

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

December 31, 2025 and 2024



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2025

Dated March 5, 2026

FORWARD-LOOKING INFORMATION

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

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

CORPORATE PROFILE

The GTAA is a corporation without share capital under the *Canada Not-for-profit Corporations Act* and a designated airport authority under the *Airport Transfer (Miscellaneous Matters) Act*. The GTAA manages and operates Toronto – Lester B. Pearson International Airport (the "Airport" or "Toronto Pearson") under a ground lease with the Government of Canada, dated December 2, 1996 (the "Ground Lease"). The Ground Lease expires on December 1, 2076. The Ground Lease is available on SEDAR+ at www.sedarplus.ca and on the GTAA's website at www.torontopearson.com. The GTAA's wholly-owned subsidiary, Malton Gateway Inc. ("MGI"), a holding company, was incorporated in April 2017 and holds the shares of Airway Centre Inc. ("ACI"), which was also incorporated in April 2017 to acquire and manage commercial properties. The properties acquired by ACI do not form part of the premises leased to the GTAA by the Government of Canada under the Ground Lease.

COMPANY OVERVIEW

The Greater Toronto Airports Authority (GTAA) is responsible for the development, management, and operation of Toronto - Lester B. Pearson International Airport (Toronto Pearson), delivering outstanding customer experiences, while driving operational excellence and fostering employee growth. As a global hub, Toronto Pearson serves as Canada's largest gateway for people and air cargo—linking passengers and goods to destinations around the world.

Corporate Strategy

The GTAA's mission is to "make Toronto Pearson a global leader in airport performance, customer care and sustainability. We are powered by our people and innovate in all that we do, striving for the most uplifting, safe, and efficient next-generation airport. We champion prosperity in our communities and the aviation ecosystem".

The GTAA launched its 10-year Strategic Plan (“the Plan”) in 2023 with a vision of “Putting the joy back into travel by making Toronto Pearson the chosen place to fly and work.” This vision is being executed through a series of multi-year programs and initiatives, including the Long-term Investment in Facilities and Terminals (“Pearson LIFT”). Pearson LIFT prioritizes capital investments to restore, grow and improve capacity and resiliency. Pearson LIFT is being delivered through three separate programs, a flexible, long-term approach that will facilitate and serve anticipated passenger growth at expected service levels over the next decade.

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

- **Customer experience:** Make air travel seamless by connecting passengers, airlines and key ecosystem partners through innovative tools, such as streamlined processing, digital trip planning and predictable wait times, to become a global leader in passenger care and travel experience;
- **Operational efficiency:** Forge strong and flexible terminal, ground and air operations by continuously improving processes while transitioning to a more sustainable business operation. This includes more influence on partner activities across the airport;
- **Innovation:** Create an ecosystem of innovation partners to cultivate and accelerate initiatives that will make Toronto Pearson – and the broader aviation sector – faster, better and stronger;
- **Culture and employee experience:** Commit to the continuous improvement of our employment environment, including our facilities, processes and culture. We want to reflect the diversity of Toronto Pearson’s surrounding communities and preserve an inclusive and accessible workplace for all.

Pearson Long-term Investment in Facilities and Terminals

Pearson LIFT is part of GTAA’s infrastructure development plan spanning more than a decade, aimed at transforming Toronto Pearson to be one of the most advanced, sustainable and passenger-friendly airports.

The Pearson LIFT program is focused on revitalizing existing airport facilities, replacing aging assets, and building new spaces, supported by a digital environment, all to elevate the passenger experience and increase capacity to meet anticipated future travel demands.

Pearson LIFT consists of three major programs: Accelerator, T1/T3 Revitalization and Gateway. These are designed to address near and long-term passenger growth while preparing Toronto Pearson as Canada’s largest airport for the future of air travel.

Accelerator is underway and will deliver vital upgrades to airport assets, aiming to improve on-time performance, advance sustainability, and accommodate near-term passenger growth.

T1/T3 Revitalization includes investments to modernize passenger processing, amenities, and retail spaces, increase digitalization of the passenger journey, renew critical assets, and create vibrant employee areas. Additionally, GTAA will invest in optimizing ground side access for a smoother arrival and departure experience.

Gateway is GTAA’s expansion program that will deliver new terminal space designed to accommodate anticipated long-term passenger growth, provide outstanding passenger care and experience and offer seamless passenger flow enhanced through technology.

In addition to the three signature programs, Pearson LIFT includes advancements in technology and a phased replacement and expansion of the baggage handling system, including near-term restoration to improve system resiliency. By embedding innovation and digitalization across all aspects of Pearson LIFT, the GTAA is planning for new infrastructure and processes that are positioning Toronto Pearson as one of the most digitally advanced airports in the industry.

Both Accelerator and Gateway will follow a progressive design-build approach, while T1/T3 Revitalization will be delivered through a construction management approach with an associated design contract.

A joint venture known as Pearson Accelerator Construction Team (“PACT”) was announced in August 2025 after an open selection process to deliver the planning, design and construction of the Accelerator program. The competitive procurement processes for the T1/T3 Revitalization and the Gateway programs are underway.

Pearson LIFT is expected to deliver significant benefits for the airport, its partners, passengers and community, including:

- Protecting and enhancing Canada’s direct air connectivity to global economies, strengthening supply chains and enabling tourism growth;
- Facilitating world-class airport experience for passengers, partners and employees;
- Growing the local economy through business and investment opportunities;
- Reducing environmental impacts by embedding sustainability initiatives into design, construction and operations.

FINANCIAL AND OPERATIONAL OVERVIEW

	2025	2024	Change ¹		2023
			%		
Total Revenues (\$ millions)	2,084.8	1,975.4	109.4	5.5	1,887.1
EBITDA ^{2,3}	990.2	938.2	52.0	5.5	960.3
EBITDA Margin ^{2,3}	47.5%	47.5%			50.9%
Net Income	366.1	329.2	36.9	11.2	265.0
Cash Flows from Operating Activities (\$ millions)	994.0	945.9	48.1	5.1	961.5
Free Cash Flow ²	402.7	381.4	21.3	5.6	468.7
Passenger Activity (millions)					
Domestic	17.2	16.4	0.8	4.6	16.5
International	30.1	30.4	(0.3)	(0.8)	28.3
Total	47.3	46.8	0.5	1.1	44.8
Flight Activity					
Aircraft movements (thousands)	392.5	389.6	2.9	0.7	379.6
MTOW ⁴ (million tonnes)	37.1	36.2	0.9	2.6	34.4
Seats (millions)	57.0	55.9	1.1	2.0	53.1
Load factor	82.9%	83.7%			84.4%
As at December 31					
	2025	2024	Change ¹		2023
			%		
Total Debt (\$ millions)	6,734.0	7,045.7	(311.7)	(4.4)	6,983.3
Net Debt ²	5,048.9	5,451.2	(402.3)	(7.4)	5,829.8
Net Liquidity ⁵	2,691.7	2,247.3	444.4	19.8	1,963.0
Select Credit & Performance Metrics					
Total Debt / Enplaned Passenger ⁶ (\$)	285.0	301.0	(16)	(5.3)	312.0
Net Debt ² / Enplaned Passenger ⁶ (\$)	213.0	233.0	(20)	(8.6)	260.0
Air Carrier Cost / Enplaned Passenger ⁶ (CPE) ² (\$)	29.9	28.5	1.4	4.9	30.3

1 Percentage calculation is based on detailed actual numbers (not rounded as presented).

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

3 Refer to "Results of Operations – Net Operating Results" section for details and for a reconciliation of net income to EBITDA.

4 MTOW is aircraft maximum take-off weight of each aircraft as specified by the aircraft's manufacturers.

5 Net liquidity, a non-GAAP financial measure, is defined as the total of the borrowing capacity available for general corporate purposes under its Operating Credit Facility, capacity available under its Letter of Credit Facility and unrestricted cash, cash equivalents, and short-term investments.

6 Enplaned passengers are defined as equal to half of total passengers and is based on trailing 12-months activity.

- Passenger volume for the year was 47.3 million, an increase of 1.1% , compared to 2024;
- Revenues for the year were \$2,084.8 million, an increase of 5.5%, compared to 2024;
- EBITDA¹ for the year was \$990.2 million, an increase of 5.5%, compared to 2024;
- Net income for the year was \$366.1 million, an increase of 11.2%, compared to 2024;
- Cash flows from operating activities during the year were \$994.0 million, an increase of 5.1%, compared to 2024; and
- Free cash flow² during the year was \$402.7 million, an increase of 5.6%, compared to 2024.

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

OPERATING ACTIVITY

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

Passenger Activity

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

During 2025, 47.3 million passengers travelled through Toronto Pearson, representing an increase of 0.5 million or 1.1%, when compared to 2024. The largest growth was in the domestic sector with an increase in passenger traffic of 0.8 million or 4.6%, the international sector recorded a decrease of 0.3 million or 0.8%. Passenger traffic in 2025 was primarily impacted by the global economic and political landscape and timing of aircraft delivery due to supply chain issues in the industry. To a lesser degree, extreme weather events, a single aircraft incident in February and an air carrier labour disruption in August contributed to final passenger volume. 2024 was also a leap year resulting in an extra day's operations in February.

The following table summarizes passenger activity by sector for the years ended December 31, 2025, 2024 and 2023:

Passenger Activity ¹	2025	2024	Change ²		2023
<i>(in millions)</i>			%		
Domestic	17.2	16.4	0.8	4.6	16.5
International	30.1	30.4	(0.3)	(0.8)	28.3
Total	47.3	46.8	0.5	1.1	44.8
<i>(in millions)</i>					
Origin and destination	36.9	36.4	0.5	1.4	34.5
Connecting	10.4	10.4	—	—	10.3
Total	47.3	46.8	0.5	1.1	44.8
<i>(in %)</i>					
Origin and destination ²	78.0%	77.7%			76.9%
Connecting ²	22.0%	22.3%			23.1%
Total	100.0%	100.0%			100.0%

¹ These disclosures are based on airline reporting.

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

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

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

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

Below is an overview of the change in the passenger mix in 2025, compared to 2024:

- Number of origin and destination (“O&D”) passengers was 36.9 million, an increase of 1.4%. The number of connecting passengers were 10.4 million, which is flat to 2024;
- The proportion of O&D passengers increased 0.3 percentage points to 78.0%, while the proportion of connecting passengers decreased 0.3 percentage points to 22.0%.

Flight Activity

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

The following table summarizes aircraft movements, MTOW, seats, seats per passenger aircraft movement and load factor for the years ended December 31, 2025, 2024 and 2023.

Flight Activity ¹	2025	2024	Change ²		2023
			%		
<i>(in thousands)</i>					
Total aircraft movements	392.5	389.6	2.9	0.7	379.6
Passenger aircraft movements	348.3	345.9	2.4	0.7	337.3
Non-passenger aircraft movements	44.2	43.7	0.5	1.1	42.3
<i>(in millions)</i>					
MTOW (tonnes)	37.1	36.2	0.9	2.6	34.4
Seats	57.0	55.9	1.1	2.0	53.1
Seats per passenger aircraft movement	163.6	161.6	2.0	1.3	157.5
Load factor (%)	82.9%	83.7%			84.4%

¹ Flight activity measures reflect both arriving and departing flights.

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

During 2025, changes in flight activity when compared to 2024 consist of the following:

- Passenger aircraft movements increased 0.7%, driven by an increase in passenger volumes. While passenger volumes increased in 2025, it was impacted by the global economic and political landscape, extreme weather events, and a single aircraft incident that occurred in the first quarter;
- Non-passenger aircraft movements increased by 1.1%, driven by Cargo. While non-passenger aircraft movements increased in 2025, similar to passenger aircraft movements, they were impacted by the global economic and political landscape, extreme weather events, and the single aircraft incident;
- MTOW increased 2.6% to 37.1 million tonnes reflecting a change in fleet mix by airlines towards more use of larger aircraft;
- Total seats increased 2.0% to 57.0 million; use of larger aircraft and slower passenger growth relative to capacity led to a lower load factor of 82.9% compared to 83.7%; and
- The number of seats per passenger aircraft movement increased by 1.3% to 163.6 seats driven by changes in carriers and fleet mix.

53 passenger airlines operated at Toronto Pearson in 2025 which is flat to 2024. In 2025, two new air carriers, Virgin Atlantic and Air China, commenced operations to and from Toronto Pearson, while two carriers ceased operations, Sunwing which merged with WestJet, and Neos.

During 2025, Toronto Pearson reached 201 direct destinations (including one-stop flights under the same flight number), representing an increase of two destinations compared to 2024. The reduction in transborder destinations was more than offset by additional domestic and international routes, in particular Latin America and Europe.

RESULTS OF OPERATIONS

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

Aeronautical Fees and Charges and Airport Improvement Fees

The GTAA has established aeronautical rate setting principles that balance fiscal prudence and the ability to invest in future capacity with commercial and stakeholder considerations. While maintaining the right to modify and set aeronautical fees and charges, the GTAA consults with stakeholders on the rate framework in establishing aeronautical fees and charges. The GTAA also undertakes ongoing consultation with the airline community to discuss certain proposed and ongoing capital projects that will be funded through the AIF allowing the Airport to take wider stakeholders' interests into account. The GTAA has AIF agreements with participating air carriers that operate through Toronto Pearson whereby the air carrier undertakes to collect the AIF from each of their enplaned passengers on the GTAA's behalf in exchange for an administration fee. The net AIF received enables the GTAA to fund capital projects, both existing and for the future.

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

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

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

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

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

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

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

- on-time departure;
- towing aircraft off gates;
- meeting baggage delivery timelines for arriving passengers; and
- customer check-in utilization and efficiency in the terminals.

These incentives are designed to help the GTAA achieve greater operational efficiency while consistently meeting customer expectations, resulting in further financial resilience for the GTAA through incentivizing passenger growth and increasing the efficient utilization of existing assets. The initial term of these agreements expires on December 31, 2026,

and the GTAA has an option to extend for up to two additional years. For the year ended December 31, 2025, the GTAA estimates the APA rebate to be \$47.7 million, compared to \$40.8 million in 2024.

Revenues

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

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

The following table summarizes the GTAA's consolidated revenues for the year ended December 31, 2025, 2024 and 2023:

Revenues	2025	2024	Change ¹		2023
<i>(\$ millions)</i>			%		
Landing fees ²	444.8	416.5	28.3	6.8	426.3
General terminal charges	263.3	248.8	14.5	5.8	252.1
Aeronautical Revenues	708.1	665.3	42.8	6.4	678.4
Concessions and rentals	347.8	330.3	17.5	5.3	307.3
Car parking and ground transportation	252.1	247.5	4.6	1.9	231.6
Other	61.8	59.5	2.3	3.8	54.8
Commercial Revenues	661.7	637.3	24.4	3.8	593.7
Airport Improvement Fees	715.0	672.8	42.2	6.3	615.0
Total Revenues	2,084.8	1,975.4	109.4	5.5	1,887.1

Key Metric

Air Carrier Cost / Enplaned Passenger ³ (CPE) ⁴ (\$)	29.9	28.5	1.4	4.9	30.3
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¹ Percentages are based on detailed actual numbers (not rounded as presented).

² Includes apron fees.

³ Enplaned passengers are defined as equal to half of total passengers and is based on 12-months activity.

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

Revenue for the year was \$2,084.8 million, an increase of 5.5%, compared to the same periods in 2024. The increase in the year is primarily driven by increases in rate and fee, aviation activity and passenger traffic.

Aeronautical revenues for the year were \$708.1 million, an increase of 6.4%, when compared to 2024, primarily due to the higher aeronautical rates that were implemented at the beginning of the year as described above combined with higher aviation activity.

Commercial revenues for the year were \$661.7 million, an increase of 3.8%, compared to 2024. This was driven by higher utilization of flight kitchens and check-in kiosks, increases in duty-free sales, lounge and parking and ground transportation revenues, partially offset by decreases in foreign exchange and sponsorship revenues and specialty retail sales.

AIF revenues for the year were \$715.0 million, an increase of 6.3%, when compared to 2024. The increase was primarily related to a rate increase in 2025, as detailed above, combined with an increase in passenger mix towards O&D passengers.

Expenses

Expenses include the costs to operate and maintain the Airport. The following table summarizes GTAA's consolidated expenses for the year ended December 31, 2025, 2024 and 2023:

Expenses (\$ millions)	2025	2024	Change ¹		2023
			\$	%	
Ground rent	236.1	223.5	12.6	5.6	212.5
PILT ²	41.1	32.6	8.5	25.9	11.6
Total ground rent and PILT ²	277.2	256.1	21.1	8.2	224.1
Goods and services	520.5	519.5	1.0	0.2	469.5
Salaries, wages and benefits	296.9	261.6	35.3	13.5	233.2
Operating Expenses (before amortization and impairment)	1,094.6	1,037.2	57.4	5.5	926.8
Write-down of property and equipment	14.6	6.7	7.9	117.1	35.4
Impairment (Reversal) of investment property	6.9	(5.5)	12.4	225.7	26.3
Amortization of property and equipment, investment property and intangible assets	337.1	345.8	(8.7)	(2.5)	347.1
Total Operating Expenses	1,453.2	1,384.2	69.0	5.0	1,335.6
Interest expense on debt instruments and other financing costs, net of interest income	265.5	262.0	3.5	1.4	286.5
Total Expenses	1,718.7	1,646.2	72.5	4.4	1,622.1

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

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

Total expenses for the year were \$1,718.7 million, an increase of 4.4%, compared to 2024. The increase in total expenses was primarily driven by increases in salaries, wages and benefits, Ground Rent and PILT, which moves in line with revenues and asset write-downs and impairments compared to 2024.

Ground rent payments to the Government of Canada are calculated as a percentage of Airport Revenues, at progressively increasing rates with a top rate of 12% of Airport Revenues in excess of \$250 million annually. Ground rent expense for the year was \$236.1 million, an increase of 5.6%, compared to 2024, the increase is directly related to the increase in Airport Revenues and are calculated as defined in the Ground Lease.

The GTAA is exempt from the payment of real property taxes under the *Assessment Act* (Ontario) and instead makes payments-in-lieu of real property taxes ("PILT") to each of the cities of Mississauga and Toronto, as prescribed by regulation under the *Assessment Act*. The annual PILT is based on actual passenger volumes from two years prior to the current year. Under an amendment in February 2022 to the applicable regulation, the previous maximum annual increase of 5.0% was temporarily suspended beginning in 2022, until Toronto Pearson's passenger volumes return to 2019 levels. PILT expenditure for the year was \$41.1 million, an increase of 25.9%, compared to 2024. The increase was directly related to 2023 passenger levels exceeding 2022 levels. ACI pays municipal real property taxes in the ordinary course of business.

Expenditures for goods and services ("G&S") for the year was \$520.5 million, an increase of 0.2% compared to 2024. G&S were approximately flat compared to prior year, however there were some offsetting movements in cost categories. Higher snow removal costs related to increased frequency and intensity of snowstorms in 2025 and policing and security costs for the year contributed to increase in G&S. Professional and consulting services costs to support operational readiness for Pearson LIFT and other initiatives also increased, offset by lower IT support costs, a reversal of the HST provision and lower repairs and maintenance costs.

Salaries, wages and benefits for the year were \$296.9 million, an increase of 13.5%, compared to 2024. The increase reflects the retooling of teams across the organization to support skills upgrade and enhance operational readiness for

the Pearson LIFT programs and other initiatives, primarily through additional employee hires in airport operations and airport development technical services.

In general, the overall increase in operating costs reflects investments in resources and expenditures to support infrastructure and capacity planning and customer experience in support of anticipated future growth in passenger levels.

Write-down of airport property and equipment for the year was \$14.6 million, and is primarily related to a portion of costs for projects that were partially progressed and no longer result in future economic benefit.

Impairment of investment property for the year was \$6.9 million, compared to a reversal of \$5.5 million in 2024. There were no significant shifts in market conditions in 2025, the impairment is largely related to changes in specific contractual leasing arrangements.

Amortization of property and equipment, investment property and intangible assets for the year was \$337.1 million, a decrease of 2.5%, compared to 2024. The decrease was due to the impact of certain assets becoming fully amortized, partially offset by the amortization of new assets placed into service during the year.

Interest expense and other financing costs, net of interest income for the year was \$265.5 million, an increase of 1.4%, compared to 2024. The increase was primarily driven by a reduction in interest income earned, as cash invested in short-term investments was used to pay down commercial paper debt in March 2025. The reduction in interest income was partially offset by the impact of reduced interest rates on interest expense during 2025.

Net Operating Results

The following table summarizes the GTAA's consolidated net operating results for the year ended December 31, 2025, 2024 and 2023:

Net Operating Results	2025	2024	Change ¹		2023
			\$	%	
<i>(\$ millions)</i>					
Net Income	366.1	329.2	36.9	11.2	265.0
Add: Interest and financing costs, net	265.5	262.0	3.5	1.4	286.5
Earnings before interest and financing costs, net	631.6	591.2	40.4	6.8	551.5
Add: (Reversal) Impairment of investment property	6.9	(5.5)	12.4	225.7	26.3
Add: Write-down of property and equipment	14.6	6.7	7.9	117.1	35.4
Add: Amortization ²	337.1	345.8	(8.7)	(2.5)	347.1
EBITDA ³	990.2	938.2	52.0	5.5	960.3
EBITDA Margin ³	47.5 %	47.5 %			50.9 %

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

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

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

Earnings before interest and financing costs, and amortization ("EBITDA") for the year was \$990.2 million, an increase of 5.5%, compared to 2024. The increase in EBITDA is related to higher revenues associated with the increase in aeronautical fees and AIF partially offset by an increase in operating costs (before amortization), as discussed above. EBITDA margin during the year was 47.5%, similar to last year. Refer to section "Non-GAAP Financial Measures" of this MD&A for additional information.

The GTAA generated net income during the year of \$366.1 million, an increase of 11.2%, compared to 2024 driven by the factors described in the Revenue and Expense sections above.

Summary of Quarterly Results

The following table summarizes select unaudited consolidated quarterly financial information for the eight quarters ended March 31, 2024, through December 31, 2025:

	Quarter Ended							
	2025				2024			
(\$ millions) ¹	Dec	Sep	Jun	Mar	Dec	Sep	Jun	Mar
Revenues	515	562	521	487	490	531	485	469
Operating expenses(before amortization and impairment) ²	294	271	260	271	283	256	248	250
Write-down of property and equipment	14	—	—		7	—	—	—
(Reversal) Impairment of investment property	7	—	—	—	—	—	(6)	—
Amortization ³	84	86	85	83	88	88	91	80
Earnings before interest and financing costs, net	116	205	176	133	112	187	152	139
Interest and financing costs, net	67	67	67	65	66	65	65	66
Net Income	49	138	109	68	46	122	87	73

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

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

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

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

CAPITAL PLAN, PROGRAMS AND PROJECTS

Current Capital Programs and Projects

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

In 2025, the GTAA invested \$340.6 million in capital programs compared to \$324.3 million in the same period in 2024. Of the total spend in 2025, \$176.1 million is related to the Pearson LIFT programs, the remaining \$164.5 million is related to ongoing construction and IT projects. The table below provides a breakdown of capital expenditure for 2025.

Program / Project Categories	2025 FY Spend (\$ millions)	Details
Non-Pearson LIFT		
Active Ongoing Construction Projects	101.2	The key projects include T1 Washrooms, Central Deicing Facility, GTAA Offices, Airside Fleet Restoration, Fire and Emergency Services Training Institute Control System Replacement project.
Active Ongoing IT Projects	57.2	Ongoing and multi-year technology initiatives, including the End of Life Vulnerability Management Program, Intercom System Refresh, new Self-Serve Bag Drops, the Land Mobile Radio System replacement, and continued implementation of the Next Generation Data Warehouse, and baggage system restoration.
Other	6.1	
Total Non-Pearson LIFT Capital	\$ 164.5	
Pearson LIFT		
T1 / T3 Revitalization	26.4	Project management, engineering, design, support costs for Pearson LIFT program and initial site reviews for Accelerator.
Gateway	17.6	
Accelerator	108.0	
Technology	6.7	
High Priority Improvement Program ("HPIP")	17.4	Design costs, project management and engineering support costs related to the Baggage Handling System and other restoration works.
Total Pearson LIFT Capital	176.1	
Total Capital Spend	340.6	

Airport Critical Infrastructure Program (ACIP)

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

The GTAA has received \$108.1 million in funding from Transport Canada since the inception of the ACIP to December 31, 2025. The remaining funds relate to long-lead time initiatives and are expected once eligible project work is complete and claims and holdbacks are processed.

ASSETS AND LIABILITIES

The following table summarizes the total consolidated assets, liabilities, and retained earnings (deficit) and accumulated other comprehensive loss as at December 31, 2025, 2024 and 2023:

<i>(\$ millions)</i>	2025	2024	Change	2023
Total assets	7,301.4	7,210.5	90.9	6,770.1
Total liabilities	7,207.5	7,485.8	(278.3)	7,376.0
Retained Earnings (Deficit) and accumulated other comprehensive loss	93.9	(275.3)	369.2	(605.9)

The GTAA's total assets increased by \$90.9 million as at December 31, 2025, compared to December 31, 2024 primarily due to an increase in cash and cash equivalents and accounts receivable offset by a decrease in short term investments, that were sold to pay down the commercial paper debt, and a decrease in restricted funds, Intangible and other assets and Investment Property.

GTAA's total liabilities decreased by \$278.3 million primarily due to a decrease in commercial paper debt and scheduled payments on amortizing bonds partially offset by an increase in accounts payable and accrued liabilities and security deposits and deferred revenue. Refer to the "Liquidity and Capital Resources" section for further details.

The retained earnings and accumulated other comprehensive loss of \$93.9 million as at December 31, 2025, has increased \$369.2 million compared to December 31, 2024, driven by net income earned in 2025. As described above, the results were primarily due to higher revenues associated with the increase in aeronautical and AIF rates combined with marginal growth in passengers and aviation activity, partially offset by an increase in operating costs reflecting investments to support infrastructure and capacity planning and customer experience in support of anticipated future growth in passenger levels.

LIQUIDITY AND CAPITAL RESOURCES

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

(\$ millions)	2025	2024	Change	2023
Cash Flows from Operating Activities	994.0	945.9	48.1	961.5
Capital expenditures ¹ - property and equipment	(314.4)	(299.4)	(15.0)	(287.7)
Capital expenditures ¹ - investment property	(7.0)	(9.1)	2.1	(5.8)
Capital expenditures ¹ - other assets	—	—	—	(3.4)
Funds received under the ACIP	4.5	10.5	(6.0)	93.2
Interest Income	54.3	73.2	(18.9)	43.8
Interest paid and other financing costs ²	(328.7)	(339.7)	11.0	(332.9)
Free Cash Flow ³	402.7	381.4	21.3	468.7
Decrease (Increase) in restricted funds	63.6	(56.7)	120.3	(12.5)
Decrease (Increase) in short-term investments	285.0	110.0	175.0	(395.0)
(Repayments) Borrowings, net	(312.2)	59.7	(371.9)	178.6
Net Cash Inflow	439.1	494.4	(55.3)	239.8

	As at December 31			
	2025	2024	Change	2023
Gross Debt	6,734.0	7,045.7	(311.7)	6,983.3
Cash, cash equivalents and short-term investments	(1,267.1)	(1,113.0)	(154.1)	(728.6)
Restricted funds	(418.0)	(481.5)	63.5	(424.9)
Net Debt ³	5,048.9	5,451.2	(402.3)	5,829.8
Select Credit Metrics				
Gross Debt / Enplaned Passenger ⁴ (\$)	285	301	(5.3) %	312
Net Debt ³ / Enplaned Passenger ⁴ (\$)	213	233	(8.6) %	260
Gross Debt / EBITDA ^{3,5} (x)	6.8	7.5	(9.3) %	7.3
Days Cash on Hand ³ (#)	423	393	30	287
MTI Operating covenant ⁶ (minimum requirement of 100%)	150.0 %	148.0 %	2.0 %	153.0 %
MTI Debt service covenant ⁶ (minimum requirement of 125%)	177.0 %	170.0 %	7.0 %	176.0 %

¹ Capital expenditures - property and equipment relate to acquisition and construction of property and equipment and intangible assets; Capital expenditures - investment property represents impairment of investment property. Both are per the Consolidated Statements of Cash Flows in the Consolidated Financial Statements as at December 31, 2025 and represent cash outflows in relation to capital expenditures in the period.

² Interest paid and financing costs excludes non-cash items and reflects the cash payment activities of the Corporation, as per the Consolidated Statements of Cash Flows in the Consolidated Financial Statements as at December 31, 2025.

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

⁴ Enplaned passengers are defined as equal to half of total passengers and is based on a trailing 12-months activity.

⁵ Gross Debt / EBITDA is calculated as Gross Debt as at reporting date divided by trailing twelve-month EBITDA.

⁶ The GTAA's Master Trust Indenture ("MTI") contains a Rate Covenant, consisting of two financial tests (an operating covenant and debt service covenant).

For the year ended December 31, 2025, compared to the same period of 2024:

- Cash Flow from Operations was \$994.0 million, an increase of 5.1% compared to the same period in 2024. Cash flows related to increase in EBITDA offset by a marginal change in the timing of working capital
- Free Cash Flow was \$402.7 million, a increase of 5.6% compared to the same period in 2024 driven by higher cash flow from operations, partially offset by higher cash outflows related to capital expenditure, lower receipt of funds under the ACIP and higher net interest expense. Free Cash Flow is a non-GAAP financial measure. Refer to section "Non-GAAP Financial Measures" of this MD&A for additional information; and

- Net Cash Inflow was \$439.1 million, a decrease of 11.2% compared to the same period in 2024, due to the repayment of commercial paper debt funded from short term investments and scheduled payments on amortizing bonds partially offset by increase in free cash flows as described above.

Gross Debt, as at December 31, 2025, was \$6,734.0 million, a decrease of 4.4% compared to December 31, 2024 due to the repayment of commercial paper debt and schedule payments of amortizing bond. Net Debt, as at December 31, 2025 was \$5,048.9 million, a decrease of 7.4% compared to December 31, 2024 due to an increase in cash and cash equivalents of \$154.1 million. Net Debt is a non-GAAP financial measure. Refer to section “Non-GAAP Financial Measures” of this MD&A for additional information.

Based on full year passenger activity, the GTAA’s Gross Debt per Enplaned Passenger as at December 31, 2025 was \$285, an improvement from \$301 as at December 31, 2024, and Net Debt per Enplaned Passenger as at December 31, 2025 was \$213, an improvement from \$233 as at December 31, 2024. The improvements were primarily due to settling commercial paper debt and higher enplaned passengers. In addition, a higher ending balance of unrestricted cash and cash equivalents improved Net Debt. Gross and Net debt per enplaned passenger are non-GAAP financial measure. Refer to section “Non-GAAP Financial Measures” for additional information.

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

The GTAA’s long-term debt obligations as issued under its MTI have been assigned credit ratings by Standard & Poor’s Rating Service (“S&P”) and Moody’s Investors Service, Inc. (“Moody’s”). The GTAA’s commercial paper debt have been assigned a credit rating by DBRS Morningstar (“DBRS”). The table below sets out each rating agency's issuer rating and each rating agency's corresponding credit rating of the GTAA's outstanding MTNs and commercial paper debt as at December 31, 2025:

	S&P	Moody’s	DBRS
Issuer Rating	A+	Aa3	A (high)
MTN Rating	A+	Aa3	-
Commercial Paper Rating	-	-	R-1 (low)
Outlook	Stable	Stable	Stable
Latest Affirmation Date	January 26, 2026	December 23, 2025	August 13, 2025

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of debt securities. Credit ratings are not a recommendation to buy, sell or hold securities of GTAA and do not comment as to market price or suitability for a particular investor. There can be no assurance that a rating will remain in effect for any given period of time or that the rating will not be revised or withdrawn at any time by the rating agency. The GTAA’s Annual Information Form for the year ended December 31, 2025, contains more detailed information about the GTAA’s credit ratings.

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

As at December 31, 2025, the GTAA had an aggregate of \$2,691.7 million in total available liquidity as detailed below. The unrestricted cash and cash equivalents were invested in short-term, investment grade liquid investment instruments in line with the GTAA's risk appetite, investment policy, and the MTI.

Liquidity and Credit Facilities (\$ millions)				December 31, 2025			December 31, 2024		
				Source	Currency	Expiry	Size	Drawn / CP Backstop	Available
Cash and cash equivalents ¹				CAD			1,267.1	828.0	
Short-term investments ¹ (STI)				CAD			—	285.0	
							1,267.1	1,113.0	
Credit facilities:									
1) Operating Credit Facility ²				CAD	May 31, 2028	1,400.0	—	1,400.0	1,400.0
Commercial paper backstop							—	—	(287.2)
Available for general use								1,400.0	1,112.8
2) Letter of Credit Facility				CAD	May 31, 2026	175.0	150.4	24.6	21.5
						1,575.0	150.4	1,424.6	1,134.3
Total net liquidity (includes cash & STI)								2,691.7	2,247.3
3) Hedge Facility ³				CAD	Per contract	150.0	—	150.0	150.0
Total (all credit facilities, cash & STI)						1,725.0	150.4	2,841.7	2,397.3

¹ Unrestricted funds.

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

³ The Hedge Facility is a non-cash facility and allows the Corporation to enter into derivative transactions.

The GTAA maintains the credit facilities set out in the above table. These facilities rank *pari passu* with outstanding debt under the MTI by way of a pledged bond issued to the banking syndicate. The \$1,400.0 million Operating Credit Facility is used for general corporate purposes to fund capital projects or operating expenses as required, provide a credit backstop to the commercial paper program and provide flexibility on the timing for accessing the capital markets. As at December 31, 2025, no commercial paper was outstanding, no amounts were drawn from the Operating Credit Facility, \$150.4 million of the \$175.0 million Letter of Credit Facility was utilized, and there were no outstanding contracts under the \$150.0 million hedge facility.

As at December 31, 2025, the GTAA had a total working capital surplus of \$1,066.9 million, computed by subtracting current liabilities from current assets. This reflects the GTAA's approach in retaining a cash reserve to support financial resilience. Unrestricted cash, cash equivalents and short-term investments balances built from positive cash flow from operations are partially offset by accounts payable and the current portion of long-term debt. Working capital is a financial metric that measures the short-term liquidity for those assets that can readily be converted into cash to satisfy both short-term liabilities and near-term operating costs and capital expenditures. Given the GTAA's total available liquidity of \$2,691.7 million, Management believes that the available credit under the Operating Credit Facility, its cash flows from operations, unrestricted cash on hand and the GTAA's ability to access the capital markets provide sufficient liquidity for the GTAA to meet its financial obligations and other current liabilities as they come due for the foreseeable future.

The following table analyzes the GTAA's short- and long-term contractual obligations in nominal dollars as at December 31, 2025, by relevant maturity groupings based on the remaining period at the date of the statement of financial position to the contractual maturity date. It does not include pension and post-retirement benefit obligations as maturities are variable based on the timing of individuals leaving the plan. The table has been prepared based on the aggregate contractual undiscounted (gross) cash flows based on the earliest date on which the GTAA can be required to pay. The debt obligations include both undiscounted principal and interest cash flows.

Contractual Obligations <i>(\$ millions)</i>	Gross Payments Due by Period				
	Total	Less than 1 year	1 year to 3 years	4 years to 5 years	Thereafter
Accounts payable and accrued liabilities	297.7	297.7	—	—	—
Purchase obligations ¹	943.7	346.9	424.6	157.6	14.6
Long-term debt principal	6,701.2	28.3	883.7	1,060.7	4,728.5
Interest payable on long-term debt	3,000.6	317.7	605.3	525.7	1,551.9
	10,943.2	990.6	1,913.6	1,744.0	6,295.0

¹ Purchase obligations include operating commitments for goods and services contracts as at December 31, 2025 into which the GTAA has entered, that are required to operate the GTAA in the ordinary course of business over the next few years. It also includes capital commitments of approximately \$270.8 million.

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

In connection with the operation and development of the Airport, the GTAA had capital commitments outstanding as at December 31, 2025 of approximately \$270.8 million, compared to \$163.2 million at December 31, 2024. In the short-term, the GTAA expects to fund these commitments primarily through operating cash flows.

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

Both financial tests exclude amortization of property and equipment, investment property and intangible assets, asset write-downs and impairments. The debt service covenant does, however, include a notional amortization, over a 30-year period of outstanding debt. Inclusion of the notional debt amortization further evaluates whether net revenues are sufficient to retire debt over 30 years, which is considered appropriate for an infrastructure provider with significant, long-term use assets. The GTAA sets its rates and charges, fees and rentals, in part, so that these two covenants under the MTI are met. As of December 31, 2025, the GTAA is in compliance with the MTI covenants.

NON-GAAP FINANCIAL MEASURES

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

EBITDA and EBITDA Margin

EBITDA is earnings from operations before interest and financing costs, reversal or impairment of investment property, write-down of property and equipment, and amortization. EBITDA margin is EBITDA divided by revenues. EBITDA is a commonly used measure of a company's operating performance. This is used to evaluate the GTAA's performance without having to factor in financing and accounting decisions.

Free Cash Flow

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

Net Debt

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

Gross Debt and Net Debt per Enplaned Passenger

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

Net Liquidity

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

Days Cash on Hand

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

Air Carrier Cost / Enplaned Passenger

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

Operating Expenses Before Amortization and Impairment

Operating expenses before amortization and impairment provides useful information to readers and helps in the calculation of EBITDA.

MATERIAL ACCOUNTING POLICIES

The material accounting policies used in the preparation of these consolidated financial statements are the same accounting policies and methods of computation as those disclosed in the December 31, 2025 consolidated financial statements.

These consolidated financial statements were approved by the Audit Committee on March 5, 2026, pursuant to the authority delegated to it by the Board of Directors.

Accounting Standard Issued but not yet Applied

IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures

Amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures were issued in 2024. The amendments introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date, if specific conditions are met. These amendments are effective for annual periods beginning on or after January 1, 2026. The amendments do not have a material impact on the consolidated financial statements.

IFRS 18, Presentation and Disclosure in Financial Statements:

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

RELATED PARTY TRANSACTIONS

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

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

The GTAA's related parties also include Key Management personnel. Key Management includes the President and Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), the Chief Operating Officer ("COO") and other executives who have the authorities and responsibilities for planning, directing and controlling the activities of the GTAA. As at December 31, 2025, the GTAA had normal course transactions with Key Management personnel in the ordinary course of their employment with the GTAA. The GTAA's Board of Directors collectively oversee the management and operation of the Airport. The Board of Directors are, only for the purposes hereof, also considered Key Management, although all are independent of Management under applicable securities policies. In this respect, the GTAA only had normal course transactions with the Board of Directors with respect to compensation paid in connection with their role as an independent director.

INTERNAL CONTROLS AND PROCEDURES

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

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

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

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

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

Management's Report on Disclosure Controls and Procedures

Management, under the supervision of and with the participation of the Corporation's CEO and CFO, evaluated the effectiveness of the Corporation's disclosure controls and procedures (as defined under National Instrument 52-109) and concluded, as at December 31, 2025, that such disclosure controls and procedures were effective.

Management's Report on Internal Controls over Financial Reporting

Management, under the supervision of and with the participation of the Corporation's CEO and CFO, evaluated the effectiveness of the Corporation's internal controls over financial reporting (as defined under National Instrument 52-109). In making this evaluation, Management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control — Integrated Framework (2013). Based on that evaluation, Management and the CEO and CFO have concluded that, as at December 31, 2025, the Corporation's internal controls over financial reporting were effective. This evaluation took into consideration the GTAA's Disclosure Controls and Corporate Communications Policy and the functioning of its Disclosure Committee.

No changes were made in internal controls over financial reporting during the year ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, the Corporation's internal controls over financial reporting. Management will continue to monitor the effectiveness of its internal controls over financial reporting and disclosure controls and procedures and may make modifications from time to time as considered necessary or desirable.

RISK FACTORS

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

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

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

CAUTION REGARDING FORWARD-LOOKING INFORMATION

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

Words such as "believe", "expect", "plan", "predict", "project", "intend", "estimate", "preliminary", "anticipate", and similar expressions, as well as future or conditional verbs such as "will", "may", "should", "would", and "could" often identify forward-looking information. Specific forward-looking information in this document includes, among others, statements regarding the following: expected domestic and international passenger traffic and cargo; investment in the

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

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

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