

February 13, 2025

BACKGROUNDER

Today's announcement marks a milestone in Alberta's aviation sector: Bringing specialized engine maintenance operations to Canada. It signals exciting growth and innovation, and unites governments, businesses and partners to build a stronger economy and a sustainable, long-term future for Alberta's aviation industry.

WestJet's continued investment in its global hub of operations in Calgary, together with Lufthansa Technik's creation of a cutting-edge engine repair station and modern engine test cell for CFM LEAP-1B aircraft engines, advance Calgary's position as a world-class aviation centre.

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. It is supported by key partners, including PrairiesCan, Canada Infrastructure Bank, Government of Alberta, Opportunities Calgary Investment Fund, Calgary Economic Development, and YYC Airport.

There will be up to 160 new skilled job opportunities directly created by Lufthansa Technik by 2030, and up to 170 temporary construction jobs related to the development of the facility, plus further economic spin-offs. The collaboration will also strengthen both national and international investment.

PARTNER INVOLVEMENT AND CONTRIBUTIONS

WestJet

After a rigorous global sourcing process, WestJet awarded a 15-year multi-billion-dollar agreement to Lufthansa Technik—the largest service contract in WestJet's nearly 30-year history. This agreement secures extensive maintenance services for the airline's Boeing 737 MAX LEAP-1B engines. As Canada's largest operator of the Boeing 737 MAX, this contract will enhance operational efficiency and improve competitiveness.

Through the RFP, WestJet will be Lufthansa Technik's first customer at the newly created engine maintenance facility, underscoring the partnership's confidence in local expertise and innovation.

Lufthansa Technik

As a global leader in aircraft maintenance, repair, and overhaul (MRO), Lufthansa Technik secured its largest-ever engine maintenance contract for next-generation aircraft engines and will build a new engine repair station and a modern, first-in Canada test cell for

servicing LEAP-1B aircraft engines. Lufthansa Technik will provide Westjet and other customers with on- and near-wing repair services, such as quick turn shop visits as well as modern simulation and diagnostics in Calgary.

The expansion into Western Canada is a key part of Lufthansa Technik's "Ambition 2030" strategy, further strengthening its capabilities in the US and Canada and reshaping the North American market for specialized aircraft engine work.

Federal Government (PrairiesCan)

Prairies Economic Development Canada (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 (YYC). PrairiesCan is the federal department that supports economic growth in Alberta, Saskatchewan and Manitoba. PrairiesCan funding is allocated through its Community Economic Development and Diversification (CEDD) program, which supports initiatives that contribute to the economic growth and diversification of communities across the Prairie provinces.

Canada Infrastructure Bank

The Canada Infrastructure Bank (CIB) invests in revenue-generating infrastructure which benefits Canadians and attracts private capital. The CIB is a catalyst for private investment in projects that support economic growth. The CIB is working on investment opportunities, from coast to coast to coast, which reflect priority sectors for investment—green infrastructure, clean power, public transit, trade and transportation and broadband infrastructure.

Government of Alberta

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 aims to provide training and workforce development support that attracts investment, drives innovation and spurs transformative economic development in Alberta's aerospace sector.

Opportunity Calgary Investment Fund (OCIF)

The Opportunity Calgary Investment Fund (OCIF) is investing up to \$2.5 million over the next four years to Lufthansa Technik to establish Calgary as a leader in Western Canada's aerospace ecosystem. The investment will establish Lufthansa Technik's Canadian headquarters, featuring an aviation maintenance and repair facility that will expand the sector's talent pool, facilitate testing of new fuel types and next-generation engine models.

Calgary Economic Development

Calgary Economic Development (CED) supported the expansion of Lufthansa Technik to our city by fostering connections between Lufthansa Technik leadership with key stakeholders while highlighting the city's competitive business environment and growing aviation ecosystem. CED's team also showcased the city's dynamic talent pool with detailed projections, post-secondary introductions, and technical skills and expertise.

Calgary International Airport

The Calgary Airport Authority has signed a long-term lease with Lufthansa Technik, and will plan, design, construct and deploy the maintenance and repair facility and first-in-Canada test cell on nine acres of land at YYC Calgary International Airport. This \$120-million investment was secured with financing from the Canada Infrastructure Bank and PrairiesCan. The facility will integrate seamlessly with YYC's future growth plans and is expected to attract investment in the aviation ecosystem, creating a critical mass that will provide reliable and efficient services for airlines and air transportation operators from across Canada.

CFM International – *Original Engine Manufacturer (OEM)*

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 (Airbus) and LEAP-1B (Boeing) engines and has completed over 60 maintenance events, including the world's first LEAP-1A performance restoration shop visit (PRSV).

ADDITIONAL INFORMATION

Scheduled to break ground in mid-2025, the new engine repair facility located at Calgary International Airport will bolster Canada's reputation for cutting-edge aviation infrastructure, enhance domestic capabilities, and reduce reliance on maintenance operations outside of Canada.