Canada Lands Company Limited

Q2 2025-26 (July 1 to September 30, 2025)

Canada Lands Company
Société immobilière du Canada

MANAGEMENT'S DISCUSSSION AND ANALYSIS OF FINANCIAL RESULTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2025

This Management's Discussion and Analysis (MD&A) provides important information about the business of Canada Lands Company Limited (CLCL) and its subsidiaries (collectively, the Company), its financial performance for the period ended September 30, 2025 (Period), and its assessment of factors that may affect future results. The MD&A should be read in conjunction with CLCL's unaudited consolidated financial statements and notes (collectively the consolidated financial statements). The MD&A and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The following MD&A is the responsibility of management and is current as at November 19, 2025, unless otherwise noted.

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

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

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

HIGHLIGHTS FOR THE SECOND QUARTER OF FISCAL YEAR 2025/26 AND YEAR-TO-DATE

Financial

- The Company was able to generate $72.4 and $125.1 in revenue for the second quarter and year-to-date, respectively.
- The Company generated an operating profit of $38.7 and $60.8 for the second quarter and year-to-date, respectively.
- The Company invested $18.4 and $33.5 for the second quarter and year-to-date, respectively, primarily in its real estate development in communities across the country and in its attractions.
- The Company declared a $20.0 dividend to its shareholder, as well as making income tax payments of $42.8 year-to-date.

Operational and Other Significant Developments

- The Company Annual Report for 2024/25 was tabled and approved by the Shareholder and is posted on CLC's website at www.clc-sic.ca/reports-and-expenses.
- During the Period, the Company obtained additional borrowing authority from the Minister of Finance of $35.0 and leveraged that authority to increase its borrowing limit at Parc Downsview Parc Inc. (PDP).
- The Company and its union successfully reached a renewed collective agreement for the CN Tower Food and Beverage (F&B) employees. The employees returned to work on July 14, following a two-week labour disruption that impacted the CN Tower's F&B operations.
- The Company prepared and published its 2024/25 Impact Report. This report highlights the dedicated efforts, achievements and valuable contributions in the Company's six areas of focus

(housing, climate, Indigenous Peoples collaboration, psychological health and safety, diverse procurement, and equity, diversity and inclusion) and is posted on CLC's website at www.clc-sic.ca/reports-and-expenses.
- The Company's attractions welcomed more than 1.7 million paid guests during the Period, which was approximately 3.0% lower than the comparable prior year period.
- In November, after the quarter-end, the Federal Budget (Budget 2025) was presented and proposes that the Company receive up to $1.515 billion to support housing construction on properties that it holds.
- In October, after the quarter-end, the Company acquired two (2) properties, one in St. Catharines, Ontario, and the other in Ottawa, Ontario. The two properties add approximately 11.1 hectares (27.7 acres) to the Company's land inventory.
- Shortly after quarter-end, the Company obtained extensions for its current borrowing authorities at PDP and Canada Lands Company CLC Limited (CLC) until October 31, 2026.

BUSINESS UPDATE

The Attractions Division of the Company performed well financially during this Period and was slightly ahead of its Q2 2024/25 financial performance. Real estate sales activity, typically minimal in the first half of the year, did see sales in one of the Company's Alberta projects. The Attractions Division of the Company performed well financially this Period, producing higher revenues and earnings before interest, taxes, depreciation and amortization (EBITDA) than the comparable prior year period. The Company's rental revenues were slightly lower than the prior year period but are expected to increase in future years as the Company continues to explore its leasing strategy, particularly to support housing enablement. Interest and other revenues were strong, but below the comparable prior year period as a result of overall interest rates declining. The Company incurred higher general and administrative costs to support corporate initiatives such as enabling more homes faster.

The Federal Government (Government) has prioritized housing, particularly affordable housing, and reducing the cost of living for Canadians. Early this year, Prime Minister Mark Carney (PM) announced the creation of a new entity called Build Canada Homes (BCH) to tackle Canada's housing crisis by doubling the pace of construction to 500,000 homes annually. The plan also includes regulatory reforms like cutting development charges, reviving rental incentives, and unlocking federal lands near transit. This new entity will work in coordination with other federal programs, Crown corporation in the housing ecosystem and levels of government to streamline approvals and boost housing supply nationwide. In September, the PM announced BCH would have an initial budget of $13 billion. BCH will focus on non-market housing, using cost-efficient and modern methods of construction, including factory build, modular and mass timber, and utilizing federal lands, and will be led by its new Chief Executive Officer, Ana Bailão.

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

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

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

That said, the macroeconomic uncertainty remains heightened as a result of geopolitical risk. The United States (U.S.) administration, and the impact of its policies, particularly those on trade, are creating significant uncertainty and impacting Canada's economy, creating inflationary pressures, unemployment, customer behaviour changes and/or economic contraction.

ABOUT CLCL

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

CLCL has three divisions:

- Real Estate;
- Attractions;
- Corporate/Shared Services.

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

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

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

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

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

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

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

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

GOVERNANCE

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

The Board's expenses for the year, including meetings, travel expenses, conferences and seminars, liability insurance, and annual retainers and per diems, totalled $0.2 (September 30, 2024 – $0.2). The Board and senior management expenses are posted on CLC's website at www.clc-sic.ca/reports-and-expenses.

RESULTS OF OPERATIONS

A summary of the various components of the Company's Consolidated Statement of Comprehensive Income follows. Discussion of the significant changes in each of these components for the period ended September 30, 2025, compared to the comparable prior year period are provided on the following pages.

During the Period, the Attractions Division continued the strong performance from the comparable prior year period. While paid guest attendance decreased slightly, revenues increased by $3.1 as compared to the comparable prior year period.

Traditionally, the first half of any fiscal year is quiet in terms of real estate land sales. There were a few transactions in one of the Company's Alberta projects that closed during the period. The Real Estate Division continues to face challenging headwinds, particularly on land sales, as the overall demand for development lands, as shown by slower housing starts and new homes sales activity across the country and in many major markets that the Company has projects in, remains below historical averages. There continues to be a strong push from many, including federal, provincial, territorial and municipal levels of government, to build more homes in Canada, particularly affordable homes, and to do it quickly.

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

The Company's interest and other income was $1.7 lower compared to the comparable prior year period due to a lower interest rate environment.

The financial results for the period ended September 30, 2025:

	FOR THREE MONTHS ENDED		FOR SIX MONTHS ENDED	
SEPTEMBER 30	**2025**	2024	**2025**	2024
Real estate sales	**$ 1.6**	$ 12.9	**$ 2.9**	$ 14.7
Attractions, food, beverage and other hospitality	**52.2**	50.5	**87.1**	84.0
Rental operations	**14.2**	14.4	**26.7**	27.2
Interest and other	**4.4**	5.4	**8.4**	10.1
Total Revenues	**$ 72.4**	$ 83.2	**$ 125.1**	$ 136.0
General and administrative expenses	**11.3**	10.6	**21.5**	19.9
Income before taxes	**25.5**	23.8	**35.6**	31.6
Net income and comprehensive income (after taxes)	**18.9**	17.2	**25.7**	21.5

By entity:

SEPTEMBER 30, 2025	FOR THREE MONTHS ENDED Old Port	Downsview Park	Canada Lands	Total	FOR SIX MONTHS ENDED Old Port	Downsview Park	Canada Lands	Total
Real estate sales	$ -	$ -	$ 1.6	$ 1.6	$ -	$ -	$ 2.9	$ 2.9
Attractions, food, beverage and other hospitality	4.0	1.5	46.7	52.2	7.2	1.8	78.1	87.1
Rental operations	5.3	3.4	5.5	14.2	9.0	6.8	10.9	26.7
Interest and other	0.6	0.1	3.7	4.4	1.0	0.1	7.3	8.4
Total Revenues	$ 9.9	$ 5.0	$ 57.5	$ 72.4	$ 17.2	$ 8.7	$ 99.2	$ 125.1
General and administrative expenses	1.3	0.4	9.6	11.3	2.7	0.7	18.1	21.5
Income (loss) before taxes	0.4	0.6	24.5	25.5	(2.2)	0.7	37.1	35.6
Comprehensive income (loss) after taxes	0.4	0.4	18.1	18.9	(2.2)	0.5	27.4	25.7

SEPTEMBER 30, 2024	FOR THREE MONTHS ENDED Old Port	Downsview Park	Canada Lands	Total	FOR SIX MONTHS ENDED Old Port	Downsview Park	Canada Lands	Total
Real estate sales	$ -	$ -	$ 12.9	$ 12.9	$ -	$ -	$ 14.7	$ 14.7
Attractions, food, beverage and other hospitality	3.4	0.7	46.4	50.5	6.1	1.0	76.9	84.0
Rental operations	5.4	3.3	5.7	14.4	8.9	6.9	11.4	27.2
Interest and other	1.0	0.0	4.4	5.4	1.6	0.1	8.4	10.1
Total Revenues	$ 9.7	$ 4.1	$ 69.4	$ 83.2	$ 16.5	$ 8.1	$ 111.5	$ 136.0
General and administrative expenses	1.6	0.4	8.7	10.6	3.0	0.6	16.4	19.9
Income (loss) before taxes	(1.5)	(2.4)	27.7	23.8	(6.3)	(2.3)	40.2	31.6
Comprehensive income (loss) after taxes	(1.5)	(1.7)	20.4	17.2	(6.3)	(1.7)	29.6	21.5

OPERATIONS BY REVENUE TYPE

Total revenue generated was $72.4 and $125.1 for the second quarter and year-to-date, respectively, comprised of four principal sources:

1) Real Estate Sales

Real estate sales were $1.6 and $2.9 for the second quarter and year-to-date, respectively, comprising sales of property developed as building parcels or individual lots and sold to builders. Revenue comprises sales in specific projects across Canada as the individual marketplaces dictate.
Real estate sales by region were as follows:

	FOR THREE MONTHS ENDED		FOR SIX MONTHS ENDED	
SEPTEMBER 30	2025	2024	2025	2024
West	$ 1.6	$ 11.6	$ 2.9	$ 13.4
Central	-	-	-	-
Quebec-Atlantic	-	1.3	-	1.3
National Capital Region	-	-	-	-
Total	$ 1.6	$ 12.9	$ 2.9	$ 14.7

The Company generated a gross profit of $1.0 (or 62.4%) and $1.9 (or 63.2%) on real estate sales for the second quarter and year-to-date, respectively. The gross profit generated in the comparable prior quarter was a gross loss of $0.1 and a gross profit of $0.2 (or 1.3%) for the comparable prior year period.

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

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

2) Attractions, Food, Beverage and Other Hospitality

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

The CN Tower generated revenue, including its other income, of $47.7 for the second quarter and $79.7 year-to-date, respectively. The second quarter and year-to-date revenue were $0.4 and $1.2 higher than the comparable prior year period. The CN Tower's EBITDA was $28.5 for the second quarter and $44.1 year-to-date, respectively, which were higher than the comparable prior year-to-date by $0.7. Year-to-date, the CN Tower welcomed more than 1.2 million guests, which was slightly higher than the comparable prior year period.

Despite the two-week labour disruption in early July, the CN Tower increased its revenue and EBITDA, when compared to the comparable prior year period, and attributable primarily to its slightly higher attendance.

OPMC revenues, which include the MSC, generated revenue of $4.0 for the second quarter and $7.2 for year-to-date, respectively, which were higher than the comparable prior year period. The MSC generated $2.7 in revenues from its ticket sales in the second quarter and $4.9 year-to-date ($2.2 and $3.9 in the comparable prior year period, respectively), hosting 0.3 million visitors at its IMAX theatre and exhibits year-to-date.

Downsview Park generated revenue of $1.5 for the second quarter and $1.8 for year-to-date, respectively, from its programs and events, which were higher than the comparable prior year period.

3) Rental Operations

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

Rental revenues were $14.2 for the second quarter and $26.7 year-to-date, respectively, from properties in inventory at various stages of development, and other properties across CLC, OPMC, and PDP. Rental revenues were slightly lower by $0.2 and $0.5 than the comparable prior year for the quarter and year-to-date, respectively.

Rental revenues by region were as follows:

	FOR THREE MONTHS ENDED		FOR SIX MONTHS ENDED	
SEPTEMBER 30	2025	2024	2025	2024
West	$ 2.7	$ 2.9	$ 5.4	$ 5.7
Central	5.7	6.0	11.3	12.0
Quebec-Atlantic	5.7	5.4	9.7	9.1
National Capital Region	0.1	0.1	0.3	0.4
Total	$ 14.2	$ 14.4	$ 26.7	$ 27.2

The Company generated $3.9 (27.6%) for the second quarter and $7.2 (27.1%) for the Period from its rental operations. The rental profit was $0.7 (15.6%) lower than the comparable prior year quarter and consistent with the comparable prior year to date.

4) Interest and Other Revenues

Interest and other revenue of $8.4 for the Period was lower by $1.7 than the comparable prior year period. Interest and other revenue are comprised principally of interest on cash and cash equivalents, long-term receivables, and donation and sponsorship revenues at OPMC.

OTHER ITEMS

1) General and Administrative expenses

General and administrative expenses were $11.3 for the second quarter and $21.5 for the Period, respectively. G&A expenses were higher than the comparable prior year by $0.7 and $1.6 for the quarter and year-to-date, respectively. The higher G&A is primarily attributed to CLC due to higher overhead expenses to support the additional revenue generated, as well as spending on corporate priorities around housing and Federal Budget 2024 initiatives.

2) Impairment, pre-acquisition costs and write-offs

During the Period, the Company had $1.7 in expenses for the quarter and $3.3 year-to-date, respectively, which were lower than the comparable prior year quarter by $0.1 and $1.6 year-to-date, respectively. These expenses are largely non-recurring by their nature and can fluctuate period-over-period based on a variety of factors.

3) Interest and Other

Interest and other is typically comprised of non-capitalized interest on either the Company's credit facilities or the notional interest on its promissory notes. The expense was $0.2 for the quarter and $0.4 for year-to-date which was $0.2 million lower than the comparable prior year period. The primary drivers are lower interest rates and a higher proportion of interest being capitalized to real estate projects, from both third-party financing as well as non-cash interest from promissory notes.

4) Taxes

The Company had a net income tax expense of $6.6 during the second quarter and $9.9 year-to-date, which is largely only current income tax expense and consistent with the comparable prior year period. The Company's current position on the deferred tax assets (DTA) at OPMC is consistent with its position at March 31, 2025, which is to not recognize the benefits from the DTA at OPMC, which are primarily non-capital losses and temporary differences, as it is not probable that they would be utilized in the future. The result is that for the Period, $0.6 in OPMC DTA benefits are not being recognized. Once adjusted for the OPMC DTA not recognized, the current tax expense effective tax rate (ETR) of 26.1% for the Period is similar to the statutory rates. Both the current Period and comparable prior year period ETRs are higher than the statutory rates due primarily to the tax losses from OPMC not being recognized for tax purposes.

FINANCIAL POSITION

ASSETS

The following is a summary of the Company's assets:

	SEPTEMBER 30, 2025	MARCH 31, 2025
Cash and cash equivalents	$ 307.2	$ 337.7
Inventories	484.6	463.5
Property, plant and equipment	161.2	161.8
Deferred tax asset recoverable	69.0	69.0
Long-term receivables	58.2	58.0
Investment properties	52.6	51.4
Trade and other assets	55.8	51.8
Total	$ 1,188.6	$ 1,193.2

CASH AND CASH EQUIVALENTS

The Company continues to maintain high levels of liquidity, which will allow it to respond to future potential opportunities and risks that may require significant amounts of cash immediately. At September 30, 2025, cash and cash equivalents balances held in major Canadian chartered banks and financial institutions were $307.2.

During the Period, the Company also invested $33.5 in capital assets in both real estate and attractions, paid its income taxes of $42.8, including those owing from the prior year, and funded working capital.

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

INVENTORIES

The Company's inventories comprise properties held for future development (PHFD) of $4.8 (March 31, 2025 – $4.8), properties under development (PUD) of $479.8 (March 31, 2025 – $458.7) and properties held for sale of $nil (March 31, 2025 – $nil).

Inventory is recorded at the lower of cost and net realizable value. During the Period, there were no write-downs or reversal of write-downs included in the Consolidated Statement of Comprehensive Income.

The Company incurred expenditures on real estate inventories of $13.6 during the second quarter and $22.8 for the Period as compared to $17.8 in the comparable prior period second quarter and $27.6 in the comparative prior year period. Spending on inventories varies period over period, based on required and planned expenditures on those properties to prepare them for sale.

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

PROPERTY, PLANT AND EQUIPMENT

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

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

There were capital additions of $3.9 for the second quarter and $8.5 for the Period, respectively, compared with $3.6 during the comparable prior year quarter and $6.6 in the comparative prior year to date. Capital expenditures vary period over period, based on required and planned expenditures on property, plant and equipment.

There were non-cash depreciation charges of $3.7 during the second quarter and $7.4 for the Period compared to $3.1 in the comparable prior period quarter and $6.3 during the comparable prior year to date. These expenditures exclude repairs and maintenance costs.

DEFERRED TAX ASSET RECOVERABLE

The net DTA amount of $69.0 principally relates to the temporary differences between the carrying values of assets and liabilities for financial reporting purposes, which are lower than the amounts used for taxation purposes for the Downsview Lands.

Consistent with the Company's position at March 31, 2025, the Company is not recognizing the OPMC DTAs, as it is not probable that they would be utilized in the future. The result is that gross temporary differences of $204.4, or $54.2 of DTA, are not being recognized.

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

LONG-TERM RECEIVABLES

The long-term receivables primarily represent the third-party partners' proportionate share of the promissory note obligations for certain properties. Long-term receivables of $58.2 include amounts receivable from third-party joint venture partners.

INVESTMENT PROPERTIES

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

TRADE AND OTHER ASSETS

Trade and other assets include current income taxes recoverable, rent and other receivables, prepaid assets, investments and CN Tower inventory. During the Period, the Trade and Other Assets increased as a result of income tax instalments that were higher than the current income tax expense year-to-date by $11.2, partially offset by lower trade receivables.

LIABILITIES AND SHAREHOLDER'S EQUITY

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

The components of liabilities and shareholders' equity are as follows:

	SEPTEMBER 30, 2025	MARCH 31, 2025
Credit facilities	$ 79.6	$ 71.9
Notes payable	285.8	284.7
Trade and other payables	29.4	43.5
Dividend payable	20.0	-
Provisions	19.3	22.3
Prepaid rents, deposits and others	31.2	32.4
Deferred revenue	8.8	8.0
Tax liabilities and other	-	21.6
Total liabilities	$ 474.1	$ 484.4
Contributed surplus	181.2	181.2
Retained earnings	533.3	527.6
	714.5	708.8
Total liabilities and shareholder's equity	$ 1,188.6	$ 1,193.2

CREDIT FACILITIES

The Company has two credit facilities.

PDP has an unsecured demand revolving credit facility for $135.0. The credit facility can be used by way of loans, bankers' acceptances and letters of credit (LCs). PDP has utilized $86.9 at September 30, 2025

(March 31, 2025 – $79.2), of which $7.3 (March 31, 2025 – $7.3) has been used as collateral for outstanding LCs. The borrowings from the credit facility have been primarily used to finance the construction and development of the Downsview Lands but are also used to support investment in Downsview Park. During the Period, the Company increased available credit by $27.3 because the Company's borrowing authority for PDP was increased to $135.0 and obtained an additional $35 million in credit facility availability at Parc Downsview Park Inc.

CLC has a senior, unsecured revolving credit facility in the amount of $100.0. The credit facility can be used to secure outstanding LCs. CLC has utilized $19.6 at September 30, 2025 (March 31, 2025 – $19.6) as collateral for outstanding LCs.

The credit facilities contain certain financial covenants. As at September 30, 2025, the Company complied with all its financial covenants for the credit facilities.

NOTES PAYABLE

Notes payable are issued in consideration for the acquisition of real estate properties and are due to the Government. These notes are repayable in most instances on the earlier of their due dates from 2025 to 2050 and the dates on which net proceeds become available from the sale by the Company of the properties in respect of which the notes were issued. Exceptions to the above approach are where, in a limited number of instances, the terms of the note state when the issuer can demand payment and are not dependent on property cash flows. For all notes, the Government can elect to defer the Company's payment of amounts when due and repayable. All notes are non-interest bearing. For accounting purposes, the notes are required to be fair valued at acquisition, and as a result may be discounted, depending on the specific characteristics of the notes payable (see "Critical Accounting Estimates" section), which could result in non-cash interest charges.

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

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

YEARS ENDING MARCH 31 (REMAINDER OF YEAR)	2026	$	54.3
	2027		9.1
	2028		17.3
	2029		43.1
	2030		125.3
	Subsequent years		40.6
Subtotal			289.7
Less: amounts representing imputed interest			3.9
		$	285.8

TRADE AND OTHER PAYABLES

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

PROVISIONS

Provisions represent obligations of the Company where the amount or timing of payment is uncertain and are comprised largely of costs to complete sold real estate projects. The Company spent $1.7 and $1.3, respectively, against its cost-to-complete and environmental provisions for certain real estate projects during the Period. The Company continues to contest OPMC's PILT with the City of Montréal but has determined no provision is required currently.

DIVIDEND PAYABLE

During the Period, the Company declared a $20.0 dividend payable to its shareholder, which the Company expects to pay by the end of the fiscal year. In the comparable prior year period, the Company declared a $20.0 dividend, reinvesting $9.0 to support Federal Budget 2024 housing initiatives in coordination with the shareholder.

PREPAID RENTS, DEPOSITS AND OTHERS

Prepaid rents, deposits and others are largely comprised of real estate sales deposits by purchasers and builder deposits, which are part of the normal course of operations.

DEFERRED REVENUE

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

RESOURCES, RISKS AND RELATIONSHIPS

CAPITAL RESOURCES AND LIQUIDITY

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

The capital resources available to the Company as at September 30, 2025 and March 31, 2025 are as follows:

	SEPTEMBER 30, 2025		MARCH 31, 2025	
Cash and cash equivalents	$	307.2	$	337.7
Investments		-		4.5
Remaining credit facilities (a)		48.1		20.8

(a) Remaining credit facilities available for cash borrowings.

The Company's cash and cash equivalents decreased by $30.5 during the Period primarily as a result of:

- Investments in real estate inventory, property, plant and equipment and investment properties of $33.5;
- Income tax payments/instalments of $42.8; and
- Payments against environmental and costs-to-complete provisions for certain real estate projects of $3.0.

The decrease was partially offset because of:

- Cash inflows from operating activities, excluding expenditures on real estate properties, tax payments and payments on provisions totalling $31.7 for the Period;
- Interest received of $5.4;

- Investments of $4.5; and
- Net cash advanced from credit facilities of $7.7.

The net working capital surplus of the Company as at September 30, 2025 and March 31, 2025, is as follows:

	SEPTEMBER 30, 2025		MARCH 31, 2025	
Cash and cash equivalents	$	307.2	$	337.7
Other current assets (excluding inventories)		40.1		40.2
Total current assets	$	347.3	$	377.9
Current portion of notes payable		54.3		54.3
Other current liabilities		147.6		159.7
Total current liabilities	$	201.9	$	214.0
Net working capital surplus	$	145.4	$	163.9

The total current assets (excluding inventories) at September 30, 2025, have decreased since March 31, 2025, by $30.6 primarily as a result of income tax payments/instalments of $42.8 and capital investments of $33.5. The total current liabilities have decreased from March 31, 2025, by $12.1 primarily as a result of a decrease in trade and other payables.

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

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

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

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

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

RISK MANAGEMENT

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

Risk Governance

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

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

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

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

Enterprise Risk Management

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

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

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

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

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

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

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

RISKS AND UNCERTAINTIES AFFECTING THE COMPANY

The Company's financial results are affected by the performance of its operations and various external factors influencing the specific sectors and geographic locations in which it operates, as well as macroeconomic factors such as economic growth, inflation, interest rates, foreign exchange, regulatory requirements and initiatives, 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

Following the Canadian economy expanding by 2.2% in the first quarter of 2025[1], it contracted by 0.4% (1.6% annualized) in the second quarter as per Statistics Canada[2], marking the first quarterly drop since Q4 2022. In its October 2025 Monetary Policy Report (MPR), the Bank of Canada (BoC) predicted that the Canadian economy will grow 1.2% in 2025, citing the negative impact of tariffs and uncertainty on potential output as the drivers for a lower project than in its January 2025 MPR. In its October 2025 MPR[3], the BoC noted the Canadian economy is adjusting to the U.S. tariffs and coping with the uncertainty. These tariffs, and select counter-tariffs, led to lower demand for Canadian products, while the cost of diversifying global trade and reconfiguring domestic production is coming at a cost, at least in the short-term. Despite the continuing uncertainty around U.S. tariffs and their impacts, the BoC feels that they have been in place for many months and the impact on the Canadian economy is much clearer, and as a result, has returned to a base-case project, rather than 'scenarios' approach it took in its April and July MPRs.

The BoC predicts economic growth at 0.8% for the second half of 2025, 1.2% overall economic growth for 2025, growth to average 1.4% in 2026 and 2027. Inflation remains close to 2.0% throughout the projection timeline, despite the fact that September saw the highest inflation rate since February 2025.

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[1] Statistics Canada release May 30, 2025: Gross domestic product, income and expenditure, first quarter 2025
[2] Statistics Canada release August 29, 2025: Gross domestic product, income and expenditure, second quarter 2025
[3] See Bank of Canada's October 2025 Monetary Policy Report

In their latest economic forecasts[4] for Canada, many financial institutions are predicting economic growth similar to that of the BoC for the remainder of 2025, followed by modest increases in 2026 and 2027. However, forecasts for the Canadian economy are challenging to predict given the trade policy uncertainty that exists.

Predictions about the Canadian economy, particularly in the short term, given the uncertainty of U.S. trade policy and its tariffs, are driving higher degrees of uncertainty in predicting economic growth. In addition, there may be various potential countermeasures in response to the tariffs that Canada may impose, which exacerbates the uncertainty.

In its report, the BoC forecasted that the global economy is expected to grow by around 3.2% in 2025, 2.9% in 2026, and 3.0% in 2027, respectively.

Geopolitical and Trade Policy Uncertainty

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

Global trade policy, particularly the Canadian-U.S. trade situation, could have a significant impact on the Canadian economy, which may impact the Company's operations. There has been continual activity by the U.S. to impose tariffs on trading partners, including Canada, with one of the latest on medium-and-heavy-duty trucks. These tariffs may bring, and often do bring, retaliatory measures by those being impacted, and potentially business relief measures, as they did in Canada. Despite the uncertainty caused by the ever-evolving tariffs, the impact is limited as a result of the Canadian-U.S.- Mexico Agreement (CUSMA), which limits and regulates them. CUSMA is up for its first joint review in 2026. It is uncertain what the implications of that joint review may be.

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.

Inflation

The inflation rate in Canada has been within the BoC's control range of 1% – 3% for all months reported to date in 2025. In September 2025, the rate was 2.4%, the highest rate since February 2025. Despite concerns that the Canada-U.S. trade situation, tariffs, retaliatory measures, and other potential actions might have, inflation seems to be fairly stable.

The BoC in its October MPR forecasted an annual rate of inflation of 2.0% in 2025, 2.1% in 2026 and 2.1% in 2027. Predictions from others are indicating inflation in 2025 ranging from 2.0% to closer to 3.0% and holding steady in 2026 around 2.0%.

[4] As of October 2025

Unemployment

The October 2025 Canadian unemployment rate reported by Statistics Canada was 6.9%, a 0.2% decrease from the previous month. During 2025, the unemployment rate has slowly increased from where it started at 6.6% in January, but October was a pleasant reversal of the year-to-date trend. In its Labour Survey October 2025 (LFS)[5], Statistics Canada reported that employment increased by 67,000 jobs in October. The largest increases in employment were in wholesale and retail trade, transportation and warehousing and information, culture and recreation, with the largest decrease in construction.

In its October MPR, the BoC noted that overall employment growth has been weak due to slowing demand and low population growth. The industries most impacted by U.S. tariffs, aluminum, steel and auto, have seen layoffs. Businesses are expected that their workforce will remain unchanged over the next year, partly because of the tariff uncertainty.

Of interest, the LFS reported that October year-over-year (YoY) average hourly wages were up 3.5%, an increase from the prior month's rate of 3.3% annual wage increase. Many are predicting that the unemployment rate will increase slightly from its current rate; however, the impact of U.S. tariffs could impact the Canadian job market significantly. Among other things, the unemployment rate, and the number of people employed, can impact wage growth and inflation.

Interest Rates

In October 2025, the BoC reduced its overnight lending rate (Policy Rate) to 2.25%. Overall, the BoC has decreased its Policy Rate by 275 basis points since June 2024. Most are predicting the BoC maintain its current rate for the remainder of 2025. Although high compared to recent historical rates, the current Policy Rate is the lowest since July 2022. Elevated interest rates can significantly impact real estate markets and the tourism industry. Interest rates may also be impacted by U.S. trade policy and political uncertainty.

REAL ESTATE DIVISION RELATED RISKS

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

Government Priorities

The Government has been clear that housing, particularly affordable housing, is a priority. The Government formally launched BCH in September 2025. BCH will oversee federal housing programs, including new affordable housing, along with constructing homes across the country.

Whether it is new programs and initiatives like BCH, providing additional financing and funding sources to supporting housing, such as the Canadian Housing Infrastructure Fund, introducing new immigration

[5] Statistics Canada, Labour Force Survey, October 2025 released November 7, 2025

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

Housing

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

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

In its Housing Starts for September announcement[6], the CMHC reported housing starts increased in September to 277,147, an increase of 4.1%. However, the September housing starts are about half of what CMHC estimates as the amount of annual housing starts needed until 2035 to meet projected demand and restore affordability[7].

CMHC predicts that nation-wide average home prices are projected to drop by about 2% for the year. Affordability issues persist, new construction is declining, and rental markets are easing as supply rises. A slow recovery is anticipated for 2026. The Canadian Real Estate Association (CREA) also predicts a decline in the average home price of 1.4% in 2025 but then rebounding in 2026 with an increase of 3.2%. Weaker economic growth, decreased population inflows, and ongoing trade-related uncertainty are contributing to a less active market environment in 2025. Conditions are projected to become steadier in 2026 as trade issues lessen, mortgage rates adjust, and demand increases. As overall economic factors change, the housing market is expected to move toward a more balanced state.

The BoC's July MPR projects residential investment to rebound in late 2025, driven by increased resale activity after the steep decline in the first half of 2025. Moderate growth is expected through 2026 and 2027, supported by reduced trade uncertainty and higher household incomes.

[6] Canadian Mortgage and Housing Corporation, Housing Starts for September 2025, released October 16, 2025
[7] CMHC, Housing Market Information, Canada's housing supply shortages: moving to a new framework, June 2025

CREA stated in its October 2025 press release that the average national inventory on hand was 4.4 months, which is just below the 10-year average of approximately 5.1, and unchanged from July and August. The sales-to-new-listings (SNL) ratio in September 2025 was 51%, which is down by 1% from a month earlier and below the long-term average of 55%. Typically, 45% to 65% indicates a balanced market, but with additional supply and lower sales volume. CREA stated that since March 2025, homes sales activity has been on the rise, suggesting that the market is slowly returning, spurred on by years of pent-up demand and normalized, consistent interest rates.

Municipalities, provinces and the Government working together are contributing where they are able to drive more optimal speed and efficiency in building homes faster and more affordably. These include restructuring their development charges (DC) and/or reducing them, removing sales taxes on new homes for first-time home buyers, and exploring innovation in housing. Supporting modular construction can accelerate development and improve affordability and supply, and contribute to amending building codes, including allowing for advanced wood construction, supporting Canadian materials and a more positive environmental impact.

Municipalities are under pressure to increase the speed of 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. Many municipalities and provinces, responding to developer concerns, are reviewing DC rates and DC payment structures, which are considered major barriers to housing starts. Some have reduced DCs, while others now allow payments over the construction period to ease initial cash flow impacts for developers. Those 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.

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

Rental Housing

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

CMHC published its 2025 Mid-Year Rental Market Update in July 2025 (RMR), which noted that since October 2024, advertised rents have declined due to increased supply, while rents for occupied dwellings continue to rise, though at a slower pace than a year ago. This is good news for tenants however increased unemployment and lower immigration are creating challenges for landlords. The RMR stated that purpose-built rental development activity has increased, partially supported by Government-provided construction financing programs and products to spur construction starts. Nevertheless, even with moderated rent growth and expanded supply, rental affordability remains constrained—particularly in Vancouver and Toronto, where rising turnover rents are contributing to higher costs, as evidenced by the continued increase in rent-to-income ratios.

The RMR forecasted that slower demand and economic uncertainty will increase vacancy rates in the short term. There are concerns that this increase in vacancy rates and longer lease-up periods in the short term will slow construction starts of purpose-built rental. This slowing now, could lead to an imbalance in the future as demand returns, but supply is not sufficient, creating affordability pressures.

In their November 2025 rent reports, Rentals.ca and Urbanation reported that the average national asking rent was down in October 2025 by 2.2% compared to a year ago, marking the thirteenth consecutive month that rents have decreased on an annual basis, which followed 38 months of rent increases starting in August 2021. Of note, Vancouver and Toronto's asking rents were down 7.4% and 3.3%, respectively, year-over-year, and reaching 43- and 40-month lows, respectively.

Office

The Canadian office market has faced challenges in recent years; however, the third quarter of 2025 sustained recent positive momentum, with the overall vacancy rate dropping year-over-year. Colliers, in its Q3 2025 National Market Snapshot (NMS[8]), and CBRE, in its Q3 2025 Canada Office Figures (COF[9]), both reported vacancy decreases. The driver for the vacancy decline was return-to-office mandates for many industries. This may continue into 2026 as tenants rationalize their space needs in connection with their return-to-office strategy.

The COF noted that net absorption was positive and Trophy and Class A continue to be in the highest demand, with their vacancy rates much below the national average over the past two years. Construction decreased to 2.6 million square feet, with no significant activity projected. The pipeline continues to thin, and with demand strengthening, some planned projects may become viable once again. With new development stalled, the office construction pipeline remains at a 20-year low.

Office-to-residential conversions are progressing steadily, with numerous additional projects anticipated in the upcoming quarters and years. COF noted that such conversions remain a significant element in strategies to revitalize downtown areas, with many initiatives currently in the planning phase. Nearly 1.0 million square feet were removed from inventory for office conversion projects in Q3 2025. Since 2021, a total of 5.7 million square feet of former office space has been removed from inventory as a result of conversions. Additionally, 2.4 million square feet have been demolished for other property uses within the same period.

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. The benchmark[10] price of oil at the time of writing was U.S.$60/barrel, a price that oil has been trading around over the past three months. Many are predicting global benchmark oil prices to hover around its current price for the remainder of 2025, while there are diverging views for 2026 with some predicting decreases in oil prices as a result of a global surplus, whereas others are suggesting increases. The Canadian oil price[11] relative to the benchmark oil price has remained relatively stable over the nine months of 2025; however,

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[8] Colliers Canada, National Market Snapshot, Q3 2025, released October 8, 2025
[9] CBRE, Canada Office Figures, Q3 2025, released October 1, 2025
[10] WTI Crude
[11] Western Canadian Select

potential U.S. tariffs on Canadian energy products, including oil, could impact its price and demand, as could trade policy and nationalism.

ATTRACTIONS DIVISION RELATED RISKS

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

Travel

Local and domestic demand is a major driver for the strong performance at the CN Tower and MSC.
In addition, the CN Tower relies on visitors, particularly U.S. visitors. Destination Canada's (DC) latest International Overnight Arrivals at a Glance (OAG[12]) for June 2025 reported that for that month, international overnight arrivals to Canada were about 6% lower than June 2024. Year-to-date, DC reported a 6% decrease compared to 2024. Overnight arrivals from the U.S. were down 7% in June and 5% year-to-date, driving much of the total June 2025 and year-to-date results. For context, the U.S. overnight arrivals represent approximately 70% of the total overnight arrivals year to date. The current political situation between Canada and the U.S., as well as the foreign exchange rate, is impacting the number of U.S. overnight arrivals in 2025. The Asian markets have been slow to return, but are trending well compared to the prior year, as per the June OAG report.

In its latest quarterly tourism revenue reporting (QTR[13]), DC reported that total tourism expenditures for Q2 year-to-date 2025 were 3% and 30% higher than Q2 year-to-date 2024 and Q2 year-to-date 2019 (pre-COVID), respectively. Domestic tourism spending continues to be strong, increasing 4% from Q2 2024, while international tourism spending was flat from Q2 2024, despite international arrivals being 6% lower in 2025 compared to 2024.

Tourism Employment

Tourism HR Canada (THRC), in its latest labour market snapshot for September 2025[14], reported the tourism workforce contracted as it was expected to do in September with the summer surge over. The total labour force in tourism contracted by 5.9% and tourism employment fell by 5.4% compared to August 2025, with the accommodations industry being the largest contributor to the contraction month over month. However, compared to September 2024, both the labour force in tourism and the employment in tourism are higher by 3.2% and 3.3%, respectively, and both are higher than September 2019 (pre-COVID).

The unemployment rate in tourism in September 2025 was 5.0%, which is almost 2.0% lower than the national Canadian unemployment level. The tourism unemployment rate dropped from 5.5% in August due to more people leaving the labour force than leaving employment.

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[12] Destination Canada, Canadian Tourism Data Collective, International Overnight Arrivals, June 2025
[13] Destination Canada, Canadian Tourism Data Collective, Tourism Revenue, Q2 2025
[14] Tourism HR Canada, Labour Force Survey Snapshot: September 2025, released October 21, 2025

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 November 11, 2025 was U.S.$1.00 = $1.40, which was slightly higher than a month ago, and the highest the rate has been in the past year. There seems to be a consensus from analysts that the Canadian dollar exchange rate with the US dollar will average between $1.35 and $1.38 for 2025 and then decrease in 2026 to $1.30 and $1.35; however, the impact of the trading policies and political relationships could bring more volatility to exchange rates, particularly the U.S./Canada rate.

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

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

CYBERSECURITY RISKS

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

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

The Company has a cybersecurity strategy and a program designed to support that strategy. The Company continues to revise its strategy to ensure that responses to the latest risk assessment are mitigated appropriately. The Company invests in technologies, as well as the education and training of its staff, to safeguard its information, and continually reviews its mitigation strategies to align with industry best practices. As cyber risk and cybercrime continue to evolve, this requires shifts in strategies and investment. The Company continues to invest in new technologies, reinvest in the education and training of staff, and review, with the assistance of third-party experts, its cybersecurity maturity, 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 2025 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 October 31, 2026. 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 would be exposed to financing risks if the capital contributions from the shareholder for BCH activities were not aligned with the payments to the contractors/builders. Should the Company be required to make significant payments to its suppliers prior to receiving capital contributions from the shareholder, it may create liquidity challenges for the Company. The Company does not expect this to occur and is taking action to mitigate this situation arising, while also creating additional financial capacity in case it does.

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

CREDIT RISK

Credit risk arises from the possibility that tenants and purchasers may experience financial difficulty and be unable to pay the amounts 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

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.

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 non-compliance with environmental laws at any of its properties, nor is it aware of any investigations or actions pending or anticipated by environmental regulatory authorities in connection with any of its properties, or any pending or anticipated claims related to environmental conditions at its properties.

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

ACQUISITIONS

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

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

OTHER KEY RISKS

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

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

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

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

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

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

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

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

GUARANTEES AND CONTINGENT LIABILITIES

The Company may be contingently liable with respect to litigation and claims that arise in the normal course of business. The Company's holdings and potential acquisition of properties from the Government may be impacted by land claims. The Company continues to work with various government agencies and organizations to assist in establishing a process whereby such surplus lands could be transferred to the Company. Disclosure of commitments and contingencies can be found in notes 13 and 14 of the consolidated financial statements for the period ended September 30, 2025.

RELATED PARTIES

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

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

	FOR THREE MONTHS ENDED		FOR SIX MONTHS ENDED	
SEPTEMBER 30	2025	2024	2025	2024
Real estate land sales	$ -	$ -	$ -	$ -
Rental, leasing and other revenues	0.9	0.5	1.2	0.6
Dividend declared and payable to shareholder	-	-	20.0	20.0

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

AS AT	SEPTEMBER 30, 2025	MARCH 31, 2025
Net trade receivable (payable) and other from federal agencies and departments	$ 0.3	$ (0.2)
Prepaid rent, deposits, others	20.2	20.2
Notes payable	285.8	284.7

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

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

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

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

Key developments of 2025 are described below:

Governance:

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

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

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

Strategy:

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

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

PARIS ALIGNED	This scenario assumes Canada achieves net-zero emissions by 2050 and its target to reduce GHG emissions 40% below 2005 levels by 2030. Global commitments to decarbonization and mitigation of climate impacts are

	accelerated, and global average temperature increase is limited to 1.5°C by 2100.
INSUFFICIENT GLOBAL ACTION	This scenario assumes Canada achieves net-zero emissions by 2060 and reduces GHG emissions 30% below 2005 levels by 2030. Beginning in 2020, countries act according to their pledges under the Paris Agreement, but efforts are not enough to limit warming to 2°C above pre-industrial levels by 2100. As a result, the global average temperature increase is between 2.5°C and 2.9°C by 2100.
CLIMATE CRISIS	This scenario assumes Canada does not achieve its GHG emission reduction commitments and there are limited or no additional constraints on countries globally, aside from policies already in place. As a result, the global average temperature increase is greater than 4°C by 2100.

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

Risk Management:

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

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

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

The results of these climate risks assessments will inform the process of developing and implementing climate resiliency plans for our sites in the coming years. These plans aim to enhance the Company's ability to withstand and adapt to physical risks, thus improving operational resilience.

Metrics and Targets:

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

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

The Company has also adopted scope 3 emissions targets:

- 90% diversion of waste generated in operations during construction and demolition by March 31, 2030, 95% by March 31, 2040, and net-zero by 2050.
- Increase the proportion of properties sold designated for net-zero carbon buildings to at least 30% by March 31, 2030, 65% by March 31, 2040, and 100% by 2050.
- All procurement over $1.0 includes a request for suppliers to identify their scope 1 + 2 GHG emission reduction targets and tracking approach, with evaluation points for that disclosure, by June 30, 2024.

To increase the Company's climate resilience, another adopted target is to have all Attractions and Real Estate sites adopt and implement site-specific climate adaptation plans by March 31, 2030. Additionally, the Company has joined the Net-Zero Challenge Canada, a Government initiative that encourages businesses to develop and implement plans to achieve net-zero emissions by 2050. This commitment further underscores the Company's dedication to sustainability and climate action.

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

FUTURE ACCOUNTING PRONOUNCEMENTS

I. Amendments to IFRS 9 and IFRS 7

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

II. IFRS 18 Presentation and Disclosures in Financial Statements

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

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

Management believes the most critical accounting estimates are as follows:

I. INVENTORIES AND REAL ESTATE DEVELOPMENT COSTS

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

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

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

II. MEASUREMENT OF FAIR VALUES

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

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

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

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

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

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

III. USEFUL LIVES AND SIGNIFICANT COMPONENTS

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

IV. INTEREST RATE ON NOTES PAYABLE TO THE GOVERNMENT

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

V. IMPAIRMENTS AND WRITE-DOWNS

Management reviews assets annually, as part of the corporate planning process, and when events or circumstances change.

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

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

VI. INCOME TAXES

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

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

ACQUISITIONS AND PROSPECTS

The Company has a land bank of approximately 425 hectares (1,051 acres) at September 30, 2025, not including the 11 hectares (27 acres) acquired after the period-end.

The Company is pursuing with Government departments and agencies further acquisitions of 1,469 hectares (3,629 acres) of properties declared surplus. As many of the properties and portfolios potentially available for acquisition are substantial in size, the planning, development and reintegration of these properties into local communities will take place over a number of years. Although the Company is vulnerable to adverse changes in local real estate market conditions, which can affect demand, the Company's geographic diversity mitigates the risk of an adverse impact of a downturn in a single market.

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

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

The Company has estimated net income before tax of $801.9 for the five years ending March 31, 2029, based on the latest approved and publicly available annual corporate plan. The Company expects to continue to be financially self-sufficient while providing both financial benefits in the form of a reliable dividend stream, and non-financial benefits to our stakeholders and to the Government.

DECLARATION

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

We have reviewed the consolidated financial statements of Canada Lands Company Limited for the year ended September 30, 2025.

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

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

Original signed by:

Stéphan Déry
President and Chief Executive Officer
Toronto, Canada
November 27, 2025

Matthew Tapscott
Executive Vice President, Finance and
Chief Financial Officer

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

Based on our knowledge, these consolidated financial statements present fairly, in all material respects, the Company's financial position as at September 30, 2025 and March 31, 2025 and its financial performance and cash flows for the periods ended September 30, 2025 and 2024.

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

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

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

Original signed by:

Stéphan Déry
President and Chief Executive Officer
Toronto, Canada
November 27, 2025

Matthew Tapscott
Executive Vice President, Finance and
Chief Financial Officer

CANADA LANDS COMPANY LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended		Three months ended September 30		Six months ended September 30	
EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS	NOTE	2025	2024	2025	2024
REVENUES					
Real estate sales		$ 1,564	$ 12,959	$ 2,934	$ 14,719
Attractions, food, beverage and other hospitality		52,248	50,463	87,059	84,019
Rental operations		14,224	14,375	26,661	27,208
Interest and other		4,396	5,426	8,397	10,103
		72,432	83,223	125,051	136,049
EXPENSES					
Real estate development costs		587	13,080	1,079	14,523
Attractions, food, beverage and other hospitality costs		22,868	24,038	43,701	44,569
Rental operating costs		10,292	9,715	19,428	19,960
General and administrative		11,273	10,591	21,526	19,935
Impairment, pre-acquisition costs and write-offs	4,6	1,693	1,786	3,330	4,863
Interest and other		215	180	400	635
	15	46,928	59,390	89,464	104,485
INCOME BEFORE INCOME TAXES		$ 25,504	$ 23,833	$ 35,587	$ 31,564
Deferred income tax recovery	18	(7)	(37)	(27)	(73)
Current income tax expense	18	6,587	6,695	9,922	10,100
		6,580	6,658	9,895	10,027
NET INCOME AND COMPREHENSIVE INCOME		$ 18,924	$ 17,175	$ 25,692	$ 21,537

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

CANADA LANDS COMPANY LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at

EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS	NOTE	September 30, 2025	March 31, 2025
ASSETS			
Non-Current			
Investment properties	5	$ 52,598	$ 51,444
Inventories	6	387,300	367,720
Property, plant and equipment	4	161,190	161,781
Trade receivables and other	10	15,655	14,879
Long-term receivables	7	58,234	54,814
Deferred taxes	18	68,983	68,956
		743,960	719,594
Current			
Inventories	6	97,336	95,760
Cash and cash equivalents	8	307,218	337,660
Investments	9	-	4,500
Trade receivables and other	10	28,850	32,544
Current portion of long-term receivables	7	-	3,158
Current income tax recoverable and other tax assets		11,228	-
		444,632	473,622
		$ 1,188,592	$ 1,193,216

Canada Lands Company
Société immobilière du Canada

CANADA LANDS COMPANY LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at

EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS	NOTE	September 30, 2025	March 31, 2025
LIABILITIES AND SHAREHOLDER'S EQUITY			
LIABILITIES			
Non-Current			
Notes payable	12	$ 231,511	$ 230,454
Deferred revenue		6,353	5,029
Trade and other payables	13	1,637	1,813
Provisions	14	9,571	9,757
Prepaid rent, deposits and others		23,101	23,357
		272,173	270,410
Current			
Credit facilities	11	79,600	71,900
Current portion of notes payable	12	54,263	54,263
Trade and other payables	13	27,743	41,657
Dividend payable		20,000	-
Provisions	14	9,772	12,513
Deferred revenue		2,459	3,030
Income taxes payable		-	21,644
Prepaid rent, deposits and others		8,091	9,000
		201,928	214,007
Shareholder's Equity			
Contributed surplus	16	181,170	181,170
Retained earnings	16	533,321	527,629
		714,491	708,799
		$ 1,188,592	$ 1,193,216
Commitments and Contingencies	13, 14		
Leases	17		

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

On behalf of the Board

Kaye Melliship
Chair of the Board of Directors

Margaret MacDonald
Chair of the Audit and Risk Committee

CANADA LANDS COMPANY LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

For the period ended September 30

EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS	CONTRIBUTED SURPLUS	RETAINED EARNINGS	TOTAL SHAREHOLDER'S EQUITY
Beginning balance, April 1, 2024	$ 181,170	$ 445,476	$ 626,646
Change during the year			
Dividend paid		(20,000)	(20,000)
Shareholder's advances		9,000	9,000
Net income for the year	-	93,153	93,153
Ending balance, March 31, 2025	$ 181,170	$ 527,629	$ 708,799
Change during the period			
Dividend declared and payable		**(20,000)**	**(20,000)**
Net income for the period	-	**25,692**	**25,692**
Ending balance, September 30, 2025	**$ 181,170**	**$ 533,321**	**$ 714,491**

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

CANADA LANDS COMPANY LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended		Three months ended September 30		Six months ended September 30	
EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS	NOTE	**2025**	2024	**2025**	2024
OPERATING ACTIVITIES					
Net income		**$ 18,924**	$ 17,175	**$ 25,692**	$ 21,537
Loss on disposal of investment property		**-**	178	**-**	178
Loss on disposal of property, plant & equipment		**-**	3	**-**	3
Interest expense		**194**	179	**369**	634
Interest paid		**(778)**	(844)	**(1,498)**	(1,708)
Interest income		**(2,845)**	(3,621)	**(5,888)**	(7,179)
Income tax paid		**(10,137)**	(3,450)	**(42,794)**	(6,932)
Recovery of costs on sales of real estate		**587**	13,080	**1,079**	14,523
Expenditures on real estate properties		**(13,562)**	(17,805)	**(22,794)**	(27,593)
Acquisitions		**-**	(25,333)	**-**	(25,333)
Impairment, pre-acquisition costs and write-offs		**1,693**	1,786	**3,330**	4,863
Provisions		**(2,383)**	(1,156)	**(3,043)**	(2,493)
Income tax expense		**6,580**	6,658	**9,895**	10,027
Depreciation		**3,725**	3,100	**7,418**	6,263
		1,998	(10,050)	**(28,234)**	(13,210)
Net change in non-cash working capital and other	19	**298**	4,469	**(8,731)**	694
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		**$ 2,296**	$ (5,581)	**$ (36,965)**	$ (12,516)
FINANCING ACTIVITIES					
Proceeds from credit facilities		**2,300**	1,100	**7,700**	3,700
Repayment of credit facilities		**-**	-	**-**	(1,300)
Repayment of lease liabilities		**(166)**	(166)	**(327)**	(327)
CASH PROVIDED BY FINANCING ACTIVITIES		**$ 2,134**	$ 934	**$ 7,373**	$ 2,073
INVESTING ACTIVITIES					
Interest received		**2,702**	2,997	**5,402**	6,050
Expenditures on investment properties		**(954)**	(311)	**(2,294)**	(575)
Expenditures on property, plant and equipment		**(3,886)**	(3,633)	**(8,458)**	(6,613)
Investments		**-**	-	**4,500**	-
CASH USED IN INVESTING ACTIVITIES		**$ (2,138)**	$ (947)	**$ (850)**	$ (1,138)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**2,292**	(5,594)	**(30,442)**	(11,581)
Cash and cash equivalents, beginning of period		**304,926**	217,238	**337,660**	223,225
CASH AND CASH EQUIVALENTS, END OF PERIOD		**$ 307,218**	$ 211,644	**$ 307,218**	$ 211,644
Supplemental cash flows information	19				

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2025

Expressed in thousands of Canadian dollars

1. AUTHORITY AND ACTIVITIES OF CLCL

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

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

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

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

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

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

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

The consolidated financial statements were approved by the Board of Directors of CLCL on November 27, 2025.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

A) STATEMENT OF COMPLIANCE

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

B) BASIS OF PRESENTATION

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

C) BASIS OF CONSOLIDATION

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

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

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

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

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

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

D) REVENUE RECOGNITION

The Company recognizes revenue as follows:

I. Real estate sales

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

II. Rental

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

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

III. Rental from interim activities

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

IV. Attractions, food, beverage and other hospitality

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

E) PRE-ACQUISITION COSTS

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

F) PROPERTIES

I. Property, plant and equipment

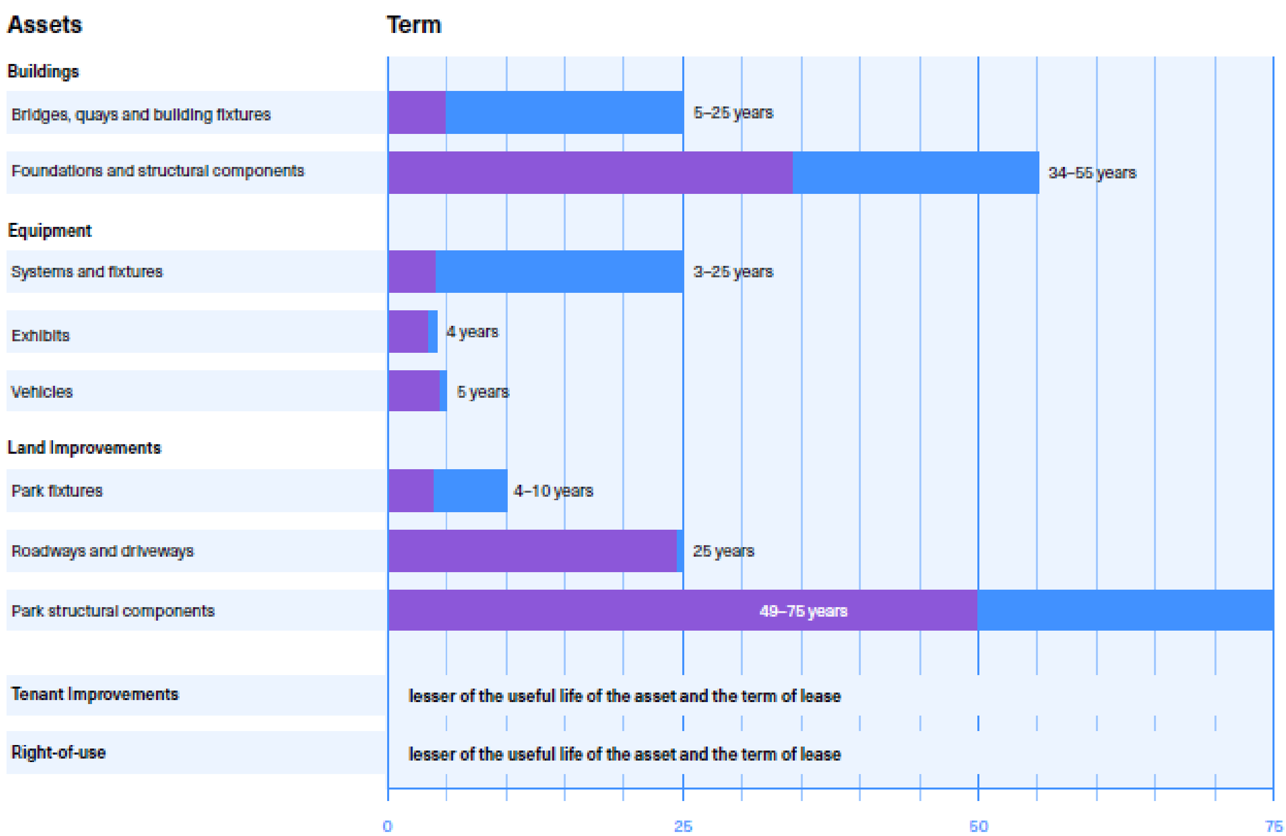
Property, plant and equipment ("PPE") includes properties held for use in the supply of goods and services or for administrative purposes. All PPE is stated at historical cost less depreciation and any impairment. Historical cost includes expenditures that are directly attributable to the acquisition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

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

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

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

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



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

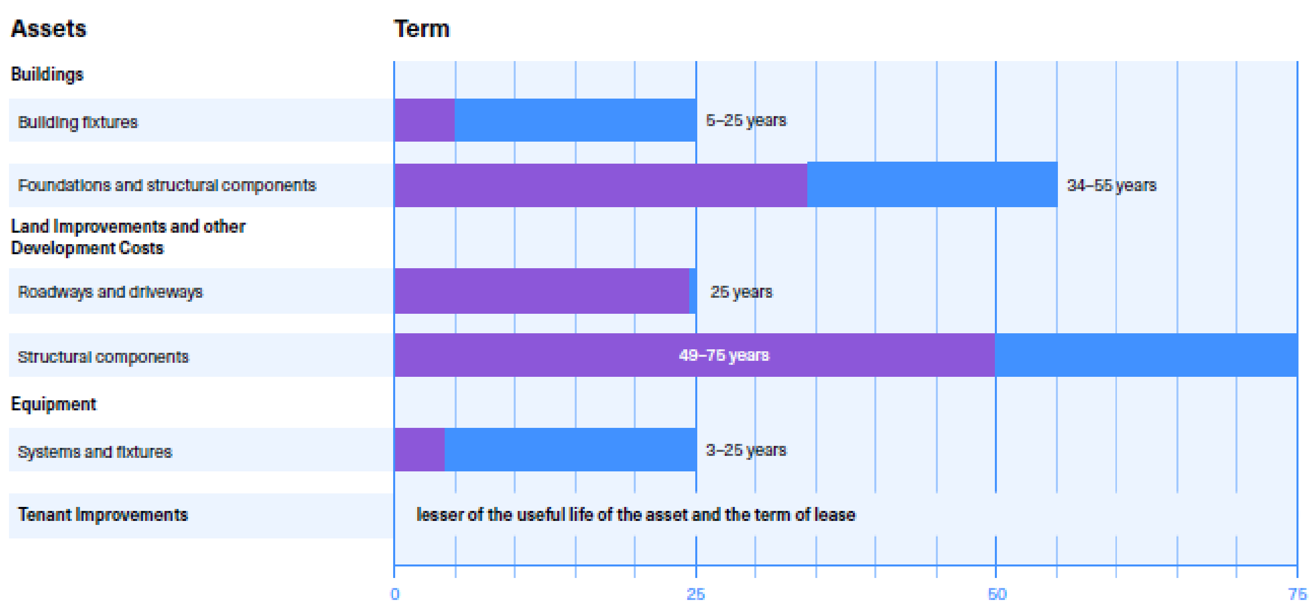
The Company holds some buildings for dual purposes, where a portion is leased to tenants and the remainder is used by the Company for administrative purposes. When a significant portion is owner-occupied, the Company classifies the property as PPE.

II. Investment properties

Investment properties are properties held by the Company for the primary purpose of obtaining rental income or capital appreciation, or both, but not for the ordinary course of business. Investment properties also include properties that are being constructed or developed for future use as investment properties.

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

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



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

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

III. Inventories

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

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

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

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

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

G) INTEREST IN JOINT ARRANGEMENTS

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

H) IMPAIRMENT OF FINANCIAL AND NON-FINANCIAL ASSETS

I. Impairment of financial assets

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

II. Impairment of non-financial assets

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

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

I) CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

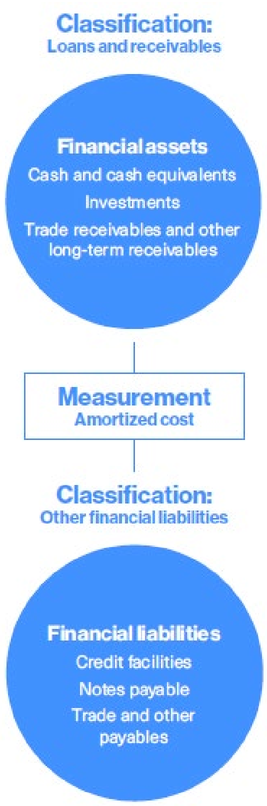
Long-term investments have original maturities at the date of purchase of greater than 12 months.

J) INCOME TAXES

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

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

K) FINANCIAL INSTRUMENTS



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

I. Financial assets

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

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in interest and other revenue using the effective interest rate ("EIR") method. Any gain or loss arising on derecognition is recognized directly in the Consolidated Statement of Comprehensive Income. Impairment losses are recognized in impairment, pre-acquisition costs and write-offs in the Consolidated Statement of Comprehensive Income.

II. Financial liabilities

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

L) PROVISIONS

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

I. Restoration costs

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

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

II. Payment in lieu of taxes and legal claims

A provision for payment in lieu of taxes (“PILT”) and legal claims is recognized when management believes there is a present obligation as a result of a past event; it is more likely than not that the Company will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

M) CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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

I. Investment properties

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

II. Inventories

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

III. Leases

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

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

IV. Provisions

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

V. Income taxes

The Company is subject to income taxes in numerous Canadian jurisdictions and significant judgment is required in determining the provision for income taxes. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be assessed. Where the final outcome of these tax matters is different from the amounts that were initially recorded, such differences will impact the Company's income tax expense and current and deferred income tax assets and liabilities in the period in which such determinations are made (note 18).
The Company makes significant judgments on the recoverability of deferred tax assets based on expectations of future profitability and tax planning strategies. Changes in the expectations or the inability to implement the tax planning strategies could result in derecognition of the deferred tax assets in future periods.

VI. Control over structured entities

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

VII. Joint arrangements

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

N) SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

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

I. Inventories and real estate development costs

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

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

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

II. Measurement of fair values

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

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

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

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

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

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

III. Useful lives and significant components

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

IV. Interest rate on notes payable to the Government

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

V. Impairments and write-downs

Management reviews assets annually, as part of the corporate planning process, and when events or circumstances change.
For inventories, a write-down is recorded when the net realizable value of anticipated net sales revenue is less than the sum of the carrying value of the property and its anticipated cost to complete. The net realizable value is based on projections of future cash flows, which take into account the specific development plans for each project and management's best estimate of the most probable set of economic conditions anticipated to prevail in the market.
For other assets, such as investment properties and PPE, impairment estimates are made based on an analysis of CGUs, as described in note 2.H) II), and are recorded if the recoverable amount of the property is less than the carrying amount. The recoverable amount is the higher of an asset's (or a CGU's) fair value less costs of disposal and its value in use. The Company estimates the fair value less costs of disposal using the best information available to estimate the amount it could obtain

from disposing of the assets in an arm's-length transaction less the estimated cost of disposal. The Company estimates value in use by discounting estimated future cash flows to their present value using a pre-tax rate that reflects current market assessments of the time value of money and the specific risks of the asset. Determination of the present value cash flows requires significant estimates, such as future cash flows and the discount rate applied.

VI. Income taxes

The Company relies on estimates and assumptions when determining the amount of current and deferred taxes and takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due.
The Company makes significant estimates to evaluate whether it can recover deferred tax assets based on its assessment of estimates of future probability and legal amalgamation of its subsidiaries. The Company's current corporate plan and future profit forecasts are expected to generate sufficient taxable income to recover the deferred tax assets. Historically, the Company has been profitable and consistently met its corporate plan profit objectives.

3. FUTURE ACCOUNTING PRONOUNCEMENTS

I. Amendments to IFRS 9 and IFRS 7

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

II. IFRS 18 Presentation and Disclosures in Financial Statements

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

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

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

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

4. PROPERTY, PLANT AND EQUIPMENT

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

The Company has $33.0 million (March 31, 2025 – $33.1 million) of fully depreciated PPE still in use.

The gross carrying amount of PPE assets at September 30, 2025, includes $1.9 million (March 31, 2025 – $3.1 million) of PPE under construction.

Cost or deemed cost

	Land	Building	Equipment	Land Improvements	Leasehold Improvements	Building (Right-of use)	Equipment (Right-of-use)	Total
Balance, March 31, 2024	$ 28,733	$ 190,542	$ 48,618	$ 31,512	$ 2,404	$ 4,694	$ 699	$ 307,202
Additions	-	12,606	7,001	2,115	62	1,720	183	23,687
Disposals	-	(10,736)	(679)	(54)	(111)	-	-	(11,580)
Balance, March 31, 2025	$ 28,733	$ 192,412	$ 54,940	$ 33,573	$ 2,355	$ 6,414	$ 882	$ 319,309
Additions	-	5,705	1,400	950	322	-	81	8,458
Disposals	-	(1,432)	(364)	-	(187)	(198)	-	(2,181)
Balance, September 30, 2025	**$ 28,733**	**$ 196,685**	**$ 55,976**	**$ 34,523**	**$ 2,490**	**$ 6,216**	**$ 963**	**$ 325,586**

Depreciation and impairment

	Land	Building	Equipment	Land Improvements	Leasehold Improvements	Building (Right-of use)	Equipment (Right-of-use)	Total
Balance, March 31, 2024	$ -	$ 92,186	$ 40,671	$ 8,569	$ 1,690	$ 3,346	$ 623	$ 147,085
Depreciation	-	6,836	1,480	2,170	350	627	4	11,467
Disposals	-	(10,736)	(676)	(16)	(104)	-	-	(11,532)
Impairment	-	6,819	3,551	-	-	-	138	10,508
Balance, March 31, 2025	$ -	$ 95,105	$ 45,026	$ 10,723	$ 1,936	$ 3,973	$ 765	$ 157,528
Depreciation	-	3,719	1,314	687	180	377	1	6,278
Disposals	-	(1,432)	(364)	-	(187)	(198)	-	(2,181)
Impairment	-	2,481	229	-	-	-	61	2,771
Balance, September 30, 2025	**$ -**	**$ 99,873**	**$ 46,205**	**$ 11,410**	**$ 1,929**	**$ 4,152**	**$ 827**	**$ 164,396**
Carrying amounts								
At March 31, 2025	$ 28,733	$ 97,307	$ 9,914	$ 22,850	$ 419	$ 2,441	$ 117	$ 161,781
At September 30, 2025	**$ 28,733**	**96,812**	**$ 9,771**	**$ 23,113**	**$ 561**	**$ 2,064**	**$ 136**	**$ 161,190**

The Company assessed the carrying amount of its PPE at September 30, 2025 to determine whether an impairment loss or a reversal should be recorded.

The impairment is assessed at the CGU level and the impairment loss is calculated as the amount equal to the excess of the carrying amount over the recoverable amount. During the period, OPMC recognized a $2.8 million impairment loss (March 31, 2025 – $10.5 million).

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

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

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

5. INVESTMENT PROPERTIES

The Company's investment properties consist primarily of the land at the Rogers Centre, the CN Tower Base, land allocated to long term leases and the rental properties at PDP.
Included in the Consolidated Statement of Comprehensive Income are the following:

	FOR THREE MONTHS ENDED SEPTEMBER 30		FOR SIX MONTHS ENDED SEPTEMBER 30	
	2025	2024	**2025**	2024
Rental income	$ **3,809**	$ 3,677	$ **7,417**	$ 7,485
Direct operating expenses from investment property that generated rental income during the period	**2,173**	2,171	**4,065**	4,388
Direct operating expenses from investment property that did not generate rental income during the period	**30**	-	**58**	-

Balance, September 30, 2025

	Land	Building	Tenant Improvements	Land Improvements and Other Development Costs	Equipment	Total
Balance, March 31, 2024	$ 5,413	$ 19,155	$ 11,242	$ 18,514	$ 3,038	$ 57,362
Additions	20,713	1,620	1,500	304	(44)	24,093
Disposals	-	-	(289)	-	-	(289)
Balance, March 31, 2025	$ 26,126	$ 20,775	$ 12,453	$ 18,818	$ 2,994	$ 81,166
Additions	-	231	1,718	345	-	2,294
Disposals	-	-	-	-	-	-
Balance, September 30, 2025	**$ 26,126**	**$ 21,006**	**$ 14,171**	**$ 19,163**	**$ 2,994**	**$ 83,460**

Depreciation and impairment

	Land	Building	Tenant Improvements	Land Improvements and Other Development Costs	Equipment	Total
Balance, March 31, 2024	$ -	$ 12,558	$ 7,546	$ 5,939	$ 2,007	$ 28,050
Depreciation	-	800	355	511	114	1,780
Disposals	-	-	(108)	-	-	(108)
Balance, March 31, 2025	$ -	$ 13,358	$ 7,793	$ 6,450	$ 2,121	$ 29,722
Depreciation	-	475	345	255	65	1,140
Disposals	-	-	-	-	-	-
Balance, September 30, 2025	**$ -**	**$ 13,833**	**$ 8,138**	**$ 6,705**	**$ 2,186**	**$ 30,862**
Carrying amounts						
At March 31, 2025	$ 26,126	$ 7,417	$ 4,660	$ 12,368	$ 873	$ 51,444
At September 30, 2025	**$ 26,126**	**$ 7,173**	**$ 6,033**	**$ 12,458**	**$ 808**	**$ 52,598**

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

		LEVEL 1	LEVEL 2	LEVEL 3
INVESTMENT PROPERTIES	CARRYING AMOUNT		FAIR VALUE	
September 30, 2025	**$ 52,598**	**$ -**	$ 65,625	$ 113,917
March 31, 2025	$ 51,444	$ -	$ 65,625	$ 113,917

The fair value of the investment properties was estimated at March 31, 2025, using a combination of internal valuation techniques and external consultants. All material investment properties have been valued by independent valuators. The external consultants are accredited independent valuators with recognized and relevant professional qualifications and with recent experience in the location and category of the investment property being valued. On a quarterly basis, management reviews the assumptions to update the estimated fair value of the investment properties. In determining fair value, the income and direct comparison approaches were used. The income approach capitalizes net annual revenues or discounts forecasted net revenues to their present value after considering future rental income streams and anticipated operating costs, as well as appropriate capitalization and discount rates. The direct comparison approach references market evidence derived from transactions involving similar properties.

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

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

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

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

6. INVENTORIES

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

	September 30, 2025		March 31, 2025	
Property held for future development	$	4,772	$	4,772
Property under development		479,864		458,708
Total Property Inventories	$	484,636	$	463,480
Current	$	97,336	$	95,760
Non-current		387,300		367,720
Total Property Inventories	$	484,636	$	463,480

7. LONG-TERM RECEIVABLES

Long-term receivables consist of the following:

	September 30, 2025		March 31, 2025	
Receivables from partners (a)	$	57,175	$	56,951
Other long-term receivables (b)		1,059		1,021
	$	58,234	$	57,972

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

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

	September 30, 2025	March 31, 2025
Current	$ -	$ 3,158
Non-current	58,234	54,814
	$ 58,234	$ 57,972

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

YEARS ENDING MARCH 31(REMAINDER OF THE YEAR)	2026	$ -
	2027	4,881
	2028	16,871
	2029	-
	2030	36,900
Subsequent years		-
Subtotal		58,652
Less: amounts representing imputed interest		418
		$ 58,234

8. CASH AND CASH EQUIVALENTS

The Company has the following restricted cash and cash equivalents:
$7.5 million (March 31, 2025 – $2.4 million) that are restricted for use as part of the MSC's long-term plan, and
$8.3 million (March 31, 2025 – $8.5 million) that are restricted for use exclusively to fund Federal Budget 2024 initiatives.

9. INVESTMENTS

The Company has $nil investments as at September 30, 2025 (March 31, 2025 – $4.5).

10. TRADE RECEIVABLES AND OTHER

Trade receivables and other consist of the following:

	September 30, 2025	March 31, 2025
Prepaids and others	$ 10,658	$ 8,882
Rents and other receivables	33,847	38,541
Total	$ 44,505	$ 47,423
Current	$ 28,850	$ 32,544
Non-current	15,655	14,879
	$ 44,505	$ 47,423

11. CREDIT FACILITIES

	September 30, 2025	March 31, 2025
$135 million, unsecured, demand revolving credit facility, bearing interest at rates between 50 basis points and term CORRA rates plus 1.22% per annum, maturing at March 31, 2032 (a)	$ 79,600	$ 71,900
$100 million, senior, unsecured revolving credit facility, bearing interest at 45 basis points (b)	-	-
Total	$ 79,600	$ 71,900
Current	$ 79,600	$ 71,900
Non-current	-	-
	$ 79,600	$ 71,900

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

The Company has used the credit facility to secure outstanding letters of credit of $7.3 million (March 31, 2025 – 7.3 million). The remaining unused credit facility is $48.1 million at September 30, 2025 (March 31, 2025 – $20.8 million).

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

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

12. NOTES PAYABLE

The notes payable were issued in consideration of the acquisition of real estate properties and are due to the Government. These notes are repayable on the earlier of their due dates (2025 to 2050) or six months after the fiscal year-end of the Company in which net proceeds become available from the sale by the Company of the properties in respect of which the notes were issued. In a limited number of instances, the terms of the note state when the issuer can demand payment and payment is not dependent on property cash flows. For all notes, the Government may elect to defer repayment. The notes are non-interest bearing. For accounting purposes, the face values of the notes payable are discounted and recorded at their fair value considering the estimated timing of note repayments, which are not fixed, as well as an imputed fixed interest rate determined when the notes are issued, with the exception of one note discussed below. The imputed interest is then accrued and capitalized to inventories or expensed as appropriate, on a constant yield basis at a weighted average rate of 2.4% (March 31, 2025 – 2.8%).

During the period, the interest capitalized was $0.8 million (September 30, 2024 – $0.9 million) and the interest expensed was $0.2 million ((September 30, 2024 – $0.6 million). Based on the past and anticipated timing of property cash flows, principal repayments are estimated to be as follows:

YEARS ENDING MARCH 31 (REMAINDER OF THE YEAR)	2026	$	54,263
	2027		9,100
	2028		17,331
	2029		43,085
	2030		125,258
Subsequent years			40,625
Subtotal			289,662
Less: amounts representing imputed interest			3,888
		$	285,774
Current		$	54,263
Non-current			231,511
		$	285,774

Included in the $285.8 million in the table above is a note payable of $19.0 million, which has not been discounted, given the Company applied predecessor accounting values upon obtaining control of PDP in 2012. This note is due to the Government in 2050.

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

	Cash flow	Non-cash changes			
	Repayment	Additions	Accretion		Total
Notes payable balance, April 1, 2024				$	304,682
Interest capitalized	-	-	2,067		2,067
Interest expensed	-	-	914		914
Repayments (Cash flow - financing activities)	(22,946)		-		(22,946)
Notes payable balance, March 31, 2025	-	-	-	$	284,717
Interest capitalized	-	-	833		833
Interest expensed	-	-	224		224
Repayments (Cash flows - financing activities)	-	-	-		-
Notes payable balance, September 30, 2025				$	**285,774**

13. TRADE AND OTHER PAYABLES

The components of trade and other payables are as follows:

		September 30, 2025		March 31, 2025
Trade Payables	$	27,170	$	40,876
Leases payable (note 2F)l))		2,210		2,594
Total	$	29,380	$	43,470
Current	$	27,743	$	41,657
Non-current		1,637		1,813
	$	29,380	$	43,470

CAPITAL AND OPERATING COMMITMENTS

I. Commitments related to properties for land servicing requirements and other development costs at September 30, 2025 totalled $83.0 million (March 31, 2025 – $64.6 million).

II. Capital commitments for PPE at September 30, 2025 totalled $7.6 million (March 31, 2025 – $8.8 million).

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

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

As at September 30, 2025, the Company has fixed-priced agreements with third parties totaling $10.7 million (March 31, 2025 - $7.9 million).

14. PROVISIONS AND CONTINGENT LIABILITIES

	COST TO COMPLETE (a)	ENVIRONMENTAL (b)	TOTAL
Balance, March 31, 2025	$ 13,823	$ 8,447	$ 22,270
Provisions added during the period	13	103	116
Provisions applied during the period	(1,646)	(1,397)	(3,043)
Provisions reversed during the period	-	-	-
Balance, September 30, 2025	$ 12,190	$ 7,153	$ 19,343
Current			$ 9,772
Non–current			9,571
			$ 19,343

(a) Land servicing cost obligations related to sold properties are in the amount of $12.2 million (March 31, 2025 – $13.8 million). The costs are estimated to be spent over five years. The Company expects no reimbursements (March 31, 2025 - $0.2 million) from local municipalities and regions. The amounts provided for are based on management's best estimate, taking into consideration the nature of the work to be performed, the time required to complete the work, past experience, and market development and construction risks.

(b) Environmental restoration obligations of $7.2 million (March 31, 2025 – $8.4 million) related to real estate projects. These costs are estimated to be spent over five years.

CONTINGENCIES

As at September 30, 2025, the Company was involved in claims and proceedings that arise from time to time in the ordinary course of business, including actions with respect to contracts, construction liens, employment and environmental matters. The Company assesses the likelihood of any potential liabilities, to the extent not provided for through insurance, using current information available including legal assessments and other information available, to determine the impact on the consolidated financial statements, Based on the information currently available to the Company, management believes that it is unlikely that any liability arising from claims or proceedings will have a significant effect on these consolidated financial statements. However, these matters are subject to inherent uncertainties and their outcome is difficult to predict; therefore, management's view of these matters may change in the future.

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

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

15. EXPENSES BY NATURE

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

	FOR THREE MONTHS ENDED SEPTEMBER 30		FOR SIX MONTHS ENDED SEPTEMBER 30	
	2025	2024	**2025**	2024
Cost of inventory, raw material and consumables used	**$ 428**	$ 10,280	**$ 798**	$ 11,370
Payroll and benefits	**18,558**	19,673	**35,824**	35,902
Food and beverage costs	**5,495**	5,803	**10,100**	10,450
Depreciation	**3,724**	3,100	**7,418**	6,263
Leasing expenses	**3,555**	3,517	**6,607**	6,980
Property taxes including PILT	**3,067**	3,036	**5,954**	6,383
Utilities	**1,982**	1,801	**3,976**	4,151
Building costs	**2,554**	2,069	**3,626**	3,724
Attraction costs	**1,822**	1,833	**3,426**	3,220
Impairment	**1,480**	1,535	**2,772**	4,450
Marketing and public relations	**867**	1,659	**1,951**	2,925
IT costs	**968**	898	**1,801**	1,584
Professional fees	**747**	2,224	**1,582**	3,311
Office	**535**	498	**1,141**	949
Interest	**283**	240	**523**	759
Commissions	**11**	240	**8**	240
Other	**852**	984	**1,957**	1,824
	$ 46,928	$ 59,390	**$ 89,464**	$ 104,485

16. SHAREHOLDER'S EQUITY

(A) CAPITAL STOCK

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

(B) CONTRIBUTED SURPLUS

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

17. LEASES

LEASES AS LESSEE

Non-cancellable lease rentals are payable as follows:

	September 30, 2025	March 31, 2025
Less than 1 year	$ 1,199	$ 872
Between 1 and 5 years	4,775	1,070
More than 5 years	6,258	1,018
Total	$ 12,232	$ 2,960

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

LEASES AS LESSOR

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

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

	September 30, 2025	March 31, 2025
Less than 1 year	$ 19,708	$ 20,029
Between 1 and 5 years	43,449	43,282
More than 5 years	32,172	34,749
Total	$ 95,329	$ 98,060

As part of purchase and sale agreements with a related party, the Company is required to lease housing units at a discount compared to market rates. The leased units generated $0.4 million of rental revenue during the period (September 30, 2024 – $0.4 million). The individual leases are renewed monthly.

During the period, there has been $0.8 million recognized (September 30, 2024 – $0.7 million) in the Consolidated Statement of Comprehensive Income in rental operating revenue with respect to variable lease payments.

18. INCOME TAXES

	FOR THREE MONTHS ENDED SEPTEMBER 30		FOR SIX MONTHS ENDED SEPTEMBER 30	
	2025	2024	**2025**	2024
Income Tax Expense (Recovery)				
Deferred tax recovery	**$ (7)**	$ (37)	**$ (27)**	$ (73)
Current income tax expense	**6,587**	6,695	**9,922**	10,100
Total Tax Expense	**6,580**	6,658	**9,895**	10,027
Reconciliation of effective tax rate				
Profit excluding tax	**25,504**	23,833	**35,587**	31,564
Domestic tax rate	**26.3%**	26.1%	**26.3%**	26.0%
Tax expense using the domestic tax rate	**$ 6,708**	$ 6,210	**$ 9,356**	$ 8,210
Non-deductible expenses	**3**	2	**7**	6
Temporary differences	**(6)**	(37)	**(27)**	(73)
Change in tax rate	**-**	-	**-**	-
Under/ (Over) provided in prior year	**-**	-	**-**	-
Impact of Alberta Tax Exemption	**-**	-	**-**	-
Provincial Rate Differential	**-**	-	**-**	-
Benefit not recognized	**(105)**	400	**584**	1,676
Other adjustments	**(20)**	83	**(25)**	208
Total Tax Expense	**$ 6,580**	$ 6,658	**$ 9,895**	$ 10,027

The net deferred tax asset recognized with respect to PDP is $50.6 million (March 31, 2025 - $50.5 million). The deferred tax asset has been recognized on the basis that there is sufficient projected taxable income.

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

The gross temporary differences for which no deferred tax asset is reported is $204.4 million (March 31, 2025 – $195.7 million). Included in this amount is $146.2 million (March 31, 2025 – $144.0 million) related to unused tax losses that will start to expire in 2033.

19. CONSOLIDATED STATEMENT OF CASH FLOWS – SUPPLEMENTAL INFORMATION

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

	FOR THREE MONTHS ENDED SEPTEMBER 30		FOR SIX MONTHS ENDED SEPTEMBER 30	
INCREASE (DECREASE) IN	2025	2024	2025	2024
Trade receivables and other	$ 3,609	$ 7,658	$ 3,403	$ 4,522
Long-term receivables	(112)	(180)	(262)	(397)
Trade and other payables	(3,130)	(5,335)	7,735	13,744
Dividend payable	-	-	(20,000)	(20,000)
Provisions	116	2,616	117	2,364
Notes payable	335	566	688	856
Deferred revenue	(334)	(1,114)	753	(296)
Prepaid rent, deposits and others	(186)	258	(1,165)	(99)
Total	$ 298	$ 4,469	$ (8,731)	$ 694

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

20. RELATED PARTY TRANSACTIONS AND BALANCES

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

I. The Company enters in agreements of purchase and sale with related parties to acquire real estate properties in exchange for notes payable. During the period, the Company did not acquire any real estate property from related parties (September 30, 2024 – $nil).

Notes payable to the Government are non-interest bearing (note 12) and are repayable on the earlier of their due dates or six months after the fiscal year-end of the Company in which net proceeds become available from the sale by the Company of the properties in respect of which the notes were issued, except in a limited number of instances where the terms of the notes state when the issuer can demand payment and payment is not dependent on property cash flows. The Company made payments of $nil on its notes payable to related parties during the period (September 30, 2024 – $nil).

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

II. The Company has $0.3 million receivables from federal departments and agencies (March 31, 2025 – $0.2 million payable).

III. The Company has entered into various agreements with a federal department regarding the potential redevelopment of three properties in Ottawa (collectively the “Collaboration Properties”) that the federal department currently owns. As part of the agreements, the Company is funding certain costs for the Collaboration Properties that are recoverable from the federal department under certain circumstances. The Company has recorded these costs of $9.4 million (March 31, 2025 – $8.7 million) in Trade Receivables and Other assets on the Consolidated Statement of Financial Position.

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

Significant transactions with related parties are as follows:

I. During the period, the Company declared a dividend of $20.0 million (September 30, 2024 – $20.0 million) to its shareholder, the Government.

II. During the period, the Company did not make any real estate land sales to related parties (September 30, 2024 – $nil).

III. During the period, the Company received various rental and other revenues from federal departments and agencies in the amount of $0.6 million (September 30, 2024 – $0.6 million), mainly from leases with the Department of National Defence and Public Services and Procurement Canada.

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

For the Period Ended September 30	2025	2024
Short-term benefits (1)	$ 3,562	$ 3,395
Post-employment benefits (2)	148	126
	$ 3,710	$ 3,521

(1) Short-term benefits include salaries, incentive compensation, health benefits, and other benefits for current employees.

(2) Post-employment benefits include contributions to pension plans.

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

AS AT SEPTEMBER 30, 2025		LEVEL 1	LEVEL 2	LEVEL 3
Classification	Carrying Amount		Fair Value	
Financial Assets				
Long-term receivables	$ 58,234	$ -	$ 52,415	$ -
Financial Liabilities				
Notes payable	285,774	-	253,976	-
Credit facilities	79,600	-	79,600	-

AS AT MARCH 31, 2025		LEVEL 1	LEVEL 2	LEVEL 3
Classification	Carrying Amount		Fair Value	
Financial Assets				
Long-term receivables	$ 57,972		51,776	$ -
Financial Liabilities				
Notes payable	284,717		253,553	-
Credit facilities	71,900		71,900	-

22. JOINT ARRANGEMENTS

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

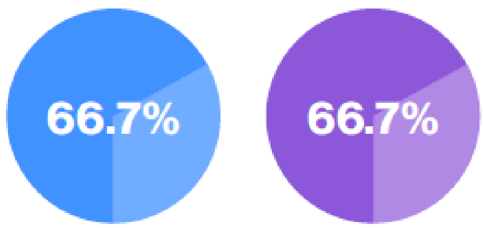
The following is a list of the Company's joint arrangements:

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

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

Ownership Interest
299 Carling Avenue
Ottawa, ON | Land Development

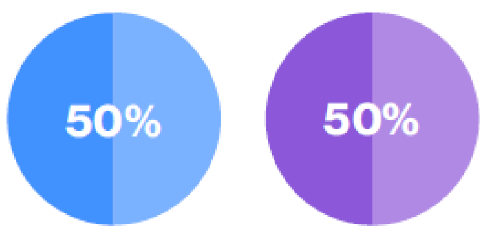
2025 September 30	2025 March 31



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

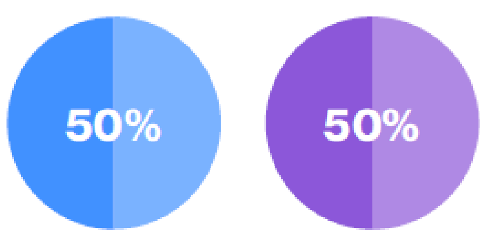
Ownership Interest
Jericho Lands
Vancouver, BC | Land Development

2025 September 30	2025 March 31



Heather Street Lands
Vancouver, BC | Land Development

2025 September 30	2025 March 31



In September 2014, the Company entered into separate land development agreements (Jericho Lands and Heather Street Lands, collectively known as the Vancouver Lands) for properties in Vancouver, with the same third-party partners (the Musqueam Indian Band, the Squamish Nation and the Tsleil-Waututh Nation).

The land development agreements are jointly controlled by the Company and the third-party partners. The Company has determined that each of the joint arrangements is a joint operation based on the terms and structure of the contractual arrangements, which require unanimous approval from the Company and the third-party partners regarding decisions over all relevant activities of the properties.

The purchase of the Vancouver Lands was financed through non-interest bearing promissory notes issued by the Company. The Company is responsible for the full repayment of the promissory notes on the earlier of their due dates or six months after the fiscal year-end of the Company when net proceeds become available from the respective property. These promissory notes will be partially funded by the third-party partners' proportionate share of the notes payable, which is reflected as a long-term receivable (see note 7). Under the Vancouver Lands' joint arrangement agreements, the third-party partners' long-term receivable amounts will be repaid at the earlier of the sale of properties tied to each long-term receivable or the sunset dates in the joint arrangement agreements, which are similar to the terms of the notes payable.

In March 2025, the Company sold 67% of its beneficial interest in the land in the Heather Street Lands joint operations (Heather Street Lands) to its third-party partners. As a result, the land

Canada Lands Company
Société immobilière du Canada

associated with this sale is no longer within the Heather Street Lands. The remaining land continues to be jointly operated by the Company and the third-party partners.

The following amounts included in these consolidated financial statements represent the Company's proportionate share of the assets and liabilities of its joint arrangement interests as at September 30, 2025, and the results of operations and cash flows from April 1, 2025 to September 30, 2025:

	Jericho		Heather Street		Bosa		299 Carling Avenue		Total	
As at	**September 30, 2025**	March 31, 2025	**September 30, 2025**	March 31, 2025	**September 30, 2025**	March 31, 2025	**September 30, 2025**	March 31, 2025	**September 30, 2025**	March 31, 2025
Assets	$ **93,002**	$ 92,701	$ **5,142**	$ 4,901	$ **-**	$ -	$ **8,568**	$ 8,312	$ **106,712**	$ 105,914
Liabilities*	**116,314**	115,978	**27,956**	27,867	**-**	-	**1,177**	2,340	**145,447**	146,185

For three months ended September 30										
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Revenues	**364**	415	**(5)**	272	**-**	-	**68**	61	**427**	748
Expenses	**276**	262	**(23)**	(90)	**-**	-	**17**	18	**270**	190
Net income	**88**	153	**18**	362	**-**	-	**51**	43	**157**	558
Cash flow provided by operating activities	**194**	395	**21**	115	**-**	645	**34**	1	**249**	1,156

For six months ended September 30										
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Revenues	**655**	768	**59**	557	**-**	-	**131**	96	**845**	1,421
Expenses	**564**	574	**2**	517	**-**	-	**35**	36	**601**	1,127
Net income	**91**	194	**57**	40	**-**	-	**96**	60	**244**	294
Cash flow provided by (used in) operating activities	**(169)**	425	**(215)**	(1,071)	**-**	116	**(122)**	(103)	**(506)**	(633)

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

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

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

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

The Company's proportionate share for commitments related to properties for land servicing requirements and other development costs for the joint arrangements at September 30, 2025 totalled $1.2 million (March 31, 2025 – $1.1 million) and are included in the commitments related to properties in note 13.

23. FINANCIAL RISK MANAGEMENT

A) LIQUIDITY RISK

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

AS AT SEPTEMBER 30, 2025	Within 12 months	Thereafter	Total
Credit facilities (note 11)	$ 79,600	-	$ 79,600
Notes payable (note 12)	54,263	235,399	289,662
Trade and other payables (note 13)	27,743	1,637	29,380
	$ 161,606	$ 237,036	$ 398,642

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

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

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

The Company has borrowing authorities from the Minister of Finance of $235 million (March 31, 2025 – $200 million). CLC's and PDP's borrowing authorities of $100 million and $135 million, respectively, expires on October 31, 2025. The Company's borrowing authorities are reviewed annually as part of the corporate planning process or through alternative processes, as required. The Company has $235 million of credit facilities available, of which $128.5 million was unused at September 30, 2025 (March 31, 2025 – $101.2 million). CLC's credit facility does not have a maturity date, whereas the PDP credit facility matures on March 31, 2032.

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

B) MARKET RISK

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

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

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

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

C) CREDIT RISK

The Company's credit risk arises from the possibility that tenants may experience financial difficulty and be unable to pay the amounts owing under their commitments. For long-term receivables from partners, payments are made from the cash flows of the joint arrangements. The fair values of the partners' project assets are significantly higher than the amount of the long-term receivables at September 30, 2025, owed to the Company.

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

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

The Company's receivables of $33.8 million (March 31, 2025 – $38.5 million) are comprised primarily of current balances owing. The Company performs monthly reviews of its receivables and establishes an appropriate provision using the expected credit loss model.

The Company's long-term receivables of $58.2 million (March 31, 2025 – $58.0 million) are comprised of $57.2 million (March 31, 2025 – $57.0 million) of receivables from partners and $1.0 million (March 31, 2025 – $1.0 million) of long-term receivables from a sale of real estate property in a prior year. The Company reviews the receivables from partners and other long-term receivables on a quarterly basis to determine if provisions are required.

The Company's cash and cash equivalents and short-term investments, including deposits of $307.2 million (March 31, 2025 – $342.2 million), are held with major financial institutions that are rated AA by a recognized credit agency. The Company does not expect any related counterparties to fail to meet their obligations.

24. CAPITAL MANAGEMENT

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

	September 30, 2025		March 31, 2025	
Shareholder's equity	$	714,491	$	708,799
Credit facilities		79,600		71,900
Notes payable		285,774		284,717
Cash and cash equivalents		307,218		337,660
Investments		-		4,500
Total	$	1,387,083	$	1,407,576

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

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

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

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

The principal liquidity needs for periods beyond the next 12 months are for scheduled debt maturities, recurring and non-recurring capital expenditures, development costs and potential property acquisitions. The Company's strategy is to meet these needs with one or more of the following:

- cash flows from operations;
- proceeds from sales of assets; and
- credit facilities and refinancing opportunities.

25. PENSION PLANS

The Company has two defined contribution pension plans covering eligible CLC full-time and certain part-time employees. In accordance with the terms of the plans, employees are eligible to join at the date of employment, after a year of employment, or upon working a certain number of hours in consecutive years. The amount of the current service cost charged to expense for these plans was $1.2 million for the period ended September 30, 2025 (September 30, 2024 – $1.3 million).