Porter Airlines introduced service to Hamilton. These additions enhance access to regional markets and support both business and leisure travel nationwide.

The U.S. (transborder) market experienced impressive gains, improving access to major hubs and onward global connections. Both United Airlines and American Airlines launched new services between Halifax and Chicago, a key Midwestern gateway.

Growth across the transatlantic network opened new air access between Halifax and Europe. WestJet launched Amsterdam, Paris, and Barcelona services, while Edelweiss began non-stop service between Halifax and Zurich. Discover Airlines grew its Frankfurt capacity, and Cargojet enhanced global trade links with a new freighter service to Liège.

Seasonal sun destinations returned with service from Air Transat, Air Canada, and WestJet. Additionally, BermudAir maintained its year-round connection between Halifax and Bermuda, while Air Canada expanded its international reach with a new service to Nassau.

This momentum is slated to continue into 2026 with further service expansions at Halifax Stanfield on the horizon. Air Canada will launch new summer seasonal service between Halifax and Brussels. WestJet will add Madrid, Copenhagen, and Lisbon to its growing European network and launch a new service to Detroit, enhancing connectivity through its partner, Delta Air Lines.

These new services build on a growing network that continues to connect more people and places, making travel to and from Atlantic Canada easier and more accessible than ever.



Passenger and Cargo Airlines

Passenger Airlines

- Air Canada
- Air Canada Jazz
- Air Canada Rouge
- Air Saint-Pierre
- Air Transat
- American Airlines
- BermudAir
- Delta Air Lines
- Discover Airlines
- Edelweiss
- Flair Airlines
- Icelandair
- PAL Airlines
- Pascan
- Porter Airlines
- Sunwing Airlines
- United Airlines
- WestJet

Cargo Airlines

- Air Canada
- Air Saint-Pierre
- ASL Airlines Belgium
- Atlas Air
- Cargojet
- Discover Airlines / Lufthansa Cargo
- FedEx
- Icelandair
- Korean Air Cargo
- Magma Aviation
- Maersk Air Cargo
- SF Airlines
- WestJet

Non-stop Destinations

Domestic Destinations

- Calgary, AB
- Deer Lake, NL
- Edmonton, AB
- Gander, NL
- Goose Bay, NL
- Hamilton, ON
- Kitchener-Waterloo, ON
- Montreal-Trudeau, QC
- Ottawa, ON
- Regina, SK
- Saskatoon, SK
- Saint John, NB
- St. John's, NL
- Sydney, NS
- Toronto - Billy Bishop, ON
- Toronto - Pearson, ON
- Vancouver, BC
- Winnipeg, MB

U.S. (Transborder) Destinations

- Boston, MA
- Chicago, IL
- Fort Lauderdale, FL
- New York (LGA), NY
- Newark, NJ
- Orlando, FL
- Philadelphia, PA
- Tampa, FL
- Washington (DCA), VA

International Destinations

- Amsterdam, NL
- Hamilton, BM
- Barcelona, ES
- Cancun, MX
- Cayo Coco, CU
- Dublin, IE
- Edinburgh, UK
- Frankfurt, DE
- Holguin, CU
- London (LGW), UK
- London (LHR), UK
- Montego Bay, JM
- Nassau, BS
- Paris, FR
- Puerto Plata, DO
- Punta Cana, DO
- Reykjavik, IS
- Santa Clara, CU
- St. Pierre, PM
- Varadero, CU
- Zurich, CH



Reinforce Our Foundation



HalifaxStanfield

A Strong Foundation, Built for What's Next

Airports are defined by movement. Arrivals, departures, and the steady flow of passengers moving from one place to the next. At Halifax Stanfield, that movement is supported by something less visible but just as essential: a strong and reliable foundation.

Behind every journey is a network of systems and infrastructure working continuously to keep operations safe and efficient. From digital networks to security systems, these elements play a critical role in day-to-day operations, even if they go largely unnoticed by travellers.

At Halifax Stanfield, strengthening that foundation has been a clear priority. Ongoing investments in technology and infrastructure are enhancing operational systems, advancing cybersecurity, and positioning the airport for future growth.

“As all airport functions continue to evolve, so do their technical needs,” says Ahasanul Kabir, Enterprise Information Security Architect. “We’re building on a strong foundation to ensure our network is reliable, resilient, and capable of supporting the next 10 to 12 years of innovation.”

Those improvements are already taking shape in the terminal. In 2025, the Technology and Innovation team delivered several projects to modernize core systems and upgrade critical infrastructure, improving both efficiency and security.

New digital wayfinding kiosks are replacing static signage in key pre-security locations, offering interactive features that make it easier for passengers to navigate the airport. With mobile integration, travellers can access maps on their own devices, creating a more connected and intuitive experience.

The airport’s 10-year-old self-service bag drop system was upgraded with modern capabilities that enhance performance, strengthen security features, and provide better data to support operations. This project aligns with a broader focus on sustainable IT solutions and lifecycle management, including a redesign of the airport’s campus-wide network.

As technology demands grow, aging infrastructure is being updated to ensure the network remains reliable, resilient, and capable of supporting 24/7 operations. Increased capacity and bandwidth will support more users and data-intensive systems, including security and emerging technologies such as artificial intelligence.

Cybersecurity has remained a central focus throughout this work. As the digital landscape evolves, HIAA continues to take a proactive, layered approach to protecting its systems and data.

In addition to technological upgrades, infrastructure renewal was also a major focus across the airport campus. Airfield restoration, including repaving of critical runway and taxiways, progressed alongside a range of projects, such as improvements to the Park’N Fly lot and equipment renewals at the Stormwater Treatment Plant. These contributed to a more resilient and well-maintained operating environment.

Together, these efforts reflect HIAA’s commitment to building on a strong foundation, through modern infrastructure, digital innovation, and cybersecurity best practices that support today’s operations while preparing for what’s next.



Chart New Territory

nnected

U.S. Departures
Level 2
Départs - vols
États-Unis



HalifaxStanfield

Expanding Connections and Driving Growth

At Halifax Stanfield, growth is not just about numbers, it's about connections. Every new service, every added seat, and every infrastructure investment plays a role in bringing Nova Scotia closer to the world.

In 2025, those connections continued to expand. A series of investments in infrastructure and success in air service development helped increase capacity for passengers and cargo, strengthening the airport's role as a global gateway and creating new opportunities to move people, goods, and ideas across borders.

One of the most visible milestones was the completion of the International Connections Facility (ICF). Designed to improve the flow of passengers connecting from international to domestic flights, the expanded space helps make those transitions more efficient and seamless. Additionally, the ICF has increased the airport's aircraft belly cargo capacity and is supporting higher passenger volumes, ensuring the airport is better equipped to handle new growth and

scale up operations, while unlocking opportunities for trade and travel.

Further improvements were made by expanding the Domestic / International security screening area. The addition of a fifth screening lane along with the introduction of CATSA's CT X-ray technology has improved passenger flow and screening efficiency. Travellers can now keep permitted liquids and electronics in their carry-on bags, making the process more seamless while enhancing high security standards.

While these improvements are visible to passengers, much of the momentum continues behind the scenes. In 2025, HIAA advanced its air service development and marketing efforts, working closely with airline and tourism partners to stimulate demand and expand the airport's global reach. Through targeted, collaborative campaigns, these partnerships are promoting new routes and reinforcing the reputation of Halifax and Nova Scotia as destinations worth discovering.

That work extends into the travel trade community to further improve the passenger experience. This year, HIAA strengthened its engagement with industry partners by hosting two travel trade events that provided regular airport and air service updates, while also creating a forum for open discussion with industry leaders.

This progress was recognized on the world stage. In 2025, Halifax Stanfield received a Routes World Award for airports serving fewer than 5 million passengers. Voted on by airlines, the award reflects the strength of HIAA's marketing partnerships and a thoughtful, strategic approach to growing air service.



“At HIAA, capacity development is strongly focused on aligning community air service needs and market opportunities with airline strategies,” said Marie Manning, Vice President, Business Development & Chief Commercial Officer, HIAA.

“The addition of our new International Connections Facility has further strengthened this position by enhancing passenger connections and elevating the travel experience.”

As new routes continue to launch and capacity grows, the impact of these investments is becoming easier to see and feel. Each new connection brings new possibilities, opening the door to a more connected and limitless future.





We are the most internationally connected airport of our size in North America and were recognized on the world stage for our approach to route development and marketing. This win is proof that Nova Scotia is a province on the rise.

All thanks to its future-ready sectors, skilled workforce, and growing economic opportunities. We connect Nova Scotians to the world through partnerships with world-class airlines, making it easier than ever for travellers, businesses, and global markets to discover our province's momentum.

We're honoured to be the runway Nova Scotia lifts off from.



HalifaxStanfield

Advance the Stanfield Experience



Connecting People Through Care, Inclusion, and Service

For 25 years, volunteers at Halifax Stanfield have helped travellers navigate the airport with warmth, kindness, and local hospitality. In 2025, the program marked this milestone with a refreshed identity and modernized uniform, introducing The Stanfield Wayfinders.

The new name reflects the airport's commitment to inclusivity and service that goes above and beyond. Updated uniforms, designed for both visibility and comfort, feature the airport's brand colours and logo, along with the word 'volunteer' in English and French, and 'helper' in Mi'kmaw. Together, these elements recognize Canada's official languages and the airport's location in Mi'kma'ki, the ancestral and unceded territory of the Mi'kmaq.

Rooted in The Stanfield Way, the airport's customer service philosophy, centred on being happy, helpful, courteous, caring, and kind, The Stanfield Wayfinders play an important role in connecting these values with the airport experience. Whether helping travellers find their way, supporting accessibility needs, or offering reassurance during stressful moments, they help make each journey feel more supported and welcoming.

"The Stanfield Wayfinders identity reflects what our volunteers have always shared with travellers: guidance, support, and a friendly face along the way. I am proud to be part of a team that helps people feel supported the moment they arrive." said Jerry Jackson, a volunteer at Halifax Stanfield since 2018.

That same commitment is reflected in initiatives that celebrate diversity and support inclusion. For example, an inaugural Official Languages Day event hosted by Halifax Stanfield and delivered in collaboration with Université Sainte-Anne celebrated Canada's linguistic heritage and provided airport community members with access to discounted online French language training with the aim of strengthening bilingual service for travellers.

Halifax Stanfield also features programs designed to make travel more accessible and comfortable for all. Through Autism Aviators, delivered with Autism Nova Scotia, travellers and their families can participate in guided practice experiences that build confidence and familiarity ahead of travel. Additionally, HIAA

strengthened our relationship with Autism Nova Scotia and supported their work through fundraising efforts, including raising \$34,500 at our annual charity golf tournament. Similarly, the collaboration with the St. John Ambulance Therapy Dog Program brings trained therapy dogs into the terminal, offering comfort, reducing anxiety, and creating positive moments for passengers, with three new dog teams joining the program in 2025.

HIAA further showcased this dedication to hospitality in 2025 when we welcomed airport professionals from around the world to attend the 2025 ACI/AAAE Airport Customer Experience Symposium. Halifax Stanfield had the honour of being the first Canadian airport to host this event in its 10-year history. The conference provided an excellent opportunity for more than 250 airport experience professionals to share ideas and best practices, while demonstrating Halifax Stanfield's values and East Coast hospitality.

Collectively, these efforts show The Stanfield Way in action, creating a welcoming and memorable experience for every traveller passing through Halifax Stanfield.



Lead a Sustainable Future



Measurable Progress, Meaningful Impact

Sustainability is an integral part of how Halifax Stanfield operates every day. In 2025, this commitment showed up in practical ways, through steady progress, thoughtful planning, and a clear focus on what comes next. From reducing waste to advancing carbon reduction goals and improving infrastructure, our sustainable initiatives are reducing HIAA's environmental impact while supporting the airport's daily operations.

In 2025, our focus on waste management resulted in direct action. A detailed audit of the Terminal Building provided a clearer view of how waste flows through the terminal, from what ends up in landfill to what can be diverted through recycling and organics. Over a 24-hour period, materials were collected and sorted, helping identify where changes could make the biggest impact. Those insights are now shaping practical changes, including both day-to-day operations and longer-term infrastructure improvements, all



aimed at reducing waste and building a more efficient, sustainable system.

“The work we’re doing is helping us better understand where we can improve and how we can make real, measurable progress,” said Melissa Lee, Sustainability & ESG Manager, HIAA. “It’s about building a system that works better today and into the future.”

Building on early progress, carbon reduction efforts also continued to advance in 2025.

Having already exceeded its initial target of a 30 per cent carbon emissions reduction from 2019 levels several years ahead of schedule, HIAA set a new interim goal of reaching a 60 per cent reduction by 2030.

Supported by initiatives such as airside LED lighting conversions,

building optimization, and the transition to electric fleet vehicles, this work continues to move forward in alignment with national and international frameworks, including Airports Council International’s Airport Carbon Accreditation Program and the Government of Canada’s Net Zero Challenge.

Sustainability efforts also extended to the airport’s physical environment, with electric vehicle chargers added to employee parking areas to support the shift toward lower-emission transportation.

At the same time, a focus on social responsibility helped shape improvements to the south tunnel crosswalk. Upgraded lighting, new audio features, and refreshed pavement markings have made it safer and easier for passengers, employees, and partners to move between key areas of the airport campus.

Each of these efforts reflects a forward-looking approach, in which sustainability is not a single initiative, but a fundamental component of how the airport continues to grow.



Going Local with New Business



Harbour Rocks



Amos Pewter



Eastcoasters

Awards & Achievements

Halifax Stanfield received the Routes World Award for airports serving fewer than 5 million passengers, recognizing excellence in air service development, airline partnerships and strategic route marketing.



Routes World Award



Top Employer in Atlantic Canada

HIAA was named one of Atlantic Canada's Top Employers for 2025. This prestigious designation celebrates employers in Atlantic Canada who lead their industries in offering exceptional workplaces.

Halifax Stanfield once again achieved Airports Council International Airport Carbon Accreditation Level 3, reflecting continued progress in carbon reduction and environmental stewardship.



Carbon Accreditation Level 3

Financial Overview

Report on Business Plan Objectives for 2025

HIAA's Business Plan for 2025 focused on strategic priorities including connecting passenger growth, commercial development, cargo capacity expansion, environmental sustainability, diversity enhancement, and financial performance.

Halifax Stanfield experienced passenger growth in all market segments, with new destinations to Domestic, European, and Transborder markets, and attained record growth for international travel. Connecting passenger growth of 22 per cent exceeded the Business Plan target of 20 per cent. Cargo capacity was enhanced during the year by an expansion of widebody aircraft flights from Halifax of 42 per cent, well above the target in the Business Plan. These improvements in both passenger and cargo activity helped deliver net income for HIAA of \$19.4 million compared to a Business Plan target of \$18.5 million.

HIAA completed Business Plan goals related to its climate risk adaptation plan as well as improvements to wastewater management and treatment. A new carbon

reduction target of 60 per cent relative to 2019 levels by 2030 was adopted in 2025 as the original reduction target of 30 per cent by 2026 was achieved in 2024.

HIAA exceeded Business Plan goals related to employee engagement and diversity enhancement within the organization. Community engagement was prioritized in the 2025 Business Plan and HIAA added new members to its Community Consultative Committee and refreshed its Volunteer Program.

In 2025, HIAA began development of a new Strategic Plan which will guide the organization beginning in 2027. HIAA completed adjustments to its current 20-Year Master Plan to better support growth expectations featured in Strategic Plan goals.

Financial Performance Summary for 2025

(in thousands \$)	Actual 2025	Business Plan 2025	Variance
Total Revenue*	156,817	159,533	(2,716)
Total Expenses**	137,143	140,838	(3,695)
Rent paid to Transport Canada	12,199	12,582	(383)
Capital Expenditures (net)	42,478	43,675	(1,197)

* Revenue includes AIF net of service fee

** Expenses include depreciation & amortization and exclude gain/loss on pension plan

HIAA reported solid financial results in 2025, driven by record international service, continued growth in passenger volumes, and increased airline seat capacity in transborder and international markets.

Revenue

Total revenue reached \$156.8 million in 2025, 1.7 per cent below Business Plan expectations. Lower than expected landed seat capacity versus plan, primarily in the domestic market segment, impacted passenger volumes which totalled 4.1 million for 2025 compared to Business Plan expectations of 4.2 million. This shortfall in passenger activity impacted aeronautical revenue and airport improvement fee proceeds, resulting in the overall revenue shortfall compared to the Business Plan.

Compared to 2024, overall passenger volumes increased by 4.0 per cent. Passenger activity increased in all sectors with the most significant growth in international traffic which grew by 19.8 per cent year over year. This growth was reflected in a 1.7 per cent increase in overall revenue compared to 2024.

Expenses

Total expenses of \$137.1 million were 2.6 per cent lower than the Business Plan target. This variance was driven by reduced spending compared to plan across several expense categories, including administration, salaries and wages, depreciation and amortization, and ground lease rent.

Total expenses were up 4.2 per cent compared to 2024 due to increased spending on materials, services and supplies as well as higher personnel expenses, property taxes and increased ground lease rent payable to the federal government attributable to increased revenue.

Capital Expenditures

Net capital expenditures of \$42.5 million were only \$1.2 million short of planned expenditures for the year and a 22.8 per cent increase compared to 2024. The variance compared to the Business Plan was largely due to the timing of equipment deliveries and the deferral of portions of certain capital projects into 2026. In addition, project costs, in several cases, were lower than budget expectations. Investments remained aligned with strategic priorities and essential improvements to support safe and efficient airport operations.

Overall, net income for 2025 was \$19.4 million, compared to a Business Plan objective of \$18.5 million and 2024 income of \$23.0 million.



Five-Year Business Plan Outlook

The following chart highlights HIAA’s recent financial performance and planned outlook over the next five years. Preparation of this forecast required management to make estimates and assumptions. Actual results could differ.

	Actual			Forecast				
Year	2023	2024	2025	2026	2027	2028	2029	2030
All amounts in \$000’s								
Revenue*	139,534	154,253	156,817	165,503	171,291	177,583	184,407	192,214
Expenses**	123,865	131,615	137,143	148,792	155,038	161,884	170,501	179,040
Net income before pension plan	15,669	22,638	19,674	16,711	16,253	15,699	13,906	13,174
Capital and intangible Expenditures	30,126	34,595	42,478	53,898	65,395	64,383	63,457	49,104
AIF Revenue*	55,114	59,735	62,212	64,925	66,214	67,764	69,539	71,974
Ground lease Rent	10,291	11,740	12,199	13,320	13,944	14,608	15,351	16,146

* Revenue includes AIF net of service fee

** Expenses include depreciation & amortization and exclude gain/loss on pension plan

HIAA’s Business Plan is built around the five strategic priorities highlighted on page 3 of this Annual Report that guide annual business planning and move the organization toward our vision of “inspired people and partners creating Canada’s best gateway airport”.

As highlighted in the table above, the Business Plan five-year outlook anticipates sustainable growth, financial sustainability and an active capital investment program. The projected compounded annual growth rates from 2026 to 2030 for passengers and total revenue are 4.35 per cent and 4.15 per cent respectively. Over the five-year period, the Business Plan anticipates a continued focus on passenger and network growth, passenger experience enhancements, expanded community engagement and advances in sustainability measures and accessibility.

Capital investment projects are aligned with initiatives intended to support the priorities of our strategic plan, as well as ensure airport operations remain safe, efficient and fully compliant with regulation. The fundamental objective of the capital investment program with respect to airport capacity is to execute a scalable development approach that meets anticipated growth while avoiding unnecessary excess capacity.



Financial Statements



HalifaxStanfield

Independent auditor's report

To the Directors of:

Halifax International Airport Authority

Opinion

We have audited the consolidated financial statements of Halifax International Airport Authority (the "Authority"), which comprise the consolidated balance sheet as at December 31, 2025, and the consolidated statements of operations and changes in equity and consolidated cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Halifax International Airport Authority as at December 31, 2025, and the results of its consolidated operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

Halifax, Canada April 1, 2026


Chartered Professional Accountants

Consolidated Balance Sheet

As at December 31

	2025	2024
[in thousands of dollars]	\$	\$
ASSETS		
Current		
Cash and cash equivalents [note 3]	167,146	172,351
Accounts receivable	14,783	9,576
Inventories	2,395	2,177
Prepaid expenses	2,472	2,007
Total current assets	186,796	186,111
Capital assets, net [note 4]	398,291	384,995
Intangibles [note 5]	5,196	6,455
Deposits in trust [note 6]	10,185	10,185
Accrued benefit asset [note 9]	6,366	6,625
	606,834	594,371

	2025	2024
[in thousands of dollars]	\$	\$
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	36,641	35,652
Deferred revenue and government assistance [note 3]	18,145	25,765
Total current liabilities	54,786	61,417
Long-term debt [note 6]	433,254	433,201
Security deposits	3,782	4,049
Long-term deferred revenue	2,271	2,378
Total liabilities	494,093	501,045
Net assets	112,741	93,326
	606,834	594,371

Commitments [note 8]
Contingencies [note 12]

See accompanying notes

On behalf of the Board:

 Director  Director

Consolidated Statement of Operations and Changes in Equity

Year ended December 31

	2025	2024
[in thousands of dollars]	\$	\$
REVENUE		
Terminal and passenger security fees	23,181	22,976
Parking	21,368	21,033
Concessions	22,488	20,548
Landing fees	14,100	13,997
Interest [note 7]	5,625	8,417
Rental	6,290	5,912
Other	1,552	1,635
	94,604	94,518
Airport improvement fees [note 7]	62,212	59,735
	156,816	154,253

	2025	2024
[in thousands of dollars]	\$	\$
EXPENSES		
Salaries, wages and benefits	32,023	30,839
Amortization and depreciation	30,490	30,386
Materials, services and supplies	31,804	28,412
Interest on long-term debt [note 6 and 7]	20,484	20,491
Ground lease rent	12,199	11,740
Air service stimulus and administration	7,895	7,907
Property taxes	2,247	1,840
	137,142	131,615

	2025	2024
[in thousands of dollars]	\$	\$
Net income before pension plan gain	19,674	22,638
Defined benefit pension plan (loss) gain [note 9]	(259)	401
Net income	19,415	23,039
Net assets, beginning of the year	93,326	70,287
Net assets, end of year	112,741	93,326

See accompanying notes

Consolidated Statement of Cash Flows

Year ended December 31

	2025	2024
[in thousands of dollars]	\$	\$
OPERATING ACTIVITIES		
Net income	19,415	23,039
Items not affecting cash		
Amortization and depreciation	30,490	30,386
Loss (gain) on accrued benefit asset	259	(401)
Write off of capital assets	3	48
	50,167	53,072
Change in non-cash working capital items		
Accounts receivable	(5,206)	1,901
Inventories	(218)	(236)
Prepaid expenses	(464)	801
Accounts payable and accrued liabilities	989	1,173
Deferred revenue and government assistance	(7,728)	(6,544)
Security deposits	(267)	2,452
	37,273	52,619

	2025	2024
[in thousands of dollars]	\$	\$
INVESTING ACTIVITIES		
Expenditures on capital assets and intangibles, net	(42,478)	(34,595)
Cash used in investing activities	(42,478)	(34,595)
Net increase in cash during the year	(5,205)	18,024
Cash and cash equivalents, beginning of the year	172,351	154,327
Cash and cash equivalents, end of year	167,146	172,351

See accompanying notes

Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]
December 31, 2025

1. GENERAL

Halifax International Airport Authority [the “Authority” or “HIAA”] was incorporated on November 23, 1995 as a corporation without share capital under Part II of the Canada Corporations Act. On February 1, 2000, the Authority signed a 60-year ground lease with Transport Canada and assumed responsibility for the management, operation and development of the Halifax Robert L. Stanfield International Airport [the “Airport” or “HSIA”]. In 2014, the Authority was granted an extension of the lease for an additional 20 years, extending the lease to January 31, 2080. The net income or loss for the year is retained and reinvested in airport operations and development.

As tenant under the ground lease, HIAA is empowered to establish and collect aeronautical and terminal fees and charges; negotiate and grant leases, licences, and permits; and plan, build, and expand Airport facilities and infrastructure.

HSIA is a world-class airport accelerating the growth of our communities by connecting people and goods to the world. The airport is the largest airport in Atlantic Canada, and the region’s gateway to the world.

The Authority is governed by a Board of Directors whose members are nominated by the Halifax Regional Municipality, the Province of Nova Scotia and the Government of Canada, as well as the Halifax Chamber of Commerce. The nominated members can also appoint additional members who represent the interests of the community.

The Authority is exempt from federal and provincial income taxes, federal large corporation’s tax, and Nova Scotia capital tax.

The Authority has one wholly owned subsidiary, Halifax Stanfield Services Inc. [“HSSI”]. HSSI provides aviation services to third parties.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Authority’s consolidated financial statements have been prepared in accordance with Part II of the Chartered Professional Accountants [“CPA”] of Canada Handbook – Accounting Standards for Private Enterprises (“ASPE”), which sets out generally accepted accounting principles (“GAAP”) for non-publicly accountable enterprises in Canada and include the significant accounting policies described hereafter.

Use of estimates

The preparation of consolidated 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 revenue and expenses during the year. Actual results could differ from those estimates. Items subject to significant management judgment and estimates include indicators of impairment, capital assets useful lives, allowances for bad debt, and defined benefits obligation.

Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]

December 31, 2025

Principles of consolidation

The financial statements include the accounts of the Authority and its wholly-owned subsidiary HSSI. All inter-company balances and transactions have been eliminated on consolidation.

Cash and cash equivalents

Bank balances, including bank overdrafts with balances that fluctuate from positive to overdrawn, and restricted cash are presented under cash and cash equivalents. Cash equivalents include highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. An investment normally qualifies as a cash equivalent when it has a short maturity of approximately three months or less from the date of acquisition. Restricted cash relates to funding received from the Province of Nova Scotia to support air service growth [note 3].

Government assistance

Amounts received or receivable resulting from government programs for capital development are reflected as reductions of the cost of the assets to which they relate when the Authority becomes eligible to accrue them, provided there is reasonable assurance the benefits will be realized. Assistance for future air service support are applied to the related expenditure as the related air service activity is realized in accordance with agreed terms and conditions. Assistance received to cover current period expenses is applied to the related expenditures.

Inventories

Inventories consist of materials, parts and supplies and are stated at the lower of cost, determined on an average cost basis, and net realizable value.

Ground lease

The ground lease with Transport Canada is accounted for as an operating lease.

The Authority incurs an annual lease obligation to Transport Canada under the ground lease, calculated on a sliding scale percentage of gross revenues, to a maximum of 12%.

Capital assets

Capital assets are recorded at cost, including interest on funds borrowed for capital purposes, net of contributions and government assistance, and are depreciated over their estimated useful lives on a straight-line basis at the following rates:

Computer hardware	20% – 33%
Leasehold improvements	2.5% – 10%
Machinery, equipment, furniture and fixtures	5% – 20%
Vehicles	5% – 17%

Construction in progress is recorded at cost and is transferred to leasehold improvements when the projects are complete, and the assets are placed into service.

Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]
December 31, 2025

Intangibles

Intangible assets are amortized on a straight-line basis over their expected useful life.

Rates applied on a straight-line to allocate the cost over the estimated useful lives are as follows:

Software and licenses	5 years
-----------------------	---------

The amortization method and estimated useful lives are reviewed annually.

Cloud computing arrangements

The Authority has entered into various cloud computing arrangements. Tangible elements such as hardware are accounted for in accordance with the Authority's policy for property, plant, and equipment. Software and other elements that meet the definition of an intangible asset are accounted for in accordance with the Authority's intangible asset policy.

Software elements that do not meet the definition of an intangible asset are accounted for as a software service and expensed as incurred.

Expenditures that are directly attributable in preparing a software intangible asset for its intended use are capitalized as part of the cost of the asset and are amortized over the expected period of access to the software service. The method of amortization and the expected period of access to the software service are reviewed on a regular basis.

Other related expenses are expensed as incurred.

Impairment

The Authority tests long-lived assets for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognized when the carrying amount of the 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 amount of the long-lived asset exceeds its fair value.

Security deposits

Deposits received from customers are recorded as a security deposit liability until the terms of the agreement have been satisfied.

Long-term debt

Long-term debt is initially measured at fair value, net of transaction costs and financing fees. It is subsequently measured at amortized cost. Transaction costs and financing fees are amortized over the term of the debt.

Revenue recognition

Landing fees, terminal fees, parking revenue and passenger security fees are recognized as the airport facilities are utilized. Concession revenue is recognized on the accrual basis and calculated using agreed percentages of reported concessionaire sales, with specified minimum guarantees where applicable. Rental revenue is recognized over the terms of the respective leases, licenses and permits. Airport improvement fees ["AIF"] are recognized when originating departing passengers board their aircraft as reported by the airlines.

Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]

December 31, 2025

Employee benefit plans

The Authority sponsors a pension plan on behalf of its employees, which has defined benefit and defined contribution components. In valuing pension obligations for its defined benefit component, the Authority uses the accrued benefit actuarial method prorated on services and best estimate assumptions. Pension plan assets are valued at current market values. Defined contribution component amounts are expensed as incurred.

Actuarial gains and losses are recognized in full in the period in which they occur. Current service cost and the interest cost on the accrued benefit obligation are included in the results of the Statements of Operations and Changes in Equity

Financial instruments

The Authority's financial instruments consist of cash and cash equivalents, accounts receivable, deposits in trust, accounts payable and accrued liabilities and long-term debt. Accounts receivable are accounted for at amortized cost. Cash and cash equivalents and the Debt Service Reserve Fund are recorded at fair value with realized and unrealized gains and losses reported in earnings in the period during which they arise. Accounts payable and accrued liabilities and long-term debt are accounted for at amortized cost with gains and losses reported in earnings in the period during which they arise. The Authority has no held-to-maturity or available-for-sale financial assets.

Transaction costs are capitalized and added to the cost of financial assets and liabilities not classified as held-for-trading.

3. GOVERNMENT ASSISTANCE

Cash includes \$17.5 million [2024 - \$24.4 million] from remaining funds received in 2018, 2020, and 2022 from the Province of Nova Scotia to support air service growth initiatives. The funding is available for use at HIAA's sole discretion to support new service opportunities that meet pre-defined criteria. The funds must be fully discharged by December 31, 2031.

During the year, \$7.9 million [2024 - \$2.9 million] of government contributions were received or receivable that were applied to capital assets. The contributions relate to capital development.

4. CAPITAL ASSETS

Capital assets consist of the following:

	2025			2024
	Cost	Accumulated depreciation	Net book value	Net book value
	\$	\$	\$	\$
Computer Hardware	14,804	12,998	1,806	444
Leasehold improvements	668,529	335,834	332,695	336,308
Machinery, equipment, furniture and fixtures	27,219	23,283	3,936	4,889
Vehicles	41,453	21,705	19,748	19,912
Construction in progress	40,106	-	40,106	23,442
	792,111	393,820	398,291	384,995

Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]
December 31, 2025

5. INTANGIBLES

Intangibles consist of the following:

	2025			2024
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Computer software and licenses	26,928	21,732	5,196	6,455

The Authority has elected to capitalize directly attributable expenditures on implementation activities regarding cloud accounting arrangements as a separate asset on the consolidated balance sheet. The net carrying amount capitalized as at December 31, 2025 was \$5.2 million [2024 - \$6.4 million].

During the year, the Authority expensed \$2.0 million [2024 - \$2.3 million] with respect to software services, which has been included in materials, services and supplies in the consolidated statement of operations.

6. LONG-TERM DEBT

Long-term debt consists of the following:

Long-term debt consists of the following:	2025	2024
	\$	\$
5.503%, non-amortizing Series A Revenue Bonds due July 19, 2041. Interest payable semi-annually in arrears on January 19 and July 19 of each year until maturity, which commenced on January 19, 2007.	150,000	150,000
4.888%, non-amortizing Series C Revenue Bonds due November 15, 2050. Interest payable semi-annually in arrears on May 15 and November 15 of each year until maturity, which commenced on May 15, 2011.	135,000	135,000
3.678%, non-amortizing Series D Revenue Bonds due May 3, 2051. Interest payable semi-annually in arrears on May 3 and November 3 of each year until maturity, which commenced on November 3, 2021.	150,000	150,000
	435,000	435,000
Less transaction costs, net of accumulated amortization	1,746	1,799
	433,254	433,201

Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]
December 31, 2025

Bond issues

In July 2006, the Authority completed its inaugural \$150.0 million Revenue Bond issue. The \$150.0 million 5.503% Series A Revenue Bonds are due on July 19, 2041. In November 2010, the Authority completed a \$135.0 million Revenue Bond issue. The \$135.0 million 4.888% Series C Revenue Bonds are due on November 15, 2050. In May 2021, the Authority completed a third Revenue Bond issue of \$150 million. The \$150 million 3.678% Series D Revenue Bonds are due November 3, 2051.

The net proceeds from these offerings were used to finance the capital plan and for general corporate purposes. These purposes included 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.

Credit facilities

The Authority has authorized credit facilities with the Canadian Imperial Bank of Commerce, which provide the Authority with a combined availability of \$94.5 million, comprised of a \$54.5 million Capex facility and a \$40.0 million revolving operating and letter of credit facility. These facilities are secured under the Master Trust Indenture and are available by way of overdraft, prime rates loans, or bankers' acceptances.

As at December 31, 2025 an amount of \$16.7 million [2024 - \$15.3 million] of the operating and letter of credit facility had been committed, with \$nil [2024 - \$nil] advanced as a prime rate loan, \$nil [2024 - \$nil] designated to pension plan funding regulations and \$16.7 million [2024 - \$15.3 million] designated to the Operating and Maintenance Reserve Fund. As at December 31, 2025 an amount \$nil [2024 - \$nil] of the Capex facility had been committed.

Reserve funds

Pursuant to the terms of the Master Trust Indenture, the Authority is required to establish and maintain with a trustee a Debt Service Reserve Fund. The balance within this fund must be equal to at least 50% of annual bond debt service costs. As at December 31, 2025, the Debt Service Reserve Fund included \$10.2 million [2024 - \$10.2 million] 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.

The Authority is also required to maintain an Operating and Maintenance Reserve Fund. The balance in the Operating and Maintenance Reserve Fund must be equal to at least 25% of certain defined operating and maintenance expenses for the previous fiscal year. Approximately \$18.0 million [2025 - \$16.7 million] will be required to fund the Operating and Maintenance Reserve Fund in 2026. The Operating and Maintenance Reserve Fund may be satisfied by cash, letters of credit, or the undrawn availability under a committed credit facility.

Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]

December 31, 2025

7. AIRPORT IMPROVEMENT FEE (AIF)

The AIF revenue is used to fund the cost of the Authority's capital program and related financing costs, along with debt and operational surpluses. The AIF rate at December 31, 2025, was \$35 [2024 - \$35] and the Intra-Provincial rate was \$22 [2024 - \$22] and applies to each departing enplaned passenger. The AIF are collected by the air carriers on behalf of the Authority. Under the previous agreement, air carriers retained a collection fee of 6% in January and February of 2025. Effective March 1, 2025, under a new agreement between the Authority, the Air Transport Association of Canada, and the air carriers serving the Airport, the collection fee was reduced to 4%. Under the agreement, AIF revenue may only be used to pay for the capital and related financing costs as jointly agreed with air carriers operating at the Airport.

A summary of the AIF collected and capital and related financing expenditures are as follows:

A summary of the AIF collected and capital and related financing expenditures are as follows:	2025	2024
	\$	\$
AIF revenue, net:		
AIF revenue	65,011	63,540
AIF collection costs	(2,799)	(3,805)
	62,212	59,735
Interest on surplus funds	5,625	8,417
Net funds received	67,837	68,152
Capital expenditures funded by the AIF	41,866	26,766
Interest expense funded by AIF	20,484	20,491
	62,350	47,257
Excess of AIF revenue over expenditures	5,487	20,895
Excess of expenditures over AIF revenue, beginning of year	(361,129)	(382,024)
Excess of expenditures over AIF revenue, end of year	(355,642)	(361,129)

From January 1, 2001 to December 31, 2025, the cumulative capital expenditures funded by AIF totaled \$1.1 billion [2024 - \$1.0 billion] and exceeded the cumulative AIF revenue by \$355.6 million [2024 - \$361.1 million].

Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]
December 31, 2025

8. COMMITMENTS

Transfer agreement

Effective February 1, 2000, the Authority signed a 60-year ground lease with Transport Canada which provides for the Authority to lease the Airport. A 20-year extension was granted in 2014, extending the lease to January 31, 2080. Unless otherwise extended, the Authority is obligated to return control of the Airport to Transport Canada. Lease payments are based on a percentage of gross revenue on a progressive scale.

The estimated lease obligations over the next five years are approximately as follows:

	\$
2026	13,320
2027	13,944
2028	14,608
2029	15,351
2030	16,146

9. PENSION PLAN

The Authority sponsors a pension plan [the "Plan"] on behalf of its employees, which has defined benefit and defined contribution components. An actuarial valuation has been prepared as at December 31 for both funding and measurement purposes. The responsibility for governance of the Plan including overseeing aspects of the Plan such as investment decisions lies with the Authority through a Pension Committee. The Pension Committee in turn has appointed experienced independent experts such as investment advisors, investment managers, actuaries and custodians for assets.

The Authority has adopted various policies in respect to the Plan:

- Plan assets are valued at fair value for the purpose of calculating the expected return on the Plan assets.
- At December 31, 2025, the plan assets were invested in various pooled funds.

Long-term debt - bond issues

The interest payable over the next five years on the Authority's Series A, C and D Revenue Bonds is as follows:

	\$
2026	20,370
2027	20,370
2028	20,370
2029	20,370
2030	20,370

Construction in progress

As at December 31, 2025, the Authority had outstanding contractual construction commitments amounting to approximately \$17.9 million [2024 - \$19.6 million].

- Due to the nature of the benefit promise, the Authority's defined benefit obligation cannot be accurately predicted. Gains and losses arise because of changes in assumptions and from experience differing from what has been assumed. Under CICA Handbook section 3462, these gains and losses are recognized immediately in the Statements of Operations and Equity.
- Differences in the actual investment return on plan assets and the return using the discount rate are recognized immediately in the Statements of Operations and Changes in Equity.
- The last actuarial valuation for funding purposes was prepared as at December 31, 2023. The next scheduled actuarial valuation for funding purposes will be performed as at December 31, 2026.
- The Authority uses a December 31 measurement date.

Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]
December 31, 2025

The following table provides information concerning the assets, accrued benefit obligation, funded status and pension assets of the Plan as at December 31:

	2025	2024
	\$	\$
Plan assets	23,590	23,694
Accrued benefit obligation	(17,224)	(17,069)
	6,366	6,625

The following table provides information concerning the components of the pension (loss) gain:

	2025	2024
	\$	\$
Employers' current service cost	(221)	(291)
Interest cost on accrued benefit obligation	(893)	(865)
Expected return on the plan assets	1,242	1,190
	128	34
Actuarial gain on accrued benefit obligation	-	-
Difference between expected and actual return on assets	(387)	367
Pension (loss) gain	(259)	401

The significant actuarial assumptions adopted in measuring the Authority's accrued pension benefits, using the funding valuation basis, are as follows:

	2025	2024
	%	%
Discount rate - year end benefit obligation	5.35	5.35
Discount rate - net benefit expense	5.35	5.35
Rate of compensation increase	3.25	3.25

Other information related to the Authority's defined benefit component is as follows:

	2025	2024
	\$	\$
Employees' contributions	57	75
Benefits paid	1,016	281

	2025	2024
	%	%
Equity securities	31	31
Fixed income securities	61	61
Real estate securities	8	8
	100	100

Pension expense amounted to \$1.5 million [2024 - \$1.4 million] for the defined contribution component for which the pension expense is equal to the contributions made by the Authority to the Plan during the year.

Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]
December 31, 2025

10. CAPITAL RISK MANAGEMENT

The Authority is a corporation without share capital and, accordingly, is funded through operating revenue, AIF revenue, reserve funds, the debt capital markets and its bank credit facility. Aeronautical charges are set each year to cover the projected operating costs, after consideration of the projected air traffic and passenger activity and non-aeronautical revenue. Any funds generated by the Authority are used to cover costs within its mandate.

The Authority's objective for managing capital is to acquire and maintain sufficient capital to safely and effectively manage the Airport's operations. The Authority aims to manage capital to deliver world-class facilities and services to the travelling public. The capital managed by the Authority is composed of long-term debt. As at December 31, 2025, the balance outstanding, excluding any current portion, amounts to \$435.0 million [2024 - \$435.0 million].

The Authority's indebtedness is secured under the Master Trust Indenture and supplemented from time to time with established common security and a set of common covenants by the Authority for the benefit of its lenders. The covenants that the Authority must meet include two specific coverage tests for operating expenses and debt service payments. The gross debt service covenant states that the total revenue, including the revenue account balance at the beginning of the year, must at least cover operating expenses, including interest and principal payments. The debt service covenant states that the net revenue for that specific year must be at least 1.25 times the total interest and principal payments for that year. As at December 31, 2025, the Authority is in compliance with all covenants outlined in the Master Trust Indenture.

In accordance with the Master Trust Indenture, two reserve funds must also be maintained: a Debt Service Reserve Fund and an Operating and Maintenance Reserve Fund. As at December 31, 2025, the Authority satisfies the requirements for both of these reserve funds.

11. FINANCIAL INSTRUMENTS

Fair value

The Authority's financial instruments consist of cash and cash equivalents, accounts receivable, deposits in trust, accounts payable and accrued liabilities and long-term debt. The difference between the carrying values and the fair market values of the financial instruments, excluding long-term debt, are not material due to their short-term maturities. The fair value of the Revenue Bonds as at December 31, 2025, is approximately \$402.2 million.

Risk management

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Authority is subject to interest rate risk relating to its Debt Service Reserve Fund and credit facilities. The Authority manages its interest rate risk through the use of fixed-rate financing where applicable.

The Authority has entered into fixed-rate long-term debt and, accordingly, the impact of interest rate fluctuations has no effect on interest payments until such time as this debt is to be refinanced.

Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]
December 31, 2025

However, changes in prevailing benchmark interest rates and credit spreads may impact the fair value of this debt.

The Authority's most significant exposure to interest rate risk relates to its credit facilities. The Authority's Capex facility, which is in place for the financing of near-term construction costs related to the Authority's Capital Program, is subject to floating interest rates. Management believes that the impact of interest rate fluctuations on construction costs is not material.

The Authority's Debt Service Reserve Fund is subject to changes in interest rates. Management believes that the impact of interest rate fluctuations on the Debt Service Reserve Fund is not representative of the Authority's exposure to interest rate risk as interest income is not essential to the Authority's operations. These funds are intended for reinvestment in airport operations and development, and not for purposes of generating interest income.

If interest rates had been 50 basis points [0.50%] higher or lower and all other variables were held constant, including timing of expenditures related to the Authority's capital expenditure programs, the Authority's earnings for the year would not have been significantly impacted.

Liquidity risk

The Authority manages its liquidity risk by maintaining adequate cash and credit facilities, by updating and reviewing multi-year cash flow projections on a regular and as-needed basis, and by matching its long-term financing arrangements with its cash flow needs. The Authority has ready access to sufficient financing as well as committed lines of credit through credit facilities with a major Canadian bank.

The future annual payment requirements of the Authority's obligations under its long-term debt are described in note 8.

Credit and concentration risks

The Authority is subject to credit risk through its accounts receivable, which consist primarily of current aeronautical fees and AIF owing from air carriers. The Authority performs ongoing credit valuations of receivable balances and maintains an allowance for potential credit losses. The Authority's right under the Airport Transfer (Miscellaneous Matters) Act to seize and detain aircraft until outstanding aeronautical fees are paid mitigates the risk of credit losses. The majority of the Authority's accounts receivable are paid when they are due.

A significant portion of the Authority's revenue, and resulting receivable balances, are derived from air carriers. The Authority derives approximately 44.1% [2024 - 39.9%] of its landing fee and terminal fee revenue from Air Canada and its affiliates. Management believes, however, that the Authority's long-term exposure to any single airline is mitigated by the fact that over 85% of the passenger traffic through the Airport is origin and destination traffic and therefore other carriers are likely to absorb the traffic of any carrier that ceases operations. In addition, the Authority's unfettered ability to increase its rates and charges mitigates the impact of these risks.

12. CONTINGENCIES

The Authority may, from time to time, be involved in legal proceedings, claims and litigation that arise in the ordinary course of business and may enter into agreements that provide contingent support for new business. The Authority believes any liabilities arising from these matters would not reasonably be expected to have a material adverse effect on its financial position.

13. COMPARATIVE FIGURES

Comparative figures have been adjusted to conform to changes in the current year presentation.

Corporate Governance



Halifax International Airport Authority (Airport Authority) is governed by a Board of Directors consisting of a maximum of 15 directors nominated by the following entities:

NOMINATOR	NUMBER OF DIRECTORS
Government of Canada	2*
Province of Nova Scotia	1
Halifax Regional Municipality	4
Halifax Chamber of Commerce	3
Airport Authority Board of Directors	4

**Can be increased to 3 in certain circumstances*

Generally, a director may serve no more than a total of nine years. However, at any given time, by a vote of the Board, one director's term may exceed nine years but may not exceed 12 years. The Board regularly reviews the skills and experience of its board members to ensure the appropriate competencies are represented on the Board.

The Board has overall responsibility for the stewardship of the Airport Authority, overseeing governance and strategic direction. The Board also oversees management who are responsible for the day-to-day conduct of the business, with the fundamental objective of ensuring that the Airport Authority meets its obligations and operates in a safe, efficient, and responsible manner. The Board meets as often as is required to carry out its responsibilities and maintains three standing committees, which are accountable to the Board: Audit & Risk Committee, chaired by Jackie Poirier; Governance & Human Resources Committee, chaired by Daniel Holland; and Infrastructure & Environment Committee, chaired by Benjie Nycum. The purpose of each Committee is as follows:

Audit & Risk Committee

The Audit & Risk Committee's responsibilities include: (i) approving the Airport Authority's quarterly unaudited financial statements and reviewing the annual audited financial statements; (ii) monitoring the integrity of the Airport Authority's financial reporting process and internal control system regarding financial reporting; (iii) reviewing and recommending the financial component of the 10-Year Capital and Financial Plan; (iv) monitoring the independence and performance of the Airport Authority's external auditors; and (v) providing oversight of matters

relating to cybersecurity. The Audit & Risk Committee also oversees the Airport Authority's processes for strategic enterprise risk management and supports the Board in monitoring the Airport Authority's performance in relation to the Governance priorities of its ESG strategy. The Audit & Risk Committee acts in an advisory capacity to the Board except for approving the quarterly unaudited financial statements and the annual audit plan.

Governance & Human Resources Committee

The Governance & Human Resources Committee assists the Board by providing a focus on governance that is intended to enhance the Board's performance as well as add value and support to the Airport Authority in achieving its corporate objectives. As part of this mandate, the Governance & Human Resources Committee leads the Board nomination process and receives reports and makes recommendations on a variety of governance matters, including: (i) the Board Governance Framework, consisting of the Board Governance Policy and accompanying plans/programs; (ii) Board composition and effectiveness; (iii) the terms of reference for each Board committee; and (iv) critical human resources strategy, including President & CEO compensation and evaluation, organizational culture and engagement, and significant labour relations matters. The Governance & Human Resources Committee supports the Board's oversight of the Airport Authority's performance in relation to the Social priorities of its ESG strategy.

Infrastructure & Environment Committee

The Infrastructure & Environment Committee's responsibilities include: (i) reviewing and recommending the capital component of the 10-Year Capital and Financial Plan, the Annual Capital Plan, and certain major capital projects; (ii) monitoring the progress and results of approved projects against pre-established measures and targets; and (iii) oversight of information technology matters related to digital ambition and data governance. The Infrastructure & Environment Committee also monitors the Airport Authority's environmental performance and supports the Board's oversight of the Airport Authority's performance in relation to the Environmental priorities of its ESG strategy.

The Airport Authority has adopted conflict of interest guidelines to govern the conduct of, and the disclosure and avoidance of conflicts of interest for, all officers and directors. These disclosures are updated as required. During 2025, the Governance & Human Resources Committee of the Board did not report any breaches of the conflict of interest guidelines.

Board of Directors Compensation	(\$)
Chair: J. S. Fitzpatrick	77,000
J. Ashton	18,900
D. Bastow (term completed September 22, 2025)	18,652
P. Bing (joined the Board October 1, 2025)	0
P. Boulter	22,600
C. Chiekwe	20,800
P. Fardy (joined the Board April 1, 2025)	10,850
D. Holland	28,800
M. Martel	22,600
S. Ng	21,100
B. Nycum	29,100
J. Poirier	29,100
D. Whalen	20,500

Note: Amounts represent payments made in 2025

Executive Compensation

In 2025, the salary range for the Vice Presidents of the Airport Authority was \$179,830 to \$391,210, and the salary range for the President & CEO was \$356,482 to \$482,361.

Contracts in excess of \$142,275

In accordance with its ground lease with Transport Canada, the Airport Authority is required to report all contracts in excess of \$142,275 (\$75,000 in 1994 dollars adjusted by the Consumer Price Index) that were entered into during the year and that were not awarded on the basis of a public competitive process. In 2025, the Airport Authority entered into one sole source contract.

A sole-source contract, not to exceed \$525,000, was awarded to Bell Mobility for equipment and services to implement its encrypted Trunked Mobile Radio (TMR2) system. This system aligns HIAA's communications with Nova Scotia's emergency network, enabling secure, direct communication with partners such as Halifax Regional Police Integrated Emergency Services and Halifax Regional Fire & Emergency. Bell Mobility is the sole provider of the encrypted TMR2 system in Nova Scotia, holding exclusive rights to the network infrastructure, compatible equipment, and support services.

A four-year sole source contract was awarded to EfficiencyOne in 2024, not to exceed \$500,000, to support the development and implementation of a multi-year Energy Management Plan that supports the Airport Authority's declared emission reduction target to achieve Net Zero carbon emissions by 2050. As part of the contract, EfficiencyOne will assign an internal resource with specific expertise in EfficiencyOne's funding programs and processes to support the development and implementation of an energy management strategy aligned with the Airport Authority's priorities, helping to maximize available funding opportunities and generate additional capital savings. The contract provides for a dedicated Onsite Energy Manager with specialized expertise in EfficiencyOne's proprietary funding programs and processes, administered through the Efficiency Nova Scotia franchise. This program access and expertise is not available through third-party consultants, and the engagement enables the Airport Authority to maximize government funding opportunities while advancing its energy transition strategy in a cost-effective manner.

Board of Directors

Name and Position	Occupation	Nominator and Date Appointed	Meeting Attendance*			
			Board	Audit & Risk Committee	Governance & Human Resources Committee	Infrastructure & Environment Committee
John Ashton Director	Owner, Ashton Creative Design	Province of Nova Scotia April 2024	6/7	4/4	-	-
Peter Bing Director	Director, Aviation and Chief Pilot, Sobeys Inc.	Airport Authority October 2025	0/2	-	-	0/1
Pernille Fischer Boulter Director	President & CEO, Kisserup International Trade Roots Inc.	Federal Government May 2019	7/7	-	4/4	4/4
Chika Chiekwe Director	Partner, Cox & Palmer	Airport Authority June 2024	7/7	-	4/4	-
Peter Fardy Director	Principal, Northport Philanthropic Advisory Services	Federal Government April 2025	6/6	-	3/3	-
Daniel Holland Chair, Governance & HR Committee Director	Chief Executive Officer, Community Foundation of NS	Halifax Regional Municipality January 2017	7/7	-	4/4	-
Matthew Martel Director	Chief Executive Officer, Black Business Initiative	Halifax Chamber of Commerce January 2021	7/7	4/4	4/4	-
Sally Ng Director	Client Partner, BDC Advisory Services	Halifax Chamber of Commerce April 2024	7/7	-	-	4/4

Name and Position	Occupation	Nominator and Date Appointed	Meeting Attendance*			
			Board	Audit & Risk Committee	Governance & Human Resources Committee	Infrastructure & Environment Committee
Benjamin Nycum Chair, Infrastructure & Environment Committee Director	Chief Executive Officer, William Nycum & Associates Ltd	Halifax Chamber of Commerce March 2018	7/7	-	-	4/4
Jackie Poirier Chair, Audit & Risk Committee Director	Retired Federal Government Executive	Halifax Regional Municipality June 2023	7/7	4/4	-	-
Diana Whalen Director	Former Deputy Premier of Nova Scotia Retired Elected Official	Halifax Regional Municipality October 2022	6/7	4/4	-	-

*Ratio equals number of meetings attended/number of meetings eligible to attend. Excludes Annual Public Meeting. The Board Chair, John S. Fitzpatrick, attended all regularly scheduled Board and Committee meetings in 2025. Board Chair attendance at Committee meetings is discretionary.



HIAA 2025 Board of Directors pictured inside the International Arrivals area. Missing from photo: John Ashton and Peter Bing



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