



REGINA AIRPORT AUTHORITY



ANNUAL REPORT

THE REGINA AIRPORT AUTHORITY (RAA) IS GUIDED BY THE FOLLOWING VISION, MISSION, AND VALUES

VISION

To be Saskatchewan's best airport experience.

MISSION

To be an engine of economic activity and social connectivity through air travel.

VALUES

People and Teamwork

We build strong relationships that focus on teamwork and communication throughout the organization, while ensuring a safe and inclusive environment for all. We value and celebrate our people, while investing in opportunities for career and personal growth.

Safety and Security

We focus on operational excellence with safety and security being paramount in everything we do.

Customer Focus

We take the leadership role with our local airport community, we foster close collaboration with local airport agencies, and we deliver exceptional experiences for passengers. We create trust and credibility through leading by example and being adaptable to change.

Community Growth Through Partnerships

We embrace our role as a leader in our region and believe in the power of advocacy and partnership with organizations that are focused on growth and economic prosperity.

Financial Responsibility

We focus on value. We invest our resources wisely while keeping our fees charged to airport users competitive.

Environmental Stewardship

We consider environmental impacts in decision making, operations and infrastructure investments. We strategically consider new ideas that seek to reduce our impact on the natural environment.

Integrity and Honesty

We are honest and transparent in our communications and actions. We strongly believe in doing the right thing even if no one else is watching.

Creativity and Innovation

We empower and encourage our team to be adaptive and innovative in their decision making. We believe in continuous improvement and foster a safe and comfortable environment for individuals to show leadership and creativity in their work.

CONTENTS

- 4** Message from the Board Chair and CEO
- 6** Regina to Denver – A Direct Link to Global Opportunity Takes Flight
- 8** Our Direct Routes by the End of 2025
- 10** Awareness and Action Ends Exploitation
- 11** YQR Expands Summer Seasonal Offerings with New Route to Halifax
- 12** Building Connections That Strengthen Partnerships and Expanding Possibilities
- 13** A Celebration of Culture, Connection, and Community - Indigenous Artisan Market at YQR
- 14** Sustainability and Stewardship at the Core of RAA Environmental Initiatives
- 15** New Training Prop Enhances Emergency Response Capabilities at YQR
- 16** Board of Directors
- 18** Corporate Governance
- 20** Management Discussion and Analysis
- 23** Business Plan Financial Summary
- 24** Financials



MESSAGE FROM THE BOARD CHAIR AND CEO



TYLER WILLOX
BOARD CHAIR

2025 marked a year of near full recovery from our 2019 benchmark year, with YQR serving over 1.16 million passengers.

Targeted initiatives to stimulate new air services continued to pay dividends, while modest investments in core infrastructure took place. Continued connections with several community partners directly supported some of the new airport routes. The Regina Airport Authority (RAA) launched new initiatives

focused on both our passengers and the safety of the travelling public. In the latter half of the year, the airport team began shifting its attention from recovery to looking ahead to future growth plans. The impact of the airport continues to drive hundreds of millions of dollars in economic activity in the local economy each year.

Growing air service is a core focus for the RAA and a role that is shared with a number of community partner organizations. The province of Saskatchewan has been instrumental in the return of US air service, with the most recent being United Airlines commencing Regina-Denver operations this past May. Denver airport is a mega hub for United Airlines and restoring connections has been of vital importance for business connections, tourism, and the visitor economy. Event-focused organizations can leverage these new air connections when competing for conferences, meetings, and other high value opportunities for the city. The power of a major US hub service being restored has been a massive win for all of southern Saskatchewan, with the airport seeing well over 25% increase in year-over-year US passengers.

MESSAGE FROM THE BOARD CHAIR AND CEO



JAMES BOGUSZ
PRESIDENT AND CEO

our team, it was both a sobering and eye-opening experience to better understand that this issue is very much present in Canada. YQR will continue to do our part in both training staff and promoting the program to create awareness in our airport community.

Through the airport’s continued diligence on environmental matters, YQR was pleased to achieve the industry’s Airport Carbon Accreditation, level 2. Maturing our program from tracking and verification of carbon emissions to also including reduction measures has helped to continue our focus on resource conservation. The airport has also strengthened its partnership with the University of Regina on the pilot project around the remediation of *Perfluorooctane sulfonate* (PFOS) that had been present in the previous generation of fire fighting foam used at North American airports.

The Regina Airport, alongside other Canadian airports, joined the #NotInMyCity program to help do its part to raise awareness and combat human trafficking. Located throughout the terminal building, the iconic yellow rose, along with phone number and call to action, demonstrates the airport’s commitment to the program. Many airport staff have received up-to-date training to potentially identify human trafficking through observation. For many of

The City of Regina continues its support of the airport through strategic and compatible land use by protecting the lands adjacent to the airfield. Development near the airport will be focused on industrial and commercial uses, minimizing residential uses that would be incompatible with airport operations and noise. The city plays a key role in the airport’s future and ensuring unimpeded growth will unlock YQR’s future economic potential.

The airport now finds itself at a pivotal time. The trend of recovery has largely been met, and now the time is here to focus on the future. There are significant capital demands ahead for the RAA when it comes to renewing aging infrastructure, balancing passenger interests, and making strategic investments in air service. We are truly grateful for the trust given to us by the many travellers who invest in YQR each time they use the airport or its services. We promise to continue our path of prudently investing in our facilities, delighting families with new terminal experiences, and working hard with our partners to attract even more air service to our region. We are proud to be southern Saskatchewan’s airport and serve well over 500,000 people who call our airport their airport. The journey to where we are today has had a few bumps along the way, but the future is very bright and our best is yet to come!

YQR, IT’S YOUR AIRPORT!

TYLER WILLOX
BOARD CHAIR

JAMES BOGUSZ
PRESIDENT AND CEO

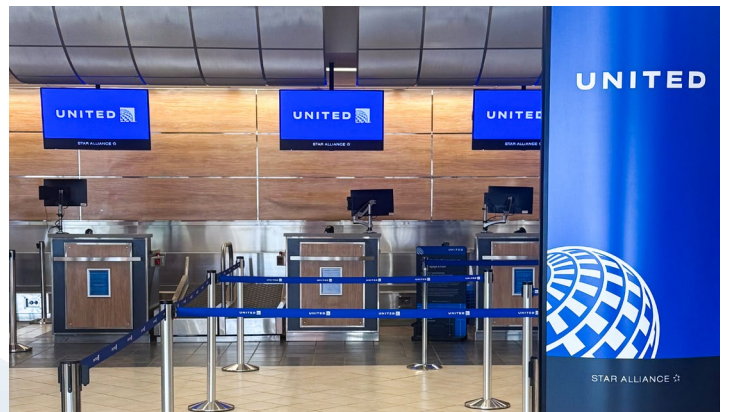


REGINA TO DENVER – A DIRECT LINK TO GLOBAL OPPORTUNITY TAKES FLIGHT



On May 15th, with the support of our province and community partners, we opened a powerful new gateway for Saskatchewan with the launch of a daily, non-stop flight from Regina to Denver. This milestone connection links our community directly to one of the world's busiest and most connected airports, creating new opportunities for both leisure and business travel.

Operated by United Airlines through SkyWest, this service is more than a new route, it's a seamless bridge from Regina to destinations across the United States and around the globe. It also marks the first American-based airline carrier to operate out of YQR in over a decade.





Denver's global reach means Saskatchewan travellers now have greater choice, convenience, and efficiency when planning their journeys. Whether it's a business trip south of the border or a long-awaited family vacation to Europe, travel is now simpler and more accessible.

For those passing through, Denver offers more than a connection; it delivers an elevated airport experience, from stunning mountain views to vibrant local dining and world-class amenities.

The impact of this route extends far beyond the runway. Strengthening access to key trading cities supports Saskatchewan's export-driven economy while opening the door to increased tourism, investment, and economic growth.



OUR DIRECT ROUTES

AT THE END OF 2025

Direct Domestic Destinations:

Vancouver	Winnipeg
Kelowna*	Toronto
Calgary	Montréal*
Edmonton	Halifax*

Direct International Destinations:

Minneapolis-Saint Paul	Mazatlán†
Las Vegas†	Puerto Vallarta†
Phoenix†	Punta Cana†
Cancun†	Denver

* Seasonal, summer service

† Seasonal, winter service





EDMONTON

YQR

WINNIPEG

MINNEAPOLIS-SAIN
T PAUL

TORONTO

MONTREAL*

HALIFAX*

DENVER

LAS VEGAS†

PHOENIX†

MAZATLÁN†

PUERTO VALLARTA†

CANCUN†

PUNTA CANA†



AWARENESS AND ACTION ENDS EXPLOITATION



The RAA was proud to join #NotInMyCity in the spring as an official airport ally. #NotInMyCity is a growing initiative focused on raising awareness and taking intentional action against human trafficking within Canada.

Founded in 2017 by award-winning country music artist, Paul Brandt, #NotInMyCity is actively disrupting human trafficking and sexual exploitation in Canada and worldwide.

Their Yellow Rose icon has become a symbol of hope and recognition for survivors and victims.

During his tour stop in November, Paul Brandt connected with CEO James Bogusz and the Regina Airport Authority team, and reinforced the importance of education, vigilance, and community leadership.

As an official airport ally, YQR is committed to equipping its team through the #NotInMyCity airport/transportation specific online training with the knowledge to recognize the signs of exploitation and how to respond in a safe, informed, and do-no-harm way, because awareness is one of the most powerful tools in ending this global issue.

By empowering RAA staff, tenants, and the broader community, YQR is playing a leadership role in protecting vulnerable individuals and supporting survivors.

This partnership with #NotInMyCity reflects a shared commitment to stand together, build awareness, and take meaningful steps to help end exploitation and human trafficking in our communities and beyond.

YQR EXPANDS SUMMER SEASONAL OFFERINGS WITH NEW ROUTE TO HALIFAX



YQR marked a major milestone on June 29 with the launch of the airport's third domestic summer seasonal service. Non-stop Regina to Halifax. The WestJet flight between southern Saskatchewan and Atlantic Canada operated every Sunday through the summer.

The new service reflects the RAA's commitment to continually expanding air access and responding to strong demands for more domestic connectivity. The route strengthened national connections while opening the door to a growing hub for European destinations connecting through Halifax.

Overall, the new route enhanced connectivity, supported economic development, and created new opportunities to attract visitors to Regina and southern Saskatchewan.

Increased access means more travellers discovering our communities, more overnight stays supporting local hotels, and greater momentum for our tourism sector. In a season where domestic travel was encouraged heavily within the public sphere of influence, the addition of another Canadian destination to the route offerings from YQR was a well-supported addition.

Regina to Halifax was a strategic investment by WestJet in accessibility, growth, and a more connected Canadian travel network.

Overall, the new route enhanced connectivity, supported economic development, and created new opportunities to attract visitors.



BUILDING CONNECTIONS THAT STRENGTHEN PARTNERSHIPS AND EXPANDING POSSIBILITIES



A few weeks after the inaugural flight between Regina and Denver began, the Regina Airport Authority brought together key partners and community leaders to celebrate and strengthen a growing relationship with SkyWest Airlines and United Airlines.

Hosted at the Hotel Saskatchewan, this special roundtable welcomed SkyWest representatives Daniel Belmont and Joseph Ahee, alongside air service consultant Martin Kammerman, for an engaging and insightful discussion on the future of air service at YQR.

The event created a valuable forum for local business and tourism leaders to connect directly with airline decision-makers and explore the opportunities ahead.

The conversation focused on the newly launched Regina-Denver route and the significant potential it brings to southern Saskatchewan. In 2025, Denver was the



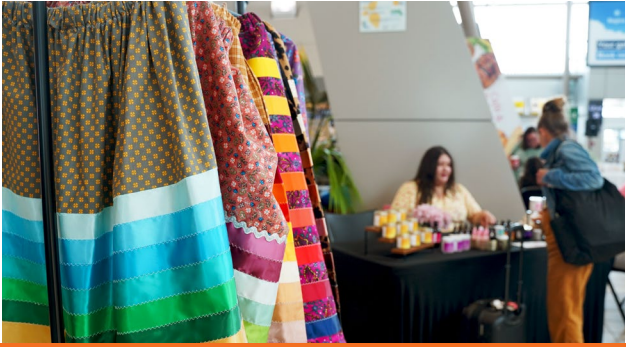
sixth busiest global airport, the conversation highlighted how this connection strengthens an already growing north-south business corridor.

Leaders from across sectors shared perspectives on how enhanced access will support trade, attract investment, support tourism, and elevate Saskatchewan's position in an increasingly competitive global market.

Beyond the boardroom, the partnership was also about building relationships.

Following the roundtable, the visiting representatives, alongside numerous community partners, enjoyed a truly iconic Saskatchewan experience at the Saskatchewan Roughriders 2025 Home Opener. A truly fitting backdrop to celebrate collaboration and community.

From business development to tourism growth, the partnership between YQR, SkyWest Airlines, and United Airlines reflects a shared commitment to connecting people, ideas, and markets.



A CELEBRATION OF CULTURE, CONNECTION, AND COMMUNITY INDIGENOUS ARTISAN MARKET

For the third consecutive year, the Regina Airport Authority proudly hosted its annual Indigenous Artisan Market, an event that continues to grow in both impact and spirit.

YQR transformed its arrivals area into a vibrant hub of culture, creativity, and connection, welcoming talented Indigenous artisans, performers, and community members from across Southern Saskatchewan.

What began as a meaningful initiative has become a signature event, reflecting our commitment to creating an inclusive and welcoming space for all.

Held in celebration of National Indigenous Peoples Day, the market brought together powerful storytelling, traditional performances, and authentic artistry.

Guests experienced the energy and pride of performances by the Nēwo-Yōtina Dancers and the Buffalo Boys Drum Circle and First Nations Dancers from Mother Teresa Middle School, while exploring handcrafted goods from over 15 vendors that showcased the richness of Indigenous heritage. YQR was also honoured to have residential school survivor Howie Thompson attend and emcee the entertainment while sharing his personal stories and wisdom with the market-goers and arriving passengers.

Through partnerships with the Government of Saskatchewan and the Canada Border Services Agency, the event also reinforced the importance of cultural connection and advancing Truth and Reconciliation.

Beyond the celebration, the market created meaningful impact. Proceeds from bannock and homemade treats supported the Nēwo-Yōtina Friendship Centre, helping extend the spirit of the day into lasting community benefit. In 2025, the funds raised at this event totalled just under \$1,000.

This event received recognition as a finalist for the 2025 Airports Council International – North America Marketing and Communications Awards in the Special Events category.

From the sights and sounds to the shared stories and experiences, every moment reflected the strength, resilience, and creativity of Indigenous culture, making YQR not just a place of travel, but a place of connection and understanding.



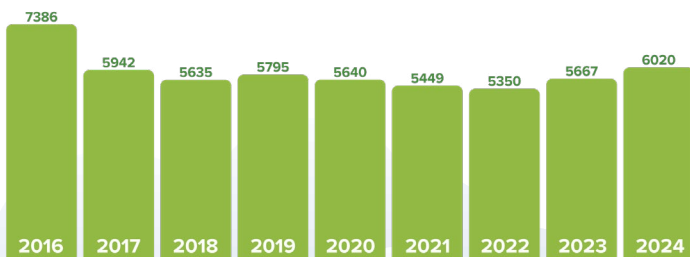


SUSTAINABILITY AND STEWARDSHIP

AT THE CORE OF RAA ENVIRONMENTAL INITIATIVES

The RAA understands the importance of balancing operations, growth, and development with our natural environment. We honour our core value of environmental stewardship in our day-to-day operations through our Environmental Management System (EMS) which sets, monitors, and tracks our environmental programs. In 2025, we also launched a Sustainability Roadmap, which strategizes opportunities and future investments to achieve our environmental goals.

One of our important environmental targets focuses on our energy usage. We are working to achieve a 30% reduction in total carbon emissions from the 2016 baseline by 2030. As of 2025, we have achieved a 25% reduction of our carbon footprint from our 2016 baseline year. We have reduced our electrical usage annually by ~1,400 tonnes of CO₂e, or 1.6 million kilowatt hours, enough to power 190 homes for a year.



In March 2025, we were promoted to Level 2 of the Airport Carbon Accreditation program, an international initiative focused on reducing carbon emissions from the aviation sector. We were the first airport in Saskatchewan to be recognized by the ACA and one of 18 airports in Canada with Level 2 or higher accreditation.

Our partnership with the University of Regina continues to lead innovative research into PFAS remediation solutions. Our approach to innovation through leading edge research and pilot-testing technology demonstrates our commitment to our long-term goals, while also opening new opportunities for unique, made-in-Saskatchewan solutions to the challenges we face as an airport and as a community.



NEW TRAINING PROP ENHANCES EMERGENCY RESPONSE CAPABILITIES AT YQR

In a remarkable show of support for local emergency services and training, Conair Aerial Firefighting donated a stripped fuselage from a Q400 aircraft to RAA for hands-on training purposes.

In addition to the donation, Conair Aerial Firefighting coordinated and fully funded the transportation of the aircraft fuselage from Abbotsford, BC to Regina International Airport (YQR) in the fall of 2024. This significant logistical undertaking demonstrates Conair's commitment to enhancing emergency response readiness in the region. It is worth noting Conair Aerial Firefighting is also the provider of a new aerial wildfire tanker aircraft for the province.

Upon arrival at YQR, Emergency Response Services (ERS) staff partnered with a local fabricator to equip the fuselage with doors and flight deck controls, transforming the shell into a realistic training prop. YQR ERS staff invested substantial time and expertise to construct and install a floor, as well as stairs and platforms, ensuring safe and effective access for all trainees.

The use of this innovative training prop extends beyond YQR ERS. External partners, including the Michael A. Riffel Catholic High School Emergency Services Program, and other interested organizations are invited to express interest in facilitated experiential training using this unique asset. By fostering broader collaboration and hands-on learning opportunities, the project aims to strengthen emergency preparedness across the community.

OUR BOARD SOARS

as at December 31, 2025



TYLER WILLOX

Board Chair
Province of Saskatchewan



CORY FURMAN

Board Vice Chair
City of Regina





JULIANA WONG

Chair, Audit and Finance Committee
City of Regina



GILLIS LAVALLEY

Chair, Community Consultative Committee
City of Regina



HAROLD HUGG

Chair, Governance and Nominating Committee
Government of Canada



JESSICA MCNAUGHTON

Chair, Human Resources Committee
City of Moose Jaw



TERESA DREW

Chair, Planning and Development Committee
Government of Canada



JACK DEGELMAN

Director
RM of Sherwood



DAVE PETTIGREW

Director
City of Regina



BILL PRATT

Director
City of Regina



MIKE TATE

Director
City of Regina



ERIN TRAPP

Director
Regina Airport Authority



ROB VANDERHOOF

Board Chair
Regina Airport Authority
Departed May 2025



BERNADETTE MCINTYRE

Chair, Audit and Finance Committee
City of Regina
Departed February 2025

CORPORATE GOVERNANCE

In accordance with Public Accountability Principles for Canadian Airport Authorities, the Board provides oversight to RAA to ensure its purpose and objectives are realized and that the airport operates in a safe, efficient, and reliable manner for the general benefit of the region.

The Regina Airport Authority Inc. is governed by a Board of Directors consisting of 11 to 13 prominent men and women from southern Saskatchewan. All members are expected to act with honesty, integrity, and impartiality, adhering to the policies and procedures set out through the RAA's Governance Manual.

The Authority has six nominating entities, including itself, who strive to ensure a balanced composition of skills and knowledge relating to the aviation industry, air transportation, business, finance, administration, law, government, engineering, labour relations, risk, strategy, and the interests of consumers. A Director may serve no more than three (3) three-year-terms for a total of nine (9) years.

Nominating Entity	Board Positions
Government of Canada	2
Province of Saskatchewan	1
City of Regina	6
City of Moose Jaw	1
RM of Sherwood	1
Regina Airport Authority	2



COMPENSATION FRAMEWORK

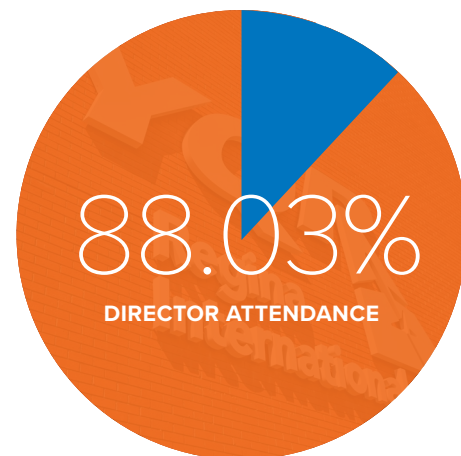
Board Remuneration

The annual remuneration of the Board of Directors, consisting of honorariums and per diems for the year ending December 31, 2025 was \$250,180 (2024 was \$218,304).

Type	Remuneration
Board Chair Annual Retainer	\$31,500
Board Vice-Chair and Committee Chair Annual Retainer	\$15,500
Individual Director Annual Retainer	\$12,400

DIRECTOR ATTENDANCE

In 2025, there were 27 Board, Committee, and public meetings. Overall participation by the Board members was 96.5% for committee meetings and 79.55 % for Board meetings. The overall attendance rate was 88.03% (2024 was 93.06%).



CODE OF CONDUCT AND CONFLICT OF INTEREST

The RAA has adopted Code of Conduct and Conflict of Interest policies and guidelines to govern the actions of all officers and directors, with an annual disclosure requirement to avoid potential conflicts of interest.

The Conflict of Interest policy was implemented to highlight the legal obligations of Directors and Officers, and Proposed Directors and Officers are obligated to disclose any existing conflicts of interest or potential conflicts of interest that may arise in the business of the Authority and its Board.

All Directors and Officers complete disclosure statements on an annual basis.

CORPORATE GOVERNANCE

Director	Position	Code of Conduct	Conflict of Interest
Tyler Willox <i>Province of Saskatchewan</i>	Chair, Board of Directors	✓	✓
Cory Furman <i>City of Regina</i>	Vice Chair, Board of Directors	✓	✓
Harold Hugg <i>Government of Canada</i>	Chair, Governance and Nominating Committee	✓	✓
Jessica McNaughton <i>City of Moose Jaw</i>	Chair, Human Resources Committee	✓	✓
Teresa Drew <i>Government of Canada</i>	Chair, Planning and Development Committee	✓	✓
Gillis Lavalley <i>City of Regina</i>	Chair, Community Consultative Committee	✓	✓
Juliana Wong <i>City of Regina</i>	Chair, Audit and Finance Committee	✓	✓
Mike Tate <i>City of Regina</i>	Director	✓	✓
Bill Pratt <i>City of Regina</i>	Director	✓	✓
Jack Degelman <i>RM of Sherwood</i>	Director	✓	✓
Dave Pettigrew <i>City of Regina</i>	Director	✓	✓
Erin Trapp <i>RAA</i>	Director	✓	✓

Officer	Position	Code of Conduct	Conflict of Interest
James Bogusz	President and Chief Executive Officer	✓	✓
James Neale	Vice President, Operations and Infrastructure	✓	✓
Jenna Khoury	Chief Financial Officer	✓	✓

RISK MANAGEMENT OVERSIGHT

The Audit and Finance Committee takes the lead role working closely with the Board for risk management oversight. Organizational risks, business impact analysis, and business continuity reviewed were considered and incorporated into annual business planning processes during 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (MD&A) provides details to assist in the interpretation of the operations and financial condition of the Regina Airport Authority Inc. (Authority) for the fiscal period ending December 31, 2025. The MD&A should be read in conjunction with the Authority’s audited financial statements including note disclosures, which have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the *CPA Handbook – Accounting*.

The Authority is a not-for-profit, locally based entity without share capital that manages and operates the Regina International Airport (YQR). All excess revenues over expenditures are applied to managing and operating the Regina International Airport consistent with its mission statement. As of December 31, 2025, the Authority is into its 26th year of operation in its lease arrangement with the Crown. The lease will expire on April 30, 2079.

Performance Highlights

In 2025, the Authority delivered strong financial and operational performance, driven by continued growth in overall flight activity. Scheduled flights increased year over year, supported by the addition of another new direct U.S. destination and expanded seat capacity on several existing routes. Despite reductions on a few sun destinations, total available seats rose meaningfully,

and passenger volumes continued their upward trajectory. This sustained demand, coupled with enhanced route offerings, contributed to robust revenue growth and improved operating results compared to 2024.

Looking ahead, the financial outlook for 2026 is even more positive. The implementation of an increased Passenger Facility Fee (PFF), combined with expected full passenger recovery, positions the organization for another year of strengthened financial performance and continued operational momentum.

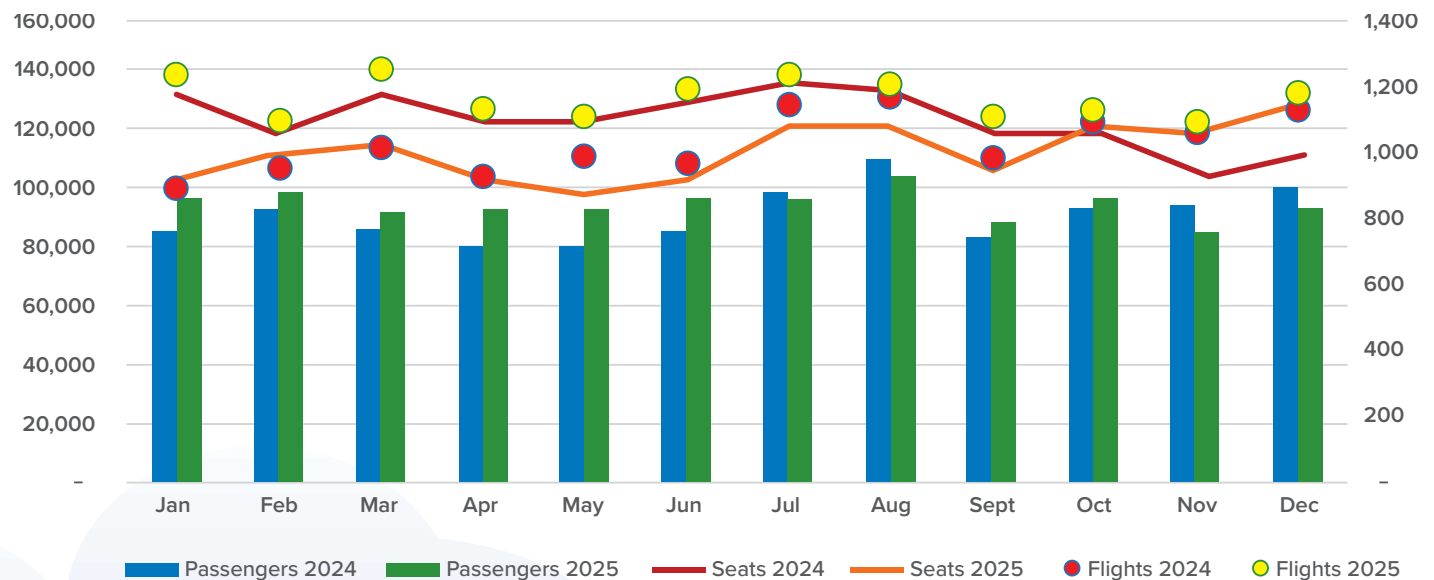
Passenger Statistics

Passenger volumes are the key driver for most of the Authority’s revenues. Total passenger volumes were up 3.1% (33,977 more passengers compared to 2024; 36,537 fewer compared to budgeted passengers of 1,152,964).

Flights have increased in comparison to the prior year; up 11.9% from 2024 scheduled flights. Seats have increased as well by 124,535 representing a 9.3% over 2024 seats of 1,339,266 and are 7.8% higher than the budgeted seats of 1,357,954. This is consistent with what the industry is seeing, as larger planes with more seats are being seen in our current market.

The passenger traffic and flight statistics for the year are summarized in Figure 1.

Figure 1



The overall increase in passenger traffic had a positive effect on revenue by \$1,651,000.

For 2026, the Authority has forecasted 1,167,849 passengers.

Rate and Fees

In 2025, the Authority implemented aeronautical fee adjustments effective May 1, 2025, which included increases to Landing Fees, General Terminal Fees, and Apron Parking rates. These changes supported ongoing operational requirements and helped align fee structures with industry standards. As we look ahead to 2026, no additional aeronautical fee increases are planned.

The Passenger Facility Fee (PFF) is collected by airlines on the Authority’s behalf to fund critical capital initiatives and support airport operations. The fee applies to all passengers originating from YQR, excluding connecting and non-revenue travellers. To ensure sufficient funding for future infrastructure investment and to maintain the airport’s high level of service, the Authority announced a PFF rate increase effective June 1, 2026. At that time, the fee will rise to \$40 per enplaned passenger.

Capital Activity Highlights

In 2025, the Authority spent \$3,717,000 (2024 - \$5,521,000) on capital programming. The capital budget for 2025 was \$4,915,000 (2024 - \$5,670,000). Below is a list of projects over \$125,000 that were put into service and therefore capitalized in 2025:

Project	Total Spend
Runway Sweeper/ Plow	\$1,129,000
Common Use Self-Serve Kiosks	\$910,000
Network Device Renewal	\$479,000
Two Server Replacements	\$599,000
Terminal Building Upgrades	\$387,000
UPS Replacements	\$308,000
RAA Office Renovation	\$211,000
Second Floor Family Washroom	\$197,000
Wireless Network Replacement	\$174,000
Roadway Paving	\$153,000
Water Valve Replacement	\$148,000

Total work in progress at December 31, 2025 was \$1,566,000 (2024 – \$4,038,000).

For 2026, the Authority has projected a capital spend of \$2,900,000.

Liquidity and Capital Resources

The Authority is funded through operating revenues, PFF revenues and bank credit facilities.

The Authority completed 2025 operations with a cash balance of \$80,000 compared to \$1,054,000 at December 31, 2024.

For 2025, \$3,717,000 of cash was used to purchase capital assets, and \$3,082,000 was paid throughout the year for principal payments on outstanding debt.

LENDING AGREEMENTS

- Debt Service Ratio (DSR)**
 The Authority is required to maintain at all times a Debt Service Ratio (DSR) of 1.25 to 1 or better. This ratio is defined by earnings before interest, depreciation and amortization (EBITDA) divided by annual interest payments and current portions of long-term debt. The Authority is in compliance with this covenant as at December 31, 2025.
- Minimum Liquidity**
 The Authority is required to have no less than \$3,500,000 in liquidity defined as the maximum operating line of credit available less amount drawn. The Authority was in compliance with this covenant as at December 31, 2025.

LINES OF CREDIT / CREDIT FACILITIES

The Authority carries two lines of credit:

- Operating line of credit facility of \$10,000,000, which had \$457,000 drawn at December 31, 2025; and
- Revolving line of credit of \$19,000,000 for capital expenditures, which is undrawn as of December 31, 2025.

Statement of Financial Position

Total assets of the corporation decreased by \$3,867,000 (3.1%) to \$121,090,000 (2024 - \$124,957,000).

Capital assets decreased \$5,397,000 due to expenditures of \$3,717,000, amortization of \$9,097,000 and disposals of \$17,000.

Receivables increased \$1,079,000 primarily due to the amount of incentive funding receivable recorded for new routes in 2025 whereas in the prior year it was netted to the accrued payable account. A long-term receivable was set up for amounts owed to the Authority that is currently in litigation and not expected to be collected in the current year.

Prepaid materials and supplies increased by \$382,000 compared to the prior year, primarily due to higher purchases of de-icing materials made at the end of 2025. These materials were added to inventory as they were not required for use during the period.

The pension asset increased by \$943,000 to \$2,700,000. During the year, the Authority purchased annuities for all retired members of the defined benefit plan, thereby releasing the liability for the pension obligation. The balance of \$2,700,000 represents the surplus of the plan, which can be used for future employer-defined contributions.

Total liabilities decreased by \$3,907,000 (5.9%) to \$62,702,000 (2024 - \$66,609,000).

Accounts payable and accrued liabilities increased \$80,000 due to more overall activity at the airport.

The Authority has \$457,000 drawn on the operating line of credit due to a payment made on airline incentives. There was nothing drawn in 2024.

Total debt decreased by \$3,082,000, representing principal payments made on all outstanding debt.

Deferred contributions decreased \$1,259,000 (7.8%) to \$14,870,000 (2024 - \$16,129,000), due to the amortization of government contributions realized into revenue over the period.

Overall net assets decreased \$40,000, reflective of excess expenses over revenue and the employee future benefits re-measurement.

Statement of Operations

REVENUE:

Revenues increased \$1,651,000, a 4.9% increase compared to the prior year, primarily due to increased passengers and seats in the market, as well as the increased fees that came into effect May 1, 2025.

Concession revenue performed well in 2025, with a full year of operations of the 306 Bistro and Bar post security which opened in 2024. Parking revenue has also increased by 3.7% due to the parking strategy implemented in 2019 – more passengers are deciding to park than in the past as the cost is significantly less.

EXPENSES:

Expenses increased \$1,575,000 (4.6%) compared to the prior year.

Service, Supplies and Administration increased \$1,852,000, as operational efforts have increased as a result in higher passenger traffic and overall, more activity at the airport. This includes increased marketing and air service development related to our two direct US flights offered to Minneapolis and Denver. Increases to our cleaning contracts and security costs with increased wages also contributed to the higher expense. More de-icing and broom wafers were used in 2025 due to the weather, helping keep our runway open and safe.

Salaries and benefits decreased \$385,000 compared to prior year, due to prior year retro payments made once the newly negotiated Collective Bargaining Agreement was signed. This is offset by annual wage increases.

Ground lease expense increased \$116,000 as lease payments are based on revenue.

Contracts Not Tended

All projects with a value in excess of \$125,000 require a public tender or request for proposal process. All projects complied with this requirement for 2025.

BUSINESS PLAN FINANCIAL SUMMARY

Report on the Business Plan for 2025 - Shown below in (000's)

	Plan	Actual	POS (NEG) Variance
Operating Revenue	\$17,859	\$18,566	707
Operating Expense	\$25,909	\$24,890	1,019
Net Airport Improvement Fees / Passenger Facility Fees	\$15,406	\$15,484	78
Capital Expenditures	\$5,000	\$3,717	1,283

Report on the Business Plan for 2026-2030 - Shown below in (000's)

	2026	2027	2028	2029	2030
Operating Revenue	\$18,791	\$19,171	\$19,556	\$19,949	\$20,351
Operating Expense	\$27,934	\$28,753	\$29,365	\$29,976	\$30,599
Capital Expenditures	\$4,000	\$7,400	\$7,800	\$8,300	\$8,800

- *Capital Expenses & Forecast* include both eligible and non-eligible PFF items.
- *Auditor's Report & Financial Statements* are found within the 2025 Financial Statement Section.
- *Management Discussion & Analysis* may also be found within the 2025 Financial Statement Section.

FINANCIALS

Financial Statements of

REGINA AIRPORT AUTHORITY INC.

Year ended December 31, 2025



Deloitte LLP
Bank of Montreal Building
2103 - 11th Avenue
9th Floor
Regina SK S4P 3Z8
Canada

Tel: 306-565-5200
Fax: 306-757-4753
www.deloitte.ca

Independent Auditor's Report

To the Board of Directors of
Regina Airport Authority Inc.

Opinion

We have audited the financial statements of Regina Airport Authority Inc. (the "Authority"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises:

- The information included in the Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

FINANCIALS

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Deloitte LLP

Chartered Professional Accountants
April 2, 2026
Regina, Saskatchewan

REGINA AIRPORT AUTHORITY INC.

Statement of Financial Position
As at December 31

	2025	2024
ASSETS		
Current Assets:		
Cash	\$ 79,973	\$ 1,053,942
Accounts receivable and accrued revenue (note 4)	4,069,831	2,990,299
Prepaid materials and supplies	1,053,849	672,415
	5,203,653	4,716,656
Pension asset (note 9)	2,728,000	1,785,000
Long-term receivable	428,018	428,018
Investments (note 5)	100,000	100
Capital assets (note 6)	112,629,869	118,027,335
	\$ 121,089,540	\$ 124,957,109
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 4,690,664	\$ 4,609,294
Operating line of credit (note 7)	457,199	-
Government remittance payable	95,703	144,934
Deferred revenue	211,240	216,590
Current portion of long-term debt (note 8)	3,081,892	3,081,892
	8,536,698	8,052,710
Long term debt (note 8)	39,194,640	42,276,532
Tenant security deposits	100,393	150,604
Deferred contributions (note 11)	14,869,780	16,128,913
	62,701,511	66,608,759
Net assets	58,388,029	58,348,350
	\$ 121,089,540	\$ 124,957,109
Commitments and contingencies (note 12)		

See accompanying notes to financial statements

Approved on behalf of the Board:


Tyler Willox, Chair of Board


Juliana Wong, Chair of Audit and Finance Committee

REGINA AIRPORT AUTHORITY INC.

Statement of Operations and Changes in Net Assets
Year ended December 31

	2025	2024
Revenue:		
Passenger facility fees (note 13)	\$ 15,483,963	\$ 15,102,939
Public parking	4,803,709	4,631,419
Concessions	3,358,775	3,191,898
Landing fees	3,186,068	2,728,045
General Terminal Fees	2,557,820	2,187,699
Rentals	2,026,277	1,969,865
Other Airline fees	1,445,828	1,583,702
Amortization of deferred contributions (note 11)	1,259,133	1,227,173
Customer facility charge (note 14)	806,272	782,232
Other (note 16)	284,699	157,468
Government assistance (note 10)	96,250	96,250
	35,308,794	33,658,690
Expenses:		
Services, supplies and administration	12,996,251	11,144,747
Amortization	9,097,217	9,109,887
Salaries and benefits (note 9)	7,424,400	7,808,551
Interest (note 16)	2,184,953	2,097,352
Property taxes	1,772,588	1,792,164
Ground lease	1,500,190	1,384,073
Utilities	1,127,119	1,186,365
Bad debt expense (note 4)	51,944	29,528
Loss on disposal of capital assets	17,453	44,624
	36,172,115	34,597,291
Deficit of revenue over expenses	(863,321)	(938,601)
Net assets, beginning of year	58,348,350	59,405,951
Employee future benefits remeasurement (note 9)	903,000	(119,000)
Net assets, end of year	\$ 58,388,029	\$ 58,348,350

See accompanying notes to financial statements

REGINA AIRPORT AUTHORITY INC.

Statement of Cash Flows
Year ended December 31

	2025	2024
Cash provided by (used in):		
Operations:		
Deficit of revenue over expenses	\$ (863,321)	\$ (938,601)
Add (deduct) non-cash items:		
Amortization of capital assets	9,097,217	9,109,887
Amortization of deferred contributions	(1,259,133)	(1,227,173)
Loss on sale of capital assets	17,453	44,624
Difference between pension expense and amount funded	(40,000)	(25,000)
	6,952,216	6,963,737
Changes in non-cash working capital:		
Accounts receivable and accrued revenue	(1,079,532)	2,657,107
Government contributions receivable	-	(1,826,013)
Prepaid materials and supplies	(381,434)	61,865
Accounts payable and accrued liabilities	32,139	(2,023,594)
Deferred revenue	(5,350)	(743)
Tenant security deposits	(50,211)	4,346
Cash flow provided by operations	5,467,828	5,836,705
Investing:		
Purchase of capital assets	(3,717,204)	(5,521,120)
Purchase of investments	(100,000)	-
Proceeds on sale and maturity of investments	100	-
Proceeds from government contributions	-	1,217,400
Cash flow used in investing activities	(3,817,104)	(4,303,720)
Financing:		
Proceeds from operating line of credit	457,199	-
Repayments of long term debt	(3,081,892)	(4,609,307)
Cash flow used in financing activities	(2,624,693)	(4,609,307)
Decrease in cash	(973,969)	(3,076,322)
Cash, beginning of year	1,053,942	4,130,264
Cash, end of year	\$ 79,973	\$ 1,053,942

See accompanying notes to financial statements

REGINA AIRPORT AUTHORITY INC.

Notes to the Financial Statements
Year ended December 31, 2025

1. Purpose and description of business:

Regina Airport Authority Inc. (the "Authority") was incorporated June 18, 1997, as a corporation without share capital under Part II of the *Canada Corporations Act* (the "Act") and continued under the Canada Not-for-profit Corporations Act. The Authority is exempt from federal and provincial income tax. The Authority has operated Regina International Airport since May 1, 1999, under a lease from the Government of Canada (the "Ground Lease"). The Ground Lease had an initial term of 60 years with an option to extend for 20 years. The option to extend the Ground Lease was exercised in 2014 and, accordingly the Ground Lease will now expire on April 30, 2079. The parties agreed that the extension is on the same conditions as the initial Ground Lease, except that there is no longer any option to renew the Ground Lease or further extend the term. At the end of the renewal term, the Authority is obligated to return control of the Airport to the Landlord. The Airport must be returned in a state of good order, condition, and repair. The Airport must also be free and clear of any Occupancy Agreement, Transfer, Leasehold Mortgage, (as defined in the Ground Lease) or other encumbrances of any nature or kind except those which the Landlord has granted rights of non-disturbance.

Pursuant to the Act, the Authority shall operate as a not-for-profit corporation and as such, the Authority reinvests all excess of revenue over expenses in the capital renovation and expansion requirements of the airport for which it is responsible. In addition to the investment of the excess of revenue over expenses, the Authority is authorized to borrow to invest in the airport infrastructure, and current borrowings are detailed in Note 8. Capital requirements are generally determined on an annual basis in conjunction with the Authority's business planning cycle, although longer term projects may involve financial commitments that extend beyond one year. The Authority annually re-evaluates its economic condition and facility demands in setting its objectives.

The mandate of the Authority is to manage and operate the airport in a safe, secure, efficient and commercially viable and environmentally responsible manner in its objective to advance economic and community development by means that include promoting and encouraging improved airline transportation for the general benefit of the public in its region.

2. Basis of preparation:

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook-Accounting.

REGINA AIRPORT AUTHORITY INC.

Notes to the Financial Statements
Year ended December 31, 2025

3. Significant accounting policies:

The following accounting policies are considered significant:

a) *Capital assets*

Capital assets are recorded at cost less accumulated amortization. Cost includes expenditures that are directly attributable to the acquisition of the asset. Acquisition costs include the purchase price, installation, design and engineering fees, legal fees, survey costs, site preparation, transportation, direct labour, insurance and duties required to bring the asset to a working condition for its intended use.

The cost of capital assets are allocated into significant separable parts to record and amortize. Componentization is performed when costs may be reasonably allocated between parts and a reasonable estimate can be made of the useful lives of the separable components.

Interest on debt directly attributable to finance the construction of capital assets is capitalized and included in the cost of capital assets. Capitalization of interest ceases when the asset is substantially complete and available for use.

Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Asset Category	Years
Leased land	48-65
Office furniture and equipment	3-10
Computer equipment	3- 5
Vehicles and equipment	3-15
Leasehold improvements	1-50
Work in progress	not amortized, as not available for use

The various components of the air terminal building, other building structures, roadways and airfield surfaces, included in leasehold improvements, are amortized on a straight-line basis over the estimated economic life of the component asset, limited to the term of the Ground Lease. These assets revert back to the Government of Canada upon expiry of the Ground Lease.

The Authority has previously purchased Land for operational purposes and future development. The Ground Lease requires that at commencement of development the applicable land be transferred to the Government of Canada at which time the Authority reclassifies Land to Leased Land and commences amortization on a straight-line basis over the remaining full fiscal years of the Ground Lease.

Capital projects under construction at year end are capitalized to work in progress at cost. Costs are transferred to the appropriate capital asset class and amortization commences when the project is completed, and the assets become operational.

REGINA AIRPORT AUTHORITY INC.

Notes to the Financial Statements
Year ended December 31, 2025

3. Significant accounting policies (continued):**b) *Impairment of long-lived assets***

The Authority uses a two-step process for determining whether an impairment of long-lived assets should be recognized in the financial statements. If events or changes in circumstances indicate that the carrying value of the long-lived asset may have been impaired, a recoverability analysis is performed on the estimated undiscounted cash flows to be generated from the asset's operations and its projected disposition. If the analysis indicates that the carrying value is not recoverable from future cash flows, the long-lived asset is written down to its estimated fair value and an impairment loss is recognized in the Statement of Operations and Changes in Net Assets. If circumstances change impairment loss may be adjusted reflecting a partial or full reversal.

c) *Employee future benefits - Pension plan*

The Authority has a retirement pension plan (the "Plan") for all permanent and term employees. The plan provided employees with an option to elect to continue as defined benefit members or elect to become defined contribution members at the time of transfer (May 1, 1999) to the Authority from the Government of Canada. The defined benefit membership is limited to those that continued on as defined benefit members with all new employees since transfer classified as defined contribution members. The Authority does not provide any non-pension post-retirement benefits.

The Authority accrues its obligation under the pension plan as the employees render their services necessary to earn the pension benefits. For the defined benefit plan, the fair value of pension assets are used for the purpose of calculating the expected return on plan assets. Pension obligation is determined by an independent actuary using the projected benefit method prorated on service and management's best estimate assumptions. The Authority uses the funding valuation as the basis for financial reporting purposes and determination of costs. The cost of the defined contribution component of the plan is recognized based on the contributions required to be made during each period. Actuarial gains and losses arise because of changes in assumptions and from experience differing from what has been assumed. Actuarial gains and losses arising from remeasurement are recognized in net assets.

REGINA AIRPORT AUTHORITY INC.

Notes to the Financial Statements

Year ended December 31, 2025

3. Significant accounting policies (continued):d) *Financial instruments*

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Authority determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Authority expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

The Authority accounts for qualifying hedges of interest-bearing liabilities as follows:

- (i) Interest on the hedged item is recognized using the instrument's stated interest rate plus or minus amortization of any initial premium or discount and any financing fees and any transaction costs.
- (ii) Net amounts receivable or payable on the interest rate swap are recognized as an adjustment to interest on the hedged item in the period in which they accrue.

REGINA AIRPORT AUTHORITY INC.

Notes to the Financial Statements

Year ended December 31, 2025

3. Significant accounting policies (continued):

e) *Revenue recognition*

Restricted contributions are reflected as deferred contributions and are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Government contribution towards capital assets are deferred and amortized on the same basis as the related capital assets. Government assistance is considered a contribution and recognized as revenue.

Specifically, revenue is recognized as follows:

- Landing, general terminal and other airline fees are recognized when airport facilities are utilized.
- Public parking and concession revenues are recognized when facilities are utilized. Concession revenue is recognized based on the greater of agreed percentages of reported concessionaire sales and specified minimum guaranteed amounts over the terms of the respective leases.
- Rental revenues are recognized over the terms of the respective leases at the commencement of each month when rent is due.
- Other income is recognized when earned or received.
- Passenger Facility Fee ("PFF") revenue is recognized when the originating departing passengers board their aircraft as reported by the airlines.
- Customer Facility Charge ("CFC") revenue is recognized based on the transaction day information contained in the rental car agreements as reported by the operators.
- Government assistance is considered a contribution in the period to which it relates.

Deferred revenue consists primarily of land leasing, space rental, aeronautical fees and concession fees received in advance of land or facilities being utilized.

f) *Use of estimates*

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include allowance for doubtful accounts, estimated useful lives of capital assets and fair value of investments. In management's assessment of the Authority's ability to continue as a going concern, management forecasts future revenues and expenses to support their assessment. Actual results could differ from those estimated.

REGINA AIRPORT AUTHORITY INC.

Notes to the Financial Statements
Year ended December 31, 2025

4. Accounts receivable and accrued revenue:

Accounts receivable and accrued revenue are reported net of any allowance for doubtful accounts that are estimated to occur. The allowance for doubtful accounts as at December 31, 2025, is \$62,300 (December 31, 2024 - \$69,839). Bad debt expense for 2025 was \$51,944 (2024 - \$29,528).

5. Investments:

The carrying value of the Authority's investments are as follows:

	2025	2024
Common shares	\$ -	\$ 100
Ecoloop Safe	100,000	-
	\$ 100,000	\$ 100

6. Capital assets:

Asset Category	Cost	Accumulated amortization	2025 Net book value	2024 Net book Value
Leased land	\$ 3,407,483	\$ 1,147,762	\$ 2,259,721	\$ 2,366,959
Leasehold improvements	208,082,050	107,668,262	100,413,788	106,650,904
Vehicles and equipment	13,583,525	8,724,303	4,859,222	3,525,279
Computer equipment	6,068,016	2,857,917	3,210,099	1,187,590
Office furniture and equipment	701,305	379,869	321,436	258,109
Work in progress	1,565,603	-	1,565,603	4,038,494
	\$233,407,982	\$120,778,113	\$112,629,869	\$118,027,335

Capital assets acquired in the amount of \$86,431 (2024 - \$1,525,835) are included in accounts payable and accrued liabilities.

7. Operating line of credit:

The Authority has a \$10,000,000 (2024 - \$10,000,000) operating line of credit (the "Operating Facility") bearing interest at bank prime lending rate less 0.25%. The Operating Facility is unsecured and repayment terms are on demand. The operating line of credit balance as at December 31, 2025 was \$457,199 (December 31, 2024 - nil).

REGINA AIRPORT AUTHORITY INC.

Notes to the Financial Statements

Year ended December 31, 2025

8. Long-term debt:

Details of the long-term debt outstanding are described in the following table:

	2025	2024
Term loan bearing interest at bank's daily compounded CORRA per annum plus 1.75% per annum, repayable in monthly instalments of \$54,795 plus interest and stamping fee, due April 2027	\$ 10,739,120	\$ 11,396,649
Term loan bearing interest at bank's daily compounded CORRA per annum plus 1.75% per annum, repayable in monthly installments of \$65,828 plus interest and stamping fee, due April 2028.	4,542,092	5,332,028
Term loan bearing interest at bank's daily compounded CORRA per annum plus 1.75% per annum, repayable in monthly instalments of \$25,000 plus interest and stamping fee, due April 2028.	4,750,000	5,050,000
Term loan bearing interest at bank's daily compounded CORRA per annum plus 1.35% per annum, repayable in monthly instalments of \$25,794 plus interest and stamping fee, due December 2027	3,559,374	3,868,902
Term loan bearing interest at bank's daily compounded CORRA per annum plus 1.35% per annum repayable in monthly instalments of \$16,670 plus interest and stamping fee, due December 2028	2,999,600	3,199,640
Term loan bearing interest at bank's daily compounded CORRA per annum plus 2% per annum repayable in monthly instalments of \$50,000 plus interest and stamping fee, due February 2029	13,850,000	14,450,000
Term loan bearing interest at bank's prime lending rate less 0.50% per annum, repayable in monthly instalments of the of \$18,738 plus interest, due July 2028	1,836,346	2,061,205
	42,276,532	45,358,424
Less: current portion	3,081,892	3,081,892
	\$ 39,194,640	\$ 42,276,532

REGINA AIRPORT AUTHORITY INC.

Notes to the Financial Statements
Year ended December 31, 2025

8. Long-term debt (continued):

All debt is secured by general assignment of book debts providing the bank with priority security interest over all revenues and deposits.

Interest rate swap financial contracts (note 17(a)) are used to reduce cash flow risk on a significant portion of the outstanding loan balance. Accordingly, the effective interest rate on the Authority's long-term debt was 4.76% in 2025 (2024 – 4.24%). The bank's prime lending rate as at December 31, 2025, was 4.45% (2024 – 5.45%).

The required principal payments for the next four years after the renegotiation of the terms and conditions are as follows:

2026	\$3,081,892
2027	15,446,273
2028	11,698,367
2029	12,050,000

The Authority's loan agreements are subject to covenant clauses, whereby the Authority is required to always maintain a ratio of earnings before interest and depreciation to interest expenses plus current portion of long-term debt of 1.25:1 or better. The Authority is in compliance with this covenant at December 31, 2025 (December 31, 2024 – in compliance). The Authority is also required to have no less than \$3,500,000 in liquidity. Liquidity is defined as cash and/or undrawn availability of the operating line of credit. As at December 31, 2025, the Authority was in compliance with this covenant (2024 – in compliance).

9. Pension plan asset:

The Authority sponsors and funds a registered pension plan (the "Plan") on behalf of its employees, which had both defined benefit and defined contribution components. Pensions payable from the defined benefit component are generally based on the member's average annual earnings near retirement and indexed annually at 100% of the consumer price index. In 2024 the Authority accrued its obligation and related costs under the Plan, net from plan assets.

In 2024, the last active member from the defined benefit provisions of the Plan retired resulting in only pensioners and survivors remaining in the Plan. On August 5, 2025 (the Settlement Date) the Plan purchased \$10,336,000 of annuities from an insurance company for all of the retired members in the defined benefit provisions of the Plan. This purchase relieves the RAA of primary responsibility for, and eliminates the significant risks associated with, the defined benefit obligation and is therefore recognized as a settlement in accordance with ASNPO 3463. The impact as a result of this transaction is recognized in the statement of changes in net assets for the fiscal year ended on December 31, 2025.

The last actuarial valuation for funding was prepared as at December 31, 2024, by Mercer. The results of the valuation have been extrapolated to December 31, 2025.

REGINA AIRPORT AUTHORITY INC.

Notes to the Financial Statements
Year ended December 31, 2025

9. Pension plan asset (continued):

Significant actuarial assumptions used in measuring the Authority's accrued benefits were:

Discount rate for 2025 was nil (2024 – 3.80%), rate of compensation increases for 2025 was nil (2024 - 2.25%) and pre- and post-retirement indexing for 2025 nil (2024 – 2.50%). The settlement payments from plan assets were determined based on the present value of future

Information about the defined benefit component of the Authority's pension plan was as follows:

	2025	2024
Accrued benefit obligation:		
Balance, beginning of year	\$ 11,918,000	\$ 11,655,000
Current service cost	-	50,000
Interest cost	264,000	466,000
Settlement payments from plan assets	(10,336,000)	-
Employee contributions	-	11,000
Benefits paid	(512,000)	(481,000)
Actuarial gain due to changes in assumption	(813,000)	217,000
Gain on settlement	(521,000)	-
Balance, end of year	\$ -	\$ 11,918,000
Fair value of plan assets:		
Balance, beginning of year	\$ 13,703,000	\$ 13,534,000
Interest income	304,000	541,000
Actual return on plan assets (excluding interest income)	(431,000)	98,000
Settlement payments from plan assets	(10,336,000)	-
Employee contributions	-	11,000
Benefits paid	(512,000)	(481,000)
Balance, end of year	\$ 2,728,000	\$ 13,703,000
Funding status of plan:		
Accrued benefit obligation	\$ -	\$ 11,918,000
Fair value of plan assets	2,728,000	13,703,000
Funding Status	\$ 2,728,000	\$ 1,785,000

Salaries and benefits are recorded including the pension plan expense of \$40,000 (2024 - \$25,000).

The Authority's policy is to invest fund assets in a balanced and diversified manner in accordance with the Pension Benefits Standards Act.

REGINA AIRPORT AUTHORITY INC.

Notes to the Financial Statements

Year ended December 31, 2025

9. Pension plan asset (continued):

Effective January 1, 2019, the Authority implemented a dynamic de-risking investment strategy in order to achieve a portfolio that will allow settlement of the obligation while reducing the volatility of the Plan's funding position and required contributions given that the defined benefit component is closed to new members. The new asset mix is aligned with the Authority's de-risking strategy and investment policy.

The asset allocation benchmark and actual balanced fund asset allocations are:

	2025 Benchmark	2025 Actual	2024 Benchmark	2024 Actual
Equities	-	-	10.0%	10.7%
Fixed income	-	-	90.0%	89.3%

The total defined contribution expense recorded in salaries and benefits for the year ended December 31, 2025, was \$449,561 (2024 - \$402,288).

10. Government assistance:

The Authority has a Maintenance Contribution and Support Agreement (the "Support Agreement") with the Canadian Air Transport Security Authority ("CATSA"), under which CATSA agreed to pay to the Authority a contribution in respect to baggage handling systems maintenance support and handler support services. The contribution is equal to the lesser of the maximum amount defined in the Support Agreement or the amount of allocated costs incurred. The support agreement ends March 31, 2026. Contributions were received during 2025 in the amount of \$96,250 (2025 - \$96,250) and are recorded in government assistance in the Statement of Operations and Changes in Net Assets.

11. Deferred contributions:

The Authority received funding from CATSA for capital reimbursement in the amount of \$6,903,434 for Hold Baggage Screening Recapitalization and Non-Passenger Screening Vehicle Checkpoint projects. The Authority has also been approved for funding from Transport Canada as part of the Airport Critical Infrastructure program up to \$13,250,000 related to the runway 13-31 rehabilitation. During 2025, the Authority has received \$180,303 (2024 - \$1,217,400) related to this program. The above funding is recognized as a deferred contribution on the Statement of Financial Position and is amortized into revenue over the estimated useful life of the assets.

REGINA AIRPORT AUTHORITY INC.

Notes to the Financial Statements

Year ended December 31, 2025

11. Deferred contributions (continued):

	2025	2024
CATSA grants	\$ 6,903,434	\$ 6,903,434
Transport Canada grant	12,641,388	12,641,388
Tourism Saskatchewan grant	44,500	44,500
Accumulated amortization	(4,719,542)	(3,460,409)
	<u>\$ 14,869,780</u>	<u>\$ 16,128,913</u>

12. Commitments and contingencies:

a) Ground lease commitments:

The Authority pays an annual ground lease rental payment based on a sliding scale percentage of gross revenue to Transport Canada pursuant to the Ground Lease. The estimated operating lease payments over the next five years are:

2026	\$ 1,698,000
2027	1,993,000
2028	2,070,000
2029	2,136,000
2030	<u>2,203,000</u>

b) Contracted and other operating leases:

The Authority is committed under contractual and operating lease agreements with the following estimated annual payments over the next five years:

2026	\$ 10,968,810
2027	2,679,378
2028	2,286,403
2029	1,894,394
2030	<u>1,707,303</u>

The Authority accounts for its ground lease with Transport Canada and other leases as operating leases.

c) Capital commitments:

During the year the Authority entered into contractual agreements for certain capital projects. As at December 31, 2025, \$1,305,695 (2024 - \$3,532,788) in work remains to be completed on these projects.

REGINA AIRPORT AUTHORITY INC.

Notes to the Financial Statements

Year ended December 31, 2025

12. Commitments and contingencies (continued):

d) *Litigation:*

The Authority is involved in litigation claims, which the Authority does not expect the outcomes to result in any material financial impact.

e) *Air Service Incentives:*

The Authority entered into agreements with two commercial airlines under which it provides air service incentives called Minimum Revenue Guarantees (MRG's) to support new routes currently unserved. Under these agreements, the Authority is obligated to the airlines when revenue fall below established contractual thresholds up to a maximum negotiated amount. These arrangements are intended to develop new routes and support broader community and economic objectives.

Funding to support these MRG arrangements is provided to the Authority through separate contribution agreements with the provincial government and community partners. These contributions are externally restricted for the sole purpose of reimbursing the Authority for eligible MRG payments. The terms of the contribution agreements require that the Authority administer the funds in accordance with program guidelines and remit payments to airlines when revenue thresholds are not met. The value of these incentives can be up to \$3,000,000 per year for the next two years. The potential payout for 2025 has been included in our accounts payable and accrued liabilities.

13. Passenger facility fee:

Effective October 1, 2021, the Authority entered into an agreement among various airports in Canada, the Air Transport Association of Canada ("ATAC") and air carriers serving airports that are signatories to the agreement (the "PFF Agreement"). The PFF is collected by the signatory carriers pursuant to the PFF Agreement and receive a 5% collection fee. As of December 31, 2025, the PFF was \$30 (2024 - \$30) for each originating passenger departing Regina International Airport. Effective June 1, 2026, the PFF will increase to \$40.

14. Customer facility charge (CFC):

The Authority derives revenue from the CFC which is collected by the rental vehicle concession operators pursuant to the Rental Vehicle Concessionaires Agreements (the "RVCA"). Pursuant to the RVCA agreements, revenue is used to fund the capital investment, financing, operation and maintenance of the common use support facility at Regina International Airport. The CFC as at December 31, 2025, was \$5.50 (2024 - \$5.50) applied for each transaction day under the rental agreement.

REGINA AIRPORT AUTHORITY INC.

Notes to the Financial Statements
Year ended December 31, 2025

15. Financial risk management:

a) Risk management

The Authority's Board is responsible for understanding the principal risks of the business in which the Authority is engaged, achieving a proper balance between risks incurred and the legislated purpose of the Authority and confirming that there are systems in place that effectively monitor and manage those risks with a view to the long-term viability of the Authority.

b) Credit risk

The Authority is subject to credit risk through its accounts receivable and accrued revenue, investments and cash. The maximum credit risk to which it is exposed as at December 31, 2025, is limited to the fair value of the financial assets summarized as follows:

	2025	2024
Accounts receivable and accrued revenue	\$ 4,497,849	\$ 3,418,317
Pension asset	2,728,000	1,785,000
Cash	79,973	1,053,942
	\$ 4,577,822	\$ 4,472,259

Accounts receivable and accrued revenue consist primarily of airline fees and PFF owing from the carriers and concession and CFC fees owing from concession operators. The majority of concessions and CFC owing are settled within 15 days after the end of the month. The majority of airline fees are billed monthly and settled within 30 days thereafter. The majority of PFF owing is settled on a monthly basis on the first day of the subsequent month. Accounts receivable credit risk is reduced further by the Authority's requirement for letters of credit, customer credit evaluations and maintenance of an allowance for potential credit losses. Provisions under the Airport Transfer (Miscellaneous Matters) Act provide the Authority with the right to seize and detain aircraft until unpaid airline fees are paid further mitigating risk.

c) Liquidity risk

The Authority manages its liquidity risk by maintaining adequate cash, investments and credit facilities by updating and reviewing multi-year cash flow projects on a regular and as-needed basis and by matching its long-term financing arrangements with its cash flow needs. The Authority achieves mitigation of liquidity risk through funds generated by operations and ready access to sufficient long-term funds as well as lines of credit through a credit facility.

d) Interest rate risk

Interest rate risk arises because of fluctuations in interest rates. The Authority is exposed to interest rate risk on its cash and investments which are maintained to provide liquidity while achieving a satisfactory return. The Authority is exposed to interest rate risk associated with its long-term debt which is partially managed by entering into interest rate swaps.

REGINA AIRPORT AUTHORITY INC.

Notes to the Financial Statements

Year ended December 31, 2025

16. Financial Instruments:a) *Interest rate swap contracts*

The Authority has entered into interest rate swap contracts, to reduce the interest rate risk of any potential increases in interest rate related to the Authority's long-term debt. The Authority applies hedge accounting to these contracts. The following contracts hedge a significant portion of the outstanding debt at a fixed interest rate for a portion of the expected remaining terms and are projected to match the Authority's loan repayment terms:

- i. Declining balance interest rate swap contract with interest rate fixed at 2.48%. The initial contract balance was a notional amount of \$7,438,524 which declines on a monthly basis by \$65,828 until the end of the contract on April 7, 2032. As at December 31, 2025, the notional amount of the contract is \$4,542,092 (2024 - \$5,332,028).
- ii. Declining balance interest rate swap contract with interest rate fixed at 2.77%. The initial contract balance was a notional amount of \$5,850,000 which declines on a monthly basis by \$25,000 until the end of the contract on April 7, 2032. As at December 31, 2025, the notional amount of the contract is \$4,750,000 (2024 - \$5,050,000).
- iii. Declining balance interest rate swap contract with interest rate fixed at 2.84%. The initial contract balance was a notional amount of \$13,204,895 which declines on a monthly basis by \$54,795 until the end of the contract on March 20, 2032. As at December 31, 2025, the notional amount of the contract is \$10,739,120 (2024 - \$11,396,660).
- iv. Declining balance interest rate swap contract with interest rate fixed at 2.60%. The initial contract balance had a notional amount of \$4,797,486 which declines on a monthly basis by \$25,794 until the end of the contract on December 2, 2030. As at December 31, 2025, the notional amount of the contract is \$3,559,374 (2024 - \$3,868,902).
- v. Declining balance interest rate swap contract with interest rate fixed at 2.40%. The initial contract balance was a notional amount of \$3,799,760 which declines on a monthly basis by \$16,670 until the end of the contract on December 15, 2030. As at December 31, 2025, the notional amount of the contract is \$2,999,600 (2024 - \$3,199,640).
- vi. Declining balance interest rate swap contract with interest rate fixed at 3.53%. The initial contract balance was a notional amount of \$15,000,000 which declines on a monthly basis by \$50,000 until the end of the contract on January 1, 2034. As at December 31, 2025, the notional amount of the contract is \$13,850,000 (2024 - \$14,450,000).

REGINA AIRPORT AUTHORITY INC.

Notes to the Financial Statements

Year ended December 31, 2025

16. Financial Instruments (continued):

b) *Interest income and interest expense*

Interest and investment income received during 2025 was \$22,710 (2024 - \$77,086).

Interest expensed during the year was as follows:

	2025	2024
Interest on long-term variable interest-bearing loans & Stamping fee on long-term loans (note 8)	\$ 2,176,721	\$ 2,746,824
Net payments (received) made on settlement of interest rate swaps	(18,140)	(882,534)
Interest on capital credit facility	-	223,397
Interest on operating line of credit	26,372	9,665
Interest expense for the year reflected in Statement of Operations and Changes in Net Assets	\$ 2,184,953	\$ 2,097,352

17. Officers' remuneration:

Officers of the Authority comprised of the President and Chief Executive Officer, Chief Financial Officer, and Vice President, Operations and Safety received remuneration for the year ended December 31, 2025, in the amount of \$ 670,491 (2024 - \$710,740).



IT'S YOUR AIRPORT™



www.yqr.ca



[@flyyqr](https://www.facebook.com/flyyqr)



[@flyyqr](https://www.instagram.com/flyyqr)



[@flyYQR](https://www.x.com/flyYQR)