



# Corporate Plan Summary & Operating Budgets

2025/26 TO 2029/30



Canada Lands Company  
Société immobilière du Canada



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## 1. Executive Summary

Canada Lands Company Limited (CLCL) is the Government of Canada's prime real estate development arm and attractions manager. Its role is to create vibrant communities in an innovative and sustainable manner and to provide uniquely Canadian experiences.

Since inception in 1995, CLCL has been a key player in the provision of housing and affordable housing in its developments on behalf of the Government of Canada enabling tens of thousands of the new homes throughout Canada. For example as of October 2024, CLCL had enabled over 11,000 units of housing including more than 1,650 affordable housing units since 2016. The Company is projecting to enable 45,000 housing units by 2031.

CLCL's commitment to enriching community is broad. CLCL and its subsidiaries (collectively, the Company) have forged longstanding partnerships with Indigenous communities. The Company has formed six partnerships in five communities. Each partnership is unique, reflecting the distinct needs and aspirations of each partner. Through these collaborations, the Company strives to learn from their rich cultural legacies and to celebrate and promote them. This commitment extends to fostering opportunities for economic development, capacity building through employment, training and mentorship, commemoration and procurement.

Pursuing innovation and excellence, integrating sustainability best practices across its operations in real estate development and attractions management has been a hallmark since inception. CLCL's commitment to the environment is evident in its real estate developments, all of which exceed municipal environmental management requirements. CLCL was an early adopter of innovative stormwater management systems as part of its best practices in developing climate resilient communities. CLCL is known for its generous park spaces, retention of mature trees, and support of biodiversity.

In every decision it makes, CLCL continues to set new standards, demonstrating that innovation, sustainability, and complete communities are not just ideals but the driving force behind transformative projects and initiatives.

CLCL's agile operations, and its core values of financial resilience, social impact and environmental sustainability will enable the Company to continue to deliver results for Canadians.

The Company's attractions include Canada's National Tower (CN Tower) and Downsview Park in Toronto, the Old Port of Montréal (Old Port), and the Montréal Science Centre (MSC).



CLCL's overarching objectives over the period of the plan, April 1, 2025 to March 31, 2030 (Plan Period), include the following:

- assist the Government of Canada to deliver on key policy objectives such as increasing and accelerating the supply of housing and affordable housing in Canada;
- continue the implementation of the Company's Strategic Plan (Strategic Plan);
- deliver economic development opportunities and community benefits to Canadians and municipalities;
- invest in its portfolio which includes some of Canada's most important tourism attractions through sound management and operations; and
- maintain current and develop new relationships with Indigenous peoples.

## **Budget 2024**

Budget 2024 set out a new course for the Company with an expanded role in the delivery of housing in Canada that leverages the Company's expertise and experience. Key initiatives include:

- deepening partnerships with Crown corporations such as Canada Post by acquiring and redeveloping their surplus and underutilized lands,
- working with custodians on active in use sites to enable housing not just on sites no longer required, and
- enabling housing and affordable housing faster.

The Company has begun fulfilling that mandate by unlocking five properties as part of a land lease opportunity in collaboration with Canada Mortgage and Housing Corporation's Federal Lands Initiative (FLI), while also making four parcels of land available for temporary housing and bringing more serviced parcels to market faster.

## **Federal Lands Initiative**

CLCL has been a partner in the Canada Mortgage and Housing Corporation (CMHC) led FLI since the program's inception with four CLC projects, and eight parcels contributing to the program through land sales.

Working with the FLI initiative, which is providing a discounted upfront long term ground lease payment for 99-years, CLCL and CMHC have offered six development-ready parcels of land across five properties to builders and housing operators on long-term lease at nominal cost to expedite the development of new housing and help make the project financially viable to unlock more homes faster. These land leases will support a total of approximately 1,000 new residential rental units with a minimum 30% as affordable housing.



## Financial Position

Over the Plan Period, the Company will effectively manage its financial performance and remain resilient and adaptable to the conditions that it will face. CLCL continues to be financially responsible and operates with efficiency.

CLCL's Attractions Division has performed very well financially post COVID-19. The Company's real estate land sales have been challenged over the past couple of years, and continue to be challenged, as a result of macroeconomic headwinds, particularly borrowing rates. The Company's forecasted results in 2024/25 predict another strong year for the Attractions Division, while the Real Estate Division, through its land sales in particular local markets, will return closer to more traditional revenue levels. The financial performance of the Company's attractions and rental operations appear stable and largely predictable. Currently, there is heightened uncertainty in many real estate markets, which is expected to decline as interest rates are expected to continue to come down within the first year or two of the Plan Period. The Company predicts that its Attractions Division will continue modest growth over the Plan Period, with more visitors and guests being welcomed, while its Real Estate Division will continue to perform well, as it historically has, despite some short-term market challenges and cost pressures.

Over the Plan Period, the Company projects to:

- generate over \$2.4 billion in revenue primarily from its Real Estate and Attractions Divisions;
- earn more than \$700 million in net income before taxes;
- contribute close to \$1.0 billion back to its shareholder, including \$300 million in dividends; and
- invest more than \$940 million in local economies through capital spending on its real estate development and attractions assets.

CLCL is confident that it will meet or exceed its objectives through sound financial management, adaptation, agility, innovation, inclusive business and human resources practices, and risk mitigation strategies, while capitalizing on opportunities in its two business divisions.



## 2. Overview

### 2.1 About Canada Lands Company Limited

#### Overview

CLCL's role as a parent agent federal Crown corporation is to oversee its subsidiaries in alignment with government priorities, public policy role and its mandate in order to produce the optimal benefits for CLCL's shareholder, the Government of Canada, and local communities. CLCL defines optimal benefit to include both non-financial and financial results.

The Company continued to implement its Strategic Plan, comprised of three Strategic Priorities: Transform Surplus and Underutilized Federal Properties; Create Unique Canadian Experiences; and Be a Workplace of Choice. In 2023 teams operationalized this Strategic Plan by developing an implementation plan to guide program delivery and decision-making.

Below is a summary of the Strategic Plan.

#### **Transform surplus and underutilized federal properties**

- Seek to engage actively with the Government of Canada to streamline and accelerate the process and scope of acquisitions,
- raise the bar in environmental, social, and other Canadian community and global objectives, and
- seek to increase employment generation within CLCL's developments.

#### **Create unique Canadian experiences**

- With its capacity, know-how, and experience, the Company is well-positioned to develop more deeply the Canadian experience at its attractions: iconic, unique, inspiring, and quintessentially Canadian, and
- appropriately promote itself as an option for other current and potential attractions.

#### **Be a workplace of choice**

- Seek to address equity, diversity, inclusion, accessibility, and environmental sensitivity through its social impact policies and practices, and
- embrace and embed a social, environmental, and financial responsibility culture as key elements of its business practices.



## Mission

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.

## Vision

Be the Government of Canada's principal real property agency responsible for reintegrating surplus properties while being dedicated to developing great Canadian communities and acting as a premier owner and manager of select uniquely Canadian attractions. In all efforts, the Company will exhibit its commitment to engagement, sustainability, superior advisory services, integrity, and the highest standard of ethical behaviour while creating value for Canadians.

## Values

The Company's core values are financial resilience, environmental sustainability, and social impact.

## CLCL corporate structure

- CLCL has three subsidiaries:
  - Canada Lands Company CLC Limited, a non-agent Crown corporation (CLC) (operates across Canada);
  - Parc Downsview Park Inc., an agent Crown corporation (PDP) (operates in Toronto); and
  - Old Port of Montreal Corporation Inc., an agent Crown corporation (OPMC) (operates in Montréal).
- CLCL has three Divisions:
  - Real Estate;
  - Attractions; and
  - Corporate/Shared Services.
- The Real Estate Division has four regions:
  - West;
  - Central;
  - National Capital Region (NCR); and
  - Québec/Atlantic.
- The Attractions Division is comprised of:
  - Old Port and the MSC;
  - Downsview Park; and
  - CN Tower.



CLCL's head office, the CN Tower and Downsview Park are in Toronto. The West region real estate offices are in Vancouver, Calgary, and Edmonton. The Central region real estate offices are in Toronto (at head office and Downsview Park) and Winnipeg. The NCR region real estate office is in Ottawa. The Québec/Atlantic real estate and OPMC offices are in Montréal and Halifax.

## 2.2 Public Policy Role

As an arm's length commercial, self-financing Crown corporation, oversight is provided by a Board of Directors comprised of seven independent directors (including a Chair) appointed by the Governor in Council based on the responsible minister's recommendation. The Board is responsible for reviewing and recommending the corporate plan to its shareholder and approving the Company's strategic direction and financial statements. For more information about CLCL's activities and operations, please refer to the Company's 2024/25 annual report or its website at [clc-sic.ca](http://clc-sic.ca).

### Main activities and principal programs

CLCL is one of the country's foremost developers of Canadian communities. Through its CLC and PDP subsidiaries, CLCL transforms former Government of Canada properties and reintegrates them into local communities through real estate management and development, leasing of land and real property and land for various purposes, and sales activities.

It is also the premier owner of select Canadian attractions, including the Old Port, the MSC, the CN Tower and Downsview Park.

Through its activities, the Company enables housing and affordable housing, participates in, and fosters Indigenous partnerships and acts as an employment generator. On the tourism front, the Company's world class attractions provide unforgettable, and unique Canadian experiences, employ hundreds of people in a culture striving to reflect Canada's diversity.

As the federal government continues to evaluate its existing real estate holdings towards its office portfolio reduction targets of 50% as well as the use of surplus and underutilized properties for housing, CLCL continues to work with Public Services and Procurement Canada (PSPC) and other custodian departments to assist with these rationalization efforts. CLCL's land development expertise makes it well-positioned to assist and explore innovative approaches to disposal.

### Build Canada Homes

In September 2025, the Government announced the formation of new Special Operating Agency called Build Canada Homes (BCH) and asked that CLCL participate as a major partner in order to accelerate the creation of more affordable housing. To learn more about the Company's partnership with BCH, refer to Appendix 12.





## Interim uses

CLCL's real estate subsidiaries seek to utilize properties on an interim basis prior to the redevelopment process, ensuring where possible that certain properties remain active in the short and medium term. These uses are varied and could include interim housing, recreational or commercial uses.

## Affordable housing

CLCL seeks to exceed municipal requirements for affordable housing in its real estate developments, and where a municipal affordability requirement has not been established, CLCL seeks to enable a minimum of 20% affordable units. CLCL is a partner in the FLI program with PSPC, CMHC, and Housing, Infrastructure and Communities Canada (HICC). Since 1995, the Company has enabled over 2,900 affordable housing units on its projects across the country. Refer to Appendix 12 for more information about CLCL's affordable housing strategies.

## Community amenities

The Company invests in the creation of amenities, such as parks, pedestrian and cycling trails, heritage commemoration and cultural amenities, incorporating sustainability features while designing for accessible and resilient landscapes. Project teams work with the municipality and the public to identify amenity priorities.

## Attractions

Through its Attractions division, the Company holds, improves, and manages world-renowned attractions such as the CN Tower and Downsview Park in Toronto, and the Old Port and MSC in Montréal.

## Experiences

The MSC is home to many travelling science and technology-based exhibitions as well as seven permanent displays, which together have garnered numerous awards. The CN Tower offers breathtaking views, award-winning dining experiences in a one-of-a-kind setting, interactive exhibits and art, and an exhilarating outdoor walk at the top of the Tower, the world's highest hands-free walk called EdgeWalk. Other CLCL attractions also have activities including through third-party and tenant operations.

## Recreation

CLCL's attractions offer many recreational activities. An example includes Downsview Park's educational offerings and sports activities, all offered in a safe environment. It also offers several indoor and outdoor playing fields, as well as soccer leagues and facility rentals for tens of thousands of users per year. The Old Port offers year-round activities and services such as a marina, an urban beach, shopping, the tallest Ferris wheel in Canada, walking paths and also welcomes third-party events.



## Financial condition

CLCL's financial management focuses on the activities around planning, procuring, and controlling the Company's financial resources with the objective of making optimal financial decisions for CLCL. CLCL's financial strategy is to operate with strong fiscal responsibility through its business divisions across the country to optimize cash flow and profit for reinvestment and return to the Company's shareholder, in both the short and long term.

The Company balances its financial and non-financial returns, which may not necessarily yield the maximum financial return, but rather aims to maximize the overall contribution to its stakeholders and Canadians. Historically, CLCL has generated an annual profit, maintained sufficient cash resources, and not required parliamentary appropriations, while funding the operating deficits and capital requirements of the Old Port, MSC and Downsview Park.

CLCL manages its external debt levels as part of its financial strategy, using credit facilities where appropriate and prudent. The Company continues to work to repay the external debt that was assumed in November 2012 as part of the operational amalgamation with PDP. CLCL's retained earnings policy and rationale for dividend level are included in Appendix 2, section 7.3.



## 3. Operating Environment

### 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, 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

After a stagnant second half of 2023, the Canadian economy expanded by 2.75% in the first half of 2024 as per the latest Monetary Policy Report (MPR) in October 2024 issued by the Bank of Canada (BoC). However, the BoC predicts that the third quarter will see growth ease as a result of less business investment and government spending. In the MPR, the BoC predicts 2.1% growth in 2025 and 2.3% in 2026, respectively, as consumer spending and business investment strengthen, partially as a result of declining interest rates.

Specifically, the BoC mentioned that residential investment is expected to increase by around 6% in 2025 and 2026, respectively, as lower interest rates help to spur on increases in housing supply, renovations and the resale market.

In the same report, the BoC forecasted that the global economy is expected to grow by around 3.0% in 2024, 2025, and 2026, respectively. Economic growth (or decline) can directly impact the performance of real estate and tourism.



## **Inflation**

The inflation rate in Canada has been within the BoC's control range of 1% – 3% for all months reported to date in 2024, the first time that has occurred since before the COVID-19 pandemic. In September 2024, Statistics Canada reported that the inflation rate was 1.6%, which marked the smallest year-over-year increase since February 2021. The BoC in its MPR is forecasting an annual rate of inflation of 2.5%, 2.2% and 2.0% for 2024, 2025 and 2026, respectively. Inflation has eased as inflationary pressures, such as excess demand, have eased. This has driven moderation in inflation growth in many categories, even shelter costs, which continues to be elevated compared to historical levels. Lower inflation contributes to economic growth, stability, preservation of value, and confidence and predictability, which can contribute to business and personal investment and additional disposable income and savings.

## **Unemployment**

The current (September 2024) Canadian unemployment rate reported by Statistics Canada was 6.5%, which was the first decrease in the rate since January 2024. Despite the decrease in September 2024, the Canadian unemployment rate has been trending steadily higher over the past year but still remains below the historical 10-year average of 6.8%. In its Labour Force Survey September 2024 (LFS), Statistics Canada reported that after a number of months where employment was virtually unchanged, employment rose, particularly full-time employment which posted its largest increase since May 2022. Of interest, the LFS reported that year-over-year (YoY), average hourly wages were up 4.6%, which was a decrease YoY from the previous month. Many are predicting a short-term rise in the unemployment rate for the remainder of 2024 and going into 2025. Amongst other things, the unemployment rate, and the amount of people employed, can impact wage growth and inflation.

## **Interest Rates**

In October 2024, the BoC dropped its overnight lending rate (Policy Rate) to 3.75% through a 50 basis point cut, which was preceded by three 25 basis point cuts in June and July and September. Many are predicting that future cuts during 2024 and 2025 as a result of inflation appearing to be controlled. More cuts are predicted in 2025, with many predicting a rate of 2.00% to 3.00% at the end of 2025. The current rate of 3.75%, although high compared to recent historical rates, is the lowest Policy Rate since November 2022. Elevated interest rates can significantly impact real estate markets and the tourism industry.

## **Geopolitical 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.



On September 5, 2025, the Government of Canada announced the Buy Canadian Policy as part of new measures to support and grow key Canadian industries. This policy will apply to Crown corporations. CLCL recognizes its role in implementing the new Buy Canadian Policy, pending further policy direction.

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. 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.

## **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.

## **Budget 2024**

On April 16, 2024, the Federal Government introduced Budget 2024 (Budget 2024). Budget 2024 had a significant focus on housing intended to build more homes faster. It proposed a variety of new or enhanced tools and programs to support its intention that have been and will continue to be implemented over the coming months. Budget 2024 included proposing funding for the Company for two initiatives aimed at building temporary and permanent housing faster and making it more affordable. The Company was also mentioned as it works with the Department of National Defence to divest certain surplus properties that have the potential for housing. Within Budget 2024, there are several other areas that the Company may be impacted less directly. The effects of Budget 2024 will be felt as policies are adopted, and then operationalized, which could impact the Company.

## **Housing**

Housing availability, and specifically affordable available housing, are significant issues facing Canada currently. Housing demand has outpaced growth projections, resulting in insufficient supply, which is being driven by a variety of factors including recently strong population growth. The imbalance between supply and demand can lead to elevated prices while higher interest rates impact project economics and housing affordability.

In the MPR, the BoC said that housing supply 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.



CMHC issued its Housing Market Outlook (HMO) in Spring 2024, prior to Budget 2024 being released. The HMO stated that the housing starts may lag in 2024 as a result of higher interest rates, but that they should regain momentum in 2025 as a result of forecasted decreases in interest rates.

CMHC issued its Monthly Housing Starts and Other Construction Data Tables for September 2024 which showed that housing starts in Canada rose by 5% over a month earlier to 223,808 units in September 2024, but below the market expectations of 237,500 units. Housing starts across Canada vary greatly with Alberta seeing a 44% increase YoY compared to Ontario which is down 15% YoY.

The Canadian Real Estate Association (CREA) stated in September 2024 that the average national inventory on hand was 4.1 months, still below the 10-year average of approximately 5.1. The sales-to-new-listings (SNL) ratio in September 2024 was 51%, close to the long-term average of 55% which typically indicates a balanced market. CREA stated that home sales and new listings were up compared to the previous month, and that YoY listings have increased 17% compared to a year earlier but are still below the historical averages by approximately 7%.

On the rental market front, CMHC published its 2023 Rental Market Report (RMR) in January 2024, which noted that demand was outpacing supply, tightening markets, and lowering affordability for renters. The RMR noted that the national average vacancy rate for purpose-built rental was down to 1.5% in October 2023, a new low, and well below the 30-year national average of 3.2%. The RMR also reported that the average annual rents rose 8.0% over the year, well above the 2.8% annual average over the past 30-year period. In its July 2024 update rent report (Rent Report), Rentals.ca and Urbanation reported that national rents were up an average of 7.0% YoY, which was the slowest annual rate of growth in 13 months. In fact, the Rent Report noted that average asking rents decreased 0.8% from May to June, the largest month-over-month decline since early 2021.

CMHC's April 2024 HMO noted that the supply of purpose-built rental products will increase as projects started in 2021 to 2023 are completed, however, the demand for rental products will exceed the supply. The heightened demand will be driven by a variety of factors, including the high cost of homeownership due to elevated interest rates and population growth, particularly from immigration. This supply/demand mix may lead to rises in rental rates and very low vacancy rates.

All levels of government are attempting to take action to help increase the supply of housing and the affordability of housing. Municipalities are under pressure to increase the speed in their approval processes which can add significant costs to new homes. Those municipalities able to amend their regulatory and planning processes are seeing faster permitting, more housing starts and increased affordability overall. Those that do not, are at risk of further erosion to affordability and reduction in supply. The same can be said for provinces. Those provinces that are removing or reducing obstacles to build, investing effectively in infrastructure, lowering taxes and supporting innovation in construction will aid in the delivery of homes faster and more affordably. Those that do not will continue to see challenges in increasing the supply of housing quickly and affordably.

As mentioned above, the Federal Government focused much of Budget 2024 on housing. Budget 2024 supports the Canada Housing Plan which intends to help solve the housing crisis in Canada through a myriad of different tools to unlock 3.9 million homes by 2031.



Municipalities, provinces and the Federal Government working together, and contributing where they are able, will drive more optimal speed and efficiency in building homes faster and more affordably. These include making more vacant homes available for housing, which some municipalities are doing through imposing a tax on vacant homes, removing sales taxes on new homes, and exploring innovation in housing. That innovation can come through supporting modular construction that can accelerate development and improve affordability and supply, or amending building codes, including allowing for advanced wood construction, which can be less costly supporting affordability and have a more positive environmental impact.

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

## Office

The office market in Canada has struggled over the past number of years, but Q3 2024 saw some positive signs. Both Colliers in its National Market Snapshot at Q3 2024 (NMS), and CBRE in its Canada Office Figures at Q3 2024 (COF), noted increases in the overall national vacancy rate, however noted that the increase was more moderate than over the past few years.

The COF noted that Q3 2024 was effectively neutral from a national net absorption perspective, which keeps the Canadian office market on track for its first positive net absorption year since 2019. The COF also continued to emphasize the difference in product, particularly in the downtown market between Trophy and Classes A and B/C, which shows a clear market bifurcation. This bifurcation, illustrated by the vacancy rate growth delta between Trophy and Class A and B/C, now sits at 660 and 1500 basis points, respectively, and is expected to persist. With higher vacancies, it's a lessee's market. That being said, there has been more of a push from employers, including the Federal Government, to be in the office more. The COF also noted the diverging trend between downtown and suburban office markets, with national suburban office vacancies stable while downtown vacancies continue to climb. Office conversion projects continue to gain momentum, with most of those office buildings changing to residential products, particularly in Calgary who kick-started the trend through its incentive program.

## 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. To date in 2024, oil prices have fluctuated significantly, partially as a reaction to potential supply disruptions due to the continuing conflicts in the Middle East and eastern Europe, and political issues in other major oil producing countries. At the time of writing, benchmark oil prices were trading at US\$71/barrel. Many are predicting an increase in benchmark oil prices in Q4 2024 as a result of the conflicts and political issues, and that those prices will carry forward in 2025.



## 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 United States (US) visitors. Destination Canada's (DC) latest Overnight Arrivals at a Glance report for July 2024 reported that for the month of July 2024, overnight arrivals to Canada were about 6% higher than July 2023, and almost all of the major countries were favourable YoY. Year-to-date, DC reported a 10% increase compared to 2023.

DC's latest Snapshot in Q2 2024 (DC Snapshot), DC reported that total tourism expenditures for Q2 2024 were 5% and 14% higher than Q2 2023 and Q2 2019 (pre-COVID), respectively. Domestic tourism spending continues to be strong and higher than in Q2 2023 and Q2 2019, while international spending increased in absolute dollars compared to Q2 2023 and Q2 2019 but declined as a percentage of overall tourism spending. The Asian markets have been slow to return but are trending well compared to the prior year. Canada remains a favoured destination for travellers from key markets such as the US, UK, France, Germany and Mexico.

### Tourism Employment

Tourism HR Canada, in its labour market snapshot for September 2024, reported that the total labour force in tourism was up 0.9% and tourism employment was up 0.6% from September 2023 levels, respectively, with both increases being driven partially by growth in food and beverage services and recreation and entertainment. Both labour force in tourism and tourism employment were down from August 2024 levels which is typical as summer comes to an end. The DC Snapshot reported that the estimated unemployment rate for tourism was 6.2% in June 2024, which is 1.0% higher than June 2023, but consistent with the overall Canadian unemployment rate. The tourism labour force continues to lag compared to the overall Canadian labour force, sitting at 1.0% less than pre-pandemic levels, whereas the Canadian labour force has grown 8.0% during that same period.

### 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 October 21, 2024, was US\$1.00 = \$1.38, which is slightly higher than a month ago, but consistent with October 2023. There seems to be a consensus from analysts that the Canadian dollar exchange rate with the US dollar will average between \$1.35 and \$1.39 for 2024, and then decrease in 2025 to between \$1.33 and \$1.35.





A devalued Canadian dollar against other currencies, particularly the US dollar, does impact CN Tower revenues favourably, due to stronger consumer buying power for US 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), 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 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 its education and training of staff, and review, with the assistance of third-party experts, its cybersecurity maturity, 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 2024 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.

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 credit facilities borrowing authorities from the Minister of Finance expire on March 31, 2025. The Company expects to receive borrowing authorities for its two credit facilities before expiration but is actively mitigating the risk through discussions with the Government to obtain the requested authorities, extend authorities temporarily, and/or use of other Company resources instead of borrowings before its expiration, to maintain sufficient liquidity to support the Company.

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 owing 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.

A significant priority in the 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. See Section 11, Appendix 6: Climate Leadership.



## Environmental litigation 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 noncompliance 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. Along with acquiring properties, being engaged early with property custodians can be critical in efficiently and effectively developing and repurposing properties.

The Company mitigates the risk through its relationships with various custodians and other stakeholders in the Government and active policy discussions and involvement.

## Other key risks

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.

Environmental, social and governance (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 the inability to meet the Company's stakeholders' expectations. See Section 10, Appendix 5: Strategic Plan and ESG Priorities for more information.



Inflation, particularly higher input costs in the Company's real estate and attractions, could have a significant impact on project pro formas 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.

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.

## Status of Amalgamation

The Government of Canada announced in November 2012 that OPMC and PDP would be amalgamated into CLC. The objectives were to improve efficiency and financial accountability, clarify governance and leverage CLCL's real property management expertise. The operational amalgamation of these entities has been completed.

The legal amalgamation of OPMC is not actively being pursued by CLCL given that potential risks outweigh the potential opportunities. The Company will reassess legal amalgamation again formally within four years, or earlier if the major factors delaying the amalgamation significantly change. The transfer of the Downsview Lands from PDP to CLC is being explored as the opportunities available within CLC may outweigh the potential risks.

A lack of legal amalgamation or transfer does not affect the operational performance or control of PDP and OPMC. Board and management processes are working effectively as if the entities were fully amalgamated. Despite not completing the legal amalgamation or having the Downsview Lands transferred, the stated government objectives of strengthened accountability, greater efficiency and leveraging CLCL's real property management expertise have been and will continue to be realized while non-financial benefits are also maximized.



## Office of the Auditor General Special Examinations

The Office of the Auditor General of Canada (OAG) completed a special examination of CLCL during 2024. The OAG stated in its conclusion that:

“In our opinion, based on the criteria established, there is reasonable assurance that there were no significant deficiencies in the corporation’s systems and practices we examined. We concluded that Canada Lands Company Limited maintained its systems and practices during the period covered by the audit in a manner that provided reasonable assurance required under section 138 of the *Financial Administration Act*”.

The OAG had five recommendations, which are listed below with the actions implemented to date.

### **Recommendation**

At least once a year, the corporation’s management should provide the Board with a statement that includes accurate and complete information about the status of the compliance of the corporation and its subsidiaries with laws and regulations that pose a significant risk to their operations.

### **Implementation Progress**

*Completed* – Commencing in February 2024, management provided the Company’s Board of Directors with an annual statement regarding the compliance of the Company with laws and regulations that are key to its operations.

### **Recommendation**

The corporation should fully document its strategic asset management process and develop a policy and guidelines to ensure consistent implementation of its strategic asset management framework.

### **Implementation Progress**

*In progress* – The Company has taken a number of actions to complete a Strategic Asset Management Plan and ensuring that end-to-end documentation of the strategic asset management for each property in scope is completed. The recommendation will be completed in 2025.

### **Recommendation**

The corporation should develop specific and measurable performance indicators and establish targets that would allow it to measure and monitor the results achieved against non-financial corporate objectives and strategic priorities. Furthermore, the corporation should establish a clear and consistent reporting process that summarizes its key performance indicators and established targets and reports the results achieved against those indicators at a corporate level to the board.

### **Implementation Progress**

*Completed* – The Company has developed specific and measurable performance indicators and targets to measure and monitor its results and progress. The Company has established and implemented a reporting process and a frequency of reporting to support the measurement and monitoring of non-financial objectives and strategic priority key performance indicators.



### **Recommendation**

The corporation should set its risk appetite and risk tolerance levels.

### **Implementation Progress**

*In progress* – The Company is in the final stages of completing a risk appetite exercise which will establish risk appetite statements and corresponding risk metrics and risk thresholds, along with a reporting process to support and monitor the Company’s risk appetite performance.

### **Recommendation**

The corporation should ensure that its business plans demonstrate how operational and corporate objectives align, link identified risks to mitigation strategies, and link visitor expectations and non-financial performance targets to operational objectives.

### **Implementation Progress**

*Completed* – The Company revised its business plans to include demonstrating how operational and corporate objectives are aligned at each of its attractions, the linkage between identified risks and the corresponding mitigation strategies, and linking visitor expectations and non-financial performance targets to operational objectives.



## 4. Priorities

### 4.1 Main Objectives and Activities for the Plan Period

CLCL creates financial and non-financial value for Canada by transforming surplus and underutilized Government of Canada properties as well as managing iconic Canadian attractions. Through the Company's Real Estate and Attractions divisions, as well as its corporate support and oversight, value creation is maximized by the integration, development, and management of assets in the communities in which the Company is privileged to operate. Success means implementing the Company's mission, strategic priorities and values while always being financially resilient.

For more details about the Company's activities and performance, please refer to its corporate reports available on its website at [clc-sic.ca/reports-and-expenses](http://clc-sic.ca/reports-and-expenses).

#### Objectives and Activities

The Company's key objectives for the Plan Period will facilitate operations in its divisions, while enabling it to manage risks and uncertainties, and ultimately achieve its Strategic Plan.

1. Continue CLCL's mission of repurposing Government of Canada properties for the benefit of Canadians. The critical outcomes will be increased and accelerated supply of land for new housing, both market and affordable in a variety of forms by working with the Government and builders in innovative ways, using tools such as land lease and sale to support housing, continuing to contribute to complete communities and increasing employment generation and innovation spaces in our developments (Strategic Plan priority: Real Estate – Transform Surplus and Underutilized Properties).
  - Continue to build and maintain strong partnerships with Indigenous communities. This could include the Company being invited by a department undertaking Duty to Consult and/or reconciliation efforts to develop a new partnership, or it could be the result of the Company's engagement with Indigenous communities. Each partnership or opportunity is unique and tailored to the Indigenous community's interests and desires as well as the context of the property or attraction and the opportunities available. These included working together on initiatives around economic development, project planning and development, commemoration, exhibit development, employment and training and procurement (Strategic Plan value: Social Impact).
  - Continue to work with Public Services and Procurement Canada and other departments on collaboration projects. The critical outcomes include realizing the potential of these underutilized sites by assisting the government in efficient and optimal rationalization efforts and creating new communities that include the reduced federal employment uses as well as green spaces, amenities, and new market and affordable housing (Strategic Plan priority: Real Estate – Transform Surplus and Underutilized Properties).



2. Demonstrate climate leadership and contribute to a cleaner environment by implementing strategies that will support the government, including its commitment to net-zero emissions by 2050. The Company will achieve this through its climate roadmap, which is embedded in its broader ESG program. The Company's goal is to be seen as a leader in climate, both in emissions reductions and climate resilience, and report on its climate efforts through a variety of means, including its annual Environmental, Social and Governance report (Strategic Plan value: Environmental Sustainability).
  - Continue to work with the custodians to investigate areas of expansion and innovation of delivery of CLCL services and support to the Government of Canada beyond Budget 2024. The outcome of this initiative will be more efficiencies and innovations brought to the government by leveraging CLCL's expertise and experience in real estate development and attractions management. These could include increased support with respect to disposal due diligence activities, exploration of new delivery models such as leasebacks, long-term residential land leasing, and leasing for modular housing (Strategic Plan priority: Real Estate – Transform Surplus and Underutilized Properties; Strategic Plan value: Social Impact).
3. Seek opportunities to enhance the Company's attractions, as well as their environmental sustainability. The critical outcomes will be the delivery of outstanding and uniquely Canadian experiences, which will be considerate of the attractions' impacts on the environment. The objective will be achieved through maximizing operational efficiencies and implementing green initiatives as part of the Company's ESG framework commitments (Strategic Plan priority: Attractions – Create Unique Canadian Experiences; Strategic Plan value: Environmental Sustainability).
4. Be a workplace of choice by supporting and championing equity, diversity, inclusion, and accessibility throughout and ensuring the Company is representative of the Canadian population. CLCL will achieve this by supporting a culture where everyone can be their authentic selves and feel supported, and where the Company continually evolves to meet the needs of an ever-evolving workforce (Strategic Plan priority: A Workplace of Choice).

## 4.2 Overview of Risks

The Company faces both financial and non-financial risks that, if not managed effectively, could significantly and materially impact 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. Other macroeconomic factors such as economic growth, inflation, interest rates, foreign exchange, regulatory requirements and initiatives, geopolitical uncertainty, market conditions, litigation and claims that arise in the normal course of business can also impact the performance of the Company.





Canada's tourism industry has bounced back from COVID-19 with tourism revenue up 5% in Q2 2024 compared to the same period in 2023 and up 14% compared to Q2 2019 (pre-COVID-19). The real estate industry, particularly the housing market, is currently facing significant headwinds due to affordability challenges, partially driven by residential price escalation and higher borrowing costs, although recent decreases in the BoC interest rate should help to start easing those headwinds.

The Company's financial risks, as identified in its risk universe, include:

- Revenue generation and profitability (a key risk of the Company), which is defined as the ability/inability to generate timely and adequate revenue, cash flow and/or profits to support the Company, which could significantly impact business operations (including capital investments) and/or optimal resource allocation decision-making.
- Liquidity, which is defined as the ability/inability to reserve sufficient cash and capital to meet short- and/or long-term financial obligations at the Real Estate project level, Attraction level, or the Company-level which may impact the Company's credit rating and overall reputation.
- Revenue and costs forecasting, which is defined as the ability/inability to accurately identify and evaluate external and internal factors (e.g., real estate market fluctuations, supply chain issues, interest rate changes, labour resources, ESG considerations), which may significantly impact the budgets of Real Estate/Attractions projects.
- Credit risk, which is defined as the ability/inability to collect funds owed (e.g. receivables, rent, density bonus, balance of sales) in a timely or complete manner, which may impact the Company's ability to meet financial obligations.
- Lack of financing, which is defined as not adequately having sufficient funds to support and sustain operations. This is particularly significant in the Real Estate Division, where sizable investments may be required early in the development life cycle, with revenue not coming until years later, and the Company ensuring that it has sufficient financing, either internally or externally, for the duration of the project.

The Company also faces non-financial risks that, if not managed effectively, could significantly impact the Company's ability to operate. Below are some of the key risks that the Company has identified as part of its ERM framework:

- Cybersecurity, which includes internal or external attacks on the Company's information systems, which may result in a financial loss, loss/leakage of data, system disruptions and/or potential reputational damage.
- Macroeconomic uncertainty, which includes changing global, national and/or local macroeconomic conditions (i.e., inflation, interest rates, economic growth, labour markets, carbon pricing), may significantly impact the Company's real estate and/or attractions markets and resources and achievement of its objectives.



- Competing strategic priorities/values, which include the ability/inability to effectively prioritize strategic priorities/values that compete for resources (e.g., labour, financial) may result in sub-optimal results in the short, medium and long term.
- Management of aging infrastructure which includes managing the Company's aging infrastructure/assets may affect the sustainability of its operations, revenue streams, or potentially require significant recapitalization and/or investment (e.g., due to building conditions, systems failure, physical climate risks, or other external events). Climate resilience which includes the ability/inability to effectively manage and mitigate the impacts of significant changes in global temperature, precipitation, wind patterns, etc. may significantly impact the Company's assets, operations, reputation, and/or its financial performance.

The efficient and effective management of the non-financial and financial risks equally is critical to the success of the Company in the short and long term.

## Risk Management

The Company uses a practical approach to the management of risk. Following the successful implementation of a revamped Enterprise Risk Management (ERM) program, the Company developed an ERM framework (Framework) that sets the overarching guidelines on how risks shall be managed. The Framework was developed to establish sound, practical good governance, and risk management principles throughout the Company. It also provides an outline of the overall ERM objectives, the risk governance structure, roles and responsibilities, and the process to manage risks. The Company continues to work with a third-party consultant to maintain the effectiveness of the Framework and mature its ERM program.

The objective of the Company's approach is not to eliminate risk but rather to identify, quantify, monitor, and mitigate it in order to optimize the balance between risk and the best possible benefit to the Company, its shareholder and its local communities.

Specifically, the Framework identifies the following key objectives:

- an integrated, structured, and disciplined approach to key risk identification and alignment, mitigation and management of key risks, and monitoring and reporting;
- the establishment of clear ownership and accountability for managing key risks;
- the embedding of a strong risk culture;
- enabling the Board of Directors and management to make risk-based decisions; and
- establishing appropriate risk reporting and oversight of the management of key risks.



The Board of Directors has overall responsibility to oversee that adequate systems are in place to identify, attest, manage, monitor, and report on the principal risks affecting the Company's operations. The Board of Directors is not responsible for day-to-day risk management activities, but rather is required to operate in an oversight role in policy and procedure design, implementation, and effectiveness, supporting risk culture, and aligning risk appetite with the Company's strategy.

Management is responsible for implementing the Framework, policies, and procedures. Management's key risk management objectives are to ensure that relevant risks are properly identified, prioritized, and assessed, and that appropriate mitigation activities are in place or planned to reduce risks to an acceptable level. Management is also responsible for instilling and maintaining a strong risk culture while monitoring and reporting key risks.

The Company updates its enterprise risk assessment quarterly to review, prioritize and mitigate the key risks identified, and performs a comprehensive risk refresh exercise annually. The quarterly assessment and annual risk refresh include reviewing risk reports, internal audit reports and industry information, and interviewing management across the Company.

The Company's internal audit function assists in 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.

### **4.3 Expected Results and Performance Indicator Overview**

CLCL has 30 years of successful operation, generating over \$1.3 billion in financial contributions to its shareholder since inception. Over the Plan Period, the Company will continue its successes through a number of opportunities and activities. CLCL uses benchmarks, targets, key performance indicators (KPI) and comparators to measure itself against the markets in which it operates, such as market studies, internal audits, financial management dashboards, and KPI reporting, to continually monitor its operations, all overseen by its Board of Directors. Strategies and outcomes will continue to align with CLCL's mandate, business objectives, and performance will be measured against the Strategic Plan.



Outcome	Measure	Target Performance
Local developments and infrastructure projects are supported in collaboration with municipalities and other local stakeholders to provide new and improved roads, sewer and stormwater management facilities and other related activities. (CLCL)	Dollars invested and municipal approvals obtained	Provide funding sources to make the capital investments budgeted during the Plan Period to support the outcome.  Provide sufficient resources to support obtaining 8 approvals during the Plan Period.
Exceed municipal requirements to deliver long-term affordable housing that meets local needs. (CLCL)	Number of properties and units enabled	Over 6,000 units enabled over the Plan Period.
Establish authentic Indigenous partnerships and relationships through projects and attractions; to have these relationships, and accumulated knowledge, inform decisions made throughout the company. (CLCL)	Number of partnerships	Maintain and advance the objectives of six partnerships
Development of surplus federal real property is managed effectively and efficiently, and strong financial and non-financial results are delivered to Canadians and the federal government. (CLCL)	Revenues earned, opportunities for affordable housing, green spaces delivered, positive community engagement	<ul style="list-style-type: none"> <li>• Meet or exceed revenue targets during the Plan Period; and</li> <li>• Enabling affordable housing and green space delivery that meet or exceed municipal requirements during the Plan Period.</li> </ul>
Development projects and attractions that are environmentally sustainable, climate-resilient and aligned with best practices through greener technologies that align with the government’s goals of climate leadership. (CLCL)	Reduction in greenhouse gas (GHG) emissions  Number of properties adopting and implementing site-specific climate resilience and adaptation plans	Metrics and targets established as part of the Company’s Climate roadmap
Internal programs and initiatives that use industry best practices and support strong employee engagement, accessibility, diversity, and inclusivity for a workforce that is representative of the Canadian population. (CLCL)	Create programs and strategies with related benchmarks and goals to foster a diverse and inclusive workforce	Implement action plan as outlined in the Strategic Plan



## 5. Financial Overview

### 5.1 Expected Results for 2024/25 and Plan Period 2025/26 to 2029/2030

The Company is a self-financing agent Crown corporation. The Company's financial management focuses on the activities around planning, procuring, and controlling its financial resources with the objective of making optimal financial decisions.

The Company's financial strategy is to operate with strong fiscal responsibility through its various divisions across the country to optimize, not maximize, cash flow and profit for reinvestment and return to its shareholder, in both the short and long term. The Company has focused more efforts in building financial resilience in its operations, by exploring new approaches to the utilization of its real estate and attractions assets.

The Company historically has generated an annual profit. The Company receives no parliamentary appropriations, while funding the operating deficits and capital requirements of OPMC and Downsview Park.

The Company's financial plan, which includes its financial results and financial position over the Plan Period, is included in Appendix 2, Section 7.4. All the sections of this corporate plan should be read in conjunction with the Company's financial plan to obtain a full, comprehensive understanding of the assumptions, risks, uncertainties, and context.

The financial plan reflects the Company's best estimate of the expected results over the Plan Period at the time of writing. With any financial plan spanning five years, particularly a plan that projects real estate sales in numerous markets across Canada, there is naturally a significant degree of uncertainty. That "typical" or "normal" uncertainty is exacerbated by the current housing climate in Canada, that adds additional volatility into the Real Estate Division. The Real Estate Division, through the quality of its assets, the diversity of its asset locations, and the length of development cycles, is positioned to sustain the challenges in both the short-term and the long-term.

The Company mitigates its financial plan risks by practising sound fiscal management using a variety of techniques.



Following is a summary of the projected results for 2024/25 and the Plan Period. Further details are included in Appendix 2, Section 7.1.

## Revenue

The Company forecasts \$371.7 million in revenue in 2024/25 and projects \$2.4 billion in revenue over the Plan Period. The Company's projected revenues fluctuate year over year, primarily as a result of the Company's real estate sales. Real estate development and sales have a significantly longer turnover cycle than the Company's Attractions Division. Real estate sales, and their timing, are dependent upon many factors, including obtaining municipal approvals, which will drive the timing of when products can be brought to market, and as a result, when the projects can generate revenue.

## Profitability

Net income before tax (NIBT) is forecasted for 2024/25 to be \$124.1 million. Over the Plan Period, the Company projects \$702.4 million in NIBT. The consolidated annual NIBT will vary significantly as a result of fluctuations in real estate sales, as mentioned above. The operating profit margin<sup>1</sup> will average 38% during the Plan Period. It will vary year over year during the Plan Period, primarily due to the particular mix of real estate assets being sold in any given year.

## General and Administrative (G&A) costs

G&A costs include both indirect operational costs for attractions and real estate, and corporate overhead costs. The total G&A costs for 2024/25 are forecasted to be \$44.0 million or 11.8% of total revenues. For 2024/25, total G&A costs decreased from the amount budgeted in the 2024/25 Corporate Plan by \$1.5 million (or 3.3%) as a result of lower than budgeted strategic initiative costs, administrative expense reduction initiatives, and redeployment of certain Real Estate Division and Corporate Division staff from administrative expenses to project costs in support of prioritizing the delivery of housing faster.

Over the Plan Period, the G&A costs are projected to be \$237.9 million or 9.9% of total revenues. In 2025/26, wages and burden are forecast to increase 3.5% from the previous year. From 2026/27 to 2029/30, the G&A costs are forecasted to increase 2.0% per year, with the exception of wages and burden, which are forecasted to increase 2.5% per year, while travel and professional discretionary services were consistent with the 2025/26 budget to align with Federal Budget 2023 savings commitments. Included within the total G&A costs is \$5.0 million of costs proposed in Budget 2024 for the Company to expand its activities to build more homes on public lands through a Housing Innovation Team (HIT) over three years starting in 2024/25. Corporate overheads over the Plan Period, which include the HIT, will represent approximately 52.0% of the total G&A costs, or 5.1% of total revenues.

<sup>1</sup> Operating profit margin = total net income before taxes, interest and other expenses, impairment, pre-acquisition costs and write-offs and general and administrative costs/total revenue – less interest and other revenues.



## Capital Investment

Capital investment for the Company includes expenditures on real estate, which include land development costs and investment in long-term hold properties, and investment in its attractions. In 2024/25, the Company forecasts \$118.0 million in total capital expenditures.

Over the Plan Period, the Company forecasts to invest \$940.5 million, of which \$815 million will be in real estate and \$125 million in its attractions. The amount of investment annually will vary depending on the stage of development of the Company's projects. The Company is very focused on ensuring that investment, particularly real estate development investment, is made at the appropriate time and is closely aligned with the sales strategy and timing for a project, while also effectively accelerating the delivery of housing.

## Borrowings

The Company's borrowings, which include cash borrowing and letters of credit, are forecasted to be \$127.5 million and well within the \$200 million of credit facilities available at the end of 2024/25. Throughout the Plan Period, both CLC and PDP expect to stay within their respective authorized borrowing authorities. During the Plan Period, the average annual borrowings, which are both cash and letters of credit, will be \$274.6 million, peaking in 2028/29 at \$315.2 million.

## Capital Management

The Company's capital management and retained earnings policy is included in Appendix 2, section 7.3. The Company projects its dividend will be declared based on the forecasted cash on hand and the cash requirements of the Company in subsequent years. The Company is projecting to declare \$300 million in dividends over the Plan Period, an average of \$60 million annually, or an average dividend return of 6.8% of equity. Dividends are expected to continue to be declared annually in support of the Company's strategic value of financial resiliency, but any dividend declarations are at the discretion of the Company's Board of Directors. Actual dividend declarations could vary materially from those projected based on the financial performance of the Company. During the Plan Period, the Company projects to generate \$504.2 million in positive cash flow from operating activities. The Company projects an average return on equity (net income divided by shareholders equity) of 11.7% during the Plan Period, while still showing prudent and responsible fiscal management by maintaining an average debt to equity ratio of 0.59:1.0 and sufficient cash balances to fund capital investment and operations.



## 6. Appendix 1: Corporate Governance Structure

CLCL is comprised of a Governor in Council-appointed Chair, a Board of Directors, and one employee who is the President and Chief Executive Officer (CEO). The CLCL Board members are also Board members of CLC, PDP and OPMC. The President and CEO of CLCL is also the President and CEO and a Board member of CLC, PDP and OPMC.

CLCL was incorporated under the *Companies Act* on March 7, 1956, and continued under Articles of Continuance dated September 19, 1977, under the *Canada Business Corporations Act*. It is listed in Schedule III, Part 1 of the *Financial Administration Act*.

CLCL carries out its core real estate development mandate through its CLC and PDP subsidiaries. Its mandate was approved by the Government of Canada upon CLCL's reactivation in 1995 "to ensure the commercially oriented, orderly disposition of surplus real properties with best value to the Canadian taxpayer and the holding of certain properties." A 2001 Treasury Board review re-confirmed this mandate.

The mandate also stipulates that the Government of Canada's other strategic considerations be considered as required, including "the views of affected communities and other levels of government, and heritage and environmental issues."

CLCL's subsidiaries provide innovative solutions to complex real estate challenges, offer tourism leadership in its management of the CN Tower, the MSC, the Old Port, and Downsview Park, and create value and legacy for all its stakeholders. In doing so, it makes significant contributions to the federal government and communities across Canada.

CLCL operates in the competitive and sometimes volatile real estate and tourism markets that are impacted by the current global economic conditions. As such, it is directly affected by the unpredictability of those industries and various macroeconomic trends. Despite uncertainty regarding the global economy and Canadian real estate market, the Company has returned over \$1.3 billion in dividend payments, federal and provincial income taxes, and property acquisition payments to the fiscal framework since its reactivation in 1995.





## CLCL Boards of Directors

CLCL, CLC, OPMC and PDP each has its own Board of Directors that holds regularly scheduled meetings. The membership for each Board is the same, with the exception of the President and CEO of CLCL and the subsidiaries, who sits on the Boards of CLC, PDP and OPMC but not of CLCL. The Directors of the parent company and subsidiary Boards are independent of the business, with the exception of the President and CEO.

CLCL's Directors, the Chair, and the President and CEO are appointed by the Governor in Council upon the recommendation of the Minister of Housing, Infrastructure and Communities Canada. CLCL's Board is committed to continually reviewing its policies and practices to ensure that they are consistent with current best practices and reflect the needs of the Company as a whole.

The respective Boards of Directors for CLC, OPMC and PDP are appointed by CLCL's Board and oversee the operations as carried out by the subsidiaries. The Boards of CLC, OPMC and PDP each have Governance, Human Resources, Audit and Risk, Real Estate and Attractions Committees. Throughout the course of Board deliberations, the Company's senior management team provides briefings on operational issues and reports for the Board's analysis and discussion. This enables effective oversight by the Board of its operations and allows enterprise risks to be managed appropriately.

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 for both the Chair and Directors.



**Canada Lands Company Limited – Board of Directors**

Name	Role	Order-in-Council Date	Term	Expiry Date	Home Province
Kaye Melliship	Chair	06/06/18 (as director) 29/04/22 (reappointed) 7/10/22 (appointed as Chair)	4 years 2 years (reappointment) 4 years (as Chair)	06/10/26	British Columbia
Tareq Al-Zabet	Director	25/11/22	4 years	24/11/26	Ontario
Victoria Bradbury	Director	22/06/18 21/06/21 (reappointed) 31/05/23 (reappointed)	2 years 2 years (reappointment) 2 years (reappointment effective 21/06/2023)	20/06/25	Alberta
Guy Harvey	Director	27/01/23	4 years	26/01/27	Québec
Brenda Knights	Director	04/11/22	4 years	03/11/26	British Columbia
Margaret MacDonald	Director	19/06/19 31/05/23 (reappointed)	4 years 3 years (reappointment effective 19/06/2023)	18/06/26	Nova Scotia
Vacant					

## Board Attendance for Fiscal Year 2023/24

Board Member	Board & committee meetings by videoconference or in person
Kaye Melliship	5/5
Tareq Al-Zabet	5/5
Victoria Bradbury	5/5
Guy Harvey	5/5
Brenda Knights	5/5
Margaret MacDonald	5/5
Toni Varone (resigned December 20, 2023)	4/4

## Canada Lands Company Limited – President and CEO

Name	Role	Order-in-Council Date	Term	Expiry Date
Stéphan Déry	President & CEO	04/12/23	4 years	04/11/27

## Biographies

**Chair, Kaye Melliship:** Ms. Melliship has been involved in housing policy, governance, operations, and land use planning for more than 35 years. She is on the board of the Tofino Housing Corporation and has served on many board and advisory committees.

**Tareq Al-Zabet:** Dr. Al-Zabet's professional career extends over 30 years. As a former Deputy Minister, he has held senior positions in the provincial public sectors of Ontario, Saskatchewan, and Alberta in information technology, land management, construction, and infrastructure.

**Victoria Bradbury:** Ms. Bradbury is a Fellow Chartered Accountant of England & Wales, a Chartered Professional Accountant in Canada, a Certified Management Consultant and a member of the Institute of Corporate Directors.

**Guy Harvey:** Mr. Harvey holds nearly 40 years of real estate experience over various senior director positions, with a unique expertise in real estate operations, program implementation, heritage conservation and portfolio management.



**Brenda Knights:** Ms. Knights has held various leadership positions while serving Indigenous People in Canada. As the current CEO of the Vancouver Native Housing Society, she continues to advocate for social housing and economic development initiatives for Indigenous peoples.

**Margaret MacDonald:** Ms. MacDonald is a former Deputy Minister with the Province of Nova Scotia, holding positions as the Deputy Minister of Finance and Treasury Board, Labour and Workforce Development, Immigration and Intergovernmental Affairs.

## Board Committees and their Roles

All the Boards' committees are comprised of no fewer than three directors, none of whom are officers or employees of CLCL or any of its affiliates (with the exception of the President and CEO, where applicable). 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, to make recommendations to the Board.

Currently, all Board members (except for the President and CEO) sit on all committees. The President and CEO sits on CLC, OPMC, and PDP committees (except for the Audit and Risk Committee).

### Governance Committee

The main objective of the Governance Committee is to optimize the effectiveness of the Board in overseeing the business and affairs of the Company. The committee is also responsible for the orientation of new directors, as well as for their ongoing training and education.

### Human Resources Committee

The Human Resources Committee is mandated to review, report and, when appropriate, provide recommendations to the Board regarding human resources concerns of the Company.

### Audit and Risk Committee

The Audit and Risk Committee advises the Board on the soundness of the financial management of the Company, and assists the Board in overseeing internal control systems, financial reporting, risk management and the internal and external audit processes.

### Real Estate Committee

The Real Estate Committee receives reports and reviews planned expenditures and requests for authorities from management pertinent to the Company's real estate acquisition, development and sales activities.



## Attractions Committee

The Attractions Committee provides advisory and strategic oversight with respect to the Company's Attractions businesses.

## Management Agreements

To ensure the appropriate management structure for CLCL's subsidiaries, and on the advice of its legal counsel, CLC has two management agreements in place: one with PDP and one with OPMC. They provide CLC full authority and control to manage the day-to-day operations of these organizations.

## Annual Public Meetings

As a Crown corporation, and in line with best practices and the *Financial Administration Act*, CLCL provides an annual forum through which the public can offer feedback and engage in a dialogue with CLCL's Board of Directors and management on matters directly relating to its business. The next public meeting will be held in the fall of 2025. The 2024 meeting was held virtually on November 28 where the Chair and President and CEO discussed the operations and financial results of the Company relating to the last fiscal year and offered members of the public an opportunity to ask questions during the question-and-answer session.

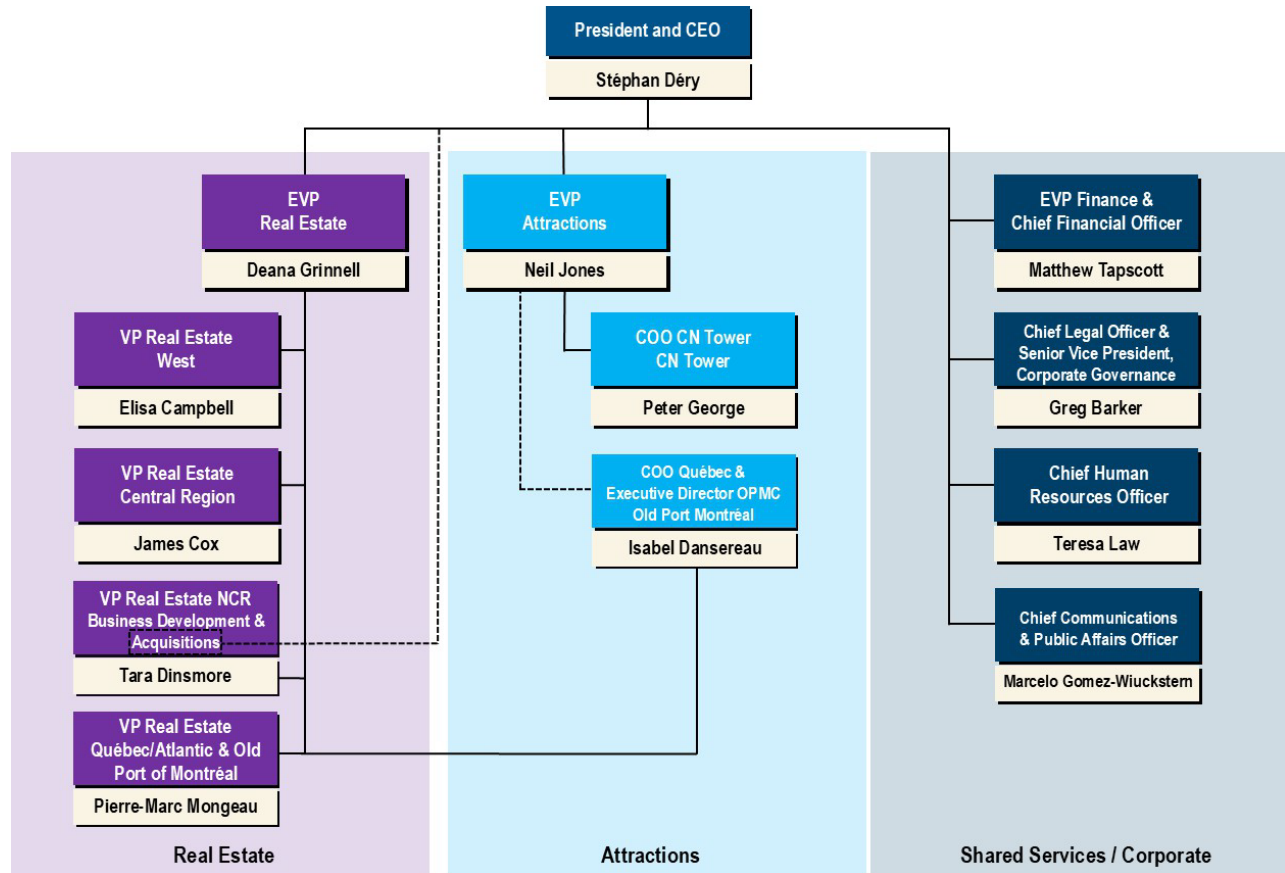


**FIGURE 1: CLCL CORPORATE STRUCTURE AND SUBSIDIARIES**



CLCL, PDP and OPMC are Agent Crowns, and CLC is a non-agent Crown.

**FIGURE 2: CLCL SENIOR MANAGEMENT STRUCTURE**



The senior management team consists of the President and CEO and those members of management listed in Figure 2. This group is responsible for all business operations and results, setting corporate priorities, and developing and implementing the Company’s corporate and strategic plans, consistent with CLCL’s mandate and Board of Directors’ oversight.

The President and CEO’s salary and at-risk pay are established by the Governor in Council. Senior management compensation is established based on the Company’s remuneration and compensation strategies.

For 2023/24, CLCL’s leadership costs for the Board of Directors and senior management, which include salary, benefits, at-risk pay, post-employment pension plan contributions, as well as retainers and per diems in the case of Directors, were \$5.6 million.

## 7. Appendix 2: Financial Results Including Operating and Capital Budgets

The Company's operating and capital budgets, represented through the accompanying CLCL financial statements in section 7.4 of this appendix, provide the revenues, expense, profit, cash flows and capital investments that the Company projects to make during the Plan Period.

### 7.1 Operating and Capital Budget Highlights

The table in 7.1.1 summarizes the forecasted results of the key performance indicators for 2024/25 against budget, as well as showing the financial highlights over the Plan Period.

#### 7.1.1 Key Financial Information

(in millions of dollars, except profit margin)	For the year ended March 31 <sup>1</sup>		For the Plan Period <sup>2</sup>
	2025 Forecast	2025 Budget	
Total revenue	\$371.7	\$342.3	\$2430.8
Total operating profit <sup>3</sup>	\$168.4	\$150.2	\$925.6
Total operating profit margin <sup>3</sup>	45.3%	43.9%	38.1%
Total net income before tax	\$124.1	\$88.3	\$702.4
Acquisitions	\$61.4	\$38.6	\$185.3
Investment	\$126.7	\$144.9	\$940.5
Cash provided (used) by operating activities	\$68.2	\$44.4	\$504.2
Total credit availability	\$72.5	\$41.4	(\$82.2)
Dividends to the Government of Canada	\$20.0	\$20.0	\$300.0
Upfront payments made available <sup>4</sup>	\$11.2	\$0	\$145
Total assets	\$1,211.4	\$1,208.2	\$1,285.6

1 Budget figures represent amounts included in the CLCL corporate plan 2024/25 to 2028/29.

2 Total credit availability and Total assets amounts shown in the "For the Plan Period" column is the projected March 31, 2030 balances.

3 Operating profit = total net income before taxes less interest and other revenues, interest and other financing costs, impairment of capital expenditures, and general and administration costs.

4 Upfront payments made available are the payments made available by the Company to the property custodians at the time of acquisition.



## 7.1.2 Overview of Budget

### Revenue

The Company generates revenue primarily from its Real Estate and Attractions Divisions, with a smaller amount coming from its Corporate operations.

The chart below helps to understand how the Divisions align with the financial reporting.

#### CHART 1

Financial Reporting Lines	Divisions		
	Real Estate	Attractions	Corporate
Real estate sales and development	X		X
Attraction, food, beverage and other hospitality		X	
Rental operations	X	X	
Interest and other			X

The Company forecasts that it will generate \$371.7 million in revenue in 2024/25, which is \$15.3 million higher than the 2024/25 budget.

The primary driver for favourability against budget is the higher than budgeted real estate land sales, partially due to the timing of sales in certain projects: favourable results in the Company's attractions, particularly the CN Tower, and higher interest income.

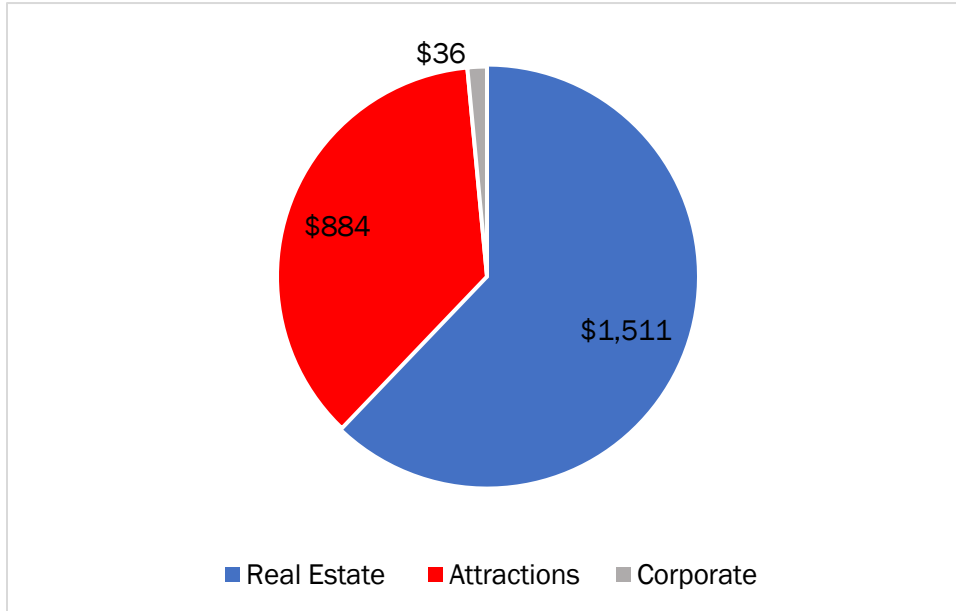
The Company expects to generate consolidated revenue in the Plan Period of \$2,431 million, or an average of \$486 million per year. Revenues are not consistent year over year. The primary drivers for the large fluctuations in annual consolidated revenue during the Plan Period are the timing of real estate sales, as revenue from the Attractions Division is forecasted to be largely consistent annually.

Principal sources of revenue for the Plan Period are shown in Chart 2 on a consolidated basis and in Chart 3 on an annual basis.



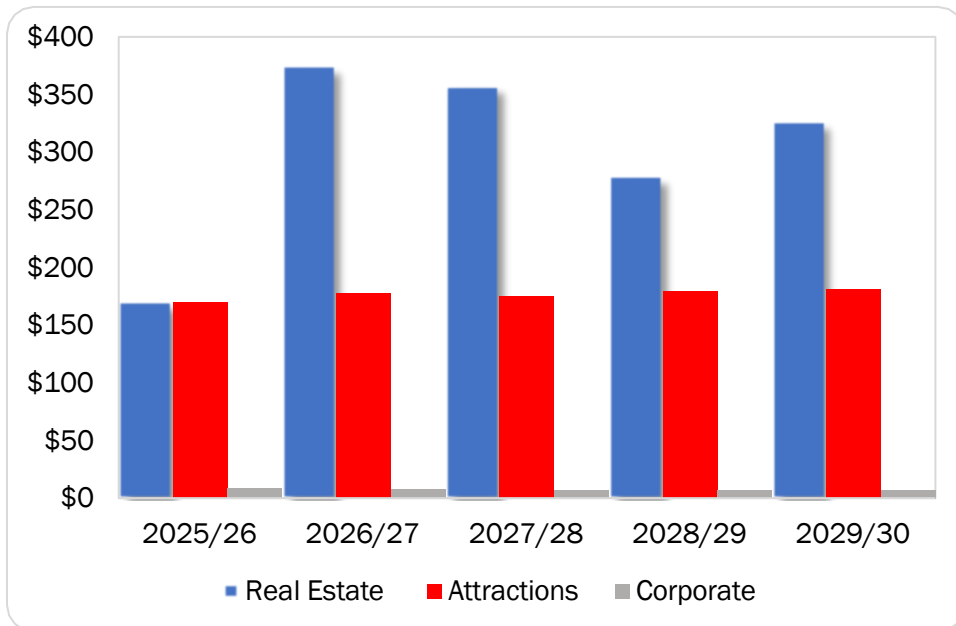
## CHART 2

Principal sources of revenue (in millions)



## CHART 3

Principal sources of revenue (by year)





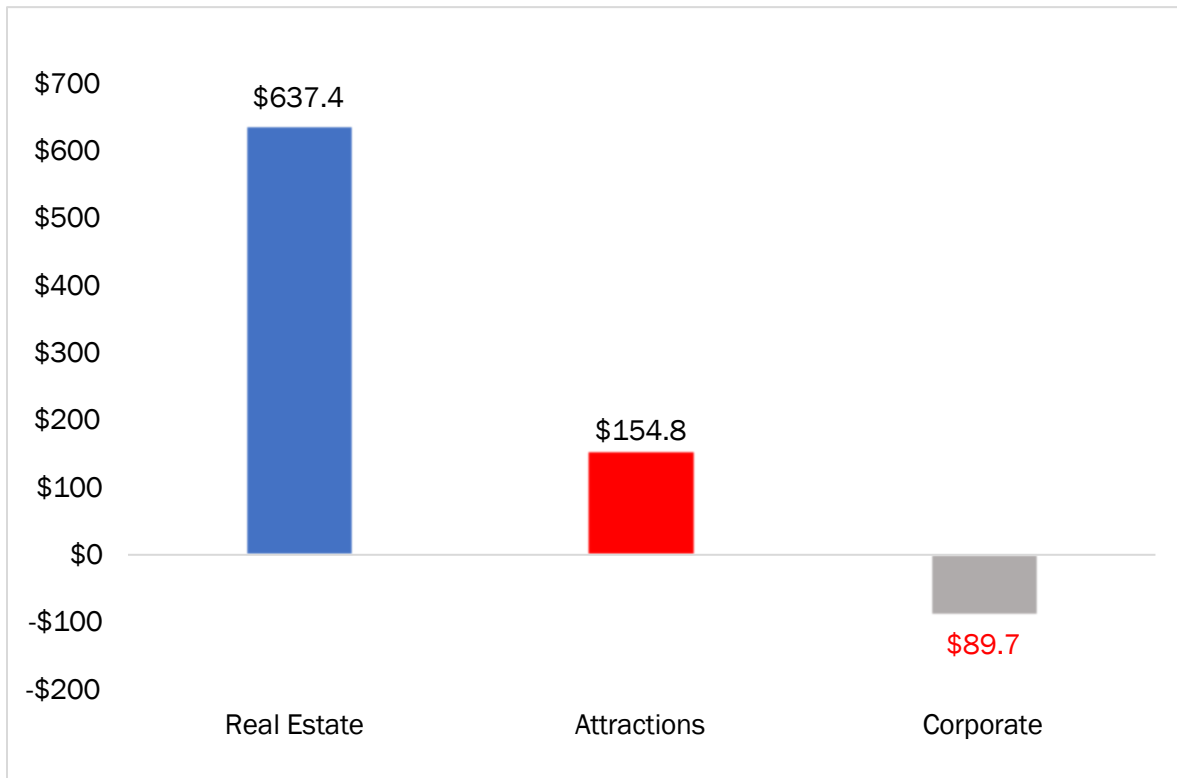
## Profitability

Consolidated net income before tax (NIBT) for the Plan Period is \$702 million, an average of \$140 million per year. Similar to revenue, profitability fluctuates annually and is driven principally by real estate sales activity.

Principal sources of NIBT for the Plan Period are shown in Chart 4 on a consolidated basis and in Chart 5 on an annual basis.

### CHART 4

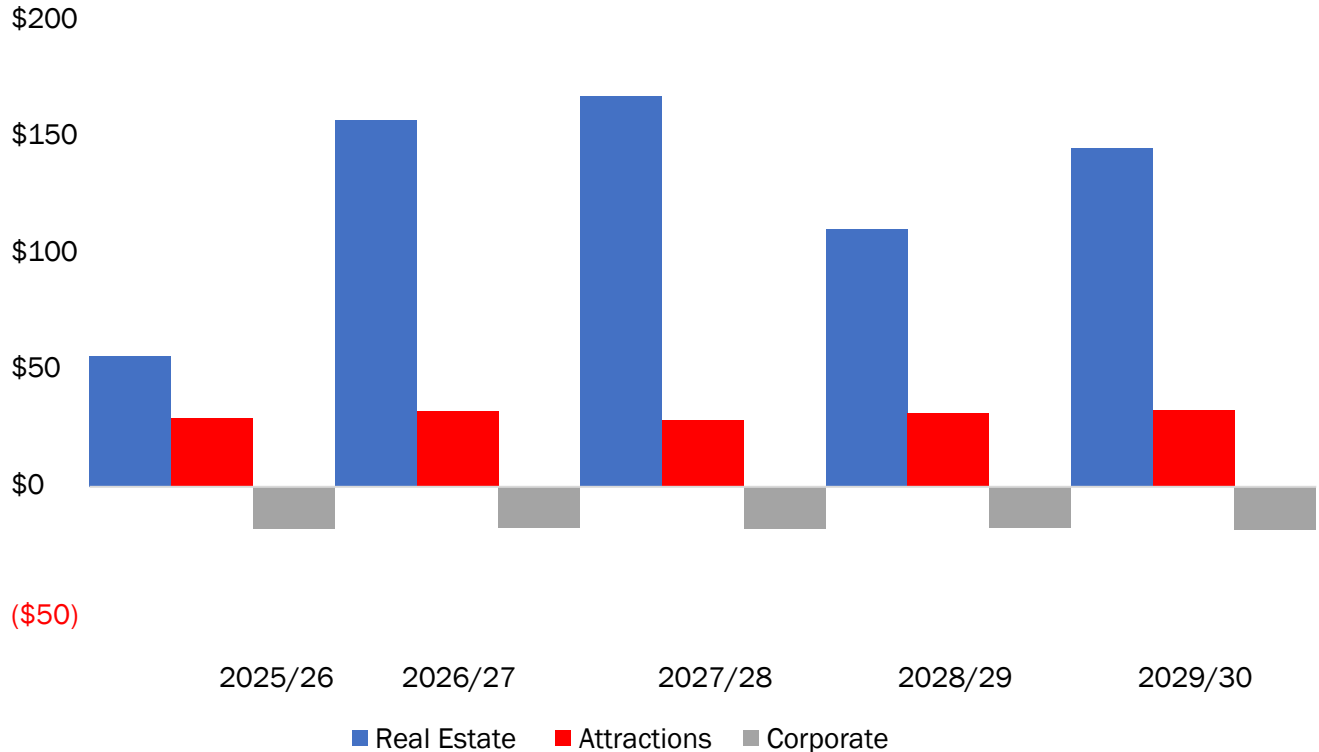
Principal sources of NIBT (*in millions*)





## CHART 5

### Principal sources of NIBT by year (in millions)



As a result of the increase in revenues for 2024/25, the Company forecasts its NIBT to be \$124.1 million, which is higher than the budgeted NIBT of \$91.6 million by \$32.5 million. The primary drivers for the increase in NIBT are the increase in revenues for 2024/25, and a more favourable profitability mix on the real estate land sales, and lower impairments of capital expenditures as a result of suspending progress on the OPMC Master Plan capital project.

Over the Plan Period, the Company projects to generate \$925.6 million in operating profit, or an average of \$185.0 million per year.

During that same time, the operating profit margin will be 38.1% of total revenues. During the Plan Period, the annual operating profit margin will vary depending primarily on the real estate sales and product mix, while the operating profit margin from the Attractions Division is largely consistent.

## General and administrative costs

The Company incurs general and administrative costs to support the operations of the business. These G&A costs are primarily indirect costs incurred within Attractions and the general corporate costs. G&A costs within the Real Estate Division are generally considered direct costs of the projects and capitalized as a cost of development.

The table below provides a summary of the G&A costs incurred during the Plan Period by type, the ratio of operating G&A costs as compared to corporate G&A costs, and the percentage of G&A costs as compared to consolidated revenues.

**TABLE 1**

### General and administrative costs summary

For the year ended March 31 (in millions, except percentages)	2025 Forecast	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	Plan Period Total
Operating G&A costs	\$21.4	\$22.1	\$22.6	\$22.9	\$23.2	\$23.5	\$114.3
Corporate G&A costs	\$22.6	\$24.4	\$24.9	\$24.7	\$24.6	\$25.1	\$123.7
Total G&A costs	\$44.0	\$46.5	\$47.5	\$47.6	\$47.8	\$48.6	\$238.0
Corporate G&A as a % of total G&A	51.4%	52.5%	52.4%	51.9%	51.5%	51.6%	52.0%
Total G&A as a % of total revenue	11.8%	13.3%	8.5%	8.8%	10.3%	9.4%	9.8%
Corporate G&A as a % of total revenue	6.1%	7.0%	4.4%	4.6%	5.3%	4.9%	5.1%

The Company projects total G&A costs for 2024/25 to be \$44.0 million, which is lower than the \$45.5 million that was budgeted. The total G&A costs decreased as a result of lower than budgeted strategic initiative costs, administrative expense reduction initiatives, and redeployment of certain Real Estate Division and Corporate Division staff from administrative expenses to project costs in support of prioritizing the delivery of housing faster.

Over the Plan Period, total G&A costs are expected to be \$237.9 million. Indirect operating G&A costs are expected to be 48.0% of the total G&A costs, or \$114.3 million, with the remainder being corporate G&A costs.



During the Plan Period, total G&A costs as a percentage of total revenue are projected to be 9.8%. In 2024/25 and 2025/26, those percentages are expected to be 11.8% and 13.3%, respectively, due to lower revenue as the Company's real estate sales revenue is relatively low compared to other years during the Plan Period as a result of the development cycle timing of the Company's projects. In addition, \$5.0 million in G&A costs have been added as a result of Budget 2024 and the expansion of the Company's activities to support housing delivery, partially due to the new Housing Innovation Team (HIT). Over the Plan Period, the total G&A costs as a percentage of total revenue fluctuate from a high in 2025/26 of 13.3% to a low of 8.5% in 2026/27 to arrive at the Plan Period average of 9.8% of total revenue.

## Capital investment

The Company continues to make capital investment in its real estate properties and attractions. The Company makes these investments prudently with a focus on both financial and non-financial returns on investment.

As previously mentioned, the capital investment will vary year by year depending on the stage of real estate development of the Company's properties.

In 2024/25, the Company projects \$126.7 million in capital investment, which is lower than the budgeted \$144.2 million. The primary drivers for the lower capital investment are the deferral of certain Real Estate capital investments until future years as a result of development approval delays and the current market conditions, as well as the suspension of progress on the OPMC Master Plan.

For the Plan Period, the Company projects to invest \$940.5 million in capital, with \$815.0 million in Real Estate and \$125.0 million in Attractions.

## Liquidity

CLCL will continue to be self-sustaining and provide significant financial and non-financial contributions to the government.

The Company will continue to exercise prudent cash management processes and active monitoring of capital investment and performance. The Company forecasts sufficient cash on hand or credit availability to meet all its operational and cash requirements in the current year and future years. CLCL's ability to leverage its credit facilities, both cash borrowings and letters of credit, is critical to its ability to deliver housing faster. Using the credit facilities to make those frontend capital investments, rather than the Company's cash, remains a more fiscally practical approach, along with using the credit facilities to support the letters of credit requirements from municipalities during the Plan Period.

One of the key performance indicators that the Company uses to manage liquidity is adjusted net current assets (ANCA). ANCA is determined using current assets, adjusted to remove current inventory, which is not immediately liquid, net of its current liabilities. Below is a table summarizing the Company's ending balance of ANCA for each year of the Plan Period.

**TABLE 2**

**Adjusted net current assets summary**

As at March 31 (in \$millions)	2025 Forecast	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan
Adjusted Current Assets <sup>1</sup>	\$342.0	\$293.4	\$388.2	\$412.9	\$358.0	\$307.8
Current Liabilities	\$222.7	\$222.3	\$226.1	\$232.9	\$319.8	\$220.5
Adjusted Net Current Assets	\$119.3	\$71.1	\$162.1	\$180.0	\$8.2	\$87.3

1 Adjusted Current Assets = Total Current Assets from the CLCL consolidated statement of financial position less Inventory.

During the Plan Period, the Company is projecting payments of \$984 million to its shareholder. See section 7.2, "Summary of Net Benefits to the Government of Canada 2025/26 to 2029/30."

### 7.1.3 Overview of Key Assumptions, Sensitivities and Uncertainties

The Company builds its corporate plan from the bottom up, starting at the individual real estate project and attraction level.

Given the nature of real estate, assumptions can significantly vary year to year based on planning approvals, market conditions, and disposal strategy. The rigorous and comprehensive process that the Company undertakes to generate the operating and capital budgets is consistent with prior years. These budgets are approved by management and the Board of Directors.

Given the current environment in which the Company is operating, particularly the current real estate market, the significance and magnitude of the key assumptions could impact the forecasted results of the Company over the Plan Period materially.

The Company has included the key assumptions, sensitivities and uncertainties below.



## 7.1.4 Key Assumptions

### Macroeconomic

- Macroeconomic conditions in Canada were discussed in section 3, “Operating Environment.”
- The Company has assumed that the inflationary pressures on its inputs (e.g., the costs of goods, energy costs, development construction, consultancy costs), which have subsided significantly over the past year, will remain stable, and as a result annual inflation rates will be consistent with historical levels during the Plan Period.

### Attractions

#### CN Tower

- Financial performance is driven principally by attendance, which is forecasted for 2024/25 at 1.8 million guests. Over the Plan Period, attendance is projected to increase gradually to just under 1.9 million by 2029/30, which is still slightly below pre-pandemic attendance;
- A significant degree of the costs of operating and maintaining the CN Tower are fixed. As a result, fluctuations in attendance, which drives revenue, have a significant impact on both revenues and profitability;
- Tourism, including from the U.S. and other foreign markets, is a significant driver of CN Tower attendance. The Company has assumed that international overnight arrivals to Canada and Toronto, which are approximately 90% of 2019/20 levels, will continue to gradually return to pre-pandemic levels; and
- The collective agreement with the union at the CN Tower expires on May 31, 2025. The Company has assumed that a new collective agreement will be reached and that there will be no significant disruption to operations.





## Old Port and MSC

- A significant driver of the financial performance of the MSC is attendance, particularly from school groups. In 2024/25 to date, attendance has been consistent with the prior year. The Company has assumed that the MSC will maintain its current attendance levels through a variety of strategies, including the quality of its exhibits;
- A significant degree of the costs of operating and maintenance of the Old Port and MSC are fixed. As a result, fluctuations in attendance or tenants, which drive revenue, have a significant impact on both revenues and profitability;
- The ability to either develop or rent popular exhibits in a timely, cost-effective manner is a key driver to the attendance at the MSC, which ultimately drives revenue and profitability; and
- The collective agreement with the union at OPMC expires on March 31, 2026. The Company has assumed that a new collective agreement will be reached and that there will be no significant disruption to operations.

## Real estate

- **Market:** The corporate plan and budgets assume demand within its real estate markets to remain consistent with historical levels of balanced supply and demand through the Plan Period, which will drive relatively stable markets. The corporate plan does not attempt to predict significant gains or losses in market conditions in any of the areas where the Company owns property, particularly given the recent volatility in market conditions for residential property in many parts of the country;
- **Affordable Housing:** The Company's goal over the Plan Period is to provide 20% of its housing units delivered as affordable, and that the Company will meet or exceed the current affordable housing requirements of municipalities; and
- **Planning and Development Approvals:** The Company has assumed that its real estate projects will receive approvals from municipalities in a reasonable, timely manner.

## Acquisitions

- The velocity of acquisitions by the Company is expected to increase significantly, particularly to support the delivery of market and affordable housing faster. Several properties have been recently identified as potential acquisitions by the Company during the Plan Period, especially in years 2025/26, 2026/27 and 2027/28; and
- The Company has assumed it will continue to acquire properties from custodians at fair market value.



## Liquidity

### Budget 2024

- As mentioned above, the Company has assumed that it will continue to acquire properties at fair market value. The Company has assumed that the payment terms for those acquisitions will be consistent with the current practices, whereby the Company makes an initial payment to the former property custodian at the time of acquisition and that the remainder, if any, of the acquisition price is paid to the former property custodian over years based on the net cash flows of the property through its development;
- The Company has assumed that properties identified in Budget 2024 for long-term leasing will receive significant upfront funding through the FLI at the outset of the leases; and
- The Company has assumed that it will be able to maintain its borrowing authorities for CLC and PDP during the Plan Period. If either CLC or PDP are unable to maintain their borrowing authorities, it would impact the Company's ability to invest, particularly in real estate, which would likely slow its development plans. It could also negatively impact the financial performance of the Company by not optimally using credit facilities and the Company's liquid assets to finance its operations.

### Other

- General and administrative (G&A) costs have been assumed to increase between 2.0% and 2.5%, depending on the business unit in 2025/26. For the remainder of the Plan Period, based on operating business unit, the Company has assumed G&A cost increases of between 2.0% and 2.5%, with the exception of travel costs and discretionary professional services, which have been reduced for the Plan Period to comply with Federal Budget 2023 savings commitments. The G&A cost estimates for future years of the corporate plan are reassessed annually;
- The labour markets that the Company operates in, particularly in Toronto and Montréal where the significant Attractions operations are, will be balanced and will allow the Company to hire competent, qualified individuals at prevailing market rates within reasonable time frames, while retaining its current workforce; and
- Labour and staffing within municipalities, suppliers, and vendors will be sufficient. In the case of municipalities, a lack of staffing creates delays in obtaining municipal approvals for real estate projects delaying servicing and ultimately the sale of parcels. A lack of suppliers and vendors could negatively impact a variety of items in the Attractions Division, including, but not limited to, property management and maintenance service, pricing, availability, and operations, while in the Real Estate Division, it could impact timing, pricing, and costs.



## 7.1.5 Sensitivities and Uncertainties

### Attractions

- As mentioned above, a change in CN Tower attendance of 100,000 guests/year has an impact of approximately \$6.5 million in revenues and between \$2.5 million and \$3.0 million in NIBT;
- As mentioned above, there are uncertainties around Old Port's tenants given the current economic conditions. Any change in the Old Port tenant revenues would have an almost direct 1:1 impact on its NIBT;
- As mentioned above, a change in the MSC attendance of 100,000 guests/year has an impact of approximately \$1.3 million to \$1.5 million in revenue;
- OPMC's assessment of its PILT differs from the City assessment of PILT owing, going back to 2013/14. The City and OPMC continue to contest the PILT owing since 2013/14. It is assumed that annual PILT payments for the remainder of the Plan Period will be similar to those OPMC has assessed; however should the resolution of the contestation differ from that assumption, it would impact the profitability and cash flow of OPMC. The payment of any additional PILT, if applicable, would be funded through a cash injection from CLC through CLCL; and
- If the results of union negotiations differ significantly from the assumptions made and/or result in operational disruptions, they could have a significant impact on the financial profitability and cash flow of OPMC and/or the CN Tower, which would ultimately impact the Company.

### Real Estate

- Montréal projects: The Company has a significant number of real estate projects in the greater Montréal area that are forecasted to generate revenue and profit during the Plan Period. The Company expects these projects to perform as forecasted; however, most of these projects are entering the sales and marketing phase for the first time during the Plan Period. The Company projects more than \$336 million in sales during the Plan Period.
- Heather Street Lands and Jericho Lands, Vancouver: In the Plan Period, the Company projects to sell the second phase of its 50% beneficial interest in the Heather Street Lands, and the first and second phases of the Jericho Lands, to its First Nations partners;
- Currie, Calgary and Village at Griesbach, Edmonton: The Edmonton and Calgary markets continue to remain strong, and the Company is projecting more than \$215 million in real estate sales;
- Ottawa projects: The Ottawa real estate market is currently considered slow; however, the Company does have more than \$170 million in sales during the Plan Period forecasted from Ottawa-based projects that are already in its inventory; and
- Downsview Lands, Toronto: Sales during the Plan Period from the Downsview Lands are projected at close to \$200 million.



## Budget 2024

- As mentioned before, it is assumed that for the properties identified in Budget 2024 for long-term leasing, that the Company will receive significant upfront lease payments, largely through the FLI. Should these not materialize as assumed, it would negatively impact the Company early in the Plan Period by approximately \$50.0 million.
- If more real estate properties were to be leased rather than disposed, it would have a significant impact on the Company's profitability and cash flow during the Plan Period, particularly if FLI funding was not available. Given the various scenarios, it is difficult to determine the actual impact on the Company, should the assumption change.

## Acquisitions

As mentioned above, it is assumed that the current financial acquisition practices will remain in place during the Plan Period. However, if those practices were to change, it would impact the finances of the Company. For example, if properties were to be acquired for less than market value or required the entire purchase price to be made at acquisition, this would impact the Company's cash flow, statement of financial position, and/or statement of comprehensive income significantly.

## Corporate

The Company generates interest income from its excess cash on hand balance. If interest rates were to vary from the assumed rates by +/- 1% it would have an impact of \$2 million to \$3 million on the Company's profitability and cash flows. For the remainder of the Plan Period, based on operating business unit, the Company has assumed G&A cost increases of between 2.0% and 2.5%, with the exception of travel costs and discretionary professional services, which have been reduced for the Plan Period to comply with Federal Budget 2023 savings commitments. If the G&A costs vary from the assumed rates by +/- 1.0% it would have an impact of \$0.4 million to \$0.5 million annually on the Company's profitability and cash flows.

## 7.2 Summary of Net Benefits to the Government of Canada 2025/26 to 2029/30

The Company provides financial benefits to the Government of Canada in various ways. As illustrated in the table below, the Company will contribute close to \$984 million or an average of \$197 million per year over the Plan Period.

**TABLE 3**  
**Net benefits to the Government of Canada**

\$millions	2025/26	2026/27	2027/28	2028/29	2029/30	Total
Acquisitions <sup>1</sup>	\$55.0	\$45.0	\$30.0	\$15.0	\$0.0	\$145.0
Promissory note repayments	\$54.3	\$9.1	\$17.4	\$44.1	\$126.8	\$251.7
Income taxes paid (recovered)	\$63.1	\$5.4	\$59.6	\$56.4	\$14.9	\$199.4
Dividends to Government of Canada <sup>2</sup>	\$20.0	\$30.0	\$50.0	\$100.0	\$100.0	\$300.0
Recurring financial support to OPMC <sup>3</sup>	\$17.0	\$17.7	\$18.2	\$17.8	\$17.5	\$88.2
<b>Total</b>	<b>\$209.4</b>	<b>\$107.2</b>	<b>\$175.2</b>	<b>\$233.3</b>	<b>\$259.2</b>	<b>\$984.3</b>

1 Represents the upfront payment to the disposing department or agency, normally up to \$5.0 million per property or portfolio.

2 Indicates cash dividends forecast to be paid to the Consolidated Revenue Fund.

3 Excludes the use of \$4.3 million from cash and cash equivalents on hand at the end of 2024/25 that will be used during the Plan Period.

At the same time, as CLCL provides financial benefits to Canada, it will, through its CLC, PDP and OPMC subsidiaries, invest in its existing inventory and assets. These investments include tax PILT payments to municipalities, spending on infrastructure (e.g., construction contracts for roads, water, sewer lines), hiring consultants and technical services firms, investments to maintain and enhance Attractions assets, and value creation activities at long-term rental properties. Total investments by year, by type and for the duration of this plan are shown below:

**TABLE 4**

**Summary of investments 2025/26 to 2029/30 by division**

\$millions	2025/26	2026/27	2027/28	2028/29	2029/30	Total
Real Estate	\$152	\$171	\$168	\$182	\$143	\$816
Attractions	\$25	\$31	\$25	\$22	\$22	\$125
Total	\$177	\$202	\$193	\$204	\$165	\$941

### 7.3 CLCL Dividend Policy and Retained Earnings Explained

Under non-governmental accounting standards, including the International Financial Reporting Standards (IFRS), to which CLCL is required to conform, retained earnings do not represent surplus cash or cash left over after the payment of dividends. Rather, retained earnings demonstrate what a company did with its profits; they are the amount of profit the company has reinvested in the business since its inception. These reinvestments are either asset purchases or liability reductions. Ultimately, most analysis of retained earnings focuses on evaluating which action would generate the highest return for the shareholder(s). In CLCL's case, the highest return is created by generating profits that enable the purchase of land or other assets from the government, capacity to increase its value and optimize profit on its sale, while achieving other less tangible goals of reintegrating the property into the community and providing other benefits to stakeholders. It is also important to note in this regard that CLCL, for the most part, does not control the timing of when federal custodians clear their holdings for sale, and therefore CLCL needs to retain cash on hand to pay for closing costs.

At CLCL, in addition to paying dividends, retained earnings have been used principally to fund the purchase of property and its subsequent development for sale. The accounting treatment in this example would be a reduction in cash and an increase in inventory. The cash retained within the business has been used to invest in inventory with the expectation of higher profit in the future and is reflected in the inventory asset on the balance sheet.

CLCL continues to fund the annual OPMC operating deficit and capital requirements of approximately \$27 million per annum forecasted during the Plan Period. Prior to operational amalgamation in November 2012, these funding shortfalls, which at the time were approximately \$24 million annually, were fully subsidized by the federal government. The Company also continues to fund the operating and capital requirements of Downsview Park, 291 acres of active and passive green space of approximately \$7 million annually.



Dividends paid by CLCL are funded by free cash flow that is not otherwise required to purchase land from the federal government, repay promissory notes, support OPMC's and Downsview Park's operating deficit and capital requirements, or invest in land to be developed for future sales and optimize financial and community benefit. The amount of free cash flow available for dividends is determined annually during preparation of the corporate plan and budgets and can change significantly in years three, four and five as note repayments, acquisitions and development plans become more specific.

The details of CLCL's sources and uses of cash are contained in the consolidated statement of cash flows in section 7.4.3 of this plan.

## 7.4 Financial Statements and Budgets

### 7.4.1 CLCL Consolidated Statement of Comprehensive Income

For the year ended March 31

\$millions	2024 Actual	2025 Budget	2025 Forecast	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	Plan Period Total
<b>REVENUES</b>									
Real estate sales	55.0	149.3	176.5	148.5	356.6	339.4	262.3	311.4	1,418.2
Attraction, food, beverage and other hospitality	130.7	132.4	132.3	137.3	140.1	142.9	145.9	146.3	712.5
Rental operations	46.6	44.7	47.0	50.3	49.5	45.1	45.3	45.0	235.2
Interest and other	19.2	15.9	15.9	13.3	14.3	12.2	12.8	12.3	64.9
	<b>251.5</b>	<b>342.3</b>	<b>371.7</b>	<b>349.4</b>	<b>560.5</b>	<b>539.6</b>	<b>466.3</b>	<b>515.0</b>	<b>2,430.8</b>
<b>EXPENSES</b>									
Real estate development costs	48.5	61.5	73.7	95.6	207.8	178.2	156.0	172.5	810.1
Attraction, food, beverage and other hospitality costs	81.7	87.8	85.1	88.8	90.7	92.1	93.4	93.8	458.8
Rental operating costs	42.6	26.9	28.6	41.1	31.3	33.5	34.5	31.0	171.4
General and administrative	32.4	45.5	44.0	46.5	47.4	47.6	47.8	48.6	237.9
Interest and other financing costs	10.7	2.5	1.3	1.1	0.8	0.6	0.7	0.8	4.0
Impairment of capital expenditures	10.1	29.8	14.9	8.5	10.5	9.2	9.4	8.6	46.2
	<b>226.0</b>	<b>254.0</b>	<b>247.6</b>	<b>281.6</b>	<b>388.5</b>	<b>361.2</b>	<b>341.8</b>	<b>355.3</b>	<b>1,728.4</b>
<b>Income before taxes</b>	<b>25.5</b>	<b>88.3</b>	<b>124.1</b>	<b>67.8</b>	<b>172.0</b>	<b>178.4</b>	<b>124.5</b>	<b>159.7</b>	<b>702.4</b>
Income tax expense	11.8	34.0	37.3	21.2	47.4	49.2	35.6	44.2	197.6
<b>Net Income</b>	<b>13.7</b>	<b>54.3</b>	<b>86.8</b>	<b>46.6</b>	<b>124.6</b>	<b>129.2</b>	<b>88.9</b>	<b>115.5</b>	<b>504.8</b>





## 7.4.2 CLCL Consolidated Statement of Financial Position

As at March 31

\$millions	2024 Actual	2025 Plan	2025 Forecast	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan
<b>ASSETS</b>								
<b>Non-Current</b>								
Investment properties	29.3	64.1	52.3	75.1	84.2	90.1	93.0	96.3
Inventories	380.2	327.8	423.8	435.0	471.3	515.7	536.7	492.1
Property, plant & equipment	160.1	158.8	154.8	153.8	149.8	143.5	136.9	137.8
Investments	4.5	-	4.5	-	-	-	-	-
Trade receivables and other	13.1	11.4	11.7	2.5	4.7	8.0	0.1	9.8
Long-term receivables	54.0	56.8	54.8	50.4	33.0	33.0	15.4	-
Deferred taxes	70.8	74.2	71.9	72.5	65.7	64.0	60.4	56.4
	<b>712.0</b>	<b>693.1</b>	<b>773.8</b>	<b>789.3</b>	<b>808.7</b>	<b>854.3</b>	<b>842.5</b>	<b>792.4</b>
<b>Current</b>								
Inventories	67.6	164.7	95.6	211.2	181.5	156.0	179.1	185.4
Cash	223.3	281.4	306.0	222.9	330.0	374.1	275.8	253.1
Short-term investments	-	3.6	-	3.6	3.6	3.6	3.6	3.6
Trade receivables and other	39.0	48.5	36.1	45.5	37.7	35.2	45.3	34.2
Current portion of long-term receivables	10.8	16.9	-	4.9	16.9	-	16.9	16.9
Current Income Tax recoverable and other Assets	0.8	-	-	16.6	-	-	16.4	-
	<b>341.5</b>	<b>515.1</b>	<b>437.7</b>	<b>504.6</b>	<b>569.7</b>	<b>568.9</b>	<b>537.1</b>	<b>493.2</b>
	<b>1,053.5</b>	<b>1,208.2</b>	<b>1,211.5</b>	<b>1,293.9</b>	<b>1,378.4</b>	<b>1,423.2</b>	<b>1,379.6</b>	<b>1,285.6</b>

## 7.4.2 CLCL Consolidated Statement of Financial Position Continued

As at March 31

\$millions	2024 Actual	2025 Plan	2025 Forecast		2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan
<b>LIABILITIES</b>									
<b>Non-Current</b>									
Notes payable	285.4	268.8	253.4		280.8	263.6	219.5	97.0	87.0
Provisions	3.2	0.9	3.2		0.6	0.6	0.6	0.6	0.6
Deferred taxes	-	3.3	-		-	-	-	-	-
Prepaid rent, deposits and others	10.1	53.8	29.6		61.1	64.4	67.2	70.2	70.2
	<b>298.7</b>	<b>326.8</b>	<b>286.2</b>		<b>342.5</b>	<b>328.6</b>	<b>287.3</b>	<b>167.8</b>	<b>157.8</b>
<b>Current</b>									
Credit facilities	56.6	98.4	88.8		160.4	137.9	127.9	141.1	151.1
Notes payable	19.3	28.5	54.3		9.1	17.4	44.1	126.8	10.0
Prepaid rent, deposits and others	6.5	6.5	6.2		6.3	6.3	6.3	6.3	6.3
Deferred Revenue	2.4	1.4	2.4		2.4	2.4	2.4	2.4	2.4
Trade and other payables	35.3	40.9	37.1		37.0	39.0	36.9	38.5	38.4
Provision for PILT being contested	-	-	-		-	-	-	-	-
Provisions	8.0	3.9	9.3		7.1	6.5	6.5	4.8	4.8
Taxes payable	-	20.6	24.6		-	16.7	8.8	-	7.5
	<b>128.1</b>	<b>200.2</b>	<b>222.7</b>		<b>222.3</b>	<b>226.1</b>	<b>232.9</b>	<b>319.9</b>	<b>220.5</b>
<b>EQUITY</b>									
Contributed surplus	181.1	185.1	181.1		181.1	181.1	181.1	181.1	181.1
Accumulated earnings	639.3	704.3	726.2		772.7	897.4	1,026.6	1,115.5	1,230.9
Accumulated dividends	(193.7)	(223.7)	(213.7)		(233.7)	(263.7)	(313.7)	(413.7)	(513.7)
Accumulated dividends reinvested	-	9.0	9.0		9.0	9.0	9.0	9.0	9.0
<b>Net Equity</b>	<b>626.7</b>	<b>674.7</b>	<b>702.6</b>		<b>729.1</b>	<b>823.8</b>	<b>903.0</b>	<b>891.9</b>	<b>907.3</b>
	<b>1,053.5</b>	<b>1,208.2</b>	<b>1,211.5</b>		<b>1,293.9</b>	<b>1,378.4</b>	<b>1,423.2</b>	<b>1,379.6</b>	<b>1,285.6</b>



## 7.4.3 CLCL Consolidated Statement of Cash Flows

For the year ended March 31

\$millions	2024 Actual	2025 Plan	2025 Forecast	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	Plan Period Total
<b>Operating activities</b>									
Net Income	13.8	54.3	86.9	46.6	124.6	129.2	88.9	115.5	504.8
Income taxes paid	(24.3)	(12.8)	(13.8)	(63.1)	(5.4)	(59.6)	(56.4)	(14.9)	(199.3)
Depreciation	11.5	14.1	13.0	15.9	16.2	16.5	16.7	16.7	82.0
Cost of Property Sales	48.5	61.5	73.7	95.6	207.8	178.2	156.0	172.5	810.1
Expenditures on properties	(50.6)	(102.7)	(98.5)	(146.1)	(169.7)	(167.8)	(181.5)	(135.0)	(800.1)
Acquisitions	-	(38.6)	(61.4)	(91.0)	(45.0)	(30.0)	(19.3)	-	(185.3)
Write downs and impairments	11.8	31.0	15.3	8.6	10.5	9.2	9.4	8.6	46.3
Recovery of expenditures on properties	0.8	1.0	3.0	0.6	4.5	1.3	1.4	3.8	11.6
Recovery of expenditures on properties from joint ventures	-	3.0	2.1	-	3.4	3.3	-	6.6	13.3
Long-term receivables	(1.4)	5.6	15.6	(1.0)	7.6	17.5	(0.1)	31.0	55.0
Provision for PILT	(25.4)	-	-	-	-	-	-	-	-
Notes payable – notional interest	3.0	1.5	0.9	0.5	0.2	-	-	-	0.7
Income tax expense	11.8	34.0	37.3	21.2	47.4	49.2	35.6	44.2	197.7
Interest Expense	-	-	-	-	-	-	-	-	-
Change in current assets / liabilities	10.9	(7.5)	(5.8)	(5.1)	(1.6)	(0.2)	-	(25.6)	(32.5)
<b>Cash Provided by (Used in) Operating Activities</b>	<b>10.4</b>	<b>44.4</b>	<b>68.2</b>	<b>(117.3)</b>	<b>200.5</b>	<b>146.8</b>	<b>50.7</b>	<b>223.5</b>	<b>504.2</b>
<b>Financing activities</b>									
Change in Credit Facilities	3.9	30.2	32.2	71.6	(22.5)	(10.0)	13.2	10.0	62.3
Promissory Notes acquired	-	16.4	25.0	36.0	-	-	4.3	-	40.3
Promissory Note Repayments	-	(7.9)	(22.9)	(54.3)	(9.1)	(17.4)	(44.1)	(126.8)	(251.7)
Dividends	(10.0)	(20.0)	(20.0)	(20.0)	(30.0)	(50.0)	(100.0)	(100.0)	(300.0)
Long-term leases upfront payments	-	51.0	19.5	31.5	-	-	-	-	31.5
Dividend reinvested	-	9.0	9.0	-	-	-	-	-	-
<b>Cash Used in Financing Activities</b>	<b>(6.1)</b>	<b>78.7</b>	<b>42.8</b>	<b>64.8</b>	<b>(61.6)</b>	<b>(77.4)</b>	<b>(126.6)</b>	<b>(216.8)</b>	<b>(417.6)</b>

## 7.4.3 CLCL Consolidated Statement of Cash Flows Continued

For the year ended March 31

\$millions	2024 Actual	2025 Plan	2025 Forecast	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	Plan Period Total
<b>Investing Activities</b>									
Long-term investments	(4.5)	-	-	4.5	-	-	-	-	4.5
Short-term investments	7.0	-	-	(3.6)	-	-	-	-	(3.6)
Expenditures on investment properties	(2.4)	(6.3)	(5.5)	(8.1)	(9.1)	(5.9)	(2.9)	(3.2)	(29.2)
Expenditures on property, plant and equipment	(19.0)	(35.9)	(22.7)	(23.4)	(22.7)	(19.4)	(19.5)	(26.2)	(111.2)
<b>Cash Used in Investing Activities</b>	<b>(18.9)</b>	<b>(42.2)</b>	<b>(28.2)</b>	<b>(30.6)</b>	<b>(31.8)</b>	<b>(25.3)</b>	<b>(22.4)</b>	<b>(29.4)</b>	<b>(139.5)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(14.6)</b>	<b>80.9</b>	<b>82.8</b>	<b>(83.1)</b>	<b>107.1</b>	<b>44.1</b>	<b>(98.3)</b>	<b>(22.7)</b>	<b>(52.9)</b>
Cash, beginning of year	237.7	200.5	223.2	306.0	222.9	330.0	374.1	275.8	-
<b>CASH, END OF YEAR</b>	<b>223.2</b>	<b>281.4</b>	<b>306.0</b>	<b>222.9</b>	<b>330.0</b>	<b>374.1</b>	<b>275.8</b>	<b>253.1</b>	<b>-</b>
Loan balance, beginning of year	52.7	68.2	56.6	88.8	160.4	137.9	127.9	141.1	-
Change in loan balance	3.9	30.2	32.2	71.6	(22.5)	(10.0)	13.2	10.0	-
<b>Loan balance, end of year</b>	<b>56.6</b>	<b>98.4</b>	<b>88.8</b>	<b>160.4</b>	<b>137.9</b>	<b>127.9</b>	<b>141.2</b>	<b>151.1</b>	<b>-</b>
Letters of credit required	26.5	60.2	38.7	59.7	105.9	183.9	174.0	131.1	-
Total borrowings against credit facility	83.1	158.6	127.5	220.1	243.8	311.8	315.2	282.2	-
Total available	200.0	200.0	200.0	400.0	400.0	400.0	400.0	400.0	-
<b>Available credit</b>	<b>116.9</b>	<b>41.4</b>	<b>72.5</b>	<b>179.9</b>	<b>156.2</b>	<b>88.2</b>	<b>84.9</b>	<b>117.8</b>	<b>-</b>



## **8. Appendix 3: Compliance with Legislative and Policy Requirements**

### ***Access to Information Act***

Access to information requests can be made through CLCL's website or the AOMT website. A report of completed requests is also available on the website. Statistical reporting is also completed and posted publicly as required by the *Access to Information Act*.

### ***Accessible Canada Act***

The Company complies with the *Accessible Canada Act* by publishing its multi-year accessibility plan and will publish its updated achievements report by December 2024.

### ***Canadian Human Rights Act***

The Company complies with all its obligations pursuant to the *Canadian Human Rights Act*. Policies include Respect in the Workplace, and Diversity & Inclusiveness.

### ***Canada Anti-Spam Legislation***

The Company has provided training about the *Canada Anti-Spam Legislation* to certain key employees and continues to monitor communications activities to ensure personnel are mindful of CLCL's obligations.

### ***Canada Business Corporations Act***

CLCL fulfills all mandatory reporting and filing requirements of the *Canada Business Corporations Act*.

### ***Pay Equity Acts***

The Company is committed to complying with the *Federal Pay Equity Act* and has created a plan to comply with reporting obligations, for the federal subsidiaries. CLC complies with the *Ontario Pay Equity Act* and maintains three plan designs and conducts annual reviews, as per legislation.

### ***Financial Administration Act***

CLCL complies with all aspects of the *Financial Administration Act* including reporting requirements such as CLCL's annual report and corporate plan, which are reviewed and approved annually. Financial integrity is governed by Canadian accounting standards, as well as CLCL's Code of Conduct & Conflict of Interest Policy.



### ***Library and Archives of Canada Act***

CLCL documents are retained according to retention schedules as set out in the CLCL Records Management Policy.

### ***Official Languages Act***

CLCL has a policy governing the Company's commitment and obligations under the *Official Languages Act*.

### ***Privacy Act***

Personal information held by CLCL is accessible by Canadians as per the *Privacy Act* and is set out in the CLCL Personal Information Policy.

### ***Jobs and Growth Act***

The CLC pension program (while a defined contribution and not a defined benefit program) is structured with 50:50 employer/employee contributions, in line with the changes implemented by the Government of Canada for pensions in the public services.

### ***Employment Equity Act***

CLCL complies with all its obligations pursuant to the *Employment Equity Act*. Policies include Respect in the Workplace Policy, Diversity & Inclusiveness Policy, and Employment Equity Procedure.

### ***Directive on Travel, Hospitality, Conference and Event Expenditures***

CLCL updated its Business Travel, Hospitality, Conference and Event Expense Policy in 2016 to comply with the Treasury Board directive.

### ***Fighting Against Forced Labour and Child Labour in Supply Chains Act***

The Company will comply with the applicable requirements set out in the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.



## 9. Appendix 4: Government Priorities and Direction

CLCL creates benefits for its shareholder and Canadians above and beyond its financial contributions. Since 1995, CLCL has met a myriad of government policy objectives that have provided municipalities, provinces and Canadian taxpayers benefits that simply would not have been possible without CLCL's participation. Below are a few examples of CLCL's contributions to Canadian society:

- **Infrastructure investments to create jobs and prosperity:** CLCL invests in local infrastructure as part of its development projects. Over the Plan Period, it expects to invest \$816 million in its real estate projects. CLCL's development projects stimulate the local economy and offer employment opportunities. Results are measured through the ability to complete key investments on time and on budget, and the reintegration of these properties into local communities.
- **Housing and affordable housing opportunities:** CLCL is continuing its work with municipalities in the integration of market and affordable housing in its developments. To date, CLCL has facilitated the implementation of approximately 3,000 affordable housing units and continues to explore innovations through leasing land at nominal value, and continued sale of land. Between April 1, 2024 to March 31, 2031 there are 39,000 units in the pipeline, and CLCL is exploring ways to accelerate an additional 10,000 units into this timeframe for a total of 49,000 units, making CLCL a key contributor to the government's overall housing targets. A key performance indicator is the number of parcels or projects the Company can contribute, working with Build Canada Homes and within the municipal processes in which the Company operates.
- **Effective management of Canada's finances, resources, and assets:** CLCL's value creation ensures effective and efficient reintegration of former government property back into local communities. Key financial indicators, such as property sales and dividends, are used to measure financial results. Over the Plan Period, the Company will aim to acquire \$18 in surplus property, generate almost \$1,420 million in land sales and invest more than \$940 million through project and capital expenditures, while returning \$300 million in dividends to the government.
- **Open and transparent engagement with Canadians:** The Company actively consults local communities and stakeholders using various forums (e.g., workshops, virtual meetings, open houses, advisory committees) in creating development plans, which contributes to the government's openness and transparency objectives. A goal over the Plan Period is to begin, continue, and/or complete the public engagements for certain properties including Vancouver, Toronto, Ottawa, and Montréal. Results are measured by timely completion of engagement activities and through effective working relationships with municipalities and local communities.



- Build and maintain strong partnerships with Indigenous communities. At this time, CLC has entered into six agreements of various forms with thirteen First Nations in the following cities: Vancouver, Winnipeg, Ottawa, Toronto and Halifax. Each arrangement is a unique partnership tailored to the Indigenous communities' interests and desire, the context of the properties and the opportunities available. Components of the agreements with the Indigenous communities have included working together on capacity building, procurement, commemoration and commercial land transactions.
- Demonstrate climate leadership and contribute to a cleaner environment by implementing strategies that will support the government, including its commitment to net-zero emissions by 2050. The Company will achieve this through environmentally sustainable operations and related project initiatives as outlined in its climate roadmap, which is embedded into its ESG program, and report on the Company's climate-related financial risks through the Task Force on Climate-Related Financial Disclosures and through its ESG reporting.
- Commitment to ensuring a workplace of choice: The Company continues to drive programs that support the enhancement of a healthy, equitable and respectful workplace. The strategy includes training and information sessions to promote wellness and mental health in the workplace.
- Commitment to diversity and inclusion: CLCL is committed to equity, diversity, inclusion, and accessibility through the creation of a variety of steering committees, resource and advisory groups, fostering inclusion of a broad range of voices and views in governance and decision-making. Each business unit supports employee-led committees, focus group discussions, multi-year plans, and training programs, with emphasis on understanding and removing biases, anti-racism, anti-harassment, and code of conduct.
- Commitment to transparent and diverse procurement: CLCL will continue to provide robust procurement opportunities on CLCL projects and promote inclusive participation, including contracting with Indigenous-led businesses. For example, at the Heather Street Lands and Jericho Lands projects, procurement to date shows that 66% of contracts where First Nations businesses submitted proposals have been awarded to First Nations businesses since 2014.
- The Company will continue to support the government's Accessible Canada Act and accessibility commitments through its internal inclusion policies and practices and its multi-year plan, and by including accessibility considerations in the design and development of its real estate projects and attractions programming.





## 10. Appendix 5: Strategic Plan and ESG Priorities

Canada Lands creates financial and non-financial value for Canada by transforming unused and underutilized Government of Canada property. Through the Company's Real Estate and Attractions Divisions, as well as its corporate support and oversight, value creation is maximized by the integration, development, and management of assets in the communities in which the Company is privileged to participate. Success means implementing the Company's values while always being financially sustainable.

### Strategic Plan Priorities

#### Transform Surplus and Underutilized Properties

- Canada Lands acquires properties from the Government of Canada. The Company seeks to engage actively with the Government of Canada to streamline and accelerate the process and expand the scope of acquisitions.

#### *Strategic Priority*

- Promote government and market understanding of the potential to be realized through Canada Lands' work to raise the bar in environmental, social, and other Canadian community and global objectives.
- Develop and deploy strategies to establish Canada Lands as the Government of Canada's preferred partner for surplus and underutilized real property assets.
- Engage in the government's efforts to streamline and reduce the time it takes to identify and sell properties to Canada Lands, thus establishing a steady flow of acquisitions.
- Assess the Company's communities toward greater inclusion of employment generators.
- Hold and manage real estate assets to ensure financial sustainability through strategic asset management.



## **Attractions Create Unique Canadian Experiences**

Since Canada Lands' inception in 1995, the Company has operated attractions as an integral and ongoing part of its business. The Company's capacity, know-how, and experience positions it to do more and to excel at creating unique Canadian Experiences.

### ***Strategic Priority***

- Develop more deeply the Canadian Experience then assess the Company's existing attractions against this ideal to meet Canadians' needs, expectations, and values.
- Make every attraction an iconic, unique, inspiring, and quintessentially Canadian Experience demonstrating the Company's values.
- Promote the Company within government as an option for other current and potential attractions as either an owner-operator or operator.
- Hold and manage attraction operations to ensure financial sustainability through strategic asset management.

## **A Workplace of Choice**

Canada Lands seeks to address equity, diversity, inclusion, accessibility, and environmental sensitivity through its social impact policies and practices. Canada Lands remains motivated and open to innovation in incorporating these principles into the workplace while creating both financial and non-financial returns through its employees, driving great results for the Company and Canada.

### ***Strategic Priority***

- Embrace and embed a social, environmental, and financial responsibility culture as key elements of Canada Lands' business practices.
- Support the Government of Canada's priorities to address inequities and support those with diminished opportunities.
- Make Canada Lands' workplaces and programs living evidence of the implementation of the Company's values and as representative of the Canadian population.



***ESG Priorities***

<b>Climate</b>	To become a recognized market leader in advancing Canadian ambition to achieve net zero by 2050 and facilitating the development of climate resilient communities nation-wide.
<b>Diverse Procurement</b>	To increase the value and number of contracts awarded to Indigenous businesses and businesses owned by underrepresented groups.
<b>Equity, Diversity &amp; Inclusion</b>	To be a place of belonging; where everyone is welcome, appreciated for who they are and comfortable being their authentic selves.
<b>Indigenous Peoples Collaboration</b>	To have established authentic relationships through all our projects and attractions; to have these relationships, and accumulated knowledge, inform decisions made throughout the Company.
<b>Affordable Housing</b>	To use our unique position as a Crown Corporation with expertise in real estate development to be a solution finder and exceed the municipal requirements to deliver long-term affordable housing that meets local needs.
<b>Psychological Health &amp; Safety</b>	To be a workplace where employees feel psychologically healthy and safe.



## 11. Appendix 6: Climate Leadership

Since 1995, CLCL has been a champion of sustainable development and environmental stewardship, contributing to a cleaner and more sustainable environment in the municipalities where it conducts business. The Company's commitment to climate leadership is unwavering, and we strive to be at the forefront of corporate sustainability. By striving to align its efforts with the Government of Canada's Greening Government Strategy, it aims to lead by example and inspire other organizations to adopt sustainable practices.

The Company recognizes the systemic threat that climate change poses to society and the global economy. As a Crown corporation, it is dedicated to advancing the federal government's commitment to achieving net-zero emissions by 2050. This includes implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to better manage and mitigate climate-related risks while exploring opportunities to enhance our performance.

### Achievements to Date

Over the past year, CLCL has made progress in its climate leadership journey. Its achievements reflect dedication to its climate roadmap and proactive approach to addressing climate change. Here are some of the key milestones reached:

#### 1. Creation of a New Position of ESG Director:

- In November 2023, hired an ESG Director to oversee the implementation of CLCL's climate roadmap. This role is crucial in driving sustainability initiatives forward and ensuring the Company meets its climate targets. The ESG Director is responsible for coordinating efforts across all business units and ensuring that climate strategies are effectively integrated into overall corporate strategy.

#### 2. Organization of Topic-Specific Working Groups:

- The Company established a climate working group comprising members from all business units within the Company. This group is tasked with organizing workstreams related to the climate roadmap, improving communication and coordination across the organization, and facilitating progress towards our climate goals. These working groups ensure a focused and collaborative approach to addressing climate-related challenges and opportunities.

#### 3. Implementation of a New ESG Software:

- The Company has implemented a new ESG software solution that allows it to track ESG and climate data and performance comprehensively across all of CLC's business units. This software enables it to develop detailed data visualizations to report to the Board, including on GHG emissions. The implementation of this software has significantly enhanced its ability to monitor progress, identify areas for improvement, make data-driven decisions, and put in place transparent reporting.



#### 4. Publication of CLCL's First ESG Report:

- The inaugural ESG Report for FY2023/2024 was published in June 2024. This report includes detailed information on climate targets and performance to date. It represents a significant milestone in the Company's journey towards greater transparency and accountability in our sustainability efforts. The report provides stakeholders with a comprehensive overview of achievements, challenges, and future plans.

The Climate Roadmap and ESG Report include a comprehensive set of targets and key performance indicators (KPIs) that guide the Company's approach and the organization of work on climate-related topics. These targets are crucial for driving its sustainability initiatives and ensuring it meets long-term goals:

##### 1. Scope 1 and Scope 2 Emissions:

- Reduce Scope 1 and Scope 2 emissions by 40% by March 31, 2030, from the FY2022/2023 base year.
- Achieve a 70% reduction in Scope 1 and Scope 2 emissions by March 31, 2040.
- Achieve net-zero Scope 1 and Scope 2 emissions by 2050.

##### 2. Scope 3 Emissions:

- Increase the diversion of waste generated during Real Estate construction and demolition activities to reach a 90% diversion rate by March 31, 2030, 95% March 31, 2040 and achieve net-zero waste by 2050.
- Increase the proportion of properties sold designated for net zero carbon buildings to reach 30% by March 31, 2030, 65% by March 31, 2040, and 100% by 2050.
- All procurement over \$1 million to include a request for suppliers to identify their Scope 1 and Scope 2 GHG emission reduction targets and tracking approach, with evaluation points for that disclosure by June 30, 2024.

##### 3. Climate Resilience:

- Develop and implement site-specific climate resilience and adaptation plans for all Attractions and Real Estate properties by March 31, 2030.

##### 4. Sustainable Procurement:

- Enhance green procurement practices by increasing the evaluation points for suppliers' GHG emission reduction disclosures.
- Foster a culture of sustainability among suppliers and encourage the adoption of greener practices across our supply chain.



## Implementation of Climate Risk Assessments and Supplier Evaluation Processes

For all procurement over \$1 million, the Company has implemented internal processes to include a request for suppliers to identify their Scope 1 and Scope 2 GHG emission reduction targets and tracking approach. These elements are then incorporated into the suppliers' evaluation criteria, ensuring that its procurement practices align with the climate roadmap.

Additionally, the Company is in the process of conducting climate risk assessments for some of our assets. This is a first step towards developing and implementing site-specific climate resilience and adaptation plans for all Attractions and Real Estate properties. These assessments will help identify potential risks and vulnerabilities, allowing it to take proactive measures to protect its assets and ensure business continuity.

## Plans for the Next Five Years

Looking ahead, CLCL is committed to building on its achievements and driving further progress in its climate leadership journey. The plan for the next five years focuses on executing our decarbonization strategy, expanding climate resilience initiatives, and maintaining transparency in its reporting. These initiatives are designed to ensure that it continues to lead by example and make a meaningful impact on sustainability.

### 1. Enhanced Decarbonization Efforts:

- Continue to explore and implement cost-effective decarbonization options across our Attractions and Real Estate sites. This includes power purchase agreements (PPAs), on-site generation where possible, and the transition towards ZEVs for vehicles fleet to further reduce Scope 1 and Scope 2 emissions. Additionally, the Company will allocate efforts in Real Estate operations to increase diversion of waste generated during construction and demolition activities, and to increase the portion of properties sold designated for net-zero carbon buildings.

### 2. Expansion of Climate Resilience Initiatives:

- Continue to drive progress on the development and implementation of site-specific climate resilience and adaptation plans for all Attractions and Real Estate properties in order to mitigate the impacts of extreme weather events and other climate-related hazards on operations.

### 3. Strengthening Sustainable Procurement:

- Seek new opportunities to evaluate suppliers based on their environmental footprint and strategy. This approach will foster a culture of sustainability among suppliers and encourage the adoption of greener practices across the Company's supply chain.



#### 4. Transparency and Reporting:

- Remain committed to maintaining transparency in environmental performance. Following the publication of the inaugural ESG Report in June 2024, the Company will publish an ESG report annually to disclose its progress in ESG and towards its climate roadmap. This commitment to regular reporting ensures that stakeholders are well-informed about sustainability efforts and achievements.

By focusing on these key areas, CLCL aims to align its practices with the Greening Government strategy and to lead by example.



## 12. Appendix 7: Partnership with Build Canada Homes

### 12.1 Context

The Company is a central delivery partner in the Government's Build Canada Homes (BCH) initiative, which aims to rapidly scale up housing supply across Canada by unlocking the potential of underused public lands. Under the BCH initiative, and as first phase, the Company has earmarked six parcels within some of its master-planned communities:

- Shannon Park in Dartmouth
- Arbo, Downsview in Toronto
- Pointe-de-Longueuil in Longueuil
- Naawi-Oodena in Winnipeg
- Village at Griesbach in Edmonton; and
- 1495 Heron Road in Ottawa.

With the exception of 1495 Heron Road, where the entire site has been set aside for the BCH initiative, specific parcels are reserved within these larger master-planned communities. These parcels were selected because the established vision for each project aligns with BCH's goals and the parcels are ready for builder engagement. The Company's proposal is to build up to 4,000 homes on these parcels with a unit mix as follows:

- 60% of the units being at market rates.
- 40% of units below market rates.

This model avoids the need for operating subsidies and ensures long-term affordability.

In addition to up to the initial 4,000 homes to be built as part of BCH, the Company's current portfolio is planned to deliver an additional 45,000 units across 19 real estate projects by 2031, with another 12,000 homes in future years. A balanced approach of housing asset ownership, and land sales and leasing to other housing providers is planned to ensure financial viability and that the developments address a range of housing and community needs, including mixed-use spaces, sustainability, and green infrastructure.





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