

Calgary Exhibition and Stampede Limited

Summary of Audited (except for 2025 Budget) Operating Results (\$000s)

	2025 Budget	2024	2023	2022	2021	2020
Gross revenue	214,993	206,398	173,444	142,221	66,714	25,010
Provincial Government grants	6,055	6,055	6,055	6,055	5,918	6,023
COVID-19 related Government funding	--	--	1,036	12,969	14,905	9,944
Direct expenses	(115,768)	(129,004)	(115,771)	(91,733)	(52,721)	(24,322)
Subtotal	105,280	83,449	64,764	69,512	34,816	16,655
Indirect expenses (Note 1)	(66,081)	(54,280)	(48,723)	(42,653)	(29,591)	(29,149)
Amortization of tangible capital assets	(39,160)	(24,358)	(13,125)	(13,045)	(13,517)	(14,054)
Gain on disposition of land	--	89,868	--	--	--	--
Excess of Revenue over Expenses	39	94,679	2,916	13,814	(8,292)	(26,548)

Note 1: Includes Administration, Marketing, Park Maintenance, Interest and Employee Benefits.

	2025 Budget	2024	2023	2022	2021	2020
EBITDA*	40,936	32,461	20,241	30,241	5,177	(11,026)
Less unfunded capital expenditures**	(6,000)	(5,051)	(5,642)	(3,064)	(1,876)	(1,955)
Available to service debt	34,936	27,410	14,599	27,177	3,301	(12,981)
Debt Service Requirements	4,013	6,864	9,636	6,300	2,460	3,949
Annual DSCR***	8.71	3.99	1.52	4.31	N/A	N/A
Rolling Average DSCR***	3.88	3.03	2.62	4.31	N/A	N/A

* EBITDA stands for Earnings Before Interest, Taxes, Depreciation and Amortization.

** Unfunded capital expenditures stands for capital expenditures not funded by third party contributors

*** DSCR stands for Debt Service Coverage Ratio.

Calculated as: Available to service debt/ Debt Service Requirements. Minimum required is 1.00 : 1.

2019 and prior was a 4-Year Rolling Average. Waived for 2020. Not required for 2021. 2025 and beyond is a 4-Year Rolling Average.

2024 requirement is a 3-Year average of 2022 through 2024. 2023 requirement is a 2-Year average of 2022 and 2023.

Current Ratio (=Current Assets/ Current Liabilities)	N/A	1.03	1.08	1.06	0.88	0.81
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2024, 2023 and 2022 Current Ratio excludes credit facilities in Current Liabilities but expected to be renewed the following year.

2025 Budget

The above 2025 budget was prepared in the fall of 2024 and will be reviewed twice in 2025 as part of The Stampede's forecasting process. The increased revenue projection of \$215 million versus 2024 actual results of \$206 million is due to the anticipated increased activity levels for the year-round business activities with the expanded BMO convention centre being open for a full year in 2025 as well as increased deferred contribution revenue recognized from the BMO expansion project. Excess of revenue over expenses is budgeted at \$40 thousand in 2025 versus a positive \$4.8 million in 2024, before the land transactions gain. This is due to several factors. The first is the Stampede's annual exhibition event being budgeted assuming 1.375 million in attendance versus just under 1.5 million in 2024 with a 2025 net financial contribution slightly less than 2024 actuals, due primarily to the lower assumed attendance. The year-round events business is expected to result in higher net revenue in 2025 due to a full year of convention centre operations. Administrative expenses are budgeted to increase due to the expanded BMO convention centre being operational for a full year. Partially offsetting the increased administrative expenses are reduced interest costs from the debt reductions in 2024 as well as reduced employee future benefits expenses.

In the budget, the estimated direct expenses are aligned with activity levels and capital expenditures have increased from the pandemic spending levels, but still remain below pre-pandemic investment and continue to include essential maintenance requirements. The provincial government grant is assumed flat in 2025. \$2.3 million of term-debt is repaid in the year, which relates to scheduled principal payments.

2024 Operating Results

The 2024 annual exhibition was budgeted with the expectation of 1.3 million in attendance and while financial prudence was part of its planning strategy, it included investments in targeted areas to improve guest experience and achieve financial results. The actual attendance for the annual exhibition was just under a record 1.5 million with record setting revenues as well. Other year-round revenue generating activities were impacted by the expanded BMO convention centre opening in June, which resulted in a strong fall and winter season for this line of business. The Stampede's fiscal 2024 operating income was \$4.8 million, before the gain on the land transactions, aided by prudent fiscal management, a successful annual exhibition, and improved year-round results.

The Stampede's revenues in 2024 improved to \$206.4 million from \$173.4 million in 2023. The Stampede was profitable with excess revenues over expenses in the year of \$4.8 million, before the gain on land transactions in the year. Liquidity remained stable as reflected in The Stampede's slight decrease in its Current Ratio to 1.03 in 2024 from 1.08 in 2023.

The Stampede received \$6.1 million in funding from the Government of Alberta through Alberta Culture and Tourism in 2024 (\$6.1 million in 2023). The Stampede does not have a long-term grant agreement with the Province; however, grants renew on an annual basis. The grants are expected to remain unchanged for 2025 at \$6.1 million.

Overall excess revenue over expenses for 2024 included an \$89.9 million gain for the land transactions that were part of the Event Centre agreement, resulting in an overall excess revenue over expenses of \$94.7 million. The \$89.9 million gain was comprised of a gain from the land sale of \$23.0 million and \$66.9 million from the land exchange. The gains related to the current fair value of the land in the transactions versus the historic book values of the lands in the Stampede's accounting records. Proceeds from the land sale portion of the land transactions were largely used to pay down debt.

Financial Covenant

The Debt Service Coverage Ratio ("DSCR") is a financial covenant within both The City's and The Stampede's external bank lender's credit agreements. Prior to 2020, the covenant required that the four-year average DSCR be not less than 1:00 to 1. However, in 2020, due to the financial impacts of the pandemic, The City and The Stampede's external bank lender both agreed to amendments to permit The Stampede to exclude 2020 results from the financial covenant calculation. In 2021, The City and The Stampede's external bank lender both agreed to amend their credit agreements with The Stampede to remove the DSCR for 2021 but limit credit facilities to certain thresholds.

The amended credit agreements required The Stampede's annual DSCR to be not less than 1:00 to 1 in 2022. Over the years 2023 through 2025 the amended credit agreements require the four-year average DSCR to be phased back in. Calculation of the required DSCR over this time period is summarized in the table below:

	2022	2023	2024	2025 (and beyond)
Rolling Average DSCR (minimum of 1.00 : 1)	2022 only	2 year avg. of 2022 and 2023	3 year avg. of 2022, 2023 and 2024	4 year avg. of 2022 through 2025

The Stampede has remained in compliance to date, in all material respects, with the covenants contained in its credit agreements.

Asset Value to Loan Ratio and amendment to lands pledged as security

In 2024, The Stampede provided The City with an updated independent appraisal of The Stampede's owned lands with a "Hypothetical Current Market Value Estimate" as of 2024 July 15. As at year end 2024, The City's security includes pledged parcels with an aggregate estimated value of \$92.1 million which would offer 307 per cent coverage to the maximum loan guarantee amount of \$30.0 million. The required minimum value to guaranteed debt ratio is 125 per cent.

In support of the Event Centre, The Stampede and The City entered into land exchange and land sale agreements whereby certain of The Stampede's lands have been transferred to The City to accommodate building the new Event Centre on that land. Because of the new guarantee of Facility H and given that a portion of the lands now owned by The City for the new Event Centre had been pledged as loan guarantee security to The City, The Stampede pledged a different parcel of land as security in 2023. This ensured the required minimum asset value to guaranteed debt ratio of 125 per cent was maintained at that time.

In 2024, pursuant to the land sale agreement referred to above, The Stampede received proceeds of \$29.6 million. Most of the proceeds were applied to reduce The Stampede's debt, resulting in the current, very high, value to guaranteed debt ratio of 307 per cent. Facilities C and H were completely repaid as well as a significant portion of Facility D.

The Stampede is required to provide an updated land appraisal to The City every five years. The next appraisal is to be completed in 2029. The Stampede is obligated to pledge additional land for security to avoid a breach in the required minimum value to guaranteed debt ratio of 125 per cent, if required. The Stampede may also request release of land security if aggregate estimated land values of pledged parcels are above the required minimum of 125 per cent.

Capital Campaign / Projects Update

BMO Centre Expansion

In 2016 March, The Stampede announced it was exploring options for a \$500 million expansion of the BMO Centre ("BMO Centre Expansion") and in 2018, The Stampede entered into a development agreement with Calgary Municipal Land Corporation to oversee the BMO Centre Expansion. The BMO Centre Expansion is being funded equally by the three levels of government.

The project broke ground on 2021 April 29 and was substantially completed 2024 March 8 on time and on budget and brings Calgary into alignment with other international "Tier 1" convention cities.

The project commemorated substantial completion in a media and partners event on March 13, 2024, and the building had its Grand Opening in early 2024 June.

Park Development

In early 2019, The Stampede entered into a marketing agreement with Calgary Municipal Land Corporation ("CMLC") to carry-out the marketing and development strategy of Stampede-owned lands for mixed-use development opportunities. Specifically, The Stampede and CMLC are focused on securing one or more hotels in service to the new BMO Centre. All parties agree that hotel support in the area will be critical to the BMO Centre meeting its full potential in hosting travelling convention-goers, and the recently announced Calgary Event Centre provides further evidence to potential hoteliers that the area is ready for their investment.

CMLC is also carrying out other projects including the redesign of the Victoria Park/Stampede LRT Station, the east extension to 17th Avenue onto Stampede Park, which were completed in 2024, and the development of the Stampede Trail roadway.

The Calgary Stampede Foundation reached substantial completion of the SAM Centre in March 2024 – a building on its Youth Campus designed as a western heritage museum and interpretive centre with the aim

of bringing the annual exhibition experience alive on a year-round basis. The SAM Centre opened in the Spring of 2024.