

Celebrating 30 years

Canada Lands Company
Société immobilière du Canada

Annual Report | 2025/26



30 years of creating communities and Canadian experiences

About This Cover

The imagery featured on this year's cover is drawn from past Canada Lands Company's Annual Report covers spanning three decades. Each image represents a distinct chapter in the Company's 30-year history. Together, these covers trace the evolution of Canada Lands' work across the country, reflecting the growth and momentum of its real estate projects and attractions. They also illustrate a shared and consistent commitment: creating unique experiences for Canadians and complete communities for generations to come.



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We Are Canada Lands Company

Canada Lands Company Limited (CLCL) is a self-financing federal Crown corporation that reports to the Parliament of Canada through the Minister of Housing and Infrastructure.

CLCL is a *Canada Business Corporations Act* corporation listed in Schedule III, Part 1 of the *Financial Administration Act,* and an agent of His Majesty the King in Right of Canada.

CLCL has the following three wholly owned subsidiaries, which, along with CLCL, are collectively referred to as "the Company" or "CLCL":

1. Canada Lands Company CLC Limited (CLC, Canada Lands or Canada Lands Company) is a non-agent Crown corporation that carries out the Company's core real estate business in all regions of Canada and owns and operates Canada's National Tower (CN Tower) in Toronto, Ontario.
2. Old Port of Montreal Corporation Inc. (OPMC) is responsible for managing the Old Port of Montréal (OPM) and the Montréal Science Centre (MSC).
3. Parc Downsview Park Inc. (PDP) owns and manages Downsview Park and develops the Downsview Lands.

Canada Lands Company
Société immobilière du Canada

1995
Canada Lands Company is born.

1996
The Company acquires five former military bases, enhancing its value to its shareholder and Canadians.

1999
Its economic impact grows steadily by providing its largest annual dividend to date of $62 million.

2011
Opens EdgeWalk at the CN Tower, creating a new tourist attraction for thrill-seekers.

2012
Operationally amalgamates with PDP and OPMC, adding two more attractions and hundreds of acres of development land to the Company.

2014
Advances reconciliation efforts by entering into three historic joint venture agreements with three First Nations in Vancouver.

2019
Strengthens its role as an economic driver by eclipsing over $1 billion in contributions to its shareholder since 1995.

What We Do and Why

Canada Lands Company transforms former Government of Canada properties by strategically reintegrating them into communities.

Through our subsidiaries, CLCL transforms former Government of Canada properties informed by community engagement and strategically reintegrates them into communities while ensuring both their sustainability and commercial viability. CLCL also holds, invests in and oversees some of the most renowned attractions in the country, located in Toronto and Montréal.

Since 1995, CLCL has contributed more than $1.3 billion to the Government of Canada in the form of dividends declared, the payment for surplus lands purchased from the federal government and income taxes paid. As described in CLCL's Strategic Plan, the foundational values of the Company's work are environmental sustainability, social impact and financial resilience. CLCL is doing its part to contribute to important issues while operating in a financially self-sustaining manner.

The strategic priorities shared across all of CLCL's divisions are to be a workplace of choice, to accelerate housing, including affordable housing, through the transformation of surplus and underutilized properties, and to create unique and unforgettable Canadian experiences. Our activities ensure that surplus government properties are acquired and redeveloped or managed to their optimal value, both financially and non-financially.

2023
Expands its Indigenous partnerships to seven across the country.

2025
Enables tens of thousands of homes across Canada since inception.

2026
The Company celebrates its 30th anniversary and prepares to begin its new chapter.







How We Do It

CLCL operates in two separate but related business sectors to produce the optimal return on its work for the benefit of all Canadians and its shareholder, the Government of Canada.

Real Estate

After acquiring a property from the Government of Canada, Canada Lands Company applies its expertise to determine the most suitable use for the site and will develop and sell or lease the property. For properties being redeveloped, Canada Lands engages with local communities and municipal officials to shape a new vision and plan for the site. Once a plan is established, the Company submits applications for the necessary municipal planning approvals. Typically, this process includes the design and installation of parks, roads and essential services. The land is then either transferred to builders in accordance with the approved plan or retained for long-term purposes.

ARBO

ʔəy̓əlməxʷ/Ɪy̓álmexw
INSPIREJERICHO

DOWNSVIEW WEST
DW
TORONTO, ON

Wateridge Village
Village des Riverains

VILLAGE AT/À GRIESBACH

currie

Pleasantville
middle of everywhere. au centre de tout.

Attractions and Asset Management

The Company has an established track record of consistent financial success managing and operating some of Canada's most iconic and historically significant landmarks: Canada's National Tower (CN Tower) and Downsview Park in Toronto, and the Montréal Science Centre and the Old Port of Montréal. The Company has particularly excelled in developing innovative programs, enhancements and initiatives, which incorporate sustainability and accessibility enhancements, to attract millions of visitors and guests, both locally and internationally. The teams across the Attractions and Asset Management Division continue to find innovative ways to enable unparalleled experiences that welcome all to enjoy. Per the Company's Strategic Plan, the attractions teams have a distinct and exceptional capacity, as well as years of experience, in enabling educational, inclusive and quintessentially Canadian experiences.

LA TOUR CN TOWER

OLD PORT MONTRÉAL

PARC DOWNSVIEW PARK

MONTRÉAL SCIENCE CENTRE

BRITISH COLUMBIA

Vancouver
Heather Lands
Jericho Lands

ALBERTA

Calgary
Currie

Edmonton
Village at Griesbach

MANITOBA

Winnipeg
Naawi-Oodena

ONTARIO

Mississauga
1 Port Street East

Toronto
Arbo
Allen District
Downsview Park (Attraction)
Downsview West District
Downsview East District
CN Tower (Attraction)
CN Tower Precinct
- Aquarium and Phase 2 Lands
- Navy Wharf Court Plaza
- Stadium Lands

St. Catharines
555 Glendale Avenue

Ottawa
250 Lanark Avenue
1495 Heron Road
Booth Street
Wateridge Village

QUÉBEC

Montréal
Montréal Science Centre
Old Port of Montréal
1420 Sainte-Catherine Street West
3155 Côte-de-Liesse
Cité du Havre
Pointe-du-Moulin
Wellington Basin

Longueuil
Pointe-de-Longueuil

NOVA SCOTIA

Halifax
Shannon Park

NEWFOUNDLAND AND LABRADOR

St. John's
Pleasantville





* locations on map are approximations and not exact



“The Board’s oversight will remain on the long-term sustainability and value of nationally significant attractions, including the CN Tower, the Old Port of Montréal, and the Montréal Science Centre.”



On behalf of Canada Lands Company Limited, I am pleased to present the Company’s 2025/26 Annual Report. This report is presented at a pivotal moment for CLCL in a year that reflects a period of significant organizational change shaped by evolving government priorities. The Board of Directors has provided oversight throughout this transition to ensure clarity of purpose, continuity of operations, and sound governance.

The federal government has announced its intention to establish Build Canada Homes, a new agency to advance federal housing delivery through proposed legislation called *An Act respecting the establishment of Build Canada Homes*. While the timing of Parliament’s consideration and passage of the legislation is outside of CLCL’s control, the Company has continued planning and preparatory work in anticipation of its adoption by the time this report is tabled in Parliament. Once implemented, federal real estate development responsibilities will be carried out through Build Canada Homes; CLCL’s role as a federal real estate developer will conclude, and its real estate assets and expertise will be transferred to the new agency. This shift marks an important evolution in how the federal government delivers housing and signals a new operating context for CLCL going forward.

In August 2025, the Company marked its 30th anniversary, underscoring the breadth of experience and institutional knowledge that informs this transition. CLCL operated within a strong governance framework, delivering public value while balancing commercial expectations, discipline and public purpose.

As CLCL’s mandate evolves, the Company will operate as an attractions-based Crown corporation. The Board’s oversight will remain on the long-term sustainability and value of nationally significant attractions, including the CN Tower, the Old Port of Montréal, and the Montréal Science Centre. These assets continue to play an important role for Canadians and visitors alike.

During the year, the Board monitored operational performance across the attractions portfolio, including $161 M in revenue and $18.7 M in capital investment to support strong visitor experiences and the long-term sustainability of these nationally significant destinations.

The transfer of real estate activities and the associated integration of people, systems, and ways of working will continue beyond this reporting period. The Board remains committed to ensuring this work proceeds in a deliberate and responsible manner, supporting employees and maintaining organizational stability.

On behalf of the Board of Directors, I thank the management team and employees for their professionalism and commitment during this period of change. The Board looks ahead with a clear focus on governance excellence and stewardship as CLCL enters its next chapter.

Kaye Melliship
Chair of the Board
Canada Lands Company Limited





"Supporting our teams through this transition, while maintaining performance and service delivery, has been a priority throughout the year."

The 2025/26 fiscal year was a year of execution amid transition for CLCL. As the organization navigates a changing operating environment, our focus remained on results, supporting our people, and ensuring continuity across our portfolio while preparing for the transfer of CLCL's real estate delivery function.

During the year, CLCL continued to perform strongly from a financial and operational standpoint. The Company reported $279 M in revenue and made $92 M in Capital and Operational investments to support the long-term sustainability of its assets. These results reflect disciplined management and the continued strength of our attractions and real estate activities during the transition period.

As the federal government advances a new model for housing delivery through Build Canada Homes, this fiscal year represents the final period in which CLCL includes real estate development as part of its annual operations. Work throughout the year focused on responsibly advancing real estate activities, honouring existing agreements and supporting the planning for an orderly transfer of responsibilities. This included close collaboration with partners and stakeholders to ensure projects continued without disruption.

At the same time, CLCL's role as an operator of nationally significant attractions remained a core focus. Assets such as the CN Tower, the Old Port of Montréal and the Montréal Science Centre continued to welcome millions of visitors and deliver recreational and economic value. Investments made during the year position these destinations for long-term success as CLCL moves forward as an attractions-focused Crown corporation.

This year also marked an important moment of reflection. In August 2025, CLCL celebrated three decades of operations. Over that time, the Company built deep expertise in complex land development, partnerships, and attractions management. As CLCL's mandate evolves, that experience continues to inform our approach to stewardship, operational excellence, legacy and value.

The transition underway is not only organizational, but human. I am deeply grateful to our employees for their professionalism, adaptability, and commitment during a period of change. Supporting our teams through this transition, while maintaining performance and service delivery, has been a priority throughout the year.

As CLCL looks ahead, we do so with clarity and confidence. While our role is evolving, our commitment to accountability, financial sustainability, and delivering for Canadians remains unchanged. I would like to thank our employees, partners, and stakeholders for their continued trust and collaboration during this pivotal year.

Stéphan Déry
President and Chief Executive Officer
Canada Lands Company Limited

Corporate Governance

The Board of Directors of CLCL maintained a robust governance structure during the 2025/26 fiscal year that enabled the Company to continue to serve as the Government of Canada's real estate development and attractions management Crown corporation.

CLCL Board and the Boards of its Subsidiaries

All CLCL Board members are also Directors of the Company's three wholly owned subsidiaries: CLC, OPMC and PDP. Along with the Directors, CLCL's President and CEO is a member of the subsidiaries' Boards.

Board Committees and Their Roles

All Board committees are comprised of no fewer than three Directors, none of whom are officers or employees of CLCL or any of its subsidiaries (with the exception of the President and CEO, where applicable). The current convention is that all Directors are members of all committees (except that the President and CEO is not a member of the Audit and Risk Committee). Although the Board may delegate various duties to its committees, each committee remains under the direction of the Board and each committee's ultimate responsibility is to report to the Board and, where necessary, make recommendations to the Board for consideration.

Attractions Committee

The Attractions Committee provides advice, oversight and strategic direction to management and the Board with respect to the Company's Attractions Division. The Company's Attractions Division generally includes, but is not limited to, the CN Tower, Montréal Science Centre, Old Port of Montréal and the parkland at Downsview Park.

Governance Committee

The Governance Committee reviews and provides recommendations to the Company's Board with respect to corporate governance processes, structures, guidelines and practices to facilitate, evaluate and continually improve the Board's effectiveness in overseeing the business and affairs of the Company.

Human Resources Committee

The Human Resources Committee is mandated to review, report and, when appropriate, provide recommendations to the Board with respect to all of the Company's human resources matters, including, but not limited to, employee compensation and benefits, pension plans, employee turnover and succession planning, and labour relations.

Real Estate Committee

The Real Estate Committee provides advice, oversight and strategic direction to the Company's management and the Board with respect to the Company's real estate projects.

Board Community Outreach

Although Board meetings are most often held in Toronto (the location of the Company's head office), Directors may on occasion meet in other cities across Canada to familiarize themselves more fully with the Company's various projects and the communities in which those projects are located. During the past fiscal year, in-person Board meetings were held in St. John's, Winnipeg, Vancouver and Toronto.



Director Attendance and Compensation

Five Board meetings were held during the past fiscal year. Four of the meetings were held in person and one of the meetings was held by video-conference. The compensation for the Chair and Directors is set by the Governor in Council and consists of annual retainers of $9,400 for the Chair and $4,500 for Directors, as well as a per diem rate of $375, both for the Chair and the Directors. The following chart shows Directors' attendance at CLCL meetings and video-conferences during the fiscal year.

Director Continuing Education

In line with corporate governance best practices, Directors attend continuous learning events and education sessions that enhance their skills, performance and contributions to the Board.

BOARD MEMBER ATTENDANCE*	MEETINGS
Kaye Melliship	5/5
Dr. Tareq Al-Zabet	3/5
Victoria Bradbury	5/5
Guy Harvey	5/5
Brenda Knights	4/5
Margaret MacDonald	5/5

*NOTE: Allison Mendes was appointed as a Director on February 24, 2026, which was after the final Board meeting of the fiscal year.

Team Overview

Board of Directors

As at April 1, 2026



Kaye Melliship
Chair



Dr. Tareq Al-Zabet
Director



Victoria Bradbury
Director



Guy Harvey
Director



Brenda Knights
Director



Margaret MacDonald
Director



Allison Mendes
Director

Senior Management Team

As at April 1, 2026



Stéphan Déry
President and
Chief Executive Officer



Greg Barker
Chief Legal Officer and
Senior Vice President,
Corporate Governance



Elisa Campbell
Vice President,
Real Estate, West



James Cox
Vice President,
Real Estate,
Central Region



Isabel Dansereau
Chief Operating Officer,
Attractions (Québec) |
Executive Director, Old Port of
Montréal



Tara Dinsmore
Vice President, Real Estate
(NCR) | Vice President,
Acquisitions & Business
Development



Peter George
Chief Operating Officer,
CN Tower



Marcelo
Gomez-Wiuckstern
Chief Communications and
Public Affairs Officer



Deana Grinnell
Executive Vice President,
Real Estate



Neil Jones
Executive Vice President,
Attractions & Asset
Management



Teresa Law
Chief Human
Resources Officer



Aaron Marchildon
Vice President,
Construction



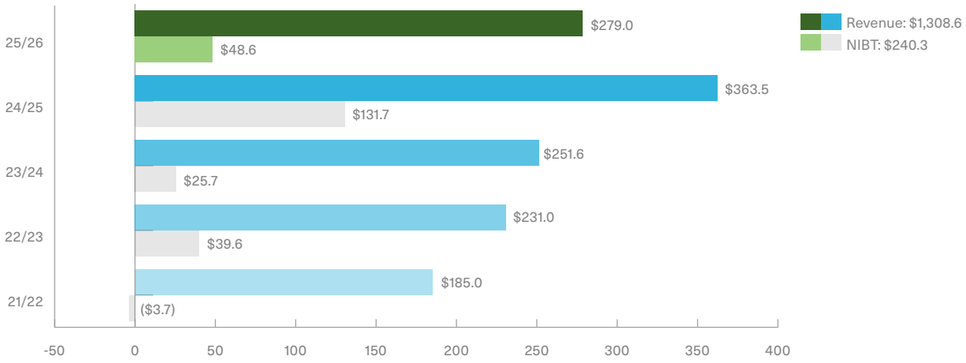
Pierre-Marc Mongeau
Vice President, Real Estate,
Québec/Atlantic and Old Port
of Montréal



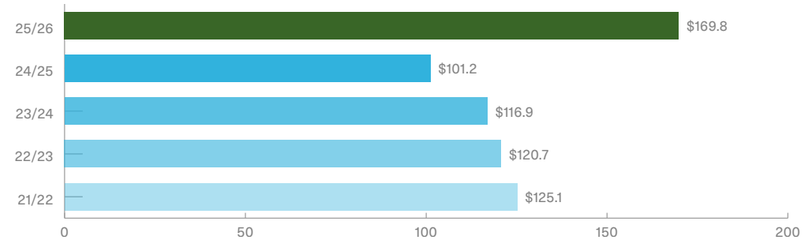
Matthew Tapscott
Executive Vice President,
Finance and Chief Financial
Officer

Financial Highlights

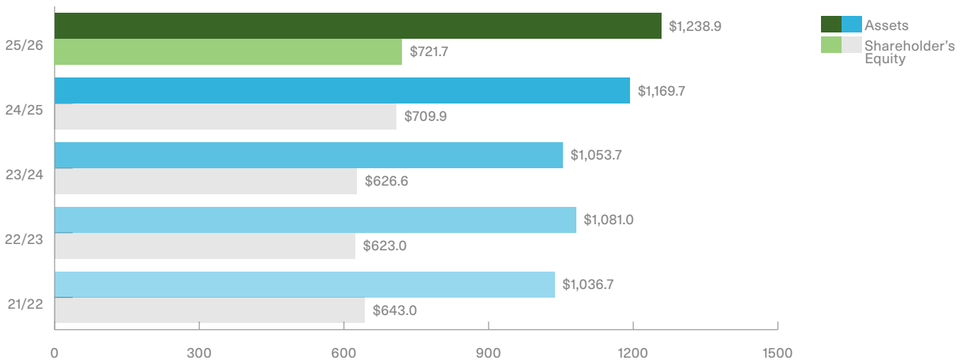
Revenue and Net Income Before Taxes



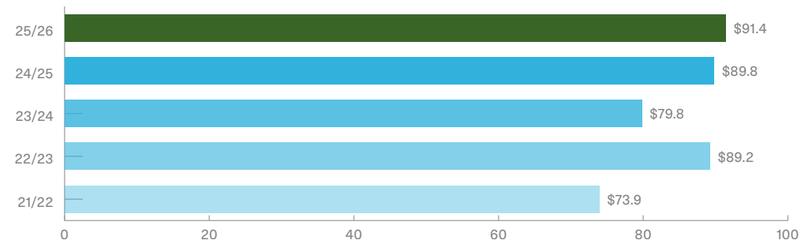
Credit Facilities Available



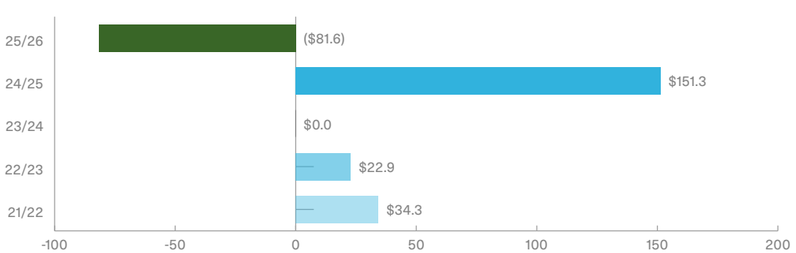
Assets and Shareholder's Equity



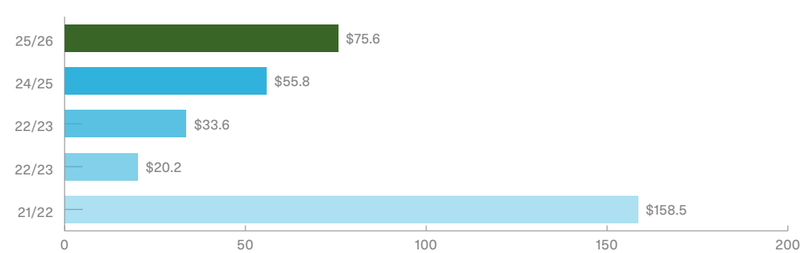
Capital Investment



Operating Cash Flow



Return to Shareholder





Management's Discussion and Analysis of Financial Results

FOR THE YEAR ENDED MARCH 31, 2026

This Management's Discussion and Analysis (MD&A) provides important information about the business of Canada Lands Company Limited (CLCL) and its subsidiaries (collectively, the Company), its financial performance for the year ended March 31, 2026, and its assessment of factors that may affect future results. The MD&A should be read in conjunction with CLCL's audited consolidated financial statements and notes (collectively the consolidated financial statements). The MD&A and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The following MD&A is the responsibility of management and is current as at June 26, 2026, unless otherwise noted.

The Board of Directors (Board) of CLCL has approved this disclosure.

All dollar amounts, unless otherwise stated, are in millions of Canadian dollars.

The Company's financial reporting publications are available on the Company's website, www.clc-sic.ca.

Overview

Performance Highlights

	Year ended March 31, 2026	Year ended March 31, 2025 Restated	Three years ended March 31, 2026
Total revenue	$ **279.0**	$ 363.5	$ 894.1
Total operating profit*	**98.7**	187.1	368.4
Total operating profit margin*	**35.4%**	51.5%	41.2%
Total net income before tax	**48.5**	131.7	205.9
Acquisitions	**47.4**	25.3	72.7
Investment	**91.4**	89.8	261.0
Cash provided by (used in) operating activities	**(81.6)**	151.3	69.6
Total credit availability**	**169.7**	101.2	169.7
Net income taxes paid	**55.6**	13.0	92.2
Dividends paid to the Government of Canada	**–**	11.0	21.0
Upfront and note payments to the Government of Canada	**–**	22.9	22.9
Total assets**	**1,238.9**	1,169.7	1,238.9

The Company restated certain prior year numbers, primarily related to its inventory and long-term receivables assets, and its notes payable liabilities. The restatement did not significantly impact the Company's revenues, net income or cash flows. The restatement was driven by revaluing the assets and liabilities mentioned based on updated cash flow information.

* Operating profit = Total net income before taxes, interest and other expenses, impairment, pre-acquisition costs and write-offs, and general and administrative expenses.
** Total credit availability and Total assets in both columns show the March 31, 2026 ending balance.
The performance highlights are discussed in further detail in the "Resources, Risks and Relationships" section.

***All dollar amounts, unless otherwise stated, are in millions of Canadian dollars.

Highlights for Fiscal Year 2025/2026

Financial

- The Company was able to generate $279.0 in revenue, primarily from its Attractions and Real Estate Divisions.
- The Company generated an operating profit of $98.7 during the year, which was 35.4% of total revenue.
- The Company invested $91.4 primarily in its real estate development in communities across the country and in its attractions.
- The Company declared a $20.0 dividend to its shareholder, as well as making income tax payments of $55.6.
- During the year, the Company acquired five (5) properties, one in St. Catharines, Ontario, one in Ottawa, Ontario, one in Longueuil, Québec, and two in Montréal, Québec. The five (5) properties add approximately 27.5 hectares (67.8 acres) to the Company's land inventory. These land acquisitions were funded through cash and non-interest bearing debt.

Operational and Other Significant Developments

- The Company's attractions welcomed more than 2.4 million paid guests during the year, which was approximately 8.0% lower than the prior year.
- On February 24, 2026, Allison Mendes was appointed to the CLCL Board for a four (4) year term, filling a vacancy that had existed since December 2023.
- In February 2026, Bill C-20, *An Act respecting the establishment of Build Canada Homes* (BCH Act), was tabled to establish BCH as a Crown corporation to promote, support and develop the supply of affordable housing in Canada. Among other things, the BCH Act allows the Governor in Council to issue directives for measures to be taken in relation to the reorganization of Canada Lands Company Limited and any of its subsidiaries.
- In January 2026, the Company, along with other Crown corporations, was directed to align its policies, guidelines and practices with the Buy Canadian Procurement Policy Framework. The Company is currently working on its alignment implementation strategy.
- In December 2025, following the approval of the Company's Corporate Plan 2025/26 to 2029/30:
  - PDP obtained additional borrowing authority from the Minister of Finance of $96.0 for 2025/26, with a further increase in 2026/27 of $9.0, and leveraged that authority to increase its borrowing limit at PDP; and
  - CLC received an extension of its current borrowing authority from October 31, 2026, to March 31, 2028.
- In November 2025, the Federal Budget (Budget 2025) was presented and proposes that the Company receive up to $1.515 billion to support housing construction on properties that it holds. Budget 2025 subsequently received Royal Assent in March 2026, becoming law.
- In July 2025, the Company and its union successfully reached a renewed collective agreement for the CN Tower Food and Beverage (F&B) employees. The employees returned to work on July 14, following a two-week labour disruption that impacted the CN Tower's F&B operations.
- In July 2025, the Company Annual Report for 2024/25 was tabled and approved by the Shareholder and is posted on CLC's website at www.clc-sic.ca/reports-and-expenses.
- In July 2025, the Company prepared and published its 2024/25 Impact Report. This report highlights the dedicated efforts, achievements and valuable contributions in the Company's six areas of focus (housing, climate, Indigenous Peoples collaboration, psychological health and safety, diverse procurement, and equity, diversity and inclusion) and is posted on CLC's website at www.clc-sic.ca/reports-and-expenses.
- Following year-end, the Company's Corporate Plan 2026/27 to 2030/31 was approved, which included approval of capital and operating budgets, along with the Company's borrowing plan.

Three-Year Financial Recap

- During the past three years, the Company has invested more than $261.0, primarily in its real estate development and attractions assets. The real estate investments have taken place across Canada, in projects in Vancouver, Edmonton, Calgary, Toronto, Ottawa, Winnipeg, Montréal, Halifax and St. John's. The attractions investments have occurred primarily at the CN Tower, OPMC and Downsview Park.
- The Company has returned to its shareholder close to $44.0 through dividends, and upfront and note repayments, as well as an additional $92.2 in income tax payments, over the past three years.
- CLCL has generated more than $894.0 in revenue, yielding an operating profit of $368.4 and a 41.2% operating profit margin.

Business Update

The Attractions Division performed well financially this year and was slightly behind its 2024/25 financial performance on revenues; however, it was able to generate higher earnings before interest, taxes, depreciation and amortization (EBITDA) and net income as a result of lower expenses. Real estate sales activity had a strong fourth quarter, with sales being generated from the Company's Alberta projects and sales in some of its National Capital Region properties. The Company's rental revenues were slightly higher than the prior year and are expected to increase in future years as the Company continues to advance its leasing strategy, particularly to support housing enablement. Interest and other revenues were strong, but below the prior year as a result of overall interest rates declining. General and administrative costs were higher to support investments in corporate initiatives, such as enabling more homes faster.

The federal government (Government) has prioritized housing, particularly affordable housing, and reducing the cost of living for Canadians. On September 14, the Prime Minister launched BCH, a new federal agency to build affordable housing at scale. BCH will work in coordination with other federal programs, Crown corporations in the housing ecosystem, and all levels of government to streamline approvals and boost housing supply nationwide. With an initial budget of $13 billion, BCH will provide flexible financial incentives, approve large portfolio projects and leverage public lands for housing, reducing project risk so private builders can focus on building. In early February 2026, the Government introduced legislation in Parliament, Bill C-20, *An Act respecting the establishment of Build Canada Homes*. The BCH Act, which is progressing towards enactment, includes references to Canada Lands Company Limited and its wholly owned subsidiaries and could impact the Company when it comes into force.

The Government's housing plan also includes regulatory reforms like cutting development charges, reviving rental incentives, tax reductions and unlocking federal lands near transit.

BCH and the Company will collaborate to bring housing, both market and non-market, to the Company's properties. In November, the Government presented Budget 2025, which included the aforementioned initial budget for BCH, and proposed $1.5 billion for the Company to enable housing construction on properties it holds in support of BCH.

Other measures announced previously, in Federal Budget 2024 (long-term residential leasing, disposal time reductions, increased transactions velocity, enabling housing on actively used federal properties and working with other federal Crown corporations) are expected to continue.

Real estate markets across the country continue to be challenging for land developers, given the current economic environment, while the need for additional housing, particularly affordable housing, which is a priority for many, continues to be discussed. Inflation has stabilized. That, coupled with other things, including slow economic growth in Canada, has allowed the Bank of Canada to reduce its policy interest rate, which is expected, over time, to help the residential real estate market. With one of the focuses of the Government being housing, specifically more affordable housing, there is optimism that this will help spur on real estate market activity, particularly the residential market. However, it will be a collective effort from other levels of government – federal, provincial and municipal – along with other key stakeholders to generate the momentum needed to address the current housing challenges.

Macroeconomic uncertainty remains elevated, partially as a result of geopolitical risk and the dynamic impact that global conflicts and tensions are having on economies, inflation and growth. However, economies, including Canada's, have so far shown strong financial resilience in light of the challenges. The uncertainty of the United States (US) administration activities, strategies and policies can impact the economy, creating inflationary pressures, unemployment, customer behaviour changes and/or economic contraction, but it appears that, at least to date, the impacts have not been as significant as anticipated.

About CLCL

CLCL is the parent of Canada Lands Company CLC Limited (CLC), Parc Downsview Park Inc. (PDP) and Old Port of Montreal Corporation Inc. (OPMC), collectively referred to as the CLCL Subsidiaries:

- Real Estate.
- Attractions and Asset Management.
- Corporate/Shared Services.

The Real Estate Division primarily includes development lands held in CLC and PDP's development lands (Downsview Lands) and is comprised of four regions: West, Central, National Capital Region (NCR) and Québec/Atlantic.

The Attractions Division is comprised of Old Port of Montréal (OPM), Montréal Science Centre (MSC), Downsview Park and the CN Tower.

CLCL carries out its policy mandate "to ensure the commercially oriented, orderly disposition of selected surplus federal real properties with optimal value to the Canadian taxpayer and the holding of certain properties." This mandate was provided to the Company by the Government upon reactivation of the Company in 1995.

CLCL's mission is to "ensure the innovative and commercially sound redevelopment and reintegration of surplus Government of Canada properties into local communities while developing, retaining, and managing certain real estate assets and uniquely Canadian attractions".

CLC holds real estate across the country in various provinces and in various stages of development, with significant holdings in Vancouver, British Columbia; Calgary and Edmonton, Alberta; Winnipeg, Manitoba; Ottawa, Mississauga and the Greater Toronto Area, Ontario; Longueuil and Montréal, Québec; Dartmouth, Nova Scotia; and St. John's, Newfoundland and Labrador.

PDP was originally comprised of 231 hectares (572 acres) of land at the former Canadian Forces Base Toronto. The holdings at PDP are composed of active recreation, parkland, commercial operations and real estate development assets.

The CN Tower is an iconic national landmark and tourist attraction located in downtown Toronto. The core business is managing the country's highest observation tower, restaurant operations and EdgeWalk.

OPMC is located in the heart of historic Montréal along the St. Lawrence River. Its core business covers two main areas: OPM, which manages and hosts activities on the 2.5-kilometre-long (1.6 mile) urban recreational, tourist and cultural site; and the MSC, which operates the Science Centre and IMAX theatre.

Governance

CLCL's Board is composed of the Chair and six Directors. For more details on CLCL's governance, see the "Corporate Governance" section of the Company's latest Annual Report (www.clc-sic.ca/reports-and-expenses).

The Board's expenses for the year, including meetings, travel expenses, conferences and seminars, liability insurance, and annual retainers and per diems, totaled $0.4 (March 31, 2025 – $0.4). The Board and senior management expenses are posted on CLC's website at www.clc-sic.ca/reports-and-expenses.

2025/26

Financial Results

Results of Operations

A summary of the various components of the Company's Consolidated Statement of Comprehensive Income follows. Discussion of the significant changes in each of these components for the year ended March 31, 2026, compared to the prior year is provided on the following pages.

During the year, the Attractions Division continued its strong and steady performance.

Traditionally, most real estate land sales happen in the last quarter of the fiscal year, which is what occurred in 2025/26. The Real Estate Division continues to face challenging headwinds, particularly on land sales, as the overall demand for development lands, as shown by slower housing starts and new homes sales activity across the country and in many major markets that the Company has projects in, remains below historical averages. There continues to be a strong push from many, including federal, provincial, territorial and municipal levels of government, to build more homes in Canada, particularly affordable homes, and to do it quickly.

The Company's rental operations for the year continued to show strong performance in both the Real Estate Division and the Attractions Division.

The Company's interest and other income was $3.1 lower compared to the prior year due to a lower interest rate environment.

Financial Results

Year ended March 31		2026		2025 Restated
Real estate sales	$	**86.5**	$	168.6
Attractions, food, beverage and other hospitality		**129.8**		131.0
Rental operations		**47.8**		45.9
Interest and other		**14.9**		18.0
Total Revenues	**$**	**279.0**	$	363.5
General and administrative expenses		**46.5**		42.9
Income before taxes		**48.5**		131.7
Net income and comprehensive income (after taxes)		**31.8**		94.3

Results by Entity

Year ended March 31	2026				2025 Restated			
	OPMC	PDP	CLC	**Total**	OPMC	PDP	CLC	Total
Real estate sales	$ –	$ –	$ 86.5	**$ 86.5**	$ –	$ –	$ 168.6	$ 168.6
Attractions, food, beverage and other hospitality	12.3	2.1	115.4	**129.8**	12.6	1.3	117.1	131.0
Rental operations	12.4	14.2	21.2	**47.8**	12.6	14.6	18.7	45.9
Interest and other	2.1	0.1	12.7	**14.9**	3.3	0.2	14.5	18.0
Total Revenues	**$ 26.8**	**$ 16.4**	**$ 235.8**	**$ 279.0**	**$ 28.5**	**$ 16.1**	**$ 318.9**	**$ 363.5**
General and administrative expenses	6.0	1.4	39.1	**46.5**	5.8	1.3	35.8	42.9
Income (loss) before taxes	(10.9)	(2.3)	61.7	**48.5**	(18.7)	(3.3)	153.7	131.7
Comprehensive income (loss) after taxes	(10.9)	(1.7)	44.4	**31.8**	(18.7)	(2.4)	115.4	94.3

Operations by Revenue Type

Total revenue generated was $279.0 for the year, comprised of four principal sources:

1. Real Estate Sales

Real estate sales were $86.5 for the year, comprising sales of property developed as building parcels or individual lots and sold to builders. Revenue comprises sales in specific projects across Canada as the individual marketplaces dictate.

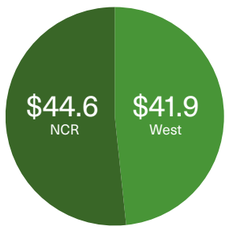
The Company generated a gross profit of $26.3 (or 30.5%) on real estate sales for the year. The gross profit generated in the prior year was $104.5 (or 62.0%); however, this included a large, one- time transaction that contributed most of the gross profit. The Company's five-year average for gross profit is just under $42.0 (or 44.0%). Included in the current year gross profit is approximately $2.0 in cost-to-complete increases for properties sold in prior years. Included in the prior year is $2.6 in cost-to-complete increases for prior year sold properties.

Real estate land sales and gross profit depend on the nature and mix of properties sold in any given year. Consequently, the Company's business does not necessarily allow for a consistent year-over-year volume of sales or geographical distribution.

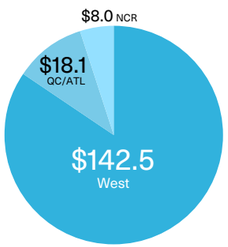
Margins vary widely from project to project and are influenced by many factors, including market demand in the project's location, the proximity of competing developments, the mix of products within the project, the cost to prepare land for housing and the length of time for a project to be sold.

Real estate sales by region

2025/26 Total
$86.5M



2024/25 Total
$168.6M



2. Attractions, Food, Beverage and Other Hospitality

Attractions, food, beverage and other hospitality represent revenue from the CN Tower operations (including admissions, restaurants and related attractions), and OPM, MSC and Downsview Park operations (including parking, concessions, programming, events, corporate rentals and other hospitality revenues).

The CN Tower generated revenue, including its other income, of $117.9 for the year. The revenue was $1.9 lower than the prior year. The CN Tower's EBITDA was $53.1 for the year, which was lower than the prior year by $2.1. For the year, the CN Tower welcomed more than 1.7 million guests, which was slightly lower than the prior year.

The CN Tower's financial results and attendance were impacted due to the two-week labour disruption in early July 2025, which reduced the guest offerings. However, after the labour disruption ended, the CN Tower was able to welcome guests back and resume full operations.

OPMC revenues, which include the MSC, generated revenue of $12.3 for the year, which was a decrease of $0.3 from the prior year. The MSC generated $7.5 in revenues from its ticket sales ($6.8 in the prior year), hosting 0.4 million visitors at its IMAX theatre and exhibits.

Downsview Park generated revenue of $2.1 for the year, which was $0.8 higher than the prior year.

3. Rental Operations

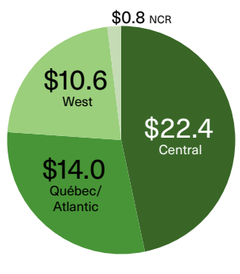
Rental operations comprise revenue from commercial, industrial and residential properties held as investments, as well as from properties located on lands under development and held for future development across the country.

Rental revenues were $47.8 for the year from properties in inventory at various stages of development, and other properties across CLC, OPMC and PDP. Rental revenues for the year were $1.9 higher than the prior year.

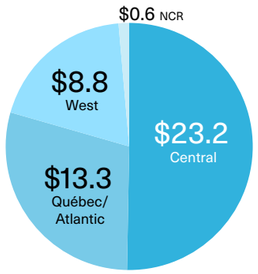
The Company generated $7.6 (15.9%) in rental profit for the year from its rental operations. The rental profit was $9.3 lower than the prior year. The Company's five-year average for rental profit is $6.6 per year (or 14.6%).

Rental revenues by region

2025/26 Total
$47.8M



2024/25 Total
$45.9M



4. Interest and Other Revenues

Interest and other revenue of $14.9 for the year was lower by $3.1 than the prior year. Interest and other revenue are comprised principally of interest on cash and cash equivalents, long-term receivables, and donation and sponsorship revenues at OPMC.

Other Items

1. General and Administrative Expenses

General and administrative expenses (G&A) of $46.5 for the year were higher than the prior year by $3.6. The higher G&A is primarily attributed to CLC due to higher overhead expenses to support housing innovation and acceleration, and Federal Budget 2025 initiatives. These costs were largely anticipated and budgeted for.

2. Impairment, Pre-Acquisition Costs and Write-Offs

During the year, the Company had $2.5 in expenses, which were lower than the prior year by $9.1. During the current year, the Company reversed a portion of cumulative prior year impairments for one of its real estate properties in the amount of $7.1. The partial impairment reversal was triggered by an updated project strategy and supported by third-party evidence and analysis. These expenses are largely non-recurring by their nature and can fluctuate year over year based on a variety of factors.

3. Interest and Other

Interest and other is typically comprised of non-capitalized interest on either the Company's credit facilities or the notional interest on its promissory notes. The expense of $1.1 was $0.1 higher than the prior year.

4. Taxes

The Company had a net income tax expense of $16.8 during the year, which includes a current income tax expense of $12.8 and a deferred tax recovery of $4.0. The net income tax expense for the year is $20.6 lower than the prior year, due to lower net income before taxes, lower taxable income in CLC and lower non-recognized tax losses in OPMC. The Company's current position on the deferred tax assets (DTA) at OPMC is consistent with its position at March 31, 2025, which is to not recognize the benefits from the DTA at OPMC, which are primarily non-capital losses and temporary differences, as it is not probable that they would be utilized in the future. The result is that for the year, $2.8 in OPMC DTA benefits are not being recognized. Once adjusted for the OPMC DTA not recognized, the current tax expense effective tax rate (ETR) of 29.0% for the year is similar to the statutory rates. Both the current year and the prior year ETRs are higher than the statutory rates due primarily to the tax losses from OPMC not being recognized for tax purposes.

Financial Position

Assets

Summary of the Company's assets:

Year ended March 31		2026		2025 Restated
Cash and cash equivalents	**$**	**264.1**	$	337.7
Inventories		**549.9**		445.3
Property, plant and equipment		**162.1**		161.8
Deferred tax asset recoverable		**65.0**		69.0
Long-term receivables		**78.1**		52.7
Investment properties		**51.8**		51.4
Trade and other assets		**67.9**		51.8
Total	**$**	**1,238.9**	$	1,169.7

Cash and Cash Equivalents

The Company continues to maintain high levels of liquidity, which will allow it to respond to future potential opportunities and risks that may require significant amounts of cash immediately. At March 31, 2026, cash and cash equivalents balances held in major Canadian chartered banks and financial institutions were $264.1.

During the year, the Company also invested $91.4 in capital assets in both real estate and attractions, made aggregate income tax payments of $55.6, including those owing from the prior year acquired five (5) real estate properties for $90.3 and funded working capital.

The Company's investment strategy is to optimize, not maximize, financial returns on its cash and cash equivalents. Given the nature of the Company's liabilities, particularly its current liabilities, it is important that the investments of the Company provide a high degree of liquidity and protect against principal erosion.

Inventories

The Company's inventories comprise properties held for future development (PHFD) of $89.7 (March 31, 2025 – $4.8), properties under development (PUD) of $460.2 (March 31, 2025 restated – $440.5) and no properties held for sale (March 31, 2025 – $nil).

Inventory is recorded at the lower of cost and net realizable value. During the year, there were no write-downs; however, there was the reversal of a portion of a previous write-down included in the Consolidated Statement of Comprehensive Income in the amount of $7.1.

The Company incurred expenditures on real estate inventories of $68.8 during the year as compared to $62.5 in the prior year. The Company also acquired five properties, adding just under $85.0 to its inventory balance. Spending on inventories varies year over year, based on required and planned expenditures on those properties to prepare them for sale.

The Company's investments in its real estate properties continue to be supported by profitable forecast returns and are driven by the Company's objective to create value for the local communities in which its developments are located.

Property, Plant and Equipment

Property, plant and equipment consist principally of the CN Tower, Downsview Park, the MSC and OPM. Capital expenditures are made to property, plant and equipment to maintain and enhance the high quality of the infrastructure, maintain life safety systems and enhance asset life cycles.

The Company actively reviews its property, plant and equipment investments budgets and forecasts to determine the appropriate allocations of resources and timing of expenditures.

There were capital additions of $19.5 for the year, compared with $23.5 during the prior year. Capital expenditures vary year over year, based on required and planned expenditures on property, plant and equipment.

There were non-cash depreciation charges of $15.4 during the year compared to $13.5 in the prior year. These expenditures exclude repairs and maintenance costs.

Deferred Tax Asset Recoverable

The net deferred tax asset (DTA) amount of $65.0 principally relates to the temporary differences between the carrying values of assets and liabilities for financial reporting purposes, which are lower than the amounts used for taxation purposes for the Downsview Lands.

Consistent with the Company's position at March 31, 2025, the Company is not recognizing the OPMC DTAs, as it is not probable that they would be utilized in the future. The result is that gross temporary differences of $210.9, or $55.9 of DTA, are not being recognized.

The majority of the DTAs are expected to be realized upon the sale of development lands in future years.

Long-Term Receivables

The long-term receivables primarily represent the third-party partners' proportionate share of the promissory note obligations for certain properties, and also include vendor take-back (VTBs) mortgages from real estate land sales for three (3) properties sold in the current year, which are with third parties, secured by the property and interest-bearing at market rates for their respective terms.

Investment Properties

The Company's investment properties consist primarily of the land at the Rogers Centre, the CN Tower Base, land allocated to long-term leases, and the rental properties at PDP.

Trade and Other Assets

Trade and other assets include current income taxes recoverable, rent and other receivables, prepaid assets, investments and CN Tower inventory. During the year, the Trade and Other Assets increased as a result of income tax instalments that were higher than the current income tax expense by $21.1, partially offset by lower trade receivables.

Liabilities and Shareholder's Equity

The Company's assets are financed with a combination of debt and equity.

Components of liabilities and shareholder's equity:

Year ended March 31		2026		2025 Restated
Credit facilities	**$**	**89.7**	$	71.9
Notes payable		**304.7**		260.1
Trade and other payables		**45.1**		43.5
Dividend payable		**20.0**		–
Provisions		**18.8**		22.3
Prepaid rents, deposits and others		**30.1**		32.4
Deferred revenue		**8.8**		8.0
Tax liabilities and other		**–**		21.6
Total liabilities	**$**	**517.2**	$	459.8
Contributed surplus		**181.2**		181.2
Retained earnings		**540.5**		528.7
		721.7		709.9
Total liabilities and shareholder's equity	**$**	**1,238.9**	$	1,169.7

Credit Facilities

The Company has two credit facilities.

PDP has an unsecured demand revolving credit facility of $196.0. The credit facility can be used by way of loans, bankers' acceptances and letters of credit (LCs). PDP has utilized $97.1 at March 31, 2026 (March 31, 2025 – $79.2), of which $7.4 (March 31, 2025 – $7.3) has been used as collateral for outstanding LCs. The borrowings from the credit facility have been primarily used to finance the construction and development of the Downsview Lands but are also used to support investment in Downsview Park. During the year, the Company's borrowing authority for PDP was increased to $196.0, from $100.0, which PDP leveraged to increase its credit facility to $196.0 immediately.

CLC has a senior, unsecured revolving credit facility in the amount of $100.0. The credit facility can be used to secure outstanding LCs. CLC has utilized $29.1 at March 31, 2026 (March 31, 2025 – $19.6) as collateral for outstanding LCs.

The credit facilities contain certain financial covenants. As at March 31, 2026, the Company complied with all its financial covenants for the credit facilities.

Notes Payable

Notes payable are issued in consideration for the acquisition of real estate properties and are due to the Government. These notes are repayable in most instances on the earlier of their due dates from 2026 to 2050 and the dates on which net proceeds become available from the sale by the Company of the properties in respect of which the notes were issued. Exceptions to the above approach are where, in a limited number of instances, the terms of the note state when the issuer can demand payment and are not dependent on property cash flows. For all notes, the Government can elect to defer the Company's payment of amounts when due and repayable. All notes are non-interest bearing. For accounting purposes, the notes are required to be fair valued at acquisition, and as a result may be discounted, depending on the specific characteristics of the notes payable (see "Critical Accounting Estimates" section), which could result in non-cash interest charges.

During the year, the Company did not make any repayments to former property custodians.

Based on the anticipated timing of the sale of the real estate properties and the specific repayment requirements within the notes, principal repayments are estimated to be as follows:

Principal repayments

Years ending March 31 (Remainder of year)		
2027	$	62.8
2028		–
2029		31.9
2030		187.2
2031		21.3
Subsequent years		29.6
Subtotal	$	332.8
Less: amounts representing imputed interest		28.1
Total	**$**	**304.7**

Trade and Other Payables

Trade and other payables are higher than the balance at March 31, 2025, primarily as a result of timing. All trade and other payables are trade payables and accrued liabilities incurred in the normal course of operations. The Company continues to pay its suppliers in accordance with the payment terms.

Provisions

Provisions represent obligations of the Company where the amount or timing of payment is uncertain and are comprised largely of costs to complete sold real estate projects. The Company spent $3.7 and $3.4, respectively, against its cost-to-complete and environmental provisions for certain real estate projects during the year. The Company continues to contest OPMC's PILT with the City of Montréal but has determined no provision is required currently.

Dividend Payable

During the year, the Company declared a $20.0 dividend payable to its shareholder. In the prior year, the Company declared a $20.0 dividend, reinvesting $9.0 to support Federal Budget 2024 housing initiatives in coordination with the shareholder.

Prepaid Rents, Deposits and Others

Prepaid rents, deposits and others are largely comprised of the upfront payments for certain long-term lease agreements with various developers and the Canada Mortgage and Housing Corporation (CMHC), as well as real estate sales deposits by purchasers and builder deposits, which are part of the normal course of operations.

Deferred Revenue

Deferred revenue represents revenue from rental/leasing, programs and events, and development and other income that has not yet been earned by the Company.

Resources, Risks and Relationships

Capital Resources and Liquidity

In addition to the items noted below, please see the "Risks and Uncertainties" section in this MD&A.

Capital resources available to the Company:

As at March 31		2026		2025
Cash and cash equivalents	$	**264.1**	$	337.7
Investments		**-**		4.5
Remaining credit facilities (a)	$	**98.9**	$	20.8

(a) Remaining credit facilities available for cash borrowings.

The Company's cash and cash equivalents decreased by $73.6 during the year primarily as a result of:

- Investments in real estate inventory, property, plant and equipment and investment properties of $91.4;
- Acquisitions of $47.3;
- Land sales receivable of $22.8;
- Income tax payments/instalments of $55.6; and
- Payments against environmental and costs-to-complete provisions for certain real estate projects of $7.1.

The decrease was partially offset because of:

- Cash inflows from operating activities, excluding expenditures on real estate properties, tax payments and payments on provisions totalling $120.0 for the year;
- Interest received of $9.2;
- Investments of $4.5; and
- Net cash advanced from credit facilities of $17.8.

Net working capital surplus of the Company:

As at March 31		2026		2025
Cash and cash equivalents	$	**264.1**	$	337.7
Other current assets (excluding inventories)		**53.7**		40.2
Total current assets	$	**317.8**	$	377.9
Current portion of notes payable		**62.8**		54.3
Other current liabilities		**172.8**		159.7
Total current liabilities	$	**235.6**	$	214.0
Net working capital surplus	$	**82.2**	$	163.9

The other current assets (excluding inventories) at March 31, 2026, have increased since March 31, 2025, by $13.5 primarily as a result of income tax payments/instalments of $55.6. The other current liabilities have increased from March 31, 2025, by $13.1 primarily as a result of an increase in credit facilities.

The Company believes that its capital resources and its net working capital surplus, along with cash flows to be generated from operating and financing activities, have positioned it to meet the following liquidity needs in the short-term and the long-term.

The Company's principal liquidity needs over the next 12 months are to:

- Support short-term housing construction needs from Budget 2025 to support BCH.
- Fund the operating deficits of some of the Company's attractions and G&A overhead expenses.
- Fund recurring expenses.
- Manage current credit facilities.
- Fund the continuing development of its inventory and investment properties.
- Fund capital requirements to maintain and enhance its property, plant and equipment.
- Provide funding for provision amounts.
- Fund investing activities, which may include:
  - Property acquisitions.
  - Note repayments.
  - Discretionary capital expenditures.

Beyond 12 months, the Company's principal liquidity needs are:

- Housing construction from Budget 2025 to support BCH.
- Credit facility repayments.
- Note repayments.
- Recurring and non-recurring capital expenditures.
- Fund the operating deficit of OPMC, and possibly other attraction operating deficits.
- Development costs.
- Potential property acquisitions.

Risk Management

The Company uses a practical approach to the management of risk. The objective of the Company's risk management approach is not to completely eliminate risk but rather to optimize the balance between risk and return for the Company.

Risk Governance

The Board has overall responsibility for risk governance and oversees management's identification of the key risks facing the Company, and the implementation of appropriate risk assessment processes to manage these risks.

The Audit and Risk Committee (ARC) of the Board has delegated responsibility for the Company's risk assessment process and oversees the Enterprise Risk Management program and its effectiveness, along with the Internal Audit function. The ARC reviews internal audit reports, the annual enterprise risk management key risk refresh process, information on key risks, key risk trends, key risk mitigations, and the status of action items related to enterprise key risks.

Other Board Committees oversee key risks inherently associated with their areas of responsibility.

Senior management is accountable for identifying and assessing key risks and defining controls and actions to mitigate risks while continuing to focus on the operational objectives of the Company.

Enterprise Risk Management

The Company's risk structure follows the three lines of defence model, assigning roles and responsibilities across the Company.

The first line of defence is the business, led by Senior Management, who are charged with identifying and managing risks at the individual business unit level. The business is also responsible for, among other things, complying with risk management and Company policies, elevating and escalating risks, and implementing sufficient, appropriate controls to mitigate its risks.

The second line of defence is the Risk Management Function (RMF), who are responsible for operationalizing and managing the Enterprise Risk Management (ERM) program. The RMF ensures the Company complies with its ERM policies, manages risk reporting and updates, and provides an independent challenge function to the business.

The RMF facilitates risk reporting across the Company frequently, including to the ARC. The RMF provides training and education to the business on ERM policies and ensures that ERM is embedded into Company strategy and planning.

Annually, the Company performs an enterprise risk refresh, whereby the key risks are reviewed, assessed and updated, where applicable. The refresh starts with the identification of key risks at the business unit level and progresses through the Company's regions and divisions, to ultimately arrive at the enterprise's key risks. During the quarter, the Company completed its annual enterprise risk refresh, and the results of the refresh were communicated to the ARC and Board.

During the year, the Company continued its ERM maturation by adding risk appetite and risk metrics to its ERM program, which will continue to develop in support of effective, efficient risk management and ultimately the Company's strategy.

The third line of defense is the Company's Internal Audit function, which provides independent and objective assurance to the ARC and Board by evaluating the design and operating effectiveness of internal controls and risk management. Through the annual Internal Audit plan, the risks and controls identified are considered and incorporated for review.

Risks and Uncertainties Affecting the Company

The Company's financial results are affected by the performance of its operations and various external factors influencing the specific sectors and geographic locations in which it operates, as well as macroeconomic factors such as economic growth, inflation, interest rates, foreign exchange, regulatory requirements and initiatives, political and geopolitical uncertainty, market conditions, and litigation and claims that arise in the normal course of business.

The following section describes factors that in the Company's view are material and that could adversely affect the Company's business, financial condition and result of operations. The risks below are not the only risks that may impact the Company. Additional risks not currently known or considered immaterial by the Company at this time may also have a material adverse effect on the Company's future business and operations.

General Macroeconomic Risks

The Company's operations and performance, particularly in the Real Estate and Attractions Divisions, are affected by general economic conditions, including economic activity and economic uncertainty, along with employment rates and foreign exchange rates.

Economic Growth

The Canadian economy was up and down during the year, with growth for the full year ending at an increase of 1.7%[1] which was the slowest pace of annual growth in five years, largely attributed to lower exports, particularly to the United States.

1. Statistics Canada release February 27, 2026: Gross domestic product, income and expenditure, fourth quarter 2025

This results, including the weak fourth quarter of 2025, are consistent with what the Bank of Canada's (BoC) January 2026 Monetary Policy Report[2].

In its April 2026 Monetary Policy Report (MPR)[3], the BoC predicts that that Gross Domestic Product (GDP) will grow by 1.5% in the first quarter of 2026 on the strength of consumer consumption and government investment, partially offset by the continuing weaker exports. The BoC also highlighted that the slow housing market is acting as a drag on GDP growth.

The BoC predicts economic growth of 1.2% in 2026, 1.6% in 2027 and 1.7% in 2028. The BoC referenced the modest increase in business investment and the gradual return of exports as the key drivers to the GDP growth. Inflation is expected to remain close to the 2.0% target throughout the projection timeline, despite the fact that March 2026 saw an inflation rate of 2.4%[4].

In their latest economic forecasts[5] for Canada, many financial institutions are predicting modest economic increases in 2026 of between 1.1% to 1.3%, followed by more substantive growth estimates of 1.4% to 1.7% in 2027 and slightly higher growth of 1.7% to 2.0% in 2028. However, forecasts for the Canadian economy are challenging to predict given the trade policy uncertainty that exists.

In its report, the BoC forecasted that the global economy is expected to grow by around 3.0% over the horizon period, but the BoC does warn of several uncertainties that could material impact its estimate which include trade adjustments due to U.S. tariffs, artificial intelligence-related investments, which are forecasted to be a significant driver of growth, and geopolitical tensions.

Geopolitical and Trade Policy Uncertainty

Geopolitical conditions, including global supply chain disruptions, impacts from the continuing Ukraine-Russia military conflict, military engagements throughout the Middle East region and other evolving geopolitical conditions, may affect the activities of the Company. These impacts could include the cost and/or availability of certain goods that are directly or indirectly part of the Company's supply chain.

Global trade policy, particularly the Canadian-U.S. trade situation, could have a significant impact on the Canadian economy, which may impact the Company's operations. The U.S. has turned more towards protectionism and broader tariffs on most of its trading partners. To illustrate the impacts on Canadian exports, the average tariff at the start of 2025 was 0.1%, but around 5.5% in March 2026. These tariffs, and the continuing trade policy uncertainty, are reducing demand for Canadian exports and causing significant structural changes to the Canadian economy. The formal launch of the Canadian-U.S.- Mexico Agreement (CUSMA) joint review occurred in September 2025, triggering the requirement to meet in July 2026. These negotiations, and the ultimate outcomes, could have significant implications depending on the results. The lead-up to this review has seen significant domestic consultation, policy analysis and review, and positioning, and markets are concerned that there is market risk around this.

Although the Company does not operate outside of Canada, the impacts of geopolitical uncertainty can have a significant, indirect impact on its operations and its financial performance, along with more direct impacts if its shareholder policies change and the Company is required to implement those changes. International policy decisions can also have impacts on the Canadian and local economies. Geopolitical uncertainty risk may create significant uncertainty and volatility, which may include commodity price fluctuations, restrictions on foreign investment in Canada and/or travel restrictions.

Inflation

The inflation rate in Canada has been within the BoC's control range of 1% – 3% for every month of 2025. In March 2026, the rate was 2.4%[6], which was up from 1.8% in February 2026. The primary driver for the increase was energy prices which were 3.9% higher in March 2026 and jumped 13.1% month over month. Previously, the concerns that the Canada-U.S. trade situation, tariffs, retaliatory measures, and other potential actions might have been inflationary, but the concerns have been usurped by the geopolitical conflicts that are having economic and price impacts.

The BoC in its April 2026 MPR forecasted an annual rate of inflation of 2.3% in 2026, 2.1% in 2027 and 2.0% in 2028. Predictions from others indicate inflation in 2026 ranging from 2.0% to 2.5% and then lowering to around 2.0% in 2027 and 2028, respectively.

Unemployment

The March 2026 Canadian unemployment rate reported by Statistics Canada was 6.7%[7], which is consistent with February 2026's rate and slightly lower than the January 2026 rate. During 2025, the unemployment rate slowly increased from where it started at 6.6% in January to a peak of 7.1% in August/September. Since that peak, the trend has reversed and the unemployment rate has been on the decline. In its Labour Survey March 2026 (LFS)[8], Statistics Canada reported that employment changed little from February 2026 with only 14,000 new jobs being created. The largest increases were in other services and natural resources, which were partially offset by decreases in finance, insurance, real estate, rental and leasing.

2. See Bank of Canada's January 2026 Monetary Policy Report
3. See Bank of Canada's April 2026 Monetary Policy Report
4. Statistics Canada Consumer Price Index Portal for March 2026
5. As of May 6, 2026
6. Statistics Canada, Consumer Price Index, March 2026, released April 20, 2026
7. Statistics Canada, Labour force characteristics by province, monthly, seasonally adjusted, released April 10, 2026
8. Statistics Canada, Labour Force Survey, March 2026, released April 10, 2026

In its April MPR, the BoC noted that overall employment growth has slowed since early 2025, primarily in sectors hit hard by U.S. tariffs, while there has also been a decline in population growth.

Of Interest, the Statistics Canada Labour Force Survey (LFS) reported that January year-over-year (YoY) average hourly wages were up 4.7%, the highest growth rate since October 2024, and an increase from the prior month's rate of 3.9% annual wage increase. The LFS suggested that the increase was partially a result of a shift in the composition of employment, rather than a true like-for-like increase. Many are predicting that the unemployment rate will remain consistent with the current rate for 2026; however, the impact of U.S. tariffs could impact the Canadian job market significantly. Among other things, the unemployment rate, and the number of people employed, can impact wage growth and inflation.

Interest Rates

In April 2026[9], the BoC maintained its overnight lending rate (Policy Rate) to 2.25%. Overall, the BoC has decreased its Policy Rate by 275 basis points since June 2024. Most are predicting the BoC maintain its current rate for the remainder of 2026 with the potential for a modest increase. Although high compared to recent historical rates, the current Policy Rate is the lowest since July 2022. Elevated interest rates can significantly impact real estate markets and the tourism industry. Interest rates may also be impacted by U.S. trade policy and political uncertainty.

Real Estate Division Related Risks

Real estate is generally subject to risk, given its nature, with each property being subject to risks depending on its specific nature, location and the development cycle timing. Certain significant expenditures, including property taxes, maintenance costs, insurance costs and related charges, must be made regardless of the economic conditions surrounding the property, but the timing of other significant expenditures is discretionary and can be deferred. As the Company begins to increase its long-term asset portfolio through the construction and operation of rental properties and/or its residential land leases, it will have new opportunities, while being exposed to different risks.

Government Priorities

The Government has been clear that housing, particularly affordable housing, is a priority. The Government formally launched BCH in September 2025. In February 2026, the Government tabled legislation for BCH, the BCH Act, to establish BCH as a Crown corporation. The purpose of BCH is to promote, support and develop the supply of affordable housing in Canada and to promote innovative and efficient building techniques in the housing construction sector in Canada.

Whether it is new programs and initiatives like BCH, providing additional financing and funding sources to supporting housing, such as the Canadian Housing Infrastructure Fund, providing GST/HST relief for qualifying new homes, introducing new immigration pathways to boost the construction workforce to add labour, stimulating innovative housing development, such as pre-fabrication and/or modular, leveraging off existing programs and tools, or streamlining processes, such as the launch of the Housing Design Catalogue, the Government has committed to the priority of making housing more affordable and delivering housing faster. The Government further reinforced this commitment with Budget 2025 and the investments proposed to support housing, particularly affordable housing. The Company, with a sizable land portfolio, is ready to enable housing, including significant affordable housing, and is positioned to deliver housing quickly. In addition, the Company's pipeline of future properties is a great opportunity for additional mixed-use community development and reintegration.

Housing

Housing availability, and specifically affordable housing, are significant issues facing Canada currently. The imbalance between supply and demand has led to elevated prices, while higher interest rates impact project viability and housing affordability.

Housing supply, particularly the type of supply needed to align with local incomes, has not kept up with demand. Although lower interest rates may help facilitate an increase in housing supply, the BoC notes that the amount of available land for new homes, zoning restrictions and a lack of skilled labour continue to be constraints on the supply side. Many in the industry have suggested that municipalities haven't kept up, as they continue to have outdated policies and lengthy permitting and rezoning processes, which increase time and costs for developers and builders. In addition, development charges, which are typically paid upfront by developers have increased significantly over the past few years, adding to the challenges to deliver housing, specifically affordable housing.

In its Housing Starts announcement in March[10], the CMHC reported that the six-month housing starts trend in March decreased by 2.9% to 248,378. The annual housing start amounts continue to be below the CMHC longer term outlook which estimates that closer to 500,000 new units are needed annually to meet projected demand and restore affordability[11].

In its Housing Market Outlook 2026[12], CMHC predicts that housing starts will tick back from 2025 levels to 247,000, a decline of 4.6%.

9. April 29, 2026 Policy Rate Announcement
10. Canada Mortgage and Housing Corporation, Housing Starts for March 2026, released April 17, 2026
11. CMHC, Housing Market Information, Canada's housing supply shortages: moving to a new framework, June 2025
12. CMHC, Housing Market Outlook 2026, released February 10, 2026

CMHC attributes higher construction costs for developers and an overall weaker demand, couple of rising inventory levels of unsold units as the drivers for weaker housing starts in 2026. CMHC predicts that nation-wide average home prices will increase by about 2.5% in 2026 compared to 2025, which saw a 1.0% decrease from 2024. CMHC notes that elevated prices compared to income levels, higher carrying costs and the general economic uncertainty are keeping many potential purchasers on the sideline. Home demand is subdued, while rental markets should shift more into balance as new rental supply product hits the market. The Canadian Real Estate Association (CREA) updated its 2026 forecast for home sales in April 2026[13] and anticipates an increase of 1.0% in residential property units transacted, and that the national average home price will increase by 1.5% from 2025. CREA's previous forecast[14] for 2026 was predicted a 5.1% increase in home sales for 2026 and a 2.8% in the average home sales price for 2026. CREA noted that the revised forecast reflects a slower economic start in Canada in the first quarter than what was predicted, inflation uncertainty partially driven by energy prices, and the anticipated pent-up demand not coming to fruition as expected.

The BoC's April MPR observed that housing activity remains subdued over the current horizon, in part due to affordability challenges and substantially inventory build up of certain types of housing in certain markets.

CREA stated in its April 2026 press release[15] that homes sales in March 2026 were consistent with February 2026 and are below the March 2025 levels by 2.3%. CREA stated that home sales activity remains at lower levels, partially driven by global economic uncertainty and a jump in fixed mortgage rates. CREA also noted that the average national inventory on hand was five (5) months, which is just below the 10-year average of approximately 5.1 months. The sales-to-new-listings (SNL) ratio in March 2026 was 48%, which is consistent from a month earlier and below the long-term average of 55%. Typically, 45% to 65% indicates a balanced market, but with additional supply and lower sales volume.

Municipalities, provinces and the Government working together are contributing where they are able to drive more optimal speed and efficiency in building homes faster and more affordably. There is a clear focus on i) supply acceleration through faster approvals and development charge reform; ii) direct public involvement through federal and provincial housing agencies and non-market delivery innovation; and iii) targeted affordability measures through supportive housing, purpose-build rental support, and tax policy through speculation taxes and the GST rebate on new homes.

13. CREA Updates for Resale Housing Market Forecast for 2026 and 2027, released April 16, 2026
14. CREA Updates for Resale Housing Market Forecast for 2026 and 2027, released January 15, 2026
15. CREA press release, April 16, 2026

Overall, the outlook for the Canadian housing sector is one of variability across the country and there are significant risks and uncertainties that are particular to each of the local markets of Vancouver, Edmonton, Calgary, Winnipeg, Toronto, Ottawa, Longueuil, Montréal, Halifax and St. John's, where the Company currently has real estate holdings.

Rental Housing

As the Company prepares to develop more rental housing through BCH, the risks associated with rental properties are even more important to manage.

CMHC published its 2025 Rental Market Report in December 2025 (RMR). The RMR noted that in Canada's largest rental markets, the imbalance from the past few years eased. Strong completions of rental units, coupled with slower population and economic growth were the primary drivers for stabilizing the market. With the increase in supply and lower demand, the vacancy rates for purpose-built rentals rose and pushed up to the 10-year national average. Condominium apartment rental vacancies also increased, but not nearly as much as purpose-built rentals as owners were able to be more flexible on rents. The rents paid by new tenants dropped as landlords had to respond to market conditions to keep vacancy levels low.

In their May 2026 rent report (RR), Rentals.ca and Urbanation reported that the average national asking rent was down in April 2026 by 5.3% compared to a year ago, marking the 18th consecutive month that rents have decreased on an annual basis. The April 2026 asking rents for all property types in Canada fell to a 35-month low. The RR highlighted that purpose-built rents have remained the most stable year over year decreasing only 3.9%, however did see a largest decline month-over-month falling by 1.2%, which may be attributed to the significant amount of product coming online.

Office

The Canadian office market has faced challenges in recent years; however return-to-office initiatives seem to be positively impacting the office market. Colliers, in its Q1 2026 National Market Snapshot (NMS[16]), and CBRE, in its Q1 2026 Canada Office Figures (COF[17]), both reported vacancy decreases. The driver for the vacancy decline was return-to-office mandates for many industries, coupled with near zero office development. This may continue into 2026 as tenants rationalize their space needs in connection with their return-to-office strategy, and some of the conflict on government return-to-office policies plays out in major government centres such as Victoria, Ottawa and Edmonton.

The COF noted that annual net absorption was positive for the third consecutive year. The national office construction pipeline is only 1.6 million square feet at the

16. Colliers Canada, National Market Snapshot, Q1 2026, released April 10, 2026
17. CBRE, Canada Office Figures, Q1 2026, released April 1, 2026

end of Q1 2026, a historic low for Canada. Record low construction starts will be outpaced by conversions and demolitions resulting in continued reduction in supply levels.

Office-to-residential conversions are progressing steadily, with numerous additional projects anticipated in the upcoming quarters and years. COF noted that such conversions remain a significant element in strategies to revitalize downtown areas, with many initiatives currently in the planning phase. Nearly 1.8 million square feet were removed from Canada-wide inventory for office conversion projects in Q1 2026, a quarterly record high. Since 2021, a total of 9.3 million square feet of former office space has been removed from inventory as a result of conversions. Additionally, 2.7 million square feet have been demolished for other property uses within the same period.

Residential Construction Costs

Year over year, construction costs for residential buildings in Canada were 2.8% higher as per Statistics Canada[18]. The sector faced challenges in the first quarter by continued subdued demand, material sourcing constraints, and skilled labour shortages in some trades, many of which have been plaguing the sector for a number of quarters. In Ontario, buyers were hesitant to purchase ahead of the HST rebates, which were announced at the end of March. Similarly in other provinces, buyers were waiting for clarity on GST relief for first time home buyers. Residential construction costs can vary based on the local market factors with some exceeding national averages and others.

Predictions for construction costs in 2026 vary. In Toronto and Vancouver, Altus[19] noted that construction costs are declining, driven by the challenged residential and condominium sectors. Most of the other major cities, are seeing 4% or more increases year-over-year. Demand differences are the largest reason for the difference in Toronto and Vancouver versus the rest of Canada. In addition, metal costs are under pressure as a result of U.S. tariffs and trade uncertainty, while labour shortages remain persistent.

Other Risks

Oil prices can have a significant impact on the Canadian economy, including inflation. Oil prices, particularly the discount on Canadian oil prices, are a major part of the Newfoundland, Saskatchewan and Alberta economies, affecting housing demand through effects on employment and household income. After a period of relative stability, oil prices have dramatically increased since the start of the conflict in the middle east in early March. The benchmark[20] price of oil at the time of writing was U.S.$95/barrel, which has increased from around U.S.$70/barrel at the start of March, and has been as high as U.S.$110/barrel+ over that time. Predictions for 2026 oil prices vary widely based on the uncertainty in the middle east and what assumptions are made around the conflict. The Canadian oil price[21] relative to the benchmark oil price has remained relatively stable over the past number of months; however, potential U.S. tariffs on Canadian energy products, including oil, could impact its price and demand, and the conflicts in the middle east could impact Canada oil prices and demand, as could trade policy and nationalism.

Attractions Division Related Risks

The operations of the CN Tower, OPM, and the MSC are directly linked to the performance of the tourism sector in Toronto and Montréal, respectively. The number of visitors to the CN Tower is also related to the seasons and daily weather conditions.

Travel

Local and domestic demand is a major driver for the strong performance at the CN Tower and MSC. In addition, the CN Tower relies on visitors, particularly U.S. visitors. Statistics Canada's latest reported overnight arrivals for March 2026 reported that for that month, international overnight arrivals[22] to Canada were about 0.5% lower than March 2025. For the month, U.S. residents travel to Canada by air or automobile were up approximately 4.0%, which was the second consecutive month of increase following 12 consecutive months of year-over-year declines. Overseas trips to Canada were also up by 9.3% from the same month a year ago. In its March 2026 release, Statistics Canada[23] reported a 0.7% decrease in non-resident visitors in January 2026 compared to January 2025. U.S. residents entering Canada, regardless of mode, were down just 0.3% compared to the prior year, while residents from all countries other than the U.S. were down 2.1% from a year earlier. For context, the U.S. overnight arrivals represent approximately 77% of the total overnight arrivals year to date. The current political situation between Canada and the U.S., as well as the foreign exchange rate, is impacting the number of U.S. overnight arrivals in 2026.

In its latest quarterly tourism revenue reporting (QTR[24]), Destination Canada (DC) reported that total tourism revenues for Q4 2025 were 2.0% higher than Q4 2024. For the full year (January to December), tourism revenue was 2.5% higher than the full year of 2024 and 127% higher than pre-pandemic levels (2019). The increase in 2025 was driven by both domestic spending (+2.8% from the prior year) as Canadians spent more at home, and also international revenue (+1.5% from the prior year) despite lower international arrivals because of increased spend per international arrival.

DC also issued guidance on Canada's tourism sector for 2026 in April. DC is predicting that tourism spending in 2026 will increase 6.0% year-over-year, which is even higher than its previous projection of 5.4%. The main drivers for the year-over-year increase are Canadian's choosing to travel domestically and the continued growth of overseas markets.

Tourism Employment

Tourism HR Canada (THRC), in its latest labour force survey snapshot for March 2026[25], reported the tourism employment and the labour force contracted slightly in March as compared to February, however both tourism employment and tourism labour force were up compared to the prior year and the pre-pandemic baseline (2019). The total labour force in tourism and tourism employment both fell by 1.8% compared to February 2026, with the recreation and entertainment, travel services, food and beverage, and transportation sectors all being lower, while accommodations was up compared to the prior month.. However, compared to March 2025, both the labour force in tourism and the employment in tourism are higher by 1.2% and 1.0%, respectively, and both are higher than in March 2019 (pre-pandemic).

The unemployment rate in tourism in March 2026 was 6.6%, which is slightly lower than the national Canadian unemployment level. The tourism unemployment rate remained relatively steady with the rate in February 2026.

Foreign Exchange

Foreign exchange rates may impact the number of international tourists that Canada, local markets and the Company's attractions can draw. The rate on May 11, 2026, was U.S.$1.00 = $1.37, which was slightly lower than a month ago, and a couple of cents lower than a year ago. There seems to be a consensus from analysts that the Canadian dollar exchange rate with the U.S. dollar will average between $1.31 and $1.38 for the remainder of 2026; however, the impact of the trading policies and political relationships could bring more volatility to exchange rates, particularly the U.S./Canada rate.

A devalued Canadian dollar against other currencies, particularly the U.S. dollar, does impact CN Tower revenues favourably, due to stronger consumer buying power for U.S. travellers. A devalued Canadian dollar may also discourage local visitors from travelling abroad, opting for "staycations" instead. Conversely, a strong Canadian dollar is likely to have the opposite impact on the CN Tower results.

OPM historically draws more than 80% of its customers from its local market. MSC draws significantly from schools. To continue to draw visitors, OPMC needs to continue to invest in its current attractions and exhibits at OPM and MSC, and to partner with various organizations while developing new exhibits and attractions to refresh its offerings to visitors.

Cybersecurity Risks

Cybersecurity is a key risk that needs to be actively managed by businesses in Canada and around the world. Emerging technologies, such as artificial intelligence (AI) and quantum computing, have the potential to create value, but are also technologies being deployed in more complex cybersecurity attacks, increasing cybersecurity risks. Cyberattacks, and the criminals who perpetrate them, are continually evolving the sophistication of how they target and who they target.

Businesses must protect against financial fraud, the loss of sensitive data, and the disruption of business operations, and ensure the protection, safety, and security of their guests. A significant, successful attack against the Company's critical network infrastructure and supporting system, or on that of the Company's key suppliers, could result in negative consequences, including loss of revenue, litigation, remediation costs, and reputational damage.

The Company has a cybersecurity strategy and a program designed to support that strategy. The Company continues to revise its strategy to ensure that responses to the latest risk assessment are mitigated appropriately. The Company invests in technologies, as well as the education and training of its staff, to safeguard its information, and continually reviews its mitigation strategies to align with industry best practices. As cyber risk and cybercrime continue to evolve, this requires shifts in strategies and investment. The Company continues to invest in new technologies, reinvest in the education and training of staff, and review, with the assistance of third-party experts, its cybersecurity maturity, date loss prevention, risk assessment, disaster recovery, and prevention and detection techniques.

Interest Rate and Financing Risks

The Company believes it has effectively managed its interest rate risk. The Company's notes payable are non-interest bearing, and repayable on the earlier of their due dates between 2026 and 2050 or the dates on which net proceeds become available from the sale by the Company of the properties in respect of which the notes were issued, except in a limited number of instances where the terms of the note state when the issuer can demand payment that is not dependent on property cash flows.

18. Statistics Canada, Building construction price indexes, first quarter 2026, released April 28, 2026
19. Atlus Group, Cost Guide insights, released April 23, 2026
20. WTI Crude, May 10, 2026
21. Western Canadian Select
22. Statistics Canada, Leading indicator of international arrivals to Canada, March 2026, released April 13, 2026
23. Statistics Canada, Travel between Canada and other countries, January 2026, released March23, 2026
24. Destination Canada, Canadian Tourism Data Collective, Tourism Revenue, Q4 2025
25. Tourism HR Canada, Labour Force Survey Snapshot: March 2026, released April 16, 2026

The Company is exposed to interest rate risk on one of its two credit facilities and cash and cash equivalents. Cash and cash equivalents earn interest at the prevailing market interest rates and have limited exposure to interest rate risk due to their short-term nature. Credit facility borrowings bear interest at fixed and variable interest rates. Variable interest borrowings are exposed to interest rate risk. The impact of a change in the interest rate of +/- 1.0% would not be significant to the Company's earnings or cash flow.

The Company's received new borrowing authorities from the Minister of Finance during the year. PDP's borrowing authority was increased to $196.0 for the remainder of 2025/26, with an additional $11.0 increase in the authority authorized for 2026/27. PDP actioned this additional authority with its financial institution to increase its available credit to the maximum authorized by the Minister for 2025/26. For CLC, its existing authorities for $100.0 were extended until March 31, 2028. Subsequent to year-end, with the approval of the Company's latest Corporate Plan, the Company received new borrowing authorities for PDP and CLC which increase is authorization levels to $300.0 million and $150.0 million, respectively. The Company believes that these authorities are sufficient for its current needs and will continue to work with the Minister of Finance and its financial institutions to amend them if required to support strategic priorities and needs.

The Company would be exposed to financing risks if the capital contributions from the shareholder for BCH activities were not aligned with the payments to the contractors/builders. Should the Company be required to make significant payments to its suppliers prior to receiving capital contributions from the shareholder, it may create liquidity challenges for the Company. The Company does not expect this to occur and is taking action to mitigate this situation arising, while also creating additional financial capacity in case it does.

The Company believes that these financing instruments adequately mitigate its exposure to interest rate fluctuations. The Company believes that the repayment terms of its notes, in conjunction with management's estimated cash flows from projects, will adequately provide it with proceeds to discharge the notes on their due dates and repay outstanding credit facilities.

Credit Risk

Credit risk arises from the possibility that tenants and purchasers may experience financial difficulty and be unable to pay the amounts owed under their commitments.

The Company has attempted to reduce the risk of credit loss by limiting its exposure to any one tenant or industry and by performing credit assessments in respect of new leases and credit transactions. Also, this risk is further mitigated by signing long-term leases with varying lease expirations. Credit risk on land sale transactions is mitigated by strong minimum deposit requirements, cash land sales and recourse to the underlying property until the purchaser has satisfied all financial conditions of the sale agreement.

The Company continuously monitors its tenant and trade receivables to identify any arrears amounts and, where applicable, will take appropriate actions to collect past due amounts.

Climate Change

The current and future impacts of climate change present both risks and opportunities. Climate change and the risks associated with it are complicated and often interconnected. Although assessing the economic impacts of climate change is a complex undertaking, with considerable uncertainties surrounding the magnitude of future events and the financial value of those impacts, it is critical to evaluate.

The failure of the Company to effectively assess and manage climate-related risks, in the short-term or long-term, could have a material impact on the Company.

One of the three priorities in Company's ESG Roadmap is climate, and as a result, the Company is taking several actions to actively manage climate change within its attractions, in its real estate projects and corporately. The Company will continue to actively manage climate risk and take the appropriate steps to manage risks and take actions on opportunities, whether from a capital or operating perspective.

Environmental Liability and Regulatory Risks

As the owner of real property, the Company is subject to various federal, provincial and municipal laws relating to environmental matters. Such laws provide that the Company could be liable for the costs of removing certain hazardous substances and remediating certain hazardous locations.

The failure to remove or remediate such substances or locations, if any, could adversely affect the Company's ability to develop or sell such real estate.

The Company is not aware of any material non-compliance with environmental laws at any of its properties, nor is it aware of any investigations or actions pending or anticipated by environmental regulatory authorities in connection with any of its properties, or any pending or anticipated claims related to environmental conditions at its properties.

The Company will continue to make the capital and operating expenditures necessary to ensure that it is compliant with environmental laws and regulations.

Acquisitions

The Company's ability to acquire properties on a timely basis at a fair value is key to achieving a number of the Company's strategic objectives and targets in the short, medium and long-term. The Company is anticipating the acquisition of dozens of properties over the next few years, some at potentially significant acquisition prices.

The Company mitigates the risk through its relationships with various custodians and other stakeholders in the Government and through active policy discussions and involvement regarding improvements to the federal disposal process.

Other Key Risks

Other key risks are change and transformation management, particularly as the Company continues to increase its long-term asset management portfolio through leasing, as well as building and constructing of housing units. As this is a shift, it poses some risk to the Company financially and reputationally. However, the Company mitigates these risks through strong project management, proactive stakeholder engagement and relationship management, external and internal expertise, and short- and long-term financial planning and sensitivity analysis.

Sufficient staffing levels, particularly at the Company's attractions, are key to the Company's operations. Should the Company be unable to attract or retain adequate, skilled staff to meet market demand, this may impact financial results and pose financial and reputational risks. The Company mitigates these risks through a variety of recruitment and retention strategies.

Labour disruptions, particularly at the Company's key attractions, are a financial and reputational risk. The Company mitigates these risks through its labour relations strategies, which include active management and planning.

Physical security at the Company's properties, particularly its attraction sites, is extremely important, particularly given the current global climate and the visibility of the Company's sites.

ESG, and being a good corporate citizen, is an emerging and evolving risk. The failure to adopt an ESG program that is integrated into long-term plans, strategy and business operations and that is focused on material ESG factors management and performance monitoring may result in an inability to meet the Company's stakeholders' expectations.

Inflation, particularly higher input costs in the Company's real estate and attractions, could have a significant impact on project proformas and product costing if these higher costs become entrenched. These risks are mitigated through procurement and purchasing strategies, proactive planning and effective sourcing.

Major suppliers, particularly those that are key to supporting significant elements of the operations, are crucial to running the business. Without those suppliers, operations could be disrupted, posing a variety of significant risks. The Company manages this risk by continuously engaging with these suppliers, ensuring sufficient, appropriate contracting terms in agreements and enforcing those terms, diversifying its suppliers for key business needs, wherever possible, and proactive procurement planning to guarantee continuity of quality service.

Tax liabilities for the Company, particularly as a result of the BCH Act which includes that measures to be taken in relation to the reorganization of Canada Lands Company Limited and any of its subsidiaries, could trigger significant taxes payable by the Company. The Company's strategy to mitigate the risk is to work with BCH, the Government, and third-party experts to structure and sequence transactions, if needed, in ways to reduce or eliminate the tax liabilities to reasonable amounts.

The overall nature of real estate development projects and the Company's attractions is that they are highly visible to the public. The Company's strategy to mitigate the risk of adverse media is to proactively engage with its stakeholders, be responsive and follow established communications protocols.

Guarantees and Contingent Liabilities

The Company may be contingently liable with respect to litigation and claims that arise in the normal course of business. The Company's holdings and potential acquisition of properties from the Government may be impacted by land claims. The Company continues to work with various government agencies and organizations to assist in establishing a process whereby such surplus lands could be transferred to the Company. Disclosure of commitments and contingencies can be found in notes 13 and 14 of the consolidated financial statements for the year ended March 31, 2026.

Related Parties

CLCL is wholly owned by the Government and is under common control with other Government agencies and departments, and Crown corporations. The Company enters into transactions with these entities in the normal course of business.

Significant transactions with related parties during the period were as follows:

Year ended March 31	2026	2025
Rental, leasing and other revenues	**$ 1.8**	$ 0.8
Acquisition of property through non-interest bearing notes (principal amount)	**43.1**	-
Dividend declared and payable to shareholder	**20.0**	-
Dividend paid to shareholder	**-**	11.0

CLCL's Consolidated Statement of Financial Position includes the following balances with related parties:

As at March 31	2026	2025 Restated
Net trade receivable (payable) and other from federal agencies and departments	**$ 0.5**	$ (0.2)
Prepaid rent, deposits, others	**19.6**	20.2
Notes payable	**304.7**	260.1

Task Force on Climate-related Financial Disclosures

The Company is a formal supporter of the Task Force on Climate-related Financial Disclosures (TCFD). In 2022, the Company began adopting the TCFD framework as part of its corporate reporting and planning processes, aligned with the federal Budget 2021 requirement. In addition, the Company strives to support the Government's transition to net-zero carbon and climate-resilient operations by identifying areas of alignment with the Greening Government Strategy, a set of government-approved commitments that apply to all core Government departments and agencies as part of the Government's commitment to reducing absolute scope 1 and scope 2 greenhouse gas (GHG) emissions by 40% by 2025 and by at least 90% below 2005 levels by 2050.

As global GHG emissions continue to rise, the Company recognizes there will be increased physical risks posed to it, society and the communities in which the Company operates. The Company also understands that there are opportunities to mitigate the worst impacts of climate change by acting today. This includes taking action to reduce the Company's GHG emissions, planning and establishing targets, and enhancing the climate resiliency of its operations across divisions while contributing to the transition to a low-carbon economy.

In 2022, the Company began assessing and developing its ESG program, which includes adopting and implementing the TCFD recommendations. As part of its review of material ESG topics, decarbonization, energy management and climate resilience were identified as strategic priorities for the Company and are critical to formalizing its approach to responding to the TCFD recommendations. In 2023, as part of its ESG roadmap, the Company created a climate roadmap, which includes decarbonization and climate resilience.

Governance

As part of the ESG and climate roadmap, a formal governance structure has been established identifying oversight, accountability, ownership and responsibility within the Company.

Climate risk, including climate-related financial disclosures, has been integrated throughout the Company's enterprise risk management (ERM) program and its activities.

As part of the Company's efforts to deliver progress on its ESG roadmap, the Company organized the Climate Working Group in 2024. This group comprises professionals from different business units of the Company who meet frequently to share updates related to climate and stay informed of the Company's projects related to its climate ambitions.

Strategy

The Company recognizes that its failure to effectively assess and manage climate-related risks, in the short- and long-term, could have a material impact on the Company. In addition, the Company recognizes the larger opportunity to act as a leader in embodying the Government's commitments and actions to mitigate the impacts of climate change and accelerate communities towards a low-carbon economy.

Following up on the prior year's activities, which included completing a current state assessment to identify strengths, opportunities and gaps in its response to the TCFD recommendations and benchmark against leading peers, the Company undertook climate scenario analysis to assess climate-related risks and opportunities that could impact its operations and strategic priorities. The analysis was based on three climate scenarios that leveraged global and national models over the short (1–2 years), medium (3–5 years) and long-term (6–10+ years) as summarized below:

Key developments of 2025 are described below:

Paris Aligned

This scenario assumes Canada achieves net-zero emissions by 2050 and its target to reduce GHG emissions 40% below 2005 levels by 2030. Global commitments to decarbonization and mitigation of climate impacts are accelerated, and global average temperature increase is limited to 1.5°C by 2100.

Insufficient Global Action

This scenario assumes Canada achieves net-zero emissions by 2060 and reduces GHG emissions 30% below 2005 levels by 2030. Beginning in 2020, countries act according to their pledges under the Paris Agreement, but efforts are not enough to limit warming to 2°C above pre-industrial levels by 2100. As a result, the average global temperature increase is between 2.5°C and 2.9°C by 2100.

Climate Crisis

This scenario assumes Canada does not achieve its GHG emission reduction commitments and there are limited or no additional constraints on countries globally, aside from policies already in place. As a result, the global average temperature increase is greater than 4°C by 2100.

Through climate scenario analysis, the Company has identified physical and transitional risks and opportunities. The insights from the climate scenario analysis were used to further define climate-related risks and opportunities for the Company in the near and long-term, integrated into its strategic planning processes and ERM program, and will continue to be refined as the Company's climate roadmap is operationalized and further integrated.

Risk Management

Climate change management is identified as a key standalone risk for the Company. This recognizes the potential failure of the Company to effectively manage and mitigate the impacts brought by rising stakeholder and disclosure expectations and changes in global temperatures, precipitation, extreme weather and other impacts of climate change on the Company's operations. Given its potential impact and significant implications on the Company, both in the short- and long-term, the Company recognized it as a key risk. Climate risk considerations have been incorporated into the Company's risk universe as part of the ERM program annual review and update.

In addition, in 2024/25, the Company conducted physical risks assessments across each attraction and real estate property to better understand the physical climate risks that our sites are exposed to. These assessments evaluated various climate-related hazards, including extreme precipitation, flooding, heat, wind, drought and fire, using historical data, which provided projections up to 2050.

The methodology involved leveraging data from an ensemble of global climate models downscaled to a high resolution for Canada. This comprehensive approach allowed us to identify hazards and their potential impacts on our properties.

The results of these climate risks assessments inform the process of developing and implementing climate resiliency plans for our sites in the coming years. In 2025/26, leveraging previous climate risks studies, the Old Port of Montréal conducted the development of a climate risks and mitigation plans, which will be put in place accross years to increase the site's climate resilience. The Pointe-de-Longueuil real estate site in Québec also leveraged existing climate risks studies to develop an extended climate risks assessment which will inform a risks mitigations strategy in the future. These plans aim to enhance the Company's ability to withstand and adapt to physical risks, thus improving operational resilience.

Metrics and Targets

The Company has completed its inaugural company-wide GHG emissions inventory for 2022/23, prioritizing scope 1 and scope 2 emissions based on the GHG Protocol Corporate Standard. The goal of this assessment was to understand the Company's GHG emission footprint across Attractions, Real Estate and Corporate/Shared Services Divisions, and to identify key sources of emissions across the Company. Findings have been used to support the Company's exploration of options to reduce GHG emissions and to evaluate potential GHG emission reduction targets.

Following the completion of the GHG emission inventory, and in compliance with the Greening Government Strategy, the Company has adopted ambitious GHG emissions reduction targets. The decarbonization targets include a 40% reduction in scope 1 and 2 emissions by March 31, 2030, and 70% reduction by March 31, 2040, below the 2022/23 base year. The Company also aims to achieve net-zero emissions by 2050.

The Company has also adopted scope 3 emissions targets:

- 90% of waste generated in operations during construction and demolition by March 31, 2030, 95% by March 31, 2040, and net-zero by 2050.
- Increase the proportion of properties sold designated for net-zero carbon buildings to at least 30% by March 31, 2030, 65% by March 31, 2040, and 100% by 2050.
- All procurement over $1M includes a request for suppliers to identify their scope 1 + 2 GHG emission reduction targets and tracking approach, with evaluation points for that disclosure, by June 30, 2024.

To increase the Company's climate resilience, another adopted target is to have all Attractions and Real Estate sites adopt and implement site-specific climate adaptation plans by March 31, 2030.

Additionally, the Company has joined the Net-Zero Challenge Canada, a government initiative that encourages businesses to develop and implement plans to achieve net-zero emissions by 2050. In Q3 2025, the Net-Zero Challenge Canada recognized that the Company's decarbonation strategy aligned with the Gold participation tier of the Net Zero Challenge. This commitment and recognition further underscore the Company's dedication to sustainability and climate action.

In July 2025, the Company published its 2024/25 Impact report, which followed its first stand-alone ESG report in 2023/24. Both reports align with TCFD requirements. This comprehensive report covered all six of the Company's ESG areas of focus and continued its commitment to transparency and accountability in its ESG efforts.

Future Accounting Pronouncements

I. Amendments to IFRS 9 and IFRS 7
On May 30, 2024, the IASB issued Amendments to the *Classification and Measurement of Financial Instruments* (Amendments to IFRS 9 and IFRS 7) to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 *Financial Instruments*.

The amendments are effective for reporting periods beginning on or after January 1, 2026 and did not have a significant impact on the consolidated financial statements.

II. IFRS 18 Presentation and Disclosures in Financial Statements
On April 9, 2024, the IASB issued IFRS 18 *Presentation and Disclosures in Financial Statements* which will replace IAS 1 Presentation of *Financial Statements*.

The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

This standard is effective for periods beginning on or after January 1, 2027.

The Company is evaluating the impact of this amendment on the consolidated financial statements.

Critical Accounting Estimates

The discussion and analysis of the financial condition and financial performance of the Company is based on the consolidated financial statements, which are prepared in accordance with IFRS. The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, and the reported amounts of revenues and expenses for the periods of the consolidated financial statements.

Judgments, estimates and assumptions are evaluated on an ongoing basis. Estimates are based on independent third-party opinion, historical experience and other assumptions that management believes are reasonable and appropriate in the circumstances. The amounts recorded in the Company's consolidated financial statements are based on the best estimate at the reporting date. Actual results could differ materially from those assumptions and estimates.

Management believes the most critical accounting estimates are as follows:

I. Inventories and Real Estate Development Costs
In determining estimates of net realizable values for its properties, the Company relies on assumptions regarding applicable industry performance and prospects, as well as general business and economic conditions that prevail and that are expected to prevail. Assumptions underlying asset valuations are limited by the availability of reliable comparable data and the uncertainty of predictions concerning future events. Due to the assumptions made in arriving at estimates of net realizable value, such estimates, by nature, are subjective and do not result in a precise determination of asset value.

In arriving at such estimates of net realizable value of the properties, management is required to make assumptions and estimates as to future costs that could be incurred in order to comply with statutory and other requirements. Also, estimates of future development costs are used to allocate current development costs across project phases. Such estimates are, however, subject to change based on agreements with regulatory authorities, changes in laws and regulations, the ultimate use of the property and as new information becomes available.

The Company produces a yearly corporate plan that includes a pro forma analysis of the projects, including expected revenues and projected costs. This analysis is used to determine the cost of sales recorded and net realizable value. This pro forma analysis is reviewed periodically, and when events or circumstances change, and is updated to reflect current information.

II. Measurement of Fair Values
Where the fair values of financial assets, investment properties and financial liabilities as disclosed in the notes to the consolidated financial statements cannot be derived from active markets, they are determined using valuation techniques including discounted cash flow models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required to establish fair values. The judgments include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value. The Company's assessments of fair values of investment properties are regularly reviewed by management with the use of independent property appraisals and internal management information.

The fair values of all financial instruments and investment properties must be classified in fair value hierarchy levels, which are as follows:

Level 1 – Financial instruments are considered Level 1 when valuation can be based on quoted prices in active markets for identical assets or liabilities.

Level 2 – Financial instruments are considered Level 2 when valued using quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or models using inputs that are observable.

Level 3 – Financial instruments are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques, and at least one significant model assumption or input is unobservable.

The critical estimates and assumptions underlying the valuation of financial assets, investment properties and financial liabilities are set out in notes 5 and 21.

III. Useful Lives and Significant Components
The useful lives and residual values of the Company's property, plant and equipment and investment properties are determined by management at the time the asset is acquired and are reviewed annually for appropriateness. The useful lives are based on historical experience with similar assets, as well as anticipation of future events. Management also makes judgments in determining significant components. A component or part of an item of property, plant and equipment or an investment property is considered significant if its allocated cost is material in relation to the total cost of the item. Also, in determining the parts of an item, the Company identifies parts that have varying useful lives or consumption patterns.

IV. Interest Rate on Notes Payable to the Government
Notes payable are issued in consideration of the acquisition of real estate properties and are due to the Government. These notes are payable on the earlier of their due dates or the dates on which net proceeds become available from the sale by the Company of the properties in respect of which the notes were issued, except in a limited number of instances where the terms of the note state when the issuer can demand payment and payment is not dependent on property cash flows. For those notes that do not state when the issuer can demand payment, the repayment schedule is based on the estimated time period and cash flows of the property. The notes are non-interest bearing. The non-interest bearing notes are discounted using an imputed fixed interest rate. The imputed interest is accrued and capitalized to properties or expensed, as appropriate.

V. Impairments and Write-Downs
Management reviews assets annually, as part of the corporate planning process, and when events or circumstances change.

For inventories, a write-down is recorded when the net realizable value of anticipated net sales revenue is less than the sum of the carrying value of the property and its anticipated costs to complete. The net realizable value is based on projections of future cash flows, which take into account the specific development plans for each project and management's best estimate of the most probable set of economic conditions anticipated to prevail in the market.

For other assets, such as investment properties and property, plant and equipment, impairment estimates are made based on an analysis of cash generating units ("CGUs"), as described in note 2.H)II), and are recorded if the recoverable amount of the property is less than the carrying amount. The recoverable amount is the higher of an asset's (or a CGU's) fair value, less costs of disposal and its value in use. The Company estimates the fair value less costs of disposal using the best information available to estimate the amount it could obtain from disposing of the assets in an arm's-length transaction less the estimated cost of disposal. The Company estimates value in use by discounting estimated future cash flows to their present value using a pre-tax rate that reflects current market assessments of the time value of money and the specific risks of the asset. Determination of the present value cash flows requires significant estimates, such as future cash flows and the discount rate applied.

VI. Income Taxes
The Company relies on estimates and assumptions when determining the amount of current and deferred taxes and takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due.

The Company makes significant estimates to evaluate whether it can recover deferred tax assets based on its assessment of estimates of future probability and legal amalgamation of its subsidiaries. The Company's current corporate plan and future profit forecasts are expected to generate sufficient taxable income to recover the deferred tax assets. Historically, the Company has been profitable and has consistently met its corporate plan profit objectives.

VII. Timing of principal payments of notes payable and repayment of long-term receivables
Notes payable are issued as consideration in the acquisition of real estate properties and are due to the Government. These notes are payable on the earlier of their sunset dates or the dates on which net proceeds arise from the sale of the related properties. The Company also has long-term receivables from partners which will be repaid at the earlier of the sale of properties tied to each long-term receivable or their sunset dates. The timing of the net proceeds from the sales of properties are based on projected future cash flow from the pro forma analysis for each real estate project. These pro forma analyses are reviewed periodically, and when events or circumstances change, are updated to reflect current information. The Company adjusts the amortized cost of its notes payables and the gross carrying amount of its long-term receivables to reflect actual and revised contractual cash flows consistent with the Company's most recent pro forma analyses. These adjustments can be significant if there have been significant revisions to the prior year's estimates.

Acquisitions and Prospects

The Company has a land bank of approximately 445 hectares (1,099 acres) at March 31, 2026, including the 28 hectares (68 acres) acquired during the year.

The Company is pursuing with Government departments and agencies further acquisitions of close to 1,635 hectares (4,035 acres) of properties declared surplus. As many of the properties and portfolios potentially available for acquisition are substantial in size, the planning, development and reintegration of these properties into local communities will take place over a number of years. Although the Company is vulnerable to adverse changes in local real estate market conditions, which can affect demand, the Company's geographic diversity mitigates the risk of an adverse impact of a downturn in a single market.

The Company's major residential developments are in St. John's, Dartmouth, Longueuil, Montréal, Toronto, Ottawa, Winnipeg, Edmonton, Calgary and Vancouver. In most of these projects, the Company has interim rental operations that, between them, generate revenue in excess of any holding costs.

The Company's recent sales activities demonstrate that there is ongoing demand for its land holdings and that it can continue to create significant benefits and/or value from its property portfolio, which is diverse as to location, value, size, and current or potential uses.

The Company has estimated net income before tax of $702.4 for the five years ending March 31, 2030, based on the latest approved and publicly available annual corporate plan. The Company expects to continue to be financially self-sufficient while providing both financial benefits in the form of a reliable dividend stream, and non-financial benefits to our stakeholders and to the Government.

Declaration

We, Stéphan Déry, President and Chief Executive Officer, and Matthew Tapscott, Executive Vice President, Finance and Chief Financial Officer, certify that:

We have reviewed the consolidated financial statements of Canada Lands Company Limited for the year ended March 31, 2026.

Based on our knowledge, the consolidated financial statements do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the fiscal period covered by this report; and;

Based on our knowledge, the consolidated financial statements together with the other financial information included in this report fairly present in all material respects the financial position, financial performance and cash flows of Canada Lands Company Limited, as of the date and for the periods presented in this report.

ORIGINAL SIGNED BY:

Stéphan Déry
President and
Chief Executive Officer
Edmonton, Canada
June 26, 2026

Matthew Tapscott
Executive Vice President,
Finance and
Chief Financial Officer

Management's Responsibility for Financial Reporting

The consolidated financial statements of Canada Lands Company Limited (the "Company") have been prepared by management of the Company in accordance with International Financial Reporting Standards.

Management maintains financial and management reporting systems that include appropriate controls to provide reasonable assurance that the Company's assets are safeguarded, to facilitate the preparation of relevant, reliable and timely financial information, and to ensure that transactions are in accordance with Part X of the Financial Administration Act and regulations, the Canada Business Corporations Act, and the articles and by-laws of the Company.

Based on our knowledge, these consolidated financial statements present fairly, in all material respects, the Company's financial position as at March 31, 2026 and March 31, 2025 and its financial performance and cash flows for the years ended March 31, 2026 and 2025.

Where necessary, management uses judgment to make estimates required to ensure fair and consistent presentation of this information.

The Board of Directors of Canada Lands Company Limited is composed of seven directors, none of whom are employees of the Company. The Board of Directors has the responsibility to review the financial statements, as well as oversee management's performance of its financial reporting responsibilities. An Audit and Risk Committee appointed by the Board of Directors of the Company has reviewed these consolidated financial statements with management and has reported to the Board of Directors. The Board of Directors has approved the consolidated financial statements.

All other financial and operating data included in the report are consistent, where appropriate, with information contained in the consolidated financial statements.

ORIGINAL SIGNED BY:

Stéphan Déry
President and
Chief Executive Officer
Edmonton, Canada
June 26, 2026

Matthew Tapscott
Executive Vice President,
Finance and
Chief Financial Officer

Office of the Auditor General of Canada | Bureau du vérificateur général du Canada

Independent Auditor's Report

To the Minister of Infrastructure and Communities

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Canada Lands Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholder's equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the consolidated financial statements, we have audited transactions of Canada Lands Company Limited and its wholly-owned subsidiaries coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are Part X of the *Financial Administration Act* and regulations, the *Canada Business Corporations Act*, the articles and by-laws of Canada Lands Company Limited and its wholly-owned subsidiaries, and the directives issued pursuant to section 89 of the *Financial Administration Act* described in Note 1 to the consolidated financial statements.

In our opinion, the transactions of Canada Lands Company Limited and its wholly-owned subsidiaries that came to our notice during the audit of the consolidated financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Financial Administration Act*, we report that, in our opinion, the accounting principles in IFRS Accounting Standards as issued by the IASB have been applied on a basis consistent with that of the preceding year.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for Canada Lands Company Limited and its wholly-owned subsidiaries' compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable Canada Lands Company Limited and its wholly-owned subsidiaries to comply with the specified authorities.

Auditor's Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the consolidated financial statements are in compliance with the specified authorities referred to above.



Firyal Awada, CPA, CA
Principal
for the Auditor General of Canada

Ottawa, Canada
26 June 2026

Consolidated Financial Statements

Canada Lands Company Limited
Consolidated Statement of Comprehensive Income

For the year ended March 31

Expressed in thousands of Canadian dollars	Note	2026	2025 Restated Note 3(a)
Revenues			
Real estate sales		**$ 86,480**	$ 168,585
Attractions, food, beverage and other hospitality		**129,827**	131,004
Rental operations		**47,798**	45,931
Interest and other		**14,855**	18,004
		278,960	363,524
Expenses			
Real estate development costs		**60,141**	64,039
Attractions, food, beverage and other hospitality costs		**79,973**	83,339
Rental operating costs		**40,194**	29,030
General and administrative		**46,483**	42,870
Impairment, pre-acquisition costs and write-offs	4,6	**2,507**	11,574
Interest and other		**1,113**	1,020
	15	**230,411**	231,872
Income Before Income Taxes		**$ 48,549**	$ 131,652
Deferred income tax expense	18	**3,932**	1,891
Current income tax expense	18	**12,846**	35,463
		16,778	37,354
Net Income and Comprehensive Income		**$ 31,771**	$ 94,298

The accompanying notes are an integral part of the consolidated financial statements.

Canada Lands Company Limited
Consolidated Statement of Financial Position

As at March 31

Expressed in thousands of Canadian dollars	Note	2026	2025 Restated Note 3(a)
Assets			
Non-Current			
Investment properties	5	**$ 51,845**	$ 51,444
Inventories	6	**439,486**	349,534
Property, plant and equipment	4	**162,133**	161,781
Trade receivables and other	10	**19,271**	14,879
Long-term receivables	7	**72,896**	49,493
Deferred taxes	18	**65,024**	68,956
		810,655	696,087
Current			
Inventories	6	**110,385**	95,760
Cash and cash equivalents	8	**264,085**	337,660
Investments	9	**–**	4,500
Trade receivables and other	10	**27,458**	32,544
Current portion of long-term receivables	7	**5,178**	3,158
Current income tax recoverable and other tax assets		**21,089**	–
		428,195	473,622
Total		**$ 1,238,850**	$ 1,169,709

The accompanying notes are an integral part of the consolidated financial statements.

Canada Lands Company Limited
Consolidated Statement of Financial Position (continued)

As at March 31

Expressed in thousands of Canadian dollars	Note	2026	2025 Restated Note 3(a)
Liabilities and Shareholder's Equity			
Liabilities			
Non-Current			
Notes payable	12	**$ 241,875**	$ 205,802
Deferred revenue		**5,968**	5,029
Trade and other payables	13	**1,732**	1,813
Provisions	14	**7,901**	9,757
Prepaid rent, deposits and others		**24,028**	23,357
		281,504	245,758
Current			
Credit facilities	11	**89,700**	71,900
Current portion of notes payable	12	**62,777**	54,263
Trade and other payables	13	**43,365**	41,657
Dividend payable		**20,000**	-
Provisions	14	**10,852**	12,513
Deferred revenue		**2,835**	3,030
Income taxes payable		**-**	21,644
Prepaid rent, deposits and others		**6,102**	9,000
		235,631	214,007
Shareholder's Equity			
Contributed surplus	16	**181,170**	181,170
Retained earnings	16	**540,545**	528,774
		721,715	709,944
Total		**$ 1,238,850**	$ 1,169,709
Credit facilities	11		
Commitments and Contingencies	13, 14		
Leases	17		

On behalf of the Board

Kaye Melliship
Chair of the Board of Directors

Margaret MacDonald
Chair of the Audit and Risk Committee

The accompanying notes are an integral part of the consolidated financial statements.

Canada Lands Company Limited
Consolidated Statement of Changes in Shareholder's Equity

For the year ended March 31

Expressed in thousands of Canadian dollars	Contributed Surplus	Retained Earnings	Total Shareholder's Equity
Beginning balance, April 1, 2024	$ 181,170	$ 445,476	$ 626,646
Change during the year			
Dividend declared	–	(20,000)	(20,000)
Shareholder's advances	–	9,000	9,000
Net income for the year- 2025 Restated - See Note 3(a)	–	94,298	94,298
Ending balance, March 31, 2025 Restated - See Note 3(a)	**$ 181,170**	**$ 528,774**	**$ 709,944**
Change during the year			
Dividend declared and payable	–	(20,000)	(20,000)
Net income for the year	–	31,771	31,771
Ending balance, March 31, 2026	**$ 181,170**	**$ 540,545**	**$ 721,715**

The accompanying notes are an integral part of the consolidated financial statements.

Canada Lands Company Limited
Consolidated Statement of Cash Flows

For the year ended March 31

Expressed in thousands of Canadian dollars	Note	2026	2025 Restated Note 3(a)
Operating activities			
Net income		**$ 31,771**	$ 94,298
Loss on disposal of investment property		**254**	181
Loss on disposal of property, plant and equipment		**7**	48
Interest expense		**1,113**	1,020
Interest paid		**(2,950)**	(3,254)
Interest income		**(10,148)**	(11,397)
Income tax paid		**(55,579)**	(12,989)
Recovery of real estate development costs		**60,141**	64,039
Land sale receivables		**(22,806)**	-
Expenditures on real estate properties		**(68,757)**	(62,495)
Acquisitions of real estate inventory		**(47,385)**	(25,333)
Impairment, pre-acquisition costs and write-offs		**2,507**	11,574
Provisions applied		**(7,077)**	(4,474)
Income tax expense		**16,778**	37,354
Depreciation		**15,377**	13,487
		(86,754)	102,059
Net change in non-cash working capital and other	19	**5,119**	49,191
Cash provided by (used in) operating activities		**$ (81,635)**	$ 151,250

The accompanying notes are an integral part of the consolidated financial statements.

Canada Lands Company Limited
Consolidated Statement of Cash Flows (continued)

For the year ended March 31

Expressed in thousands of Canadian dollars	Note	2026	2025 Restated Note 3(a)
Financing activities			
Dividend paid		**-**	(11,000)
Repayment of notes payable		**-**	(22,946)
Proceeds from credit facilities		**17,800**	16,600
Repayment of credit facilities		**-**	(1,300)
Repayment of lease liabilities		**(844)**	(658)
Cash provided by (used in) financing activities		**$ 16,956**	$ (19,304)
Investing activities			
Interest received		**9,217**	9,808
Expenditures on investment properties		**(3,115)**	(3,797)
Expenditures on property, plant and equipment		**(19,498)**	(23,522)
Redemption of investments		**4,500**	-
Cash used in investing activities		**$ (8,896)**	$ (17,511)
Net increase (decrease) in cash and cash equivalents		**(73,575)**	114,435
Cash and cash equivalents, beginning of year		**337,660**	223,225
Cash and cash equivalents, end of year		**$ 264,085**	$ 337,660
Supplemental cash flows information	19		

The accompanying notes are an integral part of the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2026
Expressed in thousands of Canadian dollars

1. Authority and Activities of CLCL

Canada Lands Company Limited ("CLCL") is an agent Crown corporation, and its sole shareholder is the Government of Canada. Originally named Public Works Lands Company Limited, CLCL was incorporated under the Companies *Act* in 1956 and was continued under the *Canada Business Corporations* Act. It is listed as a parent Crown corporation in Part I of Schedule III to the *Financial Administration Act* ("FAA").

CLCL is the parent company of Canada Lands Company CLC Limited ("CLC"), Parc Downsview Park Inc. ("PDP") and Old Port of Montréal Corporation Inc. ("OPMC"), collectively referred to as the CLCL subsidiaries.

CLCL conducts its real estate business operations through CLC and PDP's development lands, two of its wholly owned subsidiaries. CLCL's mission is to ensure innovative and commercially sound redevelopment and reintegration of surplus Government of Canada ("Government") properties into local communities while developing, retaining and managing certain real estate assets and uniquely Canadian attractions. CLCL conducts its attractions business operations through Canada's National Tower ("CN Tower"), the Old Port of Montréal ("OPM"), the Montréal Science Centre ("MSC") and the park owned by PDP ("Downsview Park").

In December 2014, CLCL was issued a directive (P.C. 2014-1379) pursuant to section 89 of the FAA entitled "Order directing Canada Lands Company Limited to implement pension plan reforms". This directive was intended to ensure that pension plans of Crown corporations that provide a 50:50 current service cost-sharing ratio between employees and employer for pension contributions had been phased in for all members by December 31, 2017. As at December 31, 2017, the Company had fully implemented the requirements of the directive and has remained in compliance with the directive since that date.

In July 2015, CLCL was issued a directive (P.C. 2015-1113) pursuant to section 89 of the FAA.

This directive was to align CLCL's travel, hospitality, conference and event expenditure policies, guidelines and practices with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that was consistent with CLCL's legal obligations and to report on the implementation of this directive in CLCL's next corporate plan. As at March 31, 2016, CLCL had fully implemented the requirements of the directive and has remained in compliance with the directive since that date.

In January 2026, CLCL was issued a directive (P.C. 2026-0016) pursuant to section 89 of the FAA to align its policies, guidelines, and practices with the "Buy Canadian Procurement Policy Framework" ("Framework") and the policy instruments issued under section 6 of that Framework, as amended from time to time, in a manner consistent with its mandate and ensure, if applicable and to the extent possible, that its wholly-owned subsidiaries and subsidiaries within the meaning of Part X of the FAA do the same and to report on the implementation of this directive in the CLCL's next corporate plan. As at March 31, 2026, the CLCL is working to align its policies, guidelines, and practices with the Framework.

The registered office of CLCL and the CLCL Subsidiaries (collectively, the "Company") is 1 University Avenue, Suite 1700, Toronto, Ontario, Canada.

The consolidated financial statements were approved by the Board of Directors of CLCL on June 26, 2026.

2. Summary of Material Accounting Policies

A) Statement of Compliance

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") Accounting Standards as issued by the International Accounting Standards Board ("IASB").

B) Basis of Presentation

CLCL's consolidated financial statements have been prepared on a historical cost basis, except where otherwise indicated. The consolidated financial statements are prepared on a going concern basis and have been presented in Canadian dollars, the Company's functional currency, rounded to the nearest thousand. The accounting policies set out below have been applied consistently in all material respects to all years presented in these consolidated financial statements, unless otherwise stated.

C) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries, which are the entities over which the Company has control. Control exists if the investor possesses power over the investee, has exposure to the variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. The accounts of CLC, PDP and OPMC, wholly owned subsidiaries of CLCL, are consolidated with CLCL's accounts.

The Montréal Science Centre Foundation ("MSCF") is a structured entity that is consolidated, as the Company has concluded that it controls it. The MSCF is a not-for-profit organization founded in 2000. It manages the funds and fundraising activities for the sole benefit of the MSC. The MSCF must remit all funds to OPMC to be used for activities of the MSC.

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it controls the investee.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements that constitute control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Comprehensive Income from the date the Company gains control until the date the Company ceases to control the investee.

When necessary, adjustments are made to investees to bring their accounting policies in line with the Company's accounting policies.

All inter-company transactions, balances, unrealized losses and unrealized gains on transactions between CLCL, its subsidiaries and the foundation noted above have been eliminated.

D) Revenue Recognition

The Company recognizes revenue as follows:

I. Real estate sales

Real estate sales revenue is recognized at the point in time when control over the property has been transferred to the customer. Real estate sales typically only have a single performance obligation. Until this criterion is met, any proceeds received are accounted for as prepaid rent, deposits and other. Revenue is measured based on the transaction price agreed to under the contract.

II. Rental

The Company has retained control of its investment properties and therefore accounts for leases with its tenants as operating leases. The Company also leases certain properties classified as property, plant and equipment ("PPE") to tenants. Revenue recognition under a lease commences when the tenant has a right to use the leased asset. Generally, this occurs on the lease inception date or, where the Company is required to make additions to the property in the form of tenant improvements that enhance the value of the property, upon substantial completion of those improvements. Tenant improvements provided in connection with a lease are recognized as an asset and expensed on a straight-line basis over the term of the lease. The total amount of contractual rent to be received from operating leases is recognized on a straight-line basis over the term of the non-cancellable portion of the leases and any further terms, at the lessee's option, that are reasonably certain to be exercised, for leases in place. A rent receivable, which is included in trade receivables and other, is recorded for the difference between the rental revenue recorded and the contractual amount received.

Rental operating revenue also includes a percentage of participating rents and recoveries of operating expenses, including property taxes. Rental operating expense recoveries are recognized in the period that recoverable costs are chargeable to tenants.

III. Rental from interim activities

In addition to earning rental revenues from leases associated with investment properties, the Company also earns rental revenues from lease arrangements with tenants on certain commercial and residential development properties in inventory. These lease arrangements are generally short-term and renewable on an annual basis and considered interim to the related land development activities. As described in note 2.N)I), the Company has applied judgment in determining whether the commercial and residential development properties from which rental from interim activities is derived are classified and carried as inventory instead of investment property. The revenue recognition policy for the related lease arrangements is consistent with the policy applied in lease arrangements of investment properties, as described in note 2.D)II).

IV. Attractions, food, beverage and other hospitality

Revenues from programming and parking, ticket sales, food and beverage sales, event and concessions sales, hospitality revenues, sports facilities, retail store sales and other revenues are recognized at the point of sale or when services are provided, as appropriate.

E) Pre-Acquisition Costs

Costs incurred related to properties that the Company has no title to or early use agreement for are expensed to the Consolidated Statement of Comprehensive Income as incurred.

F) Properties

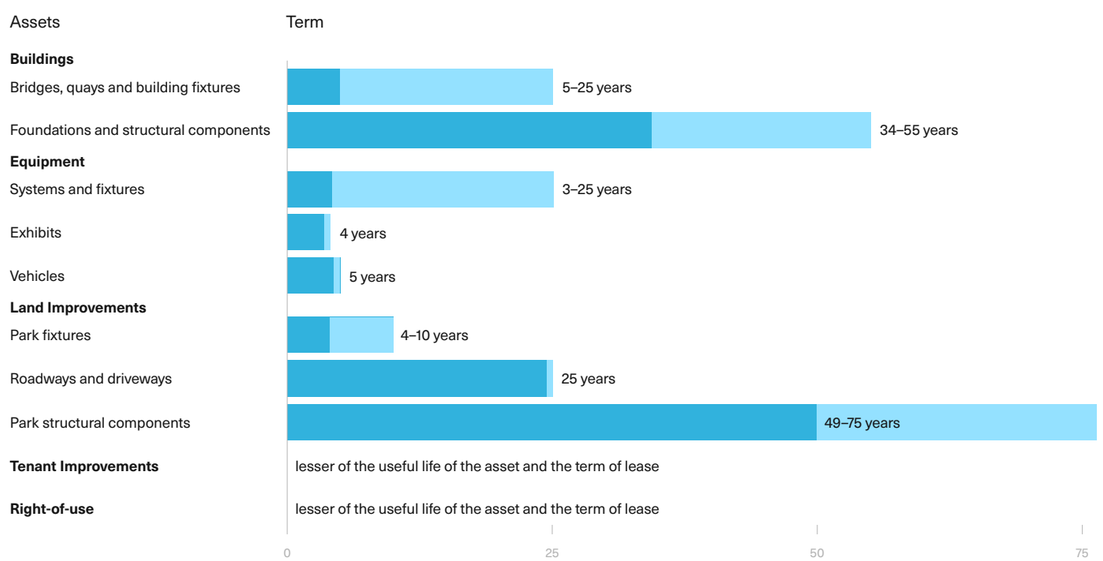
I. Property, plant and equipment
Property, plant and equipment ("PPE") includes properties held for use in the supply of goods and services or for administrative purposes. All PPE is stated at historical cost less depreciation and any impairment. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

The Company has lease obligations for various equipment and office space. The leases vary in length and range for periods of one year up to ten years. The lease contracts contain a wide range of different terms and conditions. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date the leased asset is available for use by the Company. Each lease payment is allocated between the lease liability and finance costs. The right-of-use asset is depreciated over the lesser of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Company's incremental borrowing rate. The right-of-use assets are measured at cost, consisting of the amount of the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognized. All other repairs and maintenance are charged to the Consolidated Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation based on a component approach is calculated using the straight-line method to allocate the cost over the assets' estimated useful lives, or the lesser of the useful life of the asset and the term of the lease as follows:



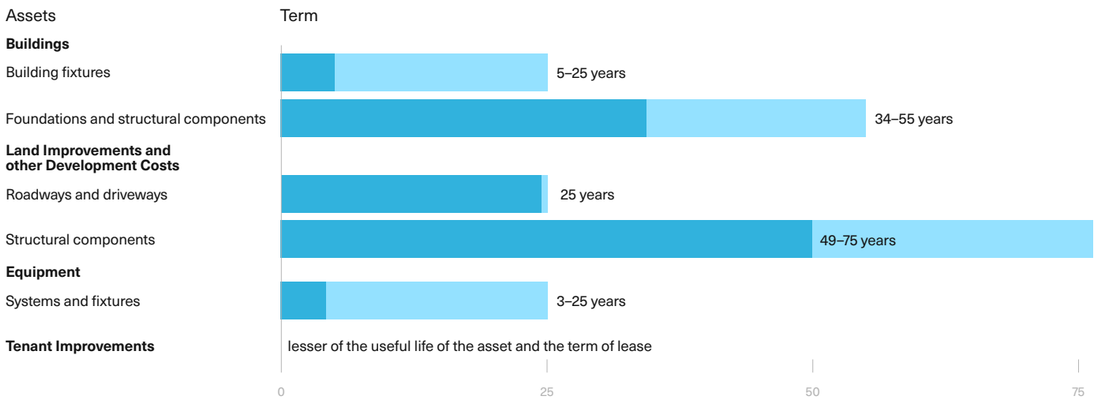
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, on an annual basis.

The Company holds some buildings for dual purposes, where a portion is leased to tenants and the remainder is used by the Company for administrative purposes. When a significant portion is owner-occupied, the Company classifies the property as PPE.

II. Investment properties
Investment properties are properties held by the Company for the primary purpose of obtaining rental income or capital appreciation, or both. Investment properties also include properties that are being constructed or developed for future use as investment properties.

The Company applies the cost model in which investment properties are valued under the same basis as PPE (note 2.F) I)), except where the asset meets the criteria to be classified as held for sale; then the asset is measured in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Depreciation based on a component approach is calculated using the straight-line method to allocate the cost over the assets' estimated useful lives, or the lesser of the useful life of the asset and the term of the lease as follows:



Other development costs include direct expenditures on investment properties. These could include amounts paid to contractors for construction, borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property taxes, construction overhead and other related costs.

From commencement of development until the date of completion, the Company capitalizes direct development costs, realty taxes and borrowing costs that are directly attributable to the project. Also, initial direct leasing costs incurred by the Company in negotiating and arranging tenant leases are added to the carrying amount of the investment property. In management's view, completion occurs upon completion of construction and receipt of all necessary occupancy and other material permits. Depreciation commences upon completion of development.

III. Inventories
Property acquired or being constructed for sale, rather than held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value. Costs are allocated to the saleable acreage of each project or subdivision in proportion to the anticipated revenue or current average cost per acre. Inventories are written down to their net realizable value ("NRV") whenever events or changes in circumstances indicate that their carrying value exceeds their NRV. Write-downs are recognized in the Consolidated Statement of Comprehensive Income. NRV is based on projections of future cash flows, which take into account the specific development plans for each project and management's best estimate of the most probable set of economic conditions anticipated to prevail in the market.

The Company capitalizes all direct expenditures incurred in connection with the acquisition, development and construction of inventory. These include freehold and leasehold rights for land, amounts paid to contractors for construction, borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, property taxes, construction overhead and other related costs. Selling costs such as commissions and marketing programs are expensed when incurred.

The development period commences when expenditures are being incurred and activities necessary to prepare the asset for its intended use are in progress. Capitalization ceases when the asset is ready for its intended use. During the development phase, any rental revenues and associated expenses related to the project are recognized in the Consolidated Statement of Comprehensive Income (note 2.D) III)) during the period. Costs incurred on properties that the Company has no title to or an early use agreement for are expensed to the Consolidated Statement of Comprehensive Income.

The Company classifies its properties as properties under development, properties held for sale or properties held for future development. Properties undergoing active development are classified as "properties under development", whereas properties that have been serviced and are ready for sale, or that the Company intends to sell in their current state without any further significant costs to be incurred, are classified as "properties held for sale". Properties classified as "properties held for future development" are properties where active development has not yet commenced. Costs incurred on properties classified as "properties held for future development" and "properties held for sale" are expensed to the Consolidated Statement of Comprehensive Income as incurred.

Inventories, regardless of the properties' classification, are considered current when they are expected to be sold within the next 12 months and realized as real estate development costs. Inventories that are not expected to be sold in the next 12 months are categorized as non-current. Non-property (i.e., operating) inventories are entirely held by the CN Tower and OPMC, and are included in trade receivables and other in the Consolidated Statement of Financial Position.

G) Interest in Joint Arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures, depending on the contractual rights and obligations of each investor. A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities relating to the arrangement, whereas a joint venture is a joint arrangement whereby the parties that have joint control only have rights to the net assets of the arrangement. When making this assessment, the Company considers the structure of the arrangement, the legal form of any separate vehicles, the contractual terms of the arrangement and other facts and circumstances. The Company evaluates its involvement in each of its joint arrangements individually to determine whether each should be accounted for using joint operation accounting or the equity method, depending on whether the investment is defined as a joint operation or a joint venture.

H) Impairment of Financial and Non-Financial Assets

I. Impairment of financial assets
The Company applies an appropriate impairment model approach for financial assets depending on the category of the financial assets. The impairment models applicable to the Company under IFRS 9 Financial Instruments include the general approach and the simplified approach. The Company uses the simplified approach, which recognizes expected credit losses ("ECLs") based on the lifetime ECLs, for trade receivables and the general approach for other financial assets. The results of the general approach ECL model are used to reduce the carrying amount of the financial asset through an allowance account, and the changes in the measurement of the allowance account are recognized in the Consolidated Statement of Comprehensive Income. If a significant increase in credit risk occurs, IFRS 9 requires the estimate of default to be considered over the entire remaining life of the asset under the general approach ECL model.

II. Impairment of non-financial assets
The Company assesses at each reporting date, whether there is an indication that a non-financial asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount (note 2.F)). An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. When the carrying amount of an asset (or a CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For non-financial assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the recoverable amount of the asset (or the CGU). A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor does it exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in impairment, pre-acquisition costs and write-offs in the Consolidated Statement of Comprehensive Income.

I) Cash and Cash Equivalents and Investments

Cash and cash equivalents and investments may include cash and highly liquid investments such as money market funds and term deposits. Cash and cash equivalents have original maturities at the date of purchase of three months or less and are redeemable at any time. Short-term investments have original maturities at the date of purchase of greater than three months and are redeemable within the next 12 months.

Long-term investments have original maturities at the date of purchase of greater than 12 months.

J) Income Taxes

Income taxes comprise current and deferred taxes. Income taxes are recognized in the Consolidated Statement of Comprehensive Income except to the extent that it relates to items recognized directly in equity.

Current tax is the expected taxes payable or receivable on taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to taxes payable or receivable in respect of previous years.

Deferred taxes are reported using the balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred taxes reported is based on the expected manner of realization or settlement of the carrying amounts of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

K) Financial Instruments

The following summarizes the Company's measurement of financial assets and liabilities:

CLASSIFICATION: LOANS AND RECEIVABLES

Financial assets
Cash and cash equivalents
Investments
Trade receivables and other long-term receivables

Measurement
Amortized cost

CLASSIFICATION: OTHER FINANCIAL LIABILITIES

Financial liabilities
Credit facilities
Notes payable
Trade and other payables

I. Financial assets
Financial assets are classified, at initial recognition, as financial assets at fair value through profit and loss ("FVTPL"), fair value through other comprehensive income ("FVOCI"), or amortized cost. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in interest and other revenue using the effective interest rate ("EIR") method. When the contractual cash flows of a financial asset are modified substantially, this will result in a derecognition of the existing financial asset and recognition of a new financial asset. The gross carrying amount of the new financial asset is measured as the present value of the updated contractual cash flows discounted at the financial asset's effective interest rate at the date of the derecognition. When there has been a revision in estimates of future receipts relating to a financial asset measured at amortized cost, or when the contractual cash flows of a financial asset are modified but the modification is not substantial, the gross carrying amount of the financial asset is measured as the present value of the updated contractual cash flows discounted at the financial asset's original effective interest rate. Any gain or loss arising on derecognition, modification, or remeasurement of gross carrying amount due to revised estimates, is recognized directly in the Consolidated Statement of Comprehensive Income. Impairment losses are recognized in impairment, pre-acquisition costs and write-offs in the Consolidated Statement of Comprehensive Income.

II. Financial liabilities
Financial liabilities are measured at amortized cost or at FVTPL, as appropriate. The financial liabilities measured at amortized cost are initially measured at fair value and, after initial recognition, are subsequently measured at amortized cost using the EIR method.

When the contractual cash flows of a financial liability are modified substantially, this will result in a derecognition of the existing financial liability and recognition of a new financial liability. The gross carrying amount of the new financial liability is measured as the present value of the updated contractual cash flows discounted at the financial liability's effective interest rate at the date of the derecognition. When there has been a revision in the estimate of future payments relating to a financial liability measured at amortized cost, or when the contractual cash flows of a financial liability are modified but the modification is not substantial, the gross carrying amount of the financial liability is measured as the present value of the updated contractual cash flows discounted at the financial liability's original effective interest rate. Any gain or loss on derecognition, modification, or remeasurement of amortized cost due to revised estimates, is recognized directly in the Consolidated Statement of Comprehensive Income, unless it is eligible for capitalisation into Property inventories.

L) Provisions

A provision is a liability of uncertain timing or amount. Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. If the effect of the time value of money is material, the provisions are measured at the present value. The provisions are determined by discounting the expenditures expected to be required to settle the obligation using a pretax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as financing costs.

I. Restoration costs
A provision for environmental restoration obligations in respect of buildings and land containing hazardous materials is recognized to the extent that the Company is obligated to remediate damage previously caused; it is more likely than not that the Company will be required to settle the obligation; an obligation is owed to another party; and a reasonable estimate of the future costs and discount rates can be made. These obligations are recognized in the period they are incurred at the present value of the best estimate of the expenditures required to settle the present obligation, discounted at a risk-free interest rate. Subsequently, at each reporting date, the obligation is adjusted through an unwinding of discount expense, and any changes in the estimated amounts required to settle the obligation and significant changes in the discount rate, inflation and risks. The associated costs are capitalized as part of the carrying value of the related assets.

The Company assesses all of its activities and all of its sites and facilities involving risks to determine potential environmental risks. Sites and facilities considered to represent an environmental risk are fully assessed and corrective measures have been or will be taken, as necessary, to eliminate or mitigate these risks. The ongoing risk management process currently in place enables the Company to examine its activities and properties under normal operating conditions and to follow up on accidents that may occur. Properties that may be contaminated, or any activities or property that may cause contamination, are assessed to determine the nature and extent of the possible contamination and an action plan is developed to comply with remediation requirements, where required.

II. Contingencies
A provision is recognized when management believes there is a present obligation as a result of a past event; it is more likely than not that the Company will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

M) Critical Judgments in Applying Accounting Policies

In the process of applying the Company's accounting policies, management has made the following critical judgments that have the most significant effect on the amounts recognized in the consolidated financial statements:

I. Investment properties
The Company's accounting policies are described in note 2.F) II). In applying these policies, judgments are made for investment properties under development in determining when the property development is completed.

II. Inventories
The Company's policies related to property inventories are described in note 2.F) III). In applying these policies, the Company makes judgments with respect to the classification of certain inventory properties.

III. Leases
The Company's accounting policy on revenue recognition is described in note 2.D) II). With regards to this policy, the Company must consider whether a tenant improvement provided in connection with a lease enhances the value of the leased property in order to determine whether such amounts are treated as additions to investment property. Tenant improvements provided in connection with a lease are recognized as an asset and expensed on a straight-line basis over the term of the lease.

The Company also makes judgments in determining whether certain leases, especially long-term leases in which the tenant occupies all or a majority of the property, are operating or finance leases.

IV. Provisions
The Company's accounting policies related to provisions are described in note 2.L). In applying these policies, the Company makes judgments with respect to the best estimates of probability, timing and measurement of expected value of the potential obligations.

V. Income taxes
The Company is subject to income taxes in numerous Canadian jurisdictions and significant judgment is required in determining the provision for income taxes. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be assessed. Where the final outcome of these tax matters is different from the amounts that were initially recorded, such differences will impact the Company's income tax expense and current and deferred income tax assets and liabilities in the period in which such determinations are made (note 18).

The Company makes significant judgments on the recoverability of deferred tax assets based on expectations of future profitability and tax planning strategies. Changes in the expectations or the inability to implement the tax planning strategies could result in derecognition of the deferred tax assets in future periods.

VI. Control over structured entities
The Company's accounting policy for consolidation is described in note 2.C). The Company assessed whether or not it controlled the MSCF based on whether the Company has the practical ability to direct the relevant activities of the MSCF. In making its judgment, the Company considered the composition of the MSCF Trustees, and the power held by the primary Directors of the MSCF Trustees over the MSCF's relevant activities. After assessment, the Company concluded that, based on the power held by the primary Directors, who are officers or Directors of CLCL, over the relevant activities of the MSCF, the Company does have control over the MSCF.

VII. Joint arrangements
The Company's accounting policy for joint arrangements is described in note 2.G). In applying this policy, the Company makes judgments with respect to whether it has joint control and whether the arrangements are joint operations or joint ventures. In making its judgments, the Company considered the legal structure and whether joint control for decisions over relevant activities exists based on the contractual arrangements. After assessment, the Company has determined that joint control exists, as all decisions over relevant activities require the unanimous consent of both parties. Further, considering the arrangements were not structured through a separate vehicle, the Company decided that all of its joint arrangements are joint operations.

N) Significant Accounting Estimates and Assumptions

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ significantly from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and assumptions that are critical to the determination of the amounts reported in the consolidated financial statements relate to the following:

I. Inventories and real estate development costs
In determining estimates of net realizable values for its properties, the Company relies on assumptions regarding applicable industry performance and prospects, as well as general business and economic conditions that prevail and that are expected to prevail. Assumptions underlying asset valuations are limited by the availability of reliable comparable data and the uncertainty of predictions concerning future events. Due to the assumptions made in arriving at estimates of net realizable value, such estimates, by nature, are subjective and do not result in a precise determination of asset value.

In arriving at such estimates of net realizable value of the properties, management is required to make assumptions and estimates as to future costs that could be incurred in order to comply with statutory and other requirements. Also, estimates of future development costs are used to allocate current development costs across project phases. Such estimates are, however, subject to change based on agreements with regulatory authorities, changes in laws and regulations, the ultimate use of the property and as new information becomes available.

The Company produces a yearly corporate plan that includes a pro forma analysis for each of its real estate projects, including expected revenues and projected costs. These analyses are used to determine the cost of sales recorded and net realizable value at the project level. These pro forma analyses are reviewed periodically, and when events or circumstances change, and are updated to reflect current information.

II. Measurement of fair values
Where the fair values of financial assets, investment properties and financial liabilities as disclosed in the notes to the consolidated financial statements cannot be derived from active markets, they are determined using valuation techniques including discounted cash flow models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required to establish fair values. The judgments include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value. The Company's assessments of fair values of investment properties are regularly reviewed

by management with the use of independent property appraisals and internal management information.

The fair values of all financial instruments and investment properties must be classified in fair value hierarchy levels, which are as follows:

Level 1 – Financial instruments are considered Level 1 when valuation can be based on quoted prices in active markets for identical assets or liabilities.

Level 2 – Financial instruments are considered Level 2 when valued using quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or models using inputs that are observable.

Level 3 – Financial instruments are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques, and at least one significant model assumption or input is unobservable.

The critical estimates and assumptions underlying the valuation of financial assets, investment properties and financial liabilities are set out in notes 5 and 21.

III. Useful lives and significant components
The useful lives and residual values of the Company's PPE and investment properties are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The useful lives are based on historical experience with similar assets, as well as anticipation of future events. Management also makes judgments in determining significant components. A component or part of an item of PPE or an investment property is considered significant if its allocated cost is material in relation to the total cost of the item. Also, in determining the parts of an item, the Company identifies parts that have varying useful lives or consumption patterns.

IV. Interest rate on notes payable to the Government
Notes payable are issued in consideration of the acquisition of real estate properties and are due to the Government. These notes are payable on the earlier of their due dates or the dates on which net proceeds become available from the sale by the Company of the properties in respect of which the notes were issued, except in a limited number of instances where the terms of the note state when the issuer can demand payment and payment is not dependent on property cash flows. For those notes that do not state when the issuer can demand payment, the repayment schedule is based on estimated time period and cash flows of the property. The notes are non-interest bearing. The non-interest bearing notes are discounted using an imputed fixed interest rate. The imputed interest is accrued and capitalized to properties or expensed, as appropriate.

V. Impairments and write-downs
Management reviews assets annually, as part of the corporate planning process, and when events or circumstances change.

For inventories, a write-down is recorded when the net realizable value of anticipated net sales revenue is less than the sum of the carrying value of the property and its anticipated cost to complete. The net realizable value is based on projections of future cash flows, which take into account the specific development plans for each project and management's best estimate of the most probable set of economic conditions anticipated to prevail in the market.

For other assets, such as investment properties and PPE, impairment estimates are made based on an analysis of CGUs, as described in note 2.H) II), and are recorded if the recoverable amount of the property is less than the carrying amount. The recoverable amount is the higher of an asset's (or a CGU's) fair value less costs of disposal and its value in use. The Company estimates the fair value less costs of disposal using the best information available to estimate the amount it could obtain from disposing of the assets in an arm's-length transaction less the estimated cost of disposal. The Company estimates value in use by discounting estimated future cash flows to their present value using a pre-tax rate that reflects current market assessments of the time value of money and the specific risks of the asset. Determination of the present value cash flows requires significant estimates, such as future cash flows and the discount rate applied.

VI. Income taxes
The Company relies on estimates and assumptions when determining the amount of current and deferred taxes and takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due.

The Company makes significant estimates to evaluate whether it can recover deferred tax assets based on its assessment of estimates of future probability and legal amalgamation of its subsidiaries. The Company's currentcorporate plan and future profit forecasts are expected to generate sufficient taxable income to recover the deferred tax assets. Historically, the Company has been profitable and consistently met its corporate plan profit objectives.

VII. Timing of principal payments of notes payable and repayment of long-term receivables
Notes payable are issued as consideration in the acquisition of real estate properties and are due to the Government. These notes are payable on the earlier of their sunset dates or the dates on which net proceeds arise from the sale of the related properties. The Company also has long-term receivables from partners which will be repaid at the earlier of the sale of properties tied to each long-term receivable or their sunset dates. The timing of the net proceeds from the sales of properties are based on projected future cash flow from the pro forma analysis for each real estate project. These pro forma analyses are reviewed periodically, and when events or circumstances change, are updated to reflect current information. The Company adjusts the amortized cost of its notes payables and the gross carrying amount of its long-term receivables to reflect actual and revised contractual cash flows consistent with the Company's most recent pro forma analyses. These adjustments can be significant if there have been significant revisions to the prior year's estimates.

3. Accounting Changes

(a) Restatement of comparative figures
During the current year, the Company reviewed the amortized cost carrying values of its notes payable and long-term receivables and determined that they should have previously been updated to reflect the revised estimated cash flow repayment assumptions included in the Company's most recently approved pro forma analysis for each of its real estate projects. Any necessary adjustments arising from notes payable remeasurements should have caused a corresponding adjustment to inventories where the adjusted notes payable related to the acquisition of properties of the Company. Where the adjusted notes payable related to properties of the Company's partners, remeasurement adjustments should have been recognized to the Consolidated Statement of Comprehensive Income. All notes receivable remeasurements should have caused a corresponding adjustment to the Consolidated Statement of Comprehensive Income.

Accordingly, comparative figures have been restated to reflect the necessary adjustments to the impacted items. The financial impact of this change on previously reported amounts is outlined below:

		March 31, 2025 Previously Reported		Adjustment		April 1, 2025 Restated
Consolidated Statement of Financial Position:						
Non-current assets						
Inventories	$	367,720		(18,186)	$	349,534
Long-term receivables		54,814		(5,321)		49,493
Total assets	**$**	**1,193,216**		**(23,507)**	**$**	**1,169,709**
Non-current liabilities						
Notes payable	$	230,454		(24,652)	$	205,802
Retained Earnings - Closing		527,629		1,145		528,774
Total liabilities and shareholder's equity	**$**	**1,193,216**		**(23,507)**	**$**	**1,169,709**
Consolidated Statement of Comprehensive Income:						
Revenues – Interest and other	$	16,859		1,145	$	18,004
Net Income and Comprehensive Income		93,153		1,145		94,298

In addition, the related comparative figures have been restated in the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Shareholder's Equity, as well as in notes 6 Inventories, 7 Long-Term Receivables, 12 Notes Payable, 18 Income Taxes, 19 Supplemental Cash Flows Information, 21 Fair Value of Financial Instruments, 23 Financial Risk Management and 24 Capital Management.

(b) Future Accounting Pronouncements

I. IFRS 18 Presentation and Disclosures in Financial Statements
On April 9, 2024, the IASB issued IFRS 18 Presentation and Disclosures in Financial Statements which will replace IAS 1 Presentation of Financial Statements. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

This standard is effective for periods beginning on or after January 1, 2027.

II. Amendments to IFRS 9 and IFRS 7
On May 30, 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments. The amendments are effective for reporting periods beginning on or after January 1, 2026.

The Company is evaluating the impact of these amendments on the consolidated financial statements.

4. Property, Plant and Equipment

The Company's PPE consist mainly of the CN Tower, Downsview Park, the MSC and OPM.

The Company has $36.8 million (March 31, 2025 – $33.1 million) of fully depreciated PPE still in use.

The gross carrying amount of PPE assets at March 31, 2026, includes $3.3 million (March 31, 2025 – $3.1 million) of PPE under construction.

Cost or Deemed Cost

	Land	Building	Equipment	Land Improvements	Leasehold Improvements	Building (Right–of–use)	Equipment (Right–of–use)	Total
Balance, March 31, 2024	$ 28,733	$ 190,542	$ 48,618	$ 31,512	$ 2,404	$ 4,694	$ 699	$ 307,202
Additions	–	12,606	7,001	2,115	62	1,720	183	23,687
Disposals	–	(10,736)	(679)	(54)	(111)	–	–	(11,580)
Balance, March 31, 2025	$ 28,733	$ 192,412	$ 54,940	$ 33,573	$ 2,355	$ 6,414	$ 882	$ 319,309
Additions	–	12,885	4,007	1,005	423	312	300	18,932
Disposals	–	(2,514)	(1,108)	–	(187)	(198)	–	(4,007)
Balance, March 31, 2026	**$ 28,733**	**$ 202,783**	**$ 57,839**	**$ 34,578**	**$ 2,591**	**$ 6,528**	**$ 1,182**	**$ 334,234**

Depreciation and Impairment

	Land	Building	Equipment	Land Improvements	Leasehold Improvements	Building (right–of–use)	Equipment (right–of–use)	Total
Balance, March 31, 2024	$ –	$ 92,186	$ 40,671	$ 8,569	$ 1,690	$ 3,346	$ 623	$ 147,085
Depreciation	–	6,836	1,480	2,170	350	627	4	11,467
Disposals	–	(10,736)	(676)	(16)	(104)	–	–	(11,532)
Impairment	–	6,819	3,551	–	–	–	138	10,508
Balance, March 31, 2025	$ –	$ 95,105	$ 45,026	$ 10,723	$ 1,936	$ 3,973	$ 765	$ 157,528
Depreciation	–	7,659	2,718	1,410	373	753	4	12,917
Disposals	–	(2,514)	(1,101)	–	(187)	(198)	–	(4,000)
Impairment	–	4,801	559	–	–	–	296	5,656
Balance, March 31, 2026	**$ –**	**$ 105,051**	**$ 47,202**	**$ 12,133**	**$ 2,122**	**$ 4,528**	**$ 1,065**	**$ 172,101**
Carrying amounts								
At March 31, 2025	$ 28,733	$ 97,307	$ 9,914	$ 22,850	$ 419	$ 2,441	$ 117	$ 161,781
At March 31, 2026	**$ 28,733**	**$ 97,732**	**$ 10,637**	**$ 22,445**	**$ 469**	**$ 2,000**	**$ 117**	**$ 162,133**

The Company assessed the carrying amount of its PPE at March 31, 2026 to determine whether an impairment loss or a reversal should be recorded.

The impairment is assessed at the CGU level and the impairment loss is calculated as the amount equal to the excess of the carrying amount over the recoverable amount. During the year, OPMC recognized a $5.7 million impairment loss (March 31, 2025 – $10.5 million).

The OPMC CGU, where the impairment is being recognized, is considered by management to be all of the OPMC assets, except for the Allan Building, as the cash flows of the OPMC assets or groups of assets are dependent on the OPMC assets and other groups of assets and cannot be individually identified. The OPMC CGU includes public spaces, various piers, parking facilities and the MSC. The Allan Building is considered a corporate asset as it operates as the corporate headquarters for the OPMC and does not have independent cash flows. There were no indications of impairment to the Allan Building.

The recoverable amount of the OPMC CGU is considered to be nominal. The fair value hierarchy level is considered a Level 3. The Company has used the discounted cash flows from the OPMC CGU to determine that the fair value is nominal. The annual operating cash flows from the OPMC CGU assets are negative and are forecasted to be negative for the foreseeable future. In addition, capital investment, which further negatively impacts the cash flows, is required to support the operations and maintain the existing OPMC assets.

The key management assumption in the determination of the fair value is that the foreseeable projected cash flows from the OPMC CGU will continue to be nominal. That assumption is supported by prior year actual results and management's current financial projections for the OPMC CGU into the future. These projected net cash flow assumptions are based on the current OPMC CGU asset uses which management does not expect to change in the foreseeable future.

5. Investment Properties

The Company's investment properties consist primarily of the land at the Rogers Centre, the CN Tower Base, land allocated to long-term leases and the rental properties at PDP.

Included in the Consolidated Statement of Comprehensive Income are the following:

For the year ended March 31	2026	2025
Rental income	**$ 14,960**	$ 14,238
Direct operating expenses from investment property that generated rental income during the year	**9,017**	8,667
Direct operating expenses from investment property that did not generate rental income during the year	**117**	111

Cost or deemed cost

	Land	Building	Tenant Improvements	Land Improvements and Other Development Costs	Equipment	Total
Balance, March 31, 2024	$ 5,413	$ 19,155	$ 11,242	$ 18,514	$ 3,038	$ 57,362
Additions	20,713	1,620	1,500	304	(44)	24,093
Disposals	–	–	(289)	–	–	(289)
Balance, March 31, 2025	$ 26,126	$ 20,775	$ 12,453	$ 18,818	$ 2,994	$ 81,166
Additions	–	752	1,978	377	8	3,115
Disposals	–	(254)	178	(178)	–	(254)
Balance, March 31, 2026	**$ 26,126**	**$ 21,273**	**$ 14,609**	**$ 19,017**	**$ 3,002**	**$ 84,027**

Depreciation and impairment

	Land	Building	Tenant Improvements	Land Improvements and Other Development Costs	Equipment	Total
Balance, March 31, 2024	$ –	$ 12,558	$ 7,546	$ 5,939	$ 2,007	$ 28,050
Depreciation	–	800	355	511	114	1,780
Disposals	–	–	(108)	–	–	(108)
Balance, March 31, 2025	$ –	$ 13,358	$ 7,793	$ 6,450	$ 2,121	$ 29,722
Depreciation	–	979	841	509	131	2,460
Disposals	–	–	–	–	–	–
Balance, March 31, 2026	**$ –**	**$ 14,337**	**$ 8,634**	**$ 6,959**	**$ 2,252**	**$ 32,182**
Carrying amounts						
At March 31, 2025	$ 26,126	$ 7,417	$ 4,660	$ 12,368	$ 873	$ 51,444
At March 31, 2026	**$ 26,126**	**$ 6,936**	**$ 5,975**	**$ 12,058**	**$ 750**	**$ 51,845**

The fair values of investment properties are classified in fair value hierarchy levels (note 2.N)II)) as follows:

Investment Properties				
		Level 1	Level 2	Level 3
	Carrying amount	Fair value		
March 31, 2026	**$ 51,845**	**$ – $**	**65,625**	**$ 115,194**
March 31, 2025	$ 51,444	$ – $	65,625	$ 113,917

The fair value of the investment properties was estimated at March 31, 2026, using a combination of internal valuation techniques and external consultants. All material investment properties have been valued by independent valuators. The external consultants are accredited independent valuators with recognized and relevant professional qualifications and with recent experience in the location and category of the investment property being valued. On a quarterly basis, management reviews the assumptions to update the estimated fair value of the investment properties. In determining fair value, the income and direct comparison approaches were used. The income approach capitalizes net annual revenues or discounts forecasted net revenues to their present value after considering future rental income streams and anticipated operating costs, as well as appropriate capitalization and discount rates. The direct comparison approach references market evidence derived from transactions involving similar properties.

Investment properties valued using the income approach are considered Level 3 given the significance of the unobservable inputs.

The key inputs in the valuation of investment properties using the income approach are:

- Capitalization rate, which is based on the market conditions where the property is located.
- Net operating income, which is normalized and assumes rental income and rental costs using current market conditions.
- Discount rate, reflecting the current market assessment of the uncertainty in the amount and timing of cash flows.
- Discounted cash flows, which consider the location, type and quality of the property and the current market conditions for similar properties.

The direct comparison approach uses observable inputs, and investment properties valued using this approach are considered Level 2, unless there are significant unobservable inputs, in which case they are considered Level 3.

6. Inventories

The Company carries its inventories at the lower of cost and net realizable value, and they are classified as follows:

	March 31, 2026	March 31, 2025 Restated Note 3(a)
Property held for future development	**$ 89,718**	$ 4,772
Property under development	**460,153**	440,522
Total Property Inventories	**$ 549,871**	$ 445,294
Current	**$ 110,385**	$ 95,760
Non-current	**439,486**	349,534
Total Property Inventories	**$ 549,871**	$ 445,294

During the year, the Company acquired five properties for an aggregate amount of $87.1 million, out of which $84.9 are included in Property held for future development.

During the year, the Company partially reversed a prior year impairment on a property in the amount of $7.1 million (March 31, 2025 -$nil).

7. Long-Term Receivables

Long-term receivables consist of the following:

	March 31, 2026	March 31, 2025 Restated Note 3(a)
Receivables from partners (a)	**$ 54,210**	$ 51,630
Land sale receivables (b)	**22,806**	–
Other long-term receivables (c)	**1,058**	1,021
Total	**$ 78,074**	$ 52,651

(a) The long-term receivables from partners represent the partners' proportionate share of the notes payable, which are payable to the Company. The Company is obligated for the full amounts of the notes payable for the Jericho Lands and Heather Street Lands properties (collectively, the Vancouver Lands) and the 299 Carling Avenue property in Ottawa, of which portions are receivable from its partners. The long-term receivables, similar to the notes payable they are related to, are non-interest bearing and have total principal amounts of $58.6 million (March 31, 2025 – $57.6 million), which have been discounted using a weighted average market interest rate of 2.82% (March 31, 2025 – 2.86%). The amounts will be repaid at the earlier of the sale of properties tied to each long-term receivable or the sunset dates in the joint arrangement agreements (see note 22).

(b) During the year, the Company sold three properties in which a portion of the payment of respective purchase prices was through vendor take-back mortgage (VTBs). Each of the VTBs is secured against their respective properties and are interest bearing. Interest on the VTBs range from Prime plus 2% to Prime plus 3%, and interest accrues annually. Two VTBs are payable in full at the earlier of 18 months after closing date or 10 business days after the purchaser secures certain permits and financing commitments as outlined in the agreement of purchase and sale. The third VTB is due in equal annual instalments over the next four years.

(c) Other long-term receivables represent a non-interest bearing promissory note receivable for the remaining balance from a sale of a real estate property in a prior year.

	March 31, 2026	March 31, 2025 Restated Note 3(a)
Current	**$ 5,178**	$ 3,158
Non-current	**72,896**	49,493
Total	**$ 78,074**	$ 52,651

Based on the anticipated timing of sales of real estate properties or the terms of sale, principal repayments are estimated to be as follows:

Years ending March 31	
2027	**$ 5,178**
2028	**16,147**
2029	**18,712**
2030	**42,405**
2031	**–**
Subtotal	**$ 82,442**
Less: amounts representing imputed interest	**4,368**
Total	**$ 78,074**

8. Cash and Cash Equivalents

For the cash and cash equivalent of $264.1 million (March 31, 2025 - $337.7 million), the Company has the following restricted cash and cash equivalents:

$7.8 million (March 31, 2025 – $2.4 million) that are restricted for use as part of the MSC's long-term plan; and

$5.5 million (March 31, 2025 – $8.5 million) that are restricted for use exclusively to fund Federal Budget 2024 initiatives.

As at March 31, 2026, there were no cash equivalents (March 31, 2025 - $nil).

9. Investments

The Company has no investments as at March 31, 2026 (March 31, 2025 – $4.5 million).

10. Trade Receivables and Other

Trade receivables and other consist of the following:

	March 31, 2026	March 31, 2025
Prepaids and others	**$ 9,751**	$ 8,882
Rents and other receivables	**36,978**	38,541
Total	**$ 46,729**	$ 47,423
Current	**$ 27,458**	$ 32,544
Non-current	**19,271**	14,879
Total	**$ 46,729**	$ 47,423

11. Credit Facilities

	March 31, 2026	March 31, 2025
$196 million, unsecured, demand revolving credit facility, bearing interest at rates between 50 basis points and term CORRA rates plus 1.22% per annum, maturing at March 31, 2032 (a)	**$ 89,700**	$ 71,900
$100 million, senior, unsecured revolving credit facility, bearing interest at 45 basis points (b)	**–**	–
Total	**$ 89,700**	$ 71,900
Current	**$ 89,700**	$ 71,900
Non-current	**–**	–
Total	**$ 89,700**	$ 71,900

(a) The credit facility is available to finance the construction and development and secure letters of credit at PDP.

The Company has used the credit facility to secure outstanding letters of credit of $7.4 million (March 31, 2025 – $7.3 million). The remaining unused credit facility is $98.9 million at March 31, 2026 (March 31, 2025 – $20.8 million).

(b) The credit facility is available to secure letters of credit at CLC. The Company has used this credit facility to secure outstanding letters of credit of $29.1 million (March 31, 2025 – $19.6 million). The remaining unused credit facility is $70.9 million (March 31, 2025 – $80.4 million).

The borrowing authority is reviewed in conjunction with the corporate planning process and requires annual approval by the Minister of Finance (note 24).

12. Notes Payable

The notes payable were issued in consideration of the acquisition of real estate properties and are due to the Government. These notes are repayable on the earlier of their due dates (2026 to 2050) or six months after the fiscal year-end of the Company in which net proceeds become available from the sale by the Company of the properties in respect of which the notes were issued. In a limited number of instances, the terms of the note state when the issuer can demand payment and payment is not dependent on property cash flows. For all notes, the Government may elect to defer repayment. The notes are non-interest bearing. For accounting purposes, the face values of the notes payable are discounted and recorded at their fair value considering the estimated timing of note repayments, which are not fixed, as well as an imputed fixed interest rate determined when the notes are issued, with the exception of one note discussed below. The imputed interest is then accrued and capitalized to inventories or expensed as appropriate, on a constant yield basis at a weighted average rate of 2.1% (March 31, 2025 – 2.8%).

Included in the notes payable is a $15 million of deferred purchase price for an acquisition in March 2026, which is non-interest bearing and payable in three equal instalments in March 2029, 2030, 2031 or earlier if a project cash flow surplus is generated.

During the year, the interest capitalized was $1.7 million (March 31, 2025 – $2.1 million) and the interest expensed was $0.7 million ((March 31, 2025 – $0.9 million). Based on the past and anticipated timing of property cash flows, principal repayments are estimated to be as follows:

Years ending March 31		
2027	$	62,777
2028		–
2029		31,917
2030		187,223
2031		21,274
Subsequent years		29,565
Subtotal		332,756
Less: amounts representing imputed interest		28,104
Total	**$**	**304,652**
Current	$	62,777
Non-current		241,875
Total	**$**	**304,652**

Included in the $304.7 million in the table above is a note payable of $19.0 million, which has not been discounted, given the Company applied predecessor accounting values upon obtaining control of PDP in 2012. This note is due to the Government in 2050.

The following table presents the cash flows and non-cash changes for notes payable:

	Cash flows	**Non-cash changes**			
	Repayment	Additions	Accretion	Revaluation	**Total**
Notes payable balance, April 1, 2024					**$ 304,682**
Interest capitalized	–	–	2,067	–	2,067
Interest expensed	–	–	914	–	914
Repayments (cash flow – financing activities)	(22,946)	–	–	–	(22,946)
Revaluation	–	–	–	(24,652)	(24,652)
Notes payable balance, March 31, 2025 Restated Note 3(a)					**$ 260,065**
Interest capitalized	–	–	1,664	–	1,664
Interest expensed	–	–	745	–	745
Additions (note 20)	–	37,691	–	–	37,691
Revaluation	–	–	–	4,487	4,487
Notes payable balance, March 31, 2026					**$ 304,652**

13. Trade and Other Payables

The components of trade and other payables are as follows:

		March 31, 2026		March 31, 2025
Trade Payables	**$**	**42,964**	$	40,876
Leases payable (note 2.F)l))		**2,133**		2,594
Total	**$**	**45,097**	$	43,470
Current	**$**	**43,365**	$	41,657
Non-current		**1,732**		1,813
Total	**$**	**45,097**	$	43,470

Capital and Operating Commitments

I. Commitments related to properties for land servicing requirements and other development costs at March 31, 2026 totalled $87.1 million (March 31, 2025 – $64.6 million).

II. Capital commitments for PPE at March 31, 2026 totalled $4.1 million (March 31, 2025 – $8.8 million).

III. The Company has entered into various contractual agreements for the procurement of goods and services, some of which extend over multiple years. The most significant of these agreements relate to asset maintenance in the Company's attractions division, information technology services, and the management of its rental operations.

The amounts paid under the majority of these agreements are variable and depend on the volume of goods and services delivered.

As at March 31, 2026, the Company has fixed-priced agreements with third parties totalling $8.4 million (March 31, 2025 - $7.9 million).

14. Provisions and Contingent Liabilities

	Cost to complete (a)	Environmental (b)	Total
Balance, March 31, 2025	$ 13,823	8,447	$ 22,270
Provisions added during the year	1,774	4,243	6,017
Provisions applied during the year	(3,735)	(3,342)	(7,077)
Provisions reversed during the year	(442)	(2,015)	(2,457)
Balance, March 31, 2026	**$ 11,420**	**$ 7,333**	**$ 18,753**
Current			$ 10,852
Non-current			7,901
Total			**$ 18,753**

(a) Land servicing cost obligations related to sold properties are in the amount of $11.4 million (March 31, 2025 – $13.8 million). The costs are estimated to be spent over two years. The Company expects no reimbursements (March 31, 2025 - $0.2 million) from local municipalities and regions. The amounts provided for are based on management's best estimate, taking into consideration the nature of the work to be performed, the time required to complete the work, past experience, and market development and construction risks.

(b) Environmental restoration obligations of $7.3 million (March 31, 2025 – $8.4 million) related to real estate projects. These costs are estimated to be spent over two years.

Contingencies

As at March 31, 2026, the Company was involved in claims and proceedings that arise from time to time in the ordinary course of business, including actions with respect to contracts, construction liens, employment and environmental matters. The Company assesses the likelihood of any potential liabilities, to the extent not provided for through insurance, using current information available including legal assessments and other information available, to determine the impact on the consolidated financial statements, Based on the information currently available to the Company, management believes that it is unlikely that any liability arising from claims or proceedings will have a significant effect on these consolidated financial statements. However, these matters are subject to inherent uncertainties and their outcome is difficult to predict; therefore, management's view of these matters may change in the future.

The Company's activities are governed by many federal, provincial and municipal laws and by-laws to ensure sound environmental practices, in particular for the management of emissions, sewage, hazardous materials, waste and soil contamination. Decisions relating to the ownership of real estate assets and any other activity carried on by the Company have an inherent risk relating to environmental responsibility.

The Company assesses all its activities and all of its sites and facilities involving risks to determine potential environmental risks. For the properties that may be significantly contaminated, the Company has assessed the likelihood of settlement as remote. However, the Company has no guarantee that material liabilities and costs relating to environmental issues will not be incurred in the future or that such liabilities and costs will not have significant negative impacts on the Company's financial situation.

15. Expenses by Nature

The nature of expenses in real estate development costs, attractions, food, beverage and other hospitality expenses, rental operating costs, general and administrative, impairment, pre-acquisition costs and write-offs, and interest and other expenses consisted of the following:

For the Year Ended March 31	2026	2025
Cost of inventory, raw material and consumables used	**$ 46,882**	$ 51,287
Payroll and benefits	**72,071**	73,654
Food and beverage costs	**16,629**	17,061
Depreciation	**15,377**	13,247
Professional fees	**15,069**	10,641
Leasing expenses	**13,753**	2,034
Property taxes including PILT	**12,217**	11,751
Utilities	**8,999**	9,371
Building costs	**7,816**	8,727
Marketing and public relations	**5,373**	6,776
Attraction costs	**5,030**	5,191
IT costs	**3,676**	3,290
Office	**2,423**	1,918
Interest	**1,397**	1,237
Commissions	**1,029**	857
Impairment	**(1,428)**	10,507
Other	**4,098**	4,323
Total	**$ 230,411**	$ 231,872

16. Shareholder's Equity

(A) Capital Stock

CLCL is authorized to issue three shares, which shall be transferred only to a person approved by the minister designated as the appropriate Minister for CLCL (the "Minister"). The current Minister is the Minister of Infrastructure and Communities. The three authorized shares have been issued and are held in trust for His Majesty the King in Right of Canada by the Minister. Nominal value has been ascribed to the three issued shares of CLCL.

(B) Contributed Surplus

Contributed surplus is comprised of the net assets of $249.6 million acquired from the Minister of Transport on August 31, 1995, plus the net assets of OPMC and PDP acquired on November 29, 2012, of $36.1 million, less $104.5 million transferred to capital stock. Subsequently, CLC's capital stock was reduced by this amount through payments to its shareholder in accordance with the *Canada Business Corporations* Act during the year 1996 to 2000.

17. Leases

Leases as Lessee

Non-cancellable lease rentals are payable as follows:

The Company has lease obligations for various equipment and office space (note 4). The leases run for periods between one and ten years.

	March 31, 2026	March 31, 2025
Less than 1 year	**$ 1,038**	$ 872
Between 1 and 5 years	**3,284**	1,070
More than 5 years	**3,984**	1,018
Total	**$ 8,306**	$ 2,960

Leases as Lessor

The Company leases out its investment properties, certain inventories and PPE under operating leases with initial lease terms between less than one year and ten years. Some leases have renewal options, with one lease having nine 10-year renewal options. The renewal options of these leases have not been included in the table below.

The future minimum lease payments under non-cancellable leases are as follows:

As part of purchase and sale agreements with a related party, the Company is required to lease housing units at a discount compared to market rates. The leased units generated $0.9 million of rental revenue during the year (March 31, 2025 – $0.8 million). The individual leases are renewed monthly.

During the year, there has been $2.0 million recognized (March 31, 2025 – $2.0 million) in the Consolidated Statement of Comprehensive Income in rental operating revenue with respect to variable lease payments.

	March 31, 2026	March 31, 2025
Less than 1 year	**$ 23,720**	$ 20,029
Between 1 and 5 years	**46,756**	43,282
More than 5 years	**31,313**	34,749
Total	**$ 101,789**	$ 98,060

18. Income Taxes

March 31	**2026**	2025 Restated Note 3(a)
Income tax expense		
Deferred tax expense	**$ 3,932**	$ 1,891
Current income tax expense	**12,846**	35,463
Total tax expense	**16,778**	37,354
Reconciliation of effective tax rate		
Income before income taxes	**48,549**	131,652
Domestic tax rate	**26.3%**	26.3%
Tax expense using the domestic tax rate	**$ 12,773**	$ 34,586
Non-deductible expenses	**45**	43
Change in tax rate	**165**	(154)
Under/(over) provided in prior year	**1,687**	(365)
Impact of Alberta Tax Exemption	**(500)**	(1,375)
Provincial rate differential	**(266)**	(312)
Benefit not recognized	**2,804**	4,807
Other adjustments	**70**	124
Total tax expense	**$ 16,778**	$ 37,354

Current tax expense

March 31	**2026**	2025
Tax recognized in profit or loss		
Current year	**$ 12,407**	$ 36,365
Adjustment in respect of prior years	**439**	(902)
Total current tax expense	**12,846**	35,463
Deferred tax expense		
Origination and reversal of temporary difference	**2,383**	1,601
Adjustment in respect of prior years	**1,243**	528
Reduction in tax rate	**306**	(238)
Total deferred tax expense	**3,932**	1,891
Total tax expense	**$ 16,778**	$ 37,354

Recognized deferred tax assets and liabilities

	Assets		Liabilities		Net	
	2026	2025 Restated Note 3(a)	**2026**	2025 Restated Note 3(a)	**2026**	2025 Restated Note 3(a)
Investment properties and inventories	**$ 62,081**	$ 65,113	**$ –**	$ –	**$ 62,081**	$ 65,113
Property, plant and equipment	**27,907**	23,350	**–**	–	**27,907**	23,350
Investment in Foundation	**–**	–	**(839)**	(763)	**(839)**	(763)
Rent receivable	**–**	–	**(189)**	(176)	**(189)**	(176)
Non-capital losses	**38,133**	39,107	**–**	–	**38,133**	39,107
Lease incentives	**–**	–	**(258)**	(260)	**(258)**	(260)
Notes payable	**–**	–	**(6,760)**	(7,243)	**(6,760)**	(7,243)
Accounts payable, accrued liabilities and provision	**–**	27	**(1,607)**	–	**(1,607)**	27
Notes receivable	**1,112**	1,355	**–**	–	**1,112**	1,355
Capital lease	**534**	**660**	**–**	–	**534**	660
Other	**798**	870	**–**	–	**798**	870
	$ 130,565	$ 130,482	**$ (9,653)**	$ (8,442)	**$ 120,912**	$ 122,040
Benefit not recognized	**(55,888)**	(53,084)	**–**	–	**(55,888)**	(53,084)
Total	**$ 74,677**	$ 77,398	**$ (9,653)**	$ (8,442)	**$ 65,024**	$ 68,956

	Balance April 1, 2025 Restated - See Note 3(a)	Deferred Tax Asset Acquired in the Year	Recognized In Profit or Loss	Balance March 31, 2026
Investment properties and inventories	$ 65,113	$ –	$ (3,032)	**$ 62,081**
Property, plant and equipment	23,350	–	4,557	**27,907**
Investment in Foundation	(763)	–	(76)	**(839)**
Rent receivable	(176)	–	(13)	**(189)**
Non-capital losses	39,107	–	(974)	**38,133**
Lease incentives	(260)	–	1	**(259)**
Notes payable	(7,243)	–	483	**(6,760)**
Accounts payable, accrued liabilities and provision	27	–	(1,634)	**(1,607)**
Notes receivable	1,355	–	(242)	**1,113**
Capital lease	660	–	(126)	**534**
Other	870	–	(72)	**798**
	$ 122,040	$ –	$ (1,128)	**$ 120,912**
Benefit not recognized	(53,084)	–	(2,804)	**(55,888)**
Total	$ 68,956	$ –	$ (3,932)	**$ 65,024**

The net deferred tax asset recognized with respect to PDP is $51.2 million (March 31, 2026 - $50.5 million). The deferred tax asset has been recognized on the basis that there is sufficient projected taxable income.

Management has determined that it is not probable that the deferred tax assets of OPMC will be utilized in the foreseeable future. Therefore, the deferred tax balance has been reduced by the benefit not recognized.

The gross temporary differences for which no deferred tax asset is reported is $210.9 million (March 31, 2025 – $195.7 million). Included in this amount is $139.4 million (March 31, 2025 – $144.0 million) related to unused tax losses that will start to expire in 2033.

Operating losses are expected to expire:

Year of expiry	Non-capital loss	OPMC	PDP	CLC
2033 – 2037	$ 21,929	$ 21,929	$ –	$ –
2038 – 2046	121,971	117,509	4,462	–
Total	**$ 143,900**	**$ 139,438**	**$ 4,462**	**$ –**

19. Supplemental Cash Flows Information

Supplemental Information

The components of the changes to non-cash working capital and other under operating activities include:

For the Year ended March 31		2026		2025 Restated Note 3(a)
Increase (decrease) in cash from changes to				
Trade receivables and other	**$**	**1,624**	$	6,532
Long-term receivables		**(1,471)**		6,930
Trade and other payables		**1,573**		9,714
Provisions		**3,560**		3,275
Notes payable		**1,316**		816
Deferred revenue		**744**		(1,510)
Prepaid rent, deposits and others		**(2,227)**		23,434
Total	**$**	**5,119**	$	49,191

There were non-cash increases in notes payable (see note 12), which have been excluded from the financing and investing activities in the Consolidated Statement of Cash Flows.

There were no non-cash increases in the provision related to inventory excluded from operating activities in the Consolidated Statement of Cash Flows (March 31, 2025 - $12.0 million).

There were non-cash increases of $3.7 million in the notes payable and inventory excluded from operating activities in the Consolidated Statement of Cash Flows (March 31, 2025 - $18.2 million decrease).

20. Related Party Transactions and Balances

CLCL is wholly owned by the Government and is under common control with other government departments and agencies, and Crown corporations. The Company enters into transactions with these entities in the normal course of business.

Significant balances with related parties are as follows:

I. The Company enters in agreements of purchase and sale with related parties to acquire real estate properties in exchange for notes payable. During the year, the Company acquired real estate properties from related parties of $30.1 million (March 31, 2025 – $nil), settled through notes payable. In addition, the Company acquired a property from a related party for $20.0 million for which no note payable was issued; however, repayment terms for the remainder of the purchase price not paid on closing were stipulated in the purchase agreement. The remainder of the purchase price payable in future years is non-interest bearing. The Company also acquired a property from related party for cash consideration of $2.2 million.

Notes payable to the Government are non-interest bearing (note 12) and are repayable on the earlier of their due dates or six months after the fiscal year-end of the Company in which net proceeds become available from the sale by the Company of the properties in respect of which the notes were issued, except in a limited number of instances where the terms of the notes state when the issuer can demand payment and payment is not dependent on property cash flows. The Company made no payments on its notes payable to related parties during the year (March 31, 2025 – $22.9 million).

In addition, The Company has a profit-sharing obligation in the amount of $0.4 million (March 31, 2025 – $0.4 million) to a related party for a property sold in a previous year.

II. The Company has $0.5 million receivables from federal departments and agencies (March 31, 2025 – $0.2 million payable).

III. The Company has entered into various agreements with a federal department regarding the potential redevelopment of three properties in Ottawa (collectively the “Collaboration Properties”) that the federal department currently owns. As part of the agreements, the Company is funding certain costs for the Collaboration Properties that are recoverable from the federal department under certain circumstances. The Company has recorded these costs of $11.6 million (March 31, 2025 – $8.7 million) in Trade Receivables and Other assets on the Consolidated Statement of Financial Position.

IV. The Company has entered into long-term lease agreements with various developers to lease parcels of land for the development and construction of housing units. As part of the Federal Lands Initiative led by the Canada Mortgage Housing Corporation (CMHC), the Company recognized $19.6 million (March 31, 2025 – $20.2 million) from CMHC which represents an upfront payment for the leasehold interest of the housing units on behalf of developers. This amount is a forgivable loan between CMHC and the developers to facilitate the acquisition of the leasehold interest from the Company. These funds have been recorded in Prepaid Rents Deposits and Other on the Consolidated Statement of Financial Position.

Significant transactions with related parties are as follows:

I. During the year, the Company declared a dividend of $20.0 million (March 31, 2025 – $11.0 million) to its shareholder, the Government.

II. During the year, the Company did not make any real estate land sales to related parties (March 31, 2025 – $nil).

III. During the year, the Company received various rental and other revenues from federal departments and agencies in the amount of $1.8 million (March 31, 2025 – $0.8 million), mainly from leases with the Department of National Defence and Public Services and Procurement Canada.

IV. Key management personnel compensation, which includes the Company’s senior management team and the Board of Directors, is described in the following table:

Key management personnel compensation

For the year ended March 31		2026		2025
Short-term benefits (1)	**$**	**5,840**	$	5,476
Post-employment benefits (2)		**217**		197
Total	**$**	**6,057**	$	5,673

(1) Short-term benefits include salaries, incentive compensation, health benefits, and other benefits for current employees.
(2) Post-employment benefits include contributions to pension plans.

21. Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, short-term investments, current trade receivables and other, current trade and other payables, dividend payable, deposits and others approximate their fair value due to the short-term maturities.

The Company has valued its long-term receivables by discounting the cash flows using the current market rate of borrowing plus a credit risk factor for its customers and partners, except for the long-term receivable from its third-party partners which, due to the nature of the joint arrangement, has been discounted at current yields on government bonds plus project risk.

The Company has valued its non-current financial liabilities by discounting the cash flows at current yields on government bonds plus a discount factor for the Company's credit risk.

There has not been any change in the valuation technique for financial instruments during the year.

The carrying values and fair values of the Company's financial instruments are summarized using the fair value hierarchy (note 2) in the following table:

Carrying values and fair values

As at March 31, 2026			Level 1	Level 2	Level 3
Classification	**Carrying Amount**		**Fair Value**		
Financial assets					
Long-term receivables	$	78,074	$ –	$ 75,531	$ –
Financial liabilities					
Notes payable		304,652	–	295,253	–
Credit facilities		89,700	–	89,700	–

As at March 31, 2025 Restated - See Note 3(a)			Level 1	Level 2	Level 3
Classification	**Carrying Amount**		**Fair Value**		
Financial assets					
Long-term receivables	$	52,651	$ –	$ 51,776	$ –
Financial liabilities					
Notes payable		260,065	–	253,553	–
Credit facilities		71,900	–	71,900	–

22. Joint Arrangements

The Company has entered into a number of joint arrangements for the land development of properties. The Company has assessed each joint arrangement individually and concluded that, based on the terms and structure of the contractual arrangements, each joint arrangement is a joint operation. The Company recognizes its proportionate share of the assets, liabilities, revenues and expenses for these properties in the respective lines in the consolidated financial statements.

The following is a list of the Company's joint arrangements:

In May 2013, the Company entered into a land development agreement for a portion of CLC's Currie project in Calgary that is jointly controlled with a third party named Embassy Bosa Inc (Bosa). The Company has determined that the joint arrangement is a joint operation based on the terms and structure of the contractual arrangement, which requires unanimous approval from the Company and the third party with regards to relevant activities of the property.

In September 2024, the Company acquired from Bosa their 50% ownership interest, in CLC Bosa joint arrangement, resulting in the wind-up of the joint arrangement .

299 Carling Avenue

Ottawa, ON
Land Development

Ownership Interest

March 31, 2026	March 31, 2025
66.7%	66.7%

In February 2017, the Company entered into a land development agreement for a property in Ottawa, with a third-party partner named the Algonquins of Ontario Opportunities. The land development agreement is jointly controlled by the Company and the third-party partner. The Company has determined that the joint arrangement is a joint operation based on the terms and structure of the contractual agreement, which requires unanimous approval from the Company and the third-party partners regarding decisions over all relevant activities of the property. The purchase of the Ottawa land was financed through a non-interest bearing promissory note issued by the Company. The Company is responsible for the full repayment of the promissory note on the earlier of its due date or six months after the fiscal year-end of the Company when net proceeds become available from the property. This promissory note will be partially funded by the third-party partner's proportionate share of the notes payable, which is reflected as a long-term receivable (see note 7).

During the year, the joint arrangement sold the property to a third party, partially through a VTB. The joint arrangement continues to operate to collect the VTB and complete post-closing obligations.

Vancouver Lands

Vancouver, BC
Land Development

Jericho Lands

Heather Street Lands

Ownership Interest

	March 31, 2026	March 31, 2025
Jericho Lands	50%	50%
Heather Street Lands	50%	50%

In September 2014, the Company entered into separate land development agreements (Jericho Lands and Heather Street Lands, collectively known as the Vancouver Lands) for properties in Vancouver, with the same third-party partners (the Musqueam Indian Band, the Squamish Nation and the Tsleil-Waututh Nation).The land development agreements are jointly controlled by the Company and the third-party partners. The Company has determined that each of the joint arrangements is a joint operation based on the terms and structure of the contractual arrangements, which require unanimous approval from the Company and the third-party partners regarding decisions over all relevant activities of the properties. The purchase of the Vancouver Lands was financed through non-interest bearing promissory notes issued by the Company. The Company is responsible for the full repayment of the promissory notes on the earlier of their due dates or six months after the fiscal year-end of the Company when net proceeds become available from the respective property. These promissory notes will be partially funded by the third-party partners' proportionate share of the notes payable, which is reflected as a long-term receivable (see note 7). Under the Vancouver Lands' joint arrangement agreements, the third-party partners' long-term receivable amounts will be repaid at the earlier of the sale of properties tied to each long-term receivable or the sunset dates in the joint arrangement agreements, which are similar to the terms of the notes payable.

In March 2025, the Company sold 67% of its beneficial interest in the land in the Heather Street Lands joint operations (Heather Street Lands) to its third-party partners. As a result, the land associated with this sale is no longer within the Heather Street Lands. The remaining land continues to be jointly operated by the Company and the third-party partners.

The following amounts included in these consolidated financial statements represent the Company's proportionate share of the assets and liabilities of its joint arrangement interests as at March 31, 2026, and the results of operations and cash flows from April 1, 2025 to March 31, 2026:

	Jericho		Heather Street		299 Carling Avenue		Total	
As at March 31	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
Assets	**$ 93,457**	$ 92,701	**$ 5,489**	$ 4,901	**$ 11,227**	$ 8,312	**$ 110,173**	$ 105,914
Liabilities*	**117,042**	115,978	**28,283**	27,867	**1,217**	2,340	**146,542**	146,185
For the year ended March 31	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
Revenues	**1,310**	1,361	**109**	307	**14,258**	215	**15,677**	1,883
Expenses	**1,256**	1,351	**(4)**	566	**9,014**	268	**10,266**	2,185
Net income (loss)	**54**	10	**113**	(259)	**5,244**	(53)	**5,411**	(302)
Cash flow provided by (used in) operating activities	**(425)**	389	**(346)**	39	**2,407**	(136)	**1,636**	292
Cash flow used in financing activities	**–**	–	**–**	–	**–**	(2,867)	**–**	(2,867)

* Liabilities include the Company's obligation for the notes payable to finance the acquisition of inventory, net of the long-term receivable from its partners for their proportionate share of the notes payable funded through future project cash flows (note 7).

The Company is currently providing funding as the project manager to all joint arrangements.

For the Jericho Lands and Heather Street Lands, the repayment of the partners' share of project costs incurred up to March 31, 2020 are at the earlier of the sale of each of the properties that the project costs relate to or the sunset dates in the joint arrangement agreements. For project costs incurred after March 31, 2020, repayment of the partners' share will occur monthly.

For 299 Carling Avenue, the repayment of the partner's share of project costs is from joint arrangement cash flows.

The Company's proportionate share for commitments related to properties for land servicing requirements and other development costs for the joint arrangements at March 31, 2026 totalled $0.8 million (March 31, 2025 – $1.1 million) and are included in the commitments related to properties in note 13.

23. Financial Risk Management

A) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

As at March 31, 2026	Due By March 31, 2027	Thereafter	Total
Credit facilities (note 11)	$ 89,700	$ –	$ 89,700
Notes payable (note 12)	62,777	269,979	332,756
Trade and other payables (note 13)	43,365	1,732	45,097
	$ 195,842	**$ 271,711**	**$ 467,553**

As at March 31, 2025	Due By March 31, 2026	Thereafter	Total
Credit facilities (note 11)	$ 71,900	$ –	$ 71,900
Notes payable (note 12)	54,263	235,399	289,662
Trade and other payables (note 13)	41,657	1,813	43,470
	$ 167,820	**$ 237,212**	**$ 405,032**

The Company manages its liquidity risk by forecasting and managing cash flows from operations and anticipating capital expenditures and financing activities. The Company also manages its cash flow by maintaining sufficient cash balances to meet current obligations and investing surplus cash in low-risk bank investments.

The Company has notes payable that are owed to its shareholder and under the related agreements, the notes are not due until positive cash flows are achieved from the properties by which they are secured, except in a limited number of instances where the terms of the note state when the issuer can demand payment and payment is not dependent on property cash flows (note 12).

The Company has borrowing authorities from the Minister of Finance of $296 million (March 31, 2025 – $200 million). CLC's borrowing authority of $100 million expires on March 31, 2028, and PDP's borrowing authority of $196 million increases to $205 million after March 31, 2026. The Company's borrowing authorities are reviewed annually as part of the corporate planning process or through alternative processes, as required. The Company has $296 million of credit facilities available, of which $169.7 million was unused at March 31, 2026 (March 31, 2025 – $101.2 million). CLC's credit facility does not have a maturity date, whereas the PDP credit facility matures on March 31, 2032.

Accounts payable are primarily due within 90 days. The repayment terms for credit facilities and notes payable are disclosed in notes 11 and 12, respectively.

B) Market Risk

Market risk is the risk that the fair values of financial instruments will fluctuate because of changes in market prices and includes currency and interest rate risk.

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign currency exchange rates. The Company has little exposure to currency risk.

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its credit facilities, investments and cash and cash equivalents, which are based on variable rates of interest. The credit facilities are used to finance the development of lands and guarantee the Company's letters of credit. A change in interest rates would not have had a significant impact on net earnings or comprehensive income in the current year. Cash and cash equivalents have limited exposure to interest rate risk due to their short-term nature. The impact of a change in interest rate of +/-1% would not be significant to the Consolidated Statement of Comprehensive Income.

Financial assets and financial liabilities that bear interest at fixed rates are subject to fair value interest rate risk. The Company measures these at amortized cost; therefore, a change in interest rates at the reporting date would not affect net income with respect to these fixed rate instruments.

C) Credit Risk

The Company's credit risk arises from the possibility that tenants may experience financial difficulty and be unable to pay the amounts owing under their commitments. For long-term receivables from partners, payments are made from the cash flows of the joint arrangements. The fair values of the partners' project assets are significantly higher than the amount of the long-term receivables at March 31, 2026, owed to the Company.

The Company attempts to reduce the risk of credit loss by limiting its exposure to any one tenant or industry and by performing credit assessments in respect of new leases or credit transactions. Also, this risk is further mitigated by signing long-term leases with varying lease expirations and obtaining security deposits from tenants.

The Company's maximum exposure to credit risk is limited to the carrying value of trade receivables and other, long-term receivables, current investments, and cash and cash equivalents.

The Company's receivables of $37.0 million (March 31, 2025 – $38.5 million) are comprised primarily of current balances owing. The Company performs monthly reviews of its receivables and establishes an appropriate provision using the expected credit loss model.

The Company's long-term receivables of $78.1 million (March 31, 2025 Restated - See Note 3(a) – $52.7 million) are comprised of $54.2 million (March 31, 2025 Restated - See Note 3(a) – $51.6 million) of receivables from partners, $22.8 million VTB related to sales of real estate properties (March 31, 2025 – $nil) and $1.1 million (March 31, 2025 – $1.0 million) of long-term receivables from a sale of real estate property in a prior year. The Company reviews the receivables from partners and other long-term receivables on a quarterly basis to determine if provisions are required.

The Company's cash and cash equivalents and investments, including deposits of $264.1 million (March 31, 2025 – $342.2 million), are held with major financial institutions that are rated AA by a recognized credit agency. The Company does not expect any related counterparties to fail to meet their obligations.

24. Capital Management

The Company's objective when managing capital is to maintain adequate levels of funding to support its activities.

	March 31, 2026	March 31, 2025 Restated Note 3(a)
Shareholder's equity	$ **721,715**	$ 709,944
Credit facilities	**89,700**	71,900
Notes payable	**304,652**	260,065
Cash and cash equivalents	**264,085**	337,660
Investments	**–**	4,500
Total	$ **1,380,152**	$ 1,384,069

The Company has notes payable that are owed to the shareholder and under the related agreements, the notes are not due until positive cash flows are achieved from the properties, except for a $19.0 million note that is due in 2050.

All short-term and long-term borrowings are approved by the Minister of Finance with respect to the amount, interest rate and term, and are included in the Company's corporate plan, which must be approved by the Treasury Board.

In order to meet its objective, the Company invests the majority of its capital that is surplus to its immediate operational needs in highly liquid financial instruments with original maturities of up to one year, such as bank deposits, term deposits and money market funds. All these instruments are held with major financial institutions rated AA by a recognized credit agency.

The Company's strategy is to satisfy its liquidity needs using cash on hand, cash flows generated from operating activities and cash flows provided by financing activities, as well as proceeds from asset sales. The Company's principal sources of capital are rental revenues, recoveries from tenants, real estate land sales, attractions and hospitality revenues, interest and other incomes, available cash balances, draws on corporate credit facilities and refinancing of maturing indebtedness. These capital resources are used to pay operating expenses and dividends, and to service debt and recurring capital and leasing costs in its rental operating costs, attractions and hospitality, and real estate development businesses. The Company plans to meet its short-term liquidity needs with cash and cash equivalents on hand, along with proceeds from financing activities.

The principal liquidity needs for periods beyond the next 12 months are for scheduled debt maturities, recurring and non-recurring capital expenditures, development costs and potential property acquisitions.

The Company's strategy is to meet these needs with one or more of the following:

- Cash flows from operations.
- Proceeds from sales of assets.
- Credit facilities and refinancing opportunities.

25. Pension Plans

The Company has two defined contribution pension plans covering eligible CLC full-time and certain part-time employees. In accordance with the terms of the plans, employees are eligible to join at the date of employment, after a year of employment, or upon working a certain number of hours in consecutive years. The amount of the current service cost charged to expense for these plans was $2.1 million for the year ended March 31, 2026 (March 31, 2025 – $2.0 million).

26. Subsequent Events

On June 18, 2026, Bill C-20, an *Act respecting the establishment of Build Canada Homes* (BCH) received Royal Assent. BCH's purpose, as defined in Bill-20, is to promote, support and develop the supply of affordable housing in Canada and to promote innovative and efficient building techniques in the housing construction sector in Canada.

Bill C-20 gives the Governor in Council the authority to transfer, or direct to be transferred, to BCH the administration, management and control of any property, rights or interests held by the Company; or any obligation incurred or assumed by the Company. No automatic transfer would occur with the introduction of the Act and its impact on the Company is unknown at this time.

Bill C-20, provides, among other things, that an aggregate amount not exceeding $1.515 billion as a contribution of capital to, or to acquire shares in, CLCL may be paid out of the Consolidated Revenue Fund (CRF). The nature, timing and amounts of the payments to CLCL from the CRF have not yet been determined but are anticipated to start in the first half of 2026.

After March 31, 2026, the Company repealed its declared dividend of $20.0 million and will reinvest those funds into housing outcomes consistent with its most recently approved Corporate Plan.

For more information:
www.clc-sic.ca
info@clc-sic.ca