



WESTJET AND LUFTHANSA TECHNIK SIGN MULTI-BILLION-DOLLAR AGREEMENT FOR WORLD-CLASS AIRCRAFT ENGINE MAINTENANCE SERVICES

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WestJet and Lufthansa Technik have signed an exclusive agreement, in which Lufthansa Technik will provide engine maintenance services for the CFM International* LEAP-1B engines that power the airline's Boeing 737 fleet. The 15-year, multi-billion-dollar contract, is the largest in WestJet's 30-year history and followed a rigorous competitive global sourcing process. Lufthansa Technik will establish a new engine repair station dedicated to servicing LEAP-1B engines for near-wing and quick-turn work. The facility will feature a modern test cell, the first-of-its-kind in Canada, for next generation engines and drive job creation in the region. Operations are set to begin in 2027, with WestJet as the launch customer.

Alexis von Hoensbroech, WestJet Group Chief Executive Officer, commented: "WestJet was founded on the idea of improving air travel and making it affordable for Canadians. This historic contract award will allow us to bring critical engine repair operations home to Canada and provide greater efficiency and cost certainty to a critical part of our operations, all while demonstrating our

commitment to improving our competitiveness and supporting the Alberta economy. We are proud to partner with Lufthansa Technik. This is an extraordinary moment for WestJet, our guests, WestJetters, Western Canada's communities and our suppliers."

Under the framework of the agreement, Lufthansa Technik will provide WestJet, Canada's largest 737 MAX operator, with a broad range of services, such as quick turn shop visits, on-wing repairs and full performance restorations. The partnership encompasses WestJet's current fleet of more than 50 Boeing 737 MAX aircraft (of 200 total aircraft), a number that is expected to grow to over 130 before the end of the decade based on the airline's current order book. The CFM LEAP-1B engine repair operations for WestJet will be offered by Lufthansa Technik through its expansive global network. While overhauls will continue to take place at the main facility in Hamburg, Germany, and the company's joint venture near Wrocław, Poland, Lufthansa Technik aims to introduce quick turn shop visits at the newly created repair station in Calgary, Canada.

Soeren Stark, Chief Executive Officer of Lufthansa Technik, said: "This agreement represents one of the largest awards ever granted to any MRO provider for CFM LEAP engines worldwide. It's a contract that underlines Lufthansa Technik's leading position in the support of new generation engine types. We greatly value WestJet's strong confidence in our extensive expertise and our ability to serve as a trusted long-term partner. At the same time, we are grateful for the strong support from our local allies in Canada, which is essential in advancing the creation of a new engine repair shop and test cell facility in Calgary."

CFM International, the developer and manufacturer of the LEAP-1B engines, has established an open MRO ecosystem for its LEAP engine family. As a CFM Premier MRO partner, Lufthansa Technik is licensed to deliver full MRO services for these engines. The company was the first independent MRO provider recognized by CFM to service both LEAP-1A and LEAP-1B engines and has completed over 60 maintenance events, including the world's first LEAP-1A (Airbus version of the engine) performance restoration shop visit.

The creation of Lufthansa Technik Canada's future facility is made possible through collaboration and funding from partners including the Government of Canada, the Government of Alberta, Opportunity Calgary Investment Fund, Calgary Economic Development, Calgary International Airport and the Canada Infrastructure Bank. These partners have been vital in fostering the growth of Calgary's aviation cluster to date.

The Calgary Airport Authority is proud to have signed a long-term lease agreement with Lufthansa Technik for an engine maintenance and test cell facility that will serve, amongst others, WestJet as a cornerstone customer. This \$120-million investment has been secured with the support of the Government of Alberta, the Canada Infrastructure Bank, PrairiesCan and OCIF, in collaboration with Calgary Economic Development. The Authority will oversee the financing, planning, construction, and deployment phases of the related buildings, which will occupy nine acres of prime airport real estate, integrated seamlessly with Calgary International Airport's strategic growth plans. The facility will boost regional economic development and reinforce Calgary's role as a gateway for international aviation innovation and excellence, while providing airlines access to world-class facilities to ensure reliable, efficient and lower cost maintenance services.

The Government of Canada, through PrairiesCan, is investing \$8 million for the Calgary Airport Authority to construct, fit out and equip the new 150,000 square foot aircraft engine maintenance and test facility at the Calgary International Airport.

The Government of Alberta is providing the Lufthansa Technik engine test cell and maintenance facility with a total support amount of \$7.45 million through a combination of \$3 million from the

Investment and Growth Fund and \$4.45 million from the Aerospace Workforce Development Grant. The Investment and Growth Fund is a deal closing incentive program that helps Alberta support high value, private sector, job-creating investments. The Aerospace Workforce Development Grant is aimed to provide training and workforce development support that attract investment, drive innovation and spur transformative economic development in Alberta's aerospace sector.

OCIF is investing up to \$2.5 million over four years to support Lufthansa Technik in establishing its Western Canada headquarters in Calgary including its MRO repair facility and test cell. The facility will work on more sustainable fuel and next generation engines. This initiative targets expansion of the region's talent pool, while providing hands-on training, and positions Calgary as a leader in aerospace development.

Calgary Economic Development (CED) played a key role in Lufthansa Technik's expansion to Calgary by connecting its leadership with key stakeholders and showcasing the city's competitive business environment and thriving aviation sector. CED also highlighted Calgary's skilled talent pool through detailed projections, post-secondary partnerships, and technical expertise.

The wholly owned Canadian subsidiary of Lufthansa Technik plans to create up to 160 new jobs in Calgary by 2030. Construction of the engine maintenance facility is scheduled to begin mid-2025 and is expected to take about two years. Once completed, it will allow for a range of engine maintenance functions and work that has been historically performed outside Canada. To prepare for operations, a dedicated training centre will open this year to equip new employees with the necessary skills. Recruitment for various positions will begin soon.

Lufthansa Technik's expansion into Western Canada supports its "Ambition 2030" strategy, focusing on investments in core operations and global growth. A key part of this is enhancing MRO capabilities to meet growing demand, especially for the CFM LEAP-1B engine. The aircraft powerplant of the Boeing 737 MAX is becoming the leading engine in the Americas region. This presents significant opportunities for Lufthansa Technik to grow business with various North American airlines. To capitalize on this growth, the company plans to significantly scale up its quick-turn capacities and bolster its footprint in the region.

WestJet's focus on regional development is evident in its global aviation hub in Calgary. As a result of strategic investments, the city has become the most connected mid-sized hub in North America. WestJet's ongoing commitment to building a world-class aerospace cluster in Calgary contributes to economic growth and creating new job opportunities. This next phase of WestJet's growth will not only strengthen Calgary's position in the global aviation landscape but also enhance the economic prosperity of the region. The multi-billion-dollar contract and partnership between WestJet and Lufthansa Technik builds on the foundational WestJet-Government of Alberta Memorandum of Understanding to stimulate economies, create sustainable employment and build infrastructure for continued expansion.

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