

Annual Report 2025 | 2026

FEDERAL BRIDGE CORPORATION
SOCIÉTÉ DES PONTS FÉDÉRAUX

Canada

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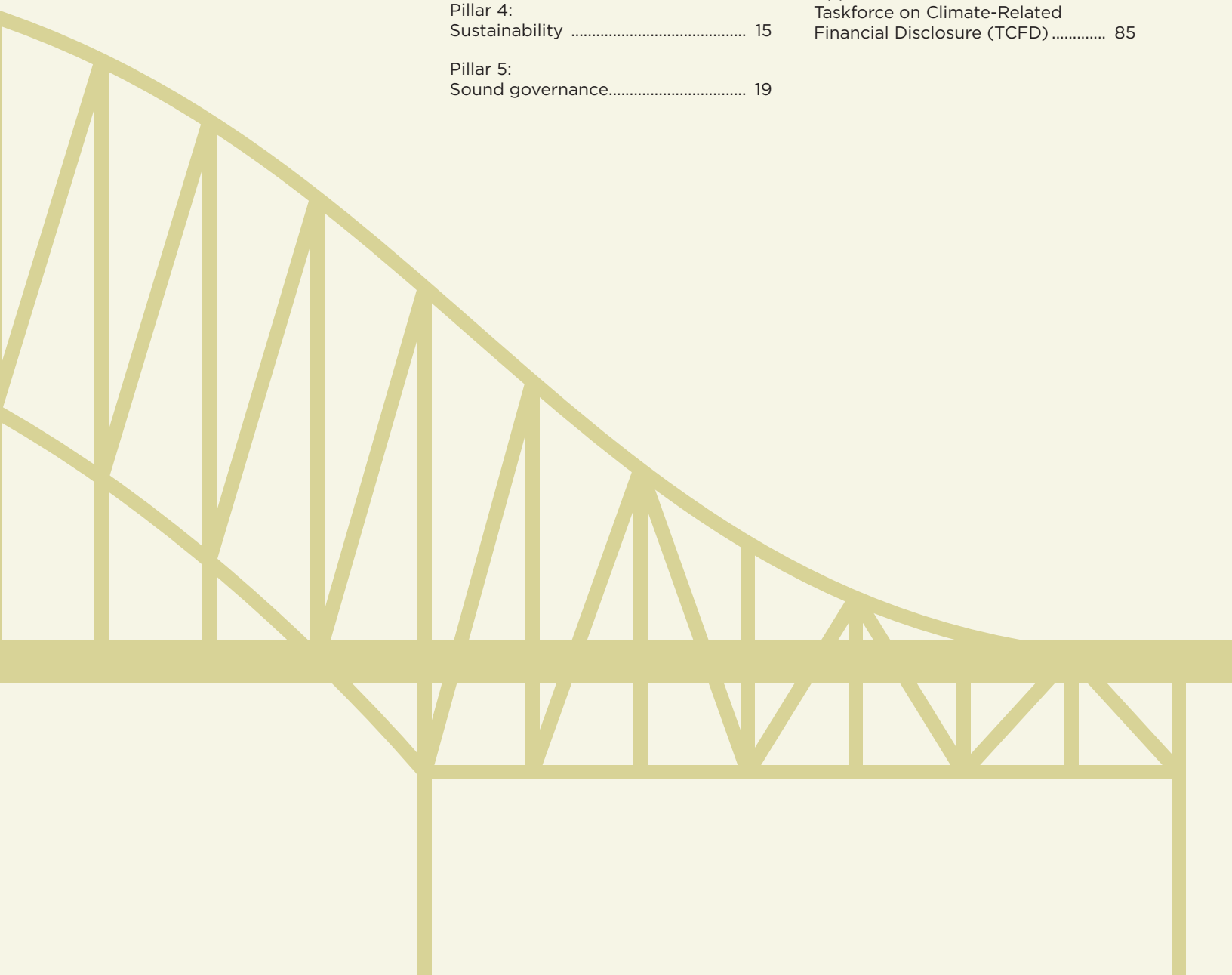
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The Board of Directors and the Senior Management of FBCL hereby present the Annual Report for the financial year ending March 31, 2026.

The Annual Report has been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Readers are cautioned that this report includes certain forward-looking information. These forward-looking information are generally stated to be anticipated, expected or projected by FBCL. They involve known and unknown risks, uncertainties and other factors, which may cause the actual results and performance of the corporation to be materially different from any future results and performance expressed or implied by such forward-looking information.

In assessing what information is to be provided in this report, management applies the materiality principle as guidance for disclosure. Management considers information material if it is probable that its omission or misstatement, judged in the surrounding circumstances, would influence the economic decisions of FBCL's stakeholders.

Corporate Overview

Mandate and Public Policy Role

FBCL's mandate, approved by the Minister of Transport, is to provide the highest level of stewardship so that its international bridges and associated structures are safe and efficient for users.

The business and undertakings of the Corporation are limited to the following:

a. The design, construction, acquisition, financing, maintenance, operation, management, development, repair, demolition or reconstruction of bridges or other related structures, facilities, works or properties, including approaches, easements, power or communication transmission equipment, pipelines integrated with any such bridge, other related structures, facilities, work, or property, linking the Province of Ontario in Canada to the State of New York or the State of Michigan in the United States of America, either alone, jointly or in cooperation with any other person, legal entity or governmental authority in Canada or in the United States of America;

b. The design, construction, acquisition, financing, maintenance, operation, management, development, repair, demolition or reconstruction of other bridges or other related structures, facilities, works or properties, as the Governor in Council may deem appropriate, on such terms and conditions as the Governor in Council may determine; and

c. Any business, undertaking or other activities incidental to any bridge, or other related structures, facilities, work or property contemplated in paragraph (a) or (b).

For the foregoing purposes, the Corporation has, subject to the *Financial Administration Act* (*FAA*), the *Canada Business Corporations Act* (*CBCA*), and its mandated articles, as amended from time to time, the capacities and powers of a natural person.

Vision

Striving to optimise the safety, security, sustainability and capacity of bridge operations to the benefit of Canada while serving the travelling public with efficiency and respect.

Mission

FBCL is a Crown corporation responsible for the oversight of Canadian federal interests in selected international bridge crossings between Canada and the United States.

Pillars

FBCL delivers on its mission through five strategic pillars:

PILLAR 1:

Portfolio management and excellent customer service

A corporation operating with a portfolio management approach and focused on providing excellent customer service.

PILLAR 2:

Stewardship of bridge assets

Stewardship of the bridge assets under its responsibility, focused on safety and security through a program of independent inspections, and appropriate capital and maintenance programs.

PILLAR 3:

Effective use of technology

Effective use of technology, utilising common platforms to ensure efficiency of operations and accuracy of information, managed in a manner that limits associated risk and cost.

PILLAR 4:

Sustainability

Sustainability of operations, maintenance and administration through a shared revenue approach, prioritised investment, toll optimisation and cost containment.

PILLAR 5:

Sound governance

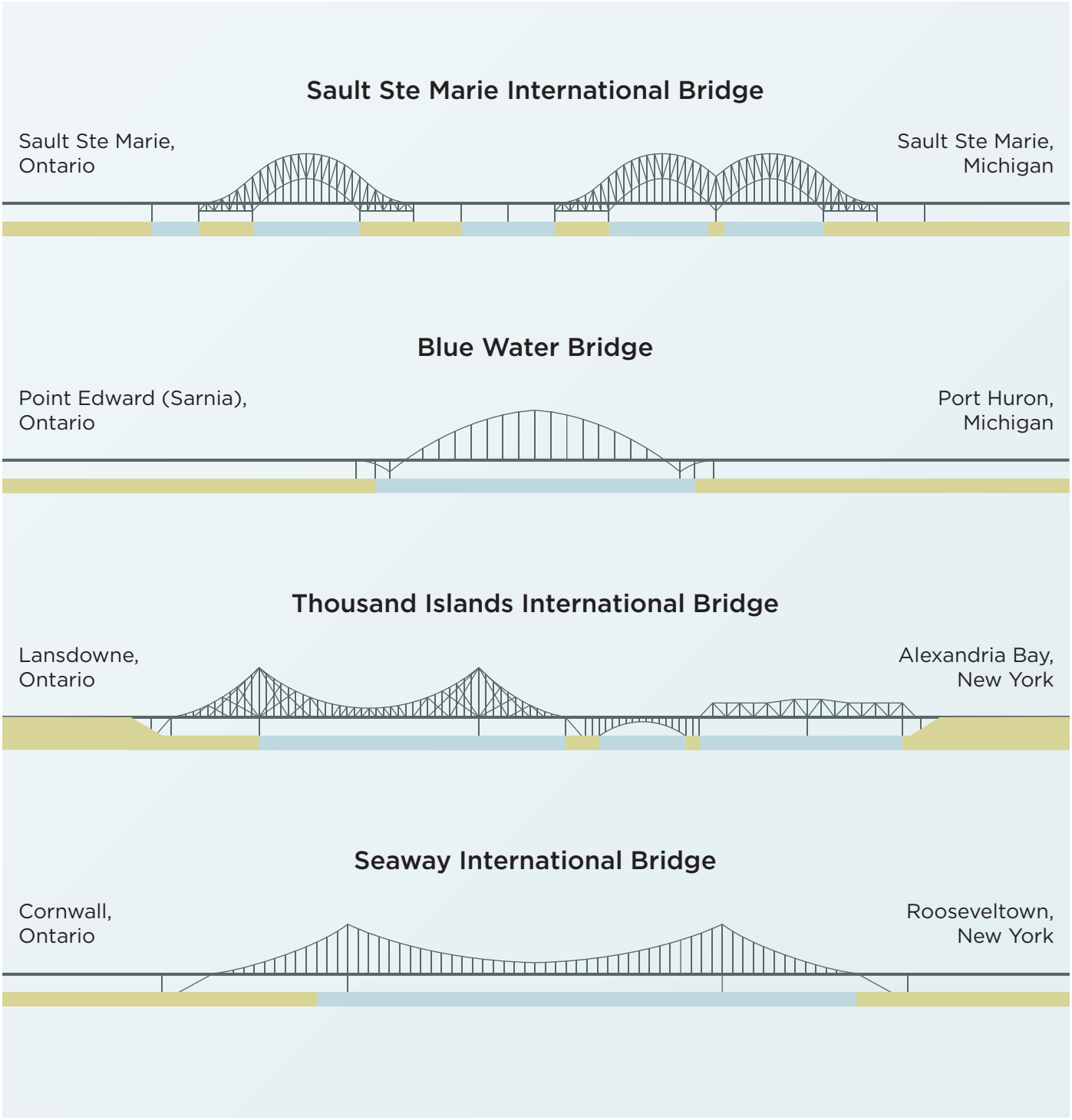
Sound governance of the Corporation, through an optimised structure, the required capacity and skills, and strong relationships with stakeholders.

Corporate Profile

The Federal Bridge Corporation Limited (FBCL) is a parent Crown corporation headquartered in Ottawa, responsible for Canada's federal interests at four of Ontario's thirteen international bridges. It manages the crossings as a unified portfolio—sharing staff, expertise, and infrastructure—to support efficient operations, trade, tourism, and binational relations. FBCL directly administers the Blue Water Bridge (BWB) and the Seaway International Bridge (SIB) – through a subsidiary – and provides liaison oversight for the Sault Ste. Marie (SSMIB) and Thousand Islands (TIIB) international bridges. It owns the Canadian bridge assets and oversees operations, including international agreements, engineering and inspection programs, and capital investment projects.

	Sault Ste. Marie International Bridge	Blue Water Bridge	Thousand Islands International Bridge	Seaway International Bridge
FBCL Ownership	50% of the bridge 100% of Canadian bridge plaza and port of entry	50% of each of the twin bridges 100% of Canadian bridge plaza and port of entry	100% Canadian Bridges 50% Rift Bridges 100% of Canadian bridge plaza and port of entry	100% North Channel Bridge 100% of Canadian toll plaza and International Road 32% South Channel Bridge
International Partner	Michigan Department of Transportation (MDOT)	MDOT	Thousand Islands Bridge Authority, a New York State *Public Authorities Law* public benefit corporation	Great Lakes St. Lawrence Seaway Development Corporation (GLS), an agency of the United States Department of Transportation
Bridge Operator	International Bridge Administration, a distinct administrative unit within MDOT with delegated authority from Sault Ste. Marie Bridge Authority (SSMBA), a separate legal entity constituted by MDOT and FBCL	Canadian portion: FBCL American portion: MDOT	Thousand Islands Bridge Authority (TIBA)	Seaway International Bridge Corporation Limited (SIBC), an agent Canadian Crown corporation and an FBCL subsidiary
Governance Structure	Eight Directors: four Americans appointed by the Governor of Michigan; four Canadians appointed by FBCL	Canadian portion: FBCL American portion: MDOT	U.S. Chair and six Directors appointed by Jefferson County: three Americans and three Canadians (recommended by FBCL)	Eight Directors appointed by FBCL: four Canadians and four Americans (recommended by GLS)

Connecting Canada and the United States



Opening Messages



Steering Through Change: A Decade of Unified Stewardship

As I conclude my 11-year tenure on the Board of Directors, including the last seven as Chairperson, I reflect with immense pride on the journey of accomplishments of The Federal Bridge Corporation Limited (FBCL). In 2015, we laid the groundwork for a modernised and unified Crown corporation focused on four international bridges. Today, as we step confidently into our second decade post-amalgamation, we do so anchored by a strong governance framework firmly aligned with our five strategic pillars.

What began as a mandated amalgamation evolved into the deliberate rebuilding of our corporate structure. Along the way, we navigated inherited debt obligations and made difficult decisions to secure the financial sustainability of operations, always with an eye toward moving beyond what was, to what should and could be. The team demonstrated unparalleled resilience and resolve during the global pandemic that closed and restricted borders. Our public value was repeatedly validated through external assessments, including a positive Office of the Auditor General Special Exam and audits as well as favourable management and financial reviews by S&P Global Ratings.

Our international bridges benefits from strong leadership, a skilled workforce and long-standing bi-national partnerships, built on decades of collaboration. These relationships continue to support a shared vision for success amid evolving socio-political and economic environments. Our commitment to our bridge host communities and our public mandate remains steadfast. In parallel, we continued with our First Nations Reconciliation efforts, through purposeful and sustained engagement, continuing to foster a positive and respectful relationship with the Aamjiwnaang First Nation and the Mohawk community of Akwesasne.

Looking ahead, FBCL is exceptionally well-positioned. As FBCL addresses the needs of its aging bridge infrastructure, it does so supported by a deeply committed workforce and leadership team, united in their readiness to meet tomorrow's demands. I leave FBCL in capable hands, confident in its resilient and forward-looking stewardship.



Pascale Daigneault,
Chairperson of the Board of Directors



Executing our Vision: Excellence and Collaboration Driving Results

The Year of You served as FBCL's guiding theme this past year, extending well beyond its original purpose of marking the tenth anniversary of our amalgamation and our focus on international bridges. FBCL delivered steady operations, enabled vital trade corridors, and strengthened its readiness for the future. We strengthened cross-departmental unity, deepened employee engagement and fostered a culture of continuous learning in support of our public mandate.

Operationally, our binational partnerships continue to underpin our success, with each international bridge standing ready with the capacity and expertise to move trade and tourism forward. A challenging socio-political environment contributed to economic volatility, with pronounced differences in passenger and commercial traffic levels across locations. While passenger volumes remain below pre-pandemic levels, the Blue Water Bridge stood apart, recording unprecedented commercial traffic volume, reaffirming it as the busiest commercial crossing between Canada and the United States.

Across all locations, our focus on safety, security, and customer experience remained unwavering, supported by significant investments. These included the preservation of the main cables at the Thousand Islands International Bridge and the critical concrete repairs and repaving on the South Channel Bridge deck and a new comprehensive Digital Strategy. As we move forward, FBCL remains focused on disciplines execution, partnership, and stewardship of these essential national assets.

In closing, I want to extend my deepest gratitude to our departing Chairperson, Pascale Daigneault. Her visionary leadership and steady guidance over the past decade have fundamentally shaped the modern, unified FBCL we are today. Her commitment, accessibility and strategic perspective inspired us to bring the very best of ourselves.



Natalie Kinloch,
Chief Executive Officer

Portfolio Management and Excellent Customer Service

A corporation operating with a portfolio management approach and focused on providing excellent customer service

Commercial Volumes

(in '000s)	2025–26	2024–25	2023–24	2022–23	2021–22
BWB	1,018	961	769	829	844
SIB[1]	31	38	40	40	38
SSMIB	89	103	100	92	82
TIIB	351	392	386	390	392
Total	1,489	1,494	1,295	1,351	1,356

Passenger Volumes

(in '000s)	2025–26	2024–25	2023–24	2022–23	2021–22[2]
BWB	807	1,018	1,000	857	249
SIB[3]	466	583	559	411	154
SSMIB	736	977	911	655	130
TIIB	1,273	1,531	1,532	1,298	736
Total	3,282	4,109	4,002	3,221	1,269

1 Represents compensated volume
2 Fiscal 2021–22 passenger volumes represent 25% of pre-pandemic volumes
3 Represents compensated volume

FBCL has adopted a portfolio management approach to deliver its mandate. It is not a portfolio of corporations but rather one parent Crown corporation overseeing a portfolio of federal assets, which are used in pursuit of public policy objectives. Key aspects of the portfolio management approach include:

- Revenues and expenses are consolidated at the corporate level, with each bridge classified as a distinct reporting segment, and operational and maintenance expenditures are executed in accordance with standardised, portfolio-wide best-practice methodologies to ensure consistency, comparability, and optimised resource allocation;
- Surpluses generated beyond operational requirements are allocated to portfolio-wide capital reinvestment to advance public policy objectives and are guided by integrated long-term capital plans that serve as the foundational framework for capital prioritisation and annual budgeting; and
- Customer service is enhanced through consistent practices that ensure efficient, reliable, and user-focused operations.

The establishment of this model provides a unique opportunity to identify strategic efficiencies across the portfolio, adopt best practices, and leverage a consistent and comprehensive methodology in both planning and operations. It enables the corporation to consider broader system-level opportunities while maintaining rigorous stewardship of individual assets.

Revenues and Expenses

The Corporation generates revenues to support operational requirements and capital investments—excluding projects funded via parliamentary appropriations—primarily through toll revenues, supplemented by lease income and interest revenues. Recent years have underscored the volatility of cross-border traffic. While fluctuations in the Canadian–U.S. dollar exchange rate have long influenced travel patterns, they represent only one factor among many. Over the past five years, FBCL and other border operators have navigated significant challenges, including pandemic-related restrictions, the subsequent period of recovery, and, most recently, the impacts of an uncertain socio-political environment affecting travel and trade between Canada and the U.S.

Commercial traffic: Commercial volumes have declined across all crossings on the Canada-U.S. border with the exception of the BWB, where volumes increased abnormally due to a substantial toll increase at a major competing bridge. This temporary upward trend is expected to decline once the Gordie Howe International Bridge (GHIB) opens in close proximity.

Passenger traffic: Passenger volumes have decreased significantly since February 2025, reflecting both the value of the Canadian dollar and Canadians' behavioural responses to current U.S. socio-political conditions.

Expenses: When the pandemic significantly reduced traffic volumes, the portfolio-wide model became even more critical—and continues to be essential today. Lower revenues required enhanced prudence in long-term planning and cost containment. The Corporation maintained 24/7 operations and essential maintenance across all bridge locations while ensuring that expenditures remained reasonable and aligned with operational necessity. In the years following the pandemic, greater alignment of practices among bridge operators increased efficiencies and strengthened consistency across the portfolio. Initiatives included the modernisation of toll collection systems at FBCL's two Michigan-bound bridge locations, strengthened coordination among operators, and, new this year, the centralisation of bridge inspections between Ontario and Michigan.

Capital Investment

FBCL plays a central role in supporting Canada's economic and security partnership with the U.S. As steward of four international bridge crossings—representing approximately 25% of Canada's total imports and exports—FBCL is responsible for ensuring that its infrastructure remains safe, reliable, and efficiently maintained. Continuous maintenance and targeted capital investments are essential to sustaining the long-term integrity of these assets and the flow of people and goods between the two countries. Additional detail regarding specific capital initiatives undertaken during the year is presented under Pillar 2.

Customer Service

The efficient movement of traffic is fundamental to the operation of an international crossing. In recent years, FBCL has implemented a modernised tolling system at the BWB, which has been the highest-volume commercial crossing since November 2024. This system has significantly reduced toll-processing times, and the transition to cashless operations in the current fiscal year has further enhanced throughput by eliminating delays associated with manual cash handling. All bridge locations also offer loyalty and frequent-traveller programs, supported by dedicated lanes, which contribute to improved processing efficiency for repeat users.

Excellence in customer service extends beyond toll collection. Each bridge location provides reliable, real-time customer support to assist users with traffic and emergency management, account creation, troubleshooting, and general inquiries, ensuring a seamless experience both on-site and behind the scenes.

Although each crossing operates under a distinct binational governance model, FBCL's success is underpinned by strong coordination between Canadian and U.S. bridge operators and border-security agencies. Over many years, FBCL and its U.S. counterparts have invested substantial resources in plaza design and infrastructure enhancements to support the safe, efficient, and continuous movement of people and goods through the border environment. This close collaboration also includes the development and implementation of joint emergency-response protocols, which are designed to minimise service disruptions and maintain safety during unplanned events.

All bridge locations provide essential user information in both official languages through signage, digital channels, and customer communications. At the SIB in Cornwall, signage also incorporates Indigenous language, reflecting FBCL's commitment to accessibility, cultural recognition, and inclusivity.

PILLAR 2:

Stewardship of Bridge Assets

Stewardship of the bridge assets under its responsibility, focused on safety and security through a program of independent inspections, and appropriate capital and maintenance programs.

Five-year Review

(in '000s)	2025–26	2024–25	2023–24	2022–23	2021–22
Capital investment	$ 3,943	$ 18,515	$ 6,527	$ 5,378	$ 8,231

FBCL's ability to maintain safe, reliable international crossings depends on rigorous inspection programs and proactive asset-management practices. Each year, the corporation undertakes detailed evaluations and targeted investments to preserve aging infrastructure and ensure long-term operational performance.

Inspections

Bridge inspections serve as a foundational component of FBCL's asset-management and safety framework. Their primary purpose is to systematically evaluate the condition, structural integrity, and operational performance of bridge elements to ensure that each crossing remains safe, reliable, and fit for service. Regular, independent inspections allow the Corporation to identify deterioration, prioritise maintenance and rehabilitation activities, and integrate required work into long-term asset-management and capital-planning processes. These assessments also support compliance with federal reporting requirements under the *International Bridges and Tunnels Act*. All bridge locations were inspected during the year, and were all assessed as fair to good with no urgent or high-priority repairs identified.

Capital and Maintenance Programs

While FBCL owns four international crossings, the portfolio is composed of ten individual bridge structures—half of which are more than 85 years old and 70% over 65 years old—along with supporting facilities dating back to the 1960s. Proactive maintenance and timely repairs remain essential to preserving these aging assets and ensuring their long-term reliability. Regular maintenance activities continued throughout the year to uphold the integrity of the bridges and associated infrastructure as part of FBCL's prudent stewardship approach.

To support modernisation efforts and strengthen long-term infrastructure forecasting, FBCL is implementing a Computerised Maintenance Management System (CMMS). This system will streamline maintenance activities, enhance scheduling and work-order management, and reinforce data-driven decision-making at its operations. The CMMS s represent a significant advancement in lifecycle planning and the long-term management of critical infrastructure.

Significant capital investment during the year included the following:

- **Blue Water Bridge:** Following the completion of major repaving on both bridge spans in 2023–24 and 2024–25, this year's focus shifted to routine maintenance projects that had been deferred during the rehabilitation period. FBCL also advanced environmental stewardship initiatives in partnership with Indigenous communities. The first phase of a naturalisation project around the bridge plaza was completed, incorporating Indigenous plant species to help mitigate flooding risks. Undertaken in collaboration with the Aamjiwnaang First Nation, the project reflects cultural respect, traditional knowledge, and a shared commitment to sustainable land use.
- **Thousand Islands International Bridge:** Cable-wrapping of the main suspension cables that began in 2023–24 was completed this fiscal year, supporting the long-term durability of the bridge. Work included finalising the main suspension cable wrapping to reduce exposure to weather, along with replacing critical structural bridge components. Installation of a dehumidification system on these cables will be executed in the near term.
- **Seaway International Bridge:** Rehabilitation and repaving of the South Channel Bridge deck, as well as repaving of the south approach were completed, further improving safety and serviceability. Additional maintenance access points were also installed to enhance future inspection and repair efficiency.
- **Sault Ste. Marie International Bridge:** While no large-scale projects were required at this location, maintenance teams remained actively engaged throughout the year, carrying out regular and prudent upkeep to maintain the condition of this important asset.

Over the next five years, FBCL expects to invest $79 million in essential capital projects. Subject to the identification of a funding source, the corporation anticipates an additional $100 million or more in capital requirements. Together, these projects will modernise aging bridge locations and enhance traffic flow through strategic plaza redesigns.

PILLAR 3:

Effective use of Technology

Effective use of technology, utilising common platforms to ensure efficiency of operations and accuracy of information, managed in a manner that limits associated risk and cost.

Five-year Review

	2025–26	2024–25	2023–24	2022–23	2021–22
Uptime > 99.6%	Achieved	Achieved	Achieved	Achieved	Achieved

In terms of technology, the only constant is change. FBCL's vision with regards to technology is to empower our people and enhance efficiency with a clear digital roadmap. By promoting collaboration, modernising tolls, leveraging data, and embracing process automation, we strive to serve better, scale the portfolio, and thrive in a digital world. Notable works this year include:

- **Cashless tolling:** On April 1, 2025, the BWB transitioned to fully cashless tolling. This change reflects FBCL's ongoing commitment to modernising operations, improving efficiency and enhancing the customer experience. The shift to cashless tolling aligns with industry best practices and reflects the declining use of cash at the BWB. This transition will result in faster transaction times, reducing wait times and lowering our environmental footprint by minimising vehicle idling.
- **Digital strategy:** FBCL has finalised a digital strategy outlining its three-year action plan to advance and modernise the use of technology to optimise traffic and operations. The focus of the strategy is two-fold by (1) creating growth opportunities for employees by fostering a more responsive work environment and improve collaboration across departments; and (2) helping FBCL become a more agile, inclusive and prepared organisation better able to deliver on its mandate in today's rapidly evolving world.
- **Cybersecurity:** FBCL continued to strengthen its cybersecurity posture through ongoing investments in technology, governance, and employee awareness. The corporation advanced its comprehensive cybersecurity action plan to safeguard data integrity and protect critical infrastructure from emerging threats. Employees participated in mandatory training and exercises designed to reinforce safe digital practices and reduce vulnerability. These initiatives have contributed to maintaining strong cyber resilience.

- **CMMS:** The implementation of a Computerised Maintenance Management System (CMMS) is modernising FBCL's workflows. It aims to standardise maintenance practices, enhance work-order tracking, and strengthen lifecycle planning by providing real-time data on asset condition and maintenance history. It will also support more efficient scheduling, improve coordination between Canadian and U.S. partners, and enable analytics that guide long-term capital planning. The CMMS represents a significant advancement in FBCL's asset-management capabilities and contribute to more consistent, data-driven decision-making.

In addition to the initiatives outlined above, FBCL maintains strong strategic collaborations with MTO, MDOT, OVIN and border associations to continuously improve the safe and efficient movement of goods and people across the international border.

- **MTO:** At the BWB, FBCL and the Ministry of Transportation of Ontario have continued to upgrade traffic-monitoring infrastructure to provide more accurate and timely estimates of border wait times on both the Canadian and U.S. sides. These enhancements contribute to improved traveller information, reduced congestion, and more efficient cross-border operations.
- **MDOT:** The Smart Corridor concept continues to advance at the BWB in collaboration with the Michigan Department of Transportation. This initiative leverages technology to create a safer, more sustainable, secure, and efficient transportation corridor. By integrating Smart Corridor principles at BWB, FBCL and MDOT aim to strengthen regional mobility and support Canada's long-term economic competitiveness in tourism and trade.
- **OVIN:** Through its association with the Ontario Vehicle Innovation Network (OVIN), part of the Ontario Centre for Innovation, FBCL is actively allowing testing of opportunities to introduce innovative technologies that enhance the movement of goods and people across international borders. Since the start of the partnership, 13 pilot projects have been carried out, six of which have been completed. This year, three FBCL operations vehicles were equipped with hydrogen energy kits, resulting in fuel-consumption reductions of up to 20% and emissions reductions of approximately 75%. The supplier of this technology focuses on advancing hydrogen-based technologies as a clean, efficient, and sustainable energy source. In addition, FBCL is enabling the testing of AI-enabled engineering inspection tools at the BWB. This technology generates a detailed 3D reconstruction of the Canadian side of the bridge span, applying an AI-powered algorithm to automatically detect common structural defects. If adopted by FBCL, these insights could enhance long-term maintenance planning and future capital-project prioritisation.
- **Border Associations:** FBCL participates actively as a member of the Bridges and Tunnel Operators Association, the Future Boarder Coalition and the Council of the Great Lakes Region's Bi-National Great Lakes Border Trade and Supply Chain Alliance. It also engages with the Cross-Border Institute of the University of Windsor and the economic and tourism groups of its host communities. These collaborations foster ongoing dialogue between academia, industry, and government, enabling collaborative solutions that enhance and expand the secure flow of travelers and trade.

Sustainability

Sustainability of operations, maintenance and administration through a shared revenue approach, prioritised investment, toll optimisation and cost containment.

Five-year Review

(in '000s)	2025–26	2024–25	2023–24	2022–23	2021–22
Revenues	$ 52,547	$ 52,158	$ 46,259	$ 40,514	$ 31,627
Government funding for operations	943	1,049	1,091	586	10,845
Expenses[4]	49,937	49,096	46,954	46,092	45,157
Cash flow from operations	19,795	22,168	15,475	7,586	15,891
Debt reduction	8,281	7,810	7,376	6,971	(1,323)[5]

The table above and the information below should be read in conjunction with the consolidated financial statements (refer to Appendix A).

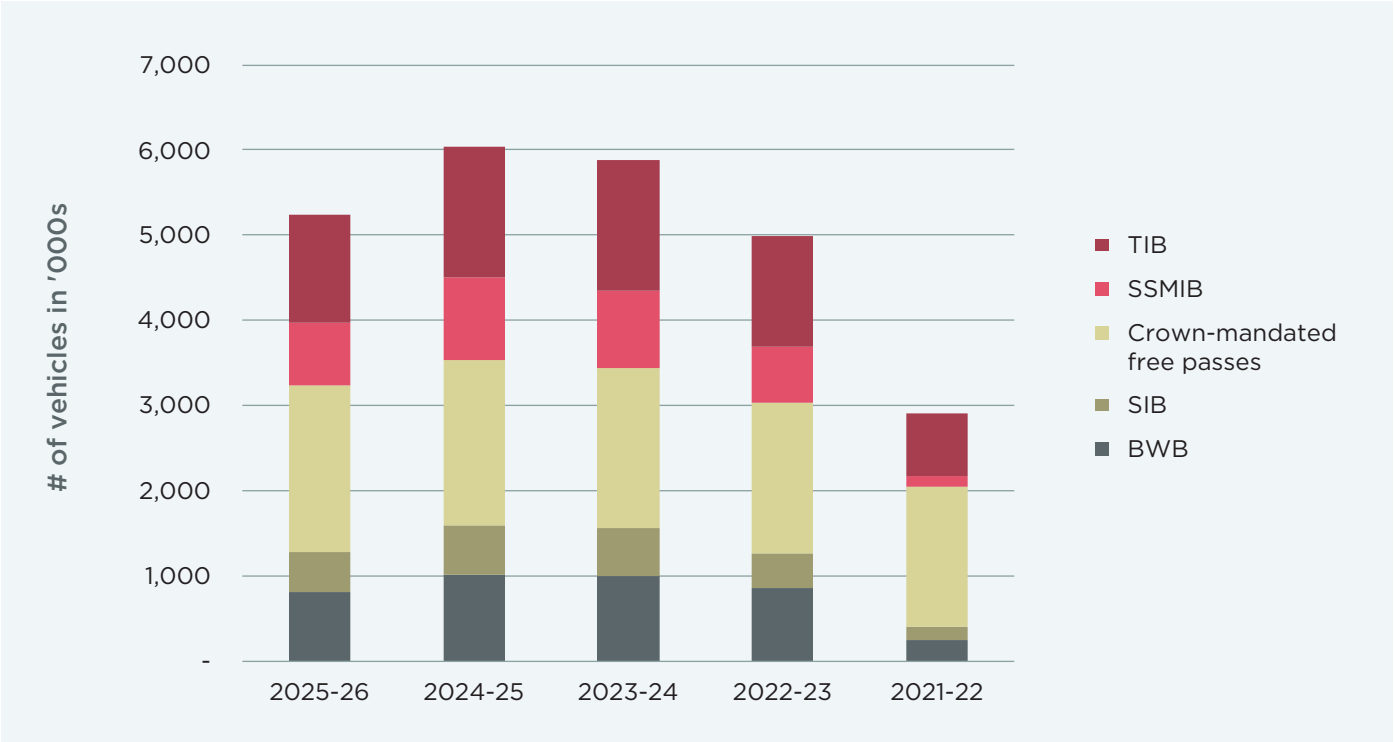
Revenues

Toll revenues account for about 90% of FBCL's total revenues and are influenced by traffic mix, volumes, toll rates, and the CAD–USD exchange rate. Regional factors also shape results at each crossing. Leases and permits form the second-largest revenue source; as these depend on sales activity, declines in passenger traffic have reduced related revenues.

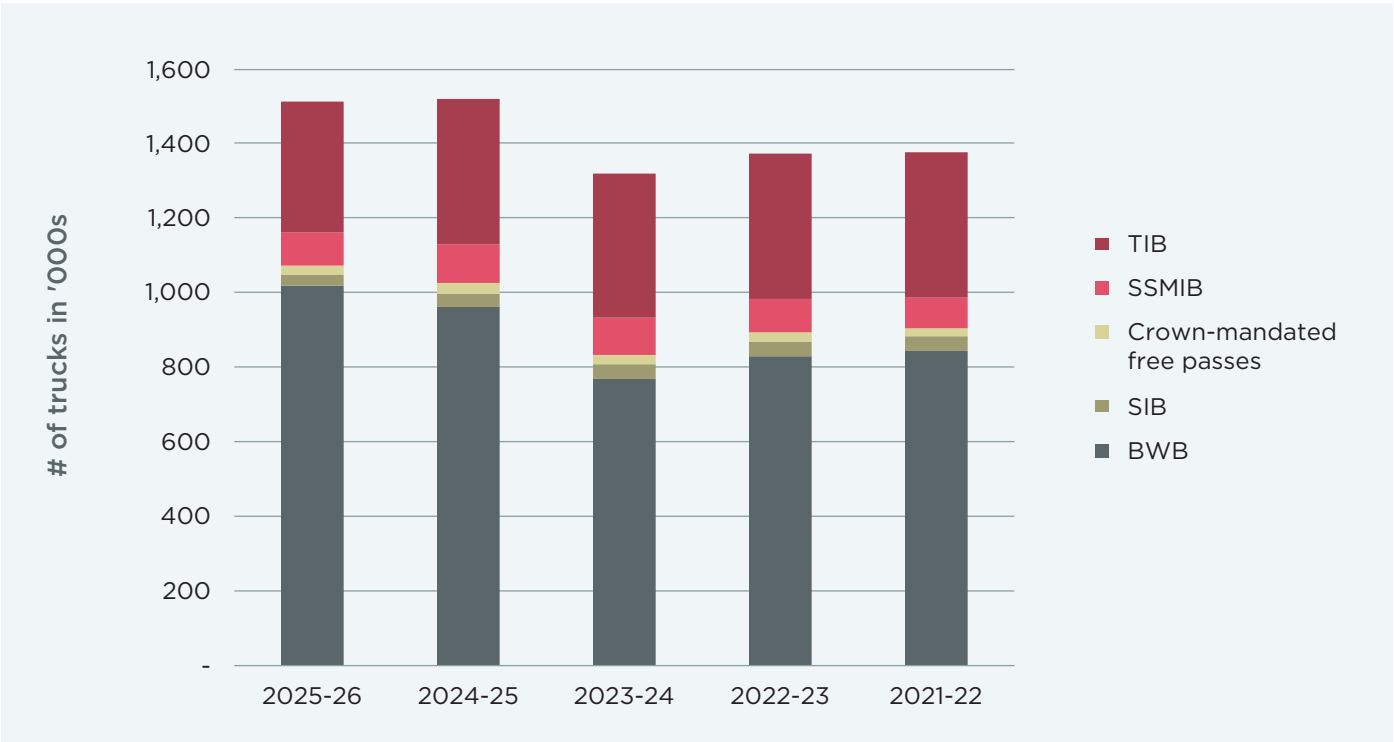
Trending political and economic factors: Over the course of the year, tariffs on both sides of the border reduced commercial volumes (except at BWB), and the upcoming CUSMA review may create additional uncertainty. Passenger traffic continues to be affected by the weakened Canadian dollar and Canadians' responses to U.S. political conditions.

4 Includes depreciation but excludes interest expense and other comprehensive income
5 New debt of $10M was withdrawn in February 2022.

Passenger volumes



Commercial volume



Blue Water Bridge (55% commercial & 45% passenger): Since November 2024, BWB has been Canada's busiest commercial crossing. Its strong highway links and strategic location support national trade routes. Passenger travel in the region has declined more sharply than in other parts of Canada due to the demographics of the area.

Seaway International Bridge (compensated crossings: 95% passenger & 5% commercial): SIB enables two million toll-free Indigenous crossings annually. Limited highway access and loss of regional manufacturers keep commercial traffic low.

Sault Ste. Marie International Bridge (90% passenger & 10% commerical): As the only road link between Ontario and Michigan within 1,000 km, SSMIB is vital for local communities and northern-Ontario trade. It connects directly to major Canadian and U.S. highway corridors.

Thousand Islands International Bridge (20% commercial & 80% passenger): TIIB is Eastern Ontario's strongest commercial crossing, supported by excellent highway connectivity and modern customs facilities. Passenger volumes draw from local residents, tourism, and seasonal snowbird travel.

Canadian vs. US dollar exchange rate: The exchange rate fluctuated between C$1.35 and C$1.43 per US$1.00 (2025 – C$1.35 and $1.46), averaging C$1.38 for the year (2025 – $1.39). Over the past three years this conversion has remained consistently elevated, the highest in over 20 years, which detracts Canadians from making regular trips across the border.

Changes in toll rates: Toll rates were updated on April 1, 2025, at the Blue Water Bridge and Seaway International Bridge; on March 1, 2025 at the Thousand Islands International Bridge; and on April 1 and October 1, 2025 at the Sault Ste. Marie International Bridge.

Government Funding for Operations

Under *Appropriation Act No. 3, 2025–26* (2025 – *Appropriation Act No. 2, 2024–25*), FBCL was authorised to receive up to $1.000 million (2025 – $17.923 million) to support continued safe operations at SIB (2025 – support continued safe operations and certain capital acquisitions across the portfolio of bridges). Of this amount, $0.943 million (2025 – $0.959 million) was used to cover SIBC's operating shortfall. No capital funding was provided this fiscal year (2025 – $16.904 million was used to purchase capital assets).

SIBC continues to face significant financial pressures due to declining paying-passenger volumes, lower commercial traffic, the weakened Canadian dollar, and broader cross-border regional manufacturing decline. At the same time, Crown-mandated toll-free traffic crossings remain at record levels, keeping operational demands high. As a result, SIBC has recorded operating deficits each year since 2020–21, funded primarily through Canadian appropriations (with one year supported by U.S. appropriations).

Expenses

The Consolidated Statement of Comprehensive Income presents operating expenses by function as compared against budgets. The following provides brief explanation of the functions and the variances between fiscal 2025–26 and 2024–25:

- **Operations:** Operations expense relates to the collection of toll revenue, security and traffic management. Expenses have increased by $0.2 million due to increases in salaries and benefits, and processing fees for toll collection.

- **Thousand Islands International Bridge expenses:** This represents the Corporation's share of expenses per the international agreement pertaining to the crossing at the Thousand Islands. The expense has decreased by $0.8 million due to lower amortisation and employee benefit costs.
- **Maintenance:** Maintenance expenses relate to the maintenance, upkeep and repair of the Corporation's assets. Expenses have increased by $1.3 million due to higher amortisation, an adjustment to the useful lives of certain assets, an increase in salaries and benefits, and continued stewardship of FBCL's infrastructure.
- **CBSA & CFIA:** The Corporation is required per legislation to provide facilities and the majority of the maintenance of these facilities at some of its crossings to the CBSA and the CFIA, for which there is no related revenue. These expenses, which account for 17% of total expenditures, are consistent with the prior year.
- **Administration:** Administration expenses relate to the management and oversight of the operations of the individual crossings and the Corporation. Expenses have grown by $0.2 million primarily due to increases in salaries and legal fees.
- **Additional funding of SIBC operations:** The consistent decreased traffic volume at this location has resulted in non-sustainable operations at this crossing that is deemed unrecoverable. Funding from the Government of Canada had been obtained to sustain SIBC's operations. Historically, the Corporation recognises 50% of revenues and expenses of SIBC in accordance with the international agreement. For both the current and previous years the corporation also recognises the remaining 50% of the deficit as an expense since the full deficit has been funded through operating appropriations.

As a matter of regular conduct, FBCL monitors its expenses by only incurring necessary costs to operate and maintain the bridge portfolio on a 24/7 basis.

Cash Flow and Liquidity

Establishing a capital reserve is key to ensuring the longevity of FBCL's infrastructure. In 2020–21 and 2021–22, FBCL depleted its capital reserve to sustain short-term operations when the pandemic significantly reduced traffic volumes. In fiscal years 2022–23 to 2024–25, FBCL received parliamentary appropriations to fund necessary capital projects and, in parallel, began to rebuild its capital reserve through continued budgetary prudence and cost management. The corporation monitors expenditures closely to ensure that sufficient cash remains available to respond to unforeseen events. As at March 31, 2026, cash and investments totalled $41.5 million. While reserves have increased, they are expected to be significantly tested in the coming years due to anticipated decreases in toll volumes (driven by the current economic and socio-political environment and the forthcoming opening of the GHIB) and required reinvestments in capital infrastructure. Over the next five years, FBCL expects to invest $79 million in essential capital projects. Subject to the identification of a funding source, the corporation anticipates an additional $100 million or more in capital requirements.

Debt Repayment

FBCL's debt consists primarily of bonds and a term loan. The bonds were issued in 2002 to finance construction of the second Blue Water Bridge span and major rehabilitation of the first span. These bonds will be fully repaid by July 2027. In fiscal 2021–22, FBCL also secured a $10 million loan to support cash flow during the pandemic recovery period. The loan is being repaid at a rate of $0.4 million per year.

PILLAR 5:

Sound Governance

Sound governance of the Corporation, through an optimised structure, the required capacity and skills, and strong relationships with stakeholders.

Five-year review

	Target	2025–26	2024–25	2023–24	2022–23	2021–22
Gender diversity variance	<10%	Achieved	Achieved	Achieved	Achieved	Achieved
Women in leadership	>40%	Achieved	Achieved	Achieved	37%	35%
Visible minorities[6]	>8%	Achieved	Achieved	Achieved	NA	NA
Indigenous[7]	>10%	Achieved	Achieved	Achieved	NA	NA

FBCL's commitment to strong governance, a thriving and inclusive workforce, environmental stewardship, and constructive stakeholder relationships underpins the corporation's ability to operate responsibly while advancing its mandate across all bridge locations.

Governance Principles

FBCL considers governance to be the cornerstone of its integrity, security, and accountability, providing the foundation to operate transparently, ethically, and with sound risk management that safeguards long-term value. This robust governance framework (as outlined in Appendix B) is supported by a comprehensive enterprise risk management system (as outlined in Appendix C), strong internal controls, and a secure IT and cybersecurity environment. FBCL's governance practices also ensure clear oversight of the corporation's strategic direction by linking decision-making to defined corporate objectives (as outlined in Appendix D) enabling the Board and senior management to monitor progress and manage risks in alignment with long-term priorities.

6 Self-identification survey was first conducted in fiscal 2023–24
7 Self-identification survey was first conducted in fiscal 2023–24

FBCL's governance effectiveness is supported by a robust audit regime comprising internal audits, external audits, and periodic special examinations. Internal audits strengthen accountability, risk management, and resource stewardship through risk-based, multi-year audit plans. Although areas for improvement were identified, no significant deficiencies in internal controls have been reported over the past five years.

Externally, the OAG conducts an annual audit of the consolidated financial statements to confirm compliance with IFRS and Part X of the *FAA*. FBCL has consistently received unmodified audit opinions, with no management recommendation letters issued in the last five years. The OAG also performs a special examination at least every ten years to assess the safeguarding of assets and the efficiency of operations; the most recent examination, completed in June 2022, produced very positive findings available on FBCL's website.

Workforce

It is FBCL's employees who allow for accomplishments year after year. Whether it is the expedient processing and efficient flow of the record levels of commercial traffic witnessed this year at the BWB, the outreach to local Indigenous communities, or the emphasis placed on environmental initiatives, staff at all corners of FBCL's operations continue to achieve. These boundaries continue to be expanded, while keeping a keen eye on ensuring processes, guidelines, and protocols are adhered to.

FBCL promotes a healthy and respectful workplace that is intrinsically tied to diversity and inclusion. Instilling such a culture requires acceptance and participation by all employees at all levels. FBCL supports its employees in the achievement of related objectives through multiple methods. The "tone from the top" sets clear expectations that behaviour inconsistent with the FBCL's culture is not tolerated. This direction is reinforced by corporate policies defining expectations as well as policies on conduct in the workplace, such as harassment prevention, Employee Equity, Diversity and Inclusion.

The Accessibility Plan for 2026–2029 is the second plan that has been created by FBCL, in accordance with the *Accessible Canada Act*, to meet its responsibilities. The intent of this Plan is to identify, remove and prevent barriers in employment; the built environment; information and communication technologies; other communications; the procurement of goods, services and facilities; and the design and delivery of programs and services. By setting targets, the FBCL is holding itself accountable for action.

This year, FBCL celebrated an incredible milestone—FBCL's 10-year anniversary since its amalgamation in 2015. A decade of shared commitment, remarkable stability and outstanding achievements made possible by its employees capped off by a celebratory year entitled the "Year of You". The Year of You invited every employee to explore new opportunities, invest in personal development, and strengthen collaboration across the organisation. Over the past year, employees have continued to demonstrate unwavering dedication, resilience and a collective spirit that defines who we are at FBCL. The employees' commitment to elevating their skills, expanding corporate knowledge and enhancing collaboration has been remarkable.

Environmental Stewardship

FBCL recognises the importance of minimising its environmental footprint and advancing sustainable operations across its bridge portfolio. The corporation continues to embed environmental considerations into planning, maintenance, and operational practices, including the integration of climate-related metrics, the implementation of energy-efficient technologies, and the adoption

of environmentally responsible construction and maintenance approaches. These efforts underscore FBCL's commitment to environmental stewardship, climate resilience, and supporting broader federal sustainability objectives. Refer to Appendix E for a comprehensive Taskforce on Climate-related Financial Disclosures report.

Stakeholder Relationships

FBCL collaborates closely with its U.S. counterparts through binational agreements and memoranda of understanding (MOU) to maintain and improve cross-border infrastructure. This cooperation, grounded in transparency and shared responsibility, includes comprehensive annual bridge inspections whose findings inform FBCL's Asset Management Plan and guide coordinated maintenance and capital planning to reduce disruptions and support uninterrupted trade.

Collaboration with the CBSA and the U.S. CBP is also essential in optimising border processing and reducing wait times, while ensuring the safety and security of traffic management across all bridge operations.

FBCL also supports the federal government's commitment to reconciliation with Indigenous Peoples. FBCL works with First Nations communities to advance rights, reduce barriers, and support long-term socio-economic outcomes. Initiatives such as maintaining historic cemeteries, facilitating cultural ceremonies, and sustaining high Indigenous employment rates demonstrate FBCL's ongoing commitment to meaningful reconciliation.

At the Seaway International Bridge, where the bridge crossing traverses the Indigenous territory of Akwesasne, FBCL maintains regular dialogue with the MCA on major projects and operational matters and engages community leaders to share information and discuss initiatives. The corporation upholds Crown-mandated free passage for Indigenous Peoples and observes significant cultural dates. An MOU ensures ongoing contract opportunities for Mohawk workers, and SIBC continues to serve as a stable local employer, supporting economic participation and social inclusion.

Historical agreements, differing interpretations of acquired rights, and an outstanding land claim related to the original St. Lawrence Seaway expropriation continue to shape this crossing. A key element of the claim includes a request for the return of certain lands to Indigenous control. FBCL remains engaged in supporting the Crown's efforts to reach a settlement with the Mohawk Council of Akwesasne (MCA).

Looking ahead, FBCL remains focused on the governance structure required to ensure SIBC's long-term financial sustainability, working closely with GLS as toll revenues remain insufficient to sustain operations under the original binational agreements.

At the Blue Water Bridge, FBCL operates within an area of longstanding importance to the Aamjiwnaang First Nation. An MOU guides consultation on relevant projects and establishes a partnership approach when cultural discoveries occur. FBCL also maintains a historic cemetery and facilitates ceremonial access, ensuring respectful stewardship of Indigenous heritage. Ongoing collaboration with Aamjiwnaang leadership supports a transparent and constructive relationship.

FBCL has also formalised a multi-year Naturalisation Project with Aamjiwnaang First Nation to mitigate flooding risks and enhance environmental resilience. By introducing self-sustaining native plant species across a 5.5-acre area and revitalising the grounds surrounding the Souls Memorial—designed to reflect the Anishnaabek Medicine Wheel—the initiative strengthens environmental stewardship while honouring the cultural significance of the site.

APPENDIX A:

Consolidated Financial Statements

Management's Responsibility for Financial Statements

The consolidated financial statements contained in this Annual Report have been prepared by The Federal Bridge Corporation Limited (the Corporation) management in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. The integrity and objectivity of the data in these consolidated financial statements is the responsibility of the Corporation's management and the management of its wholly-owned subsidiary, The Seaway International Bridge Corporation, Ltd. (SIBC), which reports directly to an independent Board of Directors.

It is necessary for management to make assumptions and estimates based on information available at the date of the consolidated financial statements. Areas where the Corporation's management and management of its wholly-owned subsidiary have made significant estimates and judgements include components and associated useful lives of property and equipment, intangible assets, and investment properties, impairment testing, inputs for the calculation of employee benefits plans, classification of leases in which the Corporation is the lessor, classification of joint arrangements, and presentation of The Thousand Islands Bridge Authority (TIBA) operations. The Corporation's management is also responsible for all other information in the Annual Report and for ensuring that this information is consistent, where appropriate, with the information and data contained in the consolidated financial statements.

In support of its responsibility, the Corporation's management prepares the consolidation of the financial statements. The Corporation's management and the management of its wholly-owned subsidiary have developed and maintain books of account, records, financial and management controls, information systems and management practices for their respective financial statements. These are designed to provide reasonable assurance as to the reliability of financial information, that assets are safeguarded and controlled, and that transactions are in accordance with Part X of the *Financial Administration Act* and regulations, the *Economic Action Plan 2013 Act, No. 2*, the *Canada Marine Act* and regulations, the

Canada Business Corporations Act and regulations, and the articles and by-laws of the Corporation and its wholly-owned subsidiary, as well as the directives issued pursuant to section 89 of the *Financial Administration Act*.

The Corporation's Board of Directors is composed of six directors who are not employees of the Corporation and one director who is the CEO of the Corporation. The Board of Directors of the Corporation's wholly-owned subsidiary is composed of eight directors who are currently employees of either the Corporation or The Great Lakes St. Lawrence Seaway Development Corporation (GLS) (the Corporation's partner at its wholly-owned subsidiary). The Corporation's Board of Directors and the Board of Directors of its wholly-owned subsidiary are responsible for ensuring that each corporation's management fulfils their responsibilities for financial reporting and internal control. The Board of Directors of the wholly-owned subsidiary reports directly to the Corporation's Board of Directors. The Corporation's Board of Directors and the Board of Directors of its wholly-owned subsidiary exercise their responsibilities through their own Audit Committees comprised of Board of Directors members. Each Audit Committee meets with management and the independent external auditor to review the manner in which these groups are performing their responsibilities and to discuss auditing, internal controls, and other relevant financial matters. The Audit Committee of the Corporation's wholly-owned subsidiary has reviewed its respective financial statements with its external auditors, the Auditor General of Canada. The wholly-owned subsidiary's Board of Directors has approved and submitted its financial statements together with the external auditor's report to the Corporation's (parent) Board of Directors. The Corporation's Audit Committee has discussed the consolidated financial statements with the external auditor, the Auditor General of Canada, and has submitted its report to the Corporation's Board of Directors. The Auditor General of Canada is responsible for auditing the consolidated financial statements and for issuing her report thereon. The Corporation's Board of Directors has reviewed and approved the consolidated financial statements.



Natalie Kinloch,
Chief Executive Officer



Richard Iglinski,
Chief Financial Officer

June 25, 2026

Office of the Auditor General of Canada

Bureau du vérificateur général du Canada

INDEPENDENT AUDITOR'S REPORT

To the Minister of Transport and Leader of the Government in the House of Commons

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of The Federal Bridge Corporation Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

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

Other Information

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material

uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the consolidated financial statements, we have audited transactions of The Federal Bridge Corporation Limited and its wholly-owned subsidiary coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are Part X of the *Financial Administration Act* and regulations, the *Canada Business Corporations Act* and regulations, the *Economic Action Plan 2013 Act, No. 2*, the *Canada Marine Act* and regulations, the articles and by-laws of The Federal Bridge Corporation Limited and its wholly-owned subsidiary, and the directives issued pursuant to section 89 of the *Financial Administration Act* described in Note 1 to the consolidated financial statements.

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

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for The Federal Bridge Corporation Limited and its wholly-owned subsidiary's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable The Federal Bridge Corporation Limited and its wholly-owned subsidiary to comply with the specified authorities.

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

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



Catherine Lapalme, CPA, CA
Principal
for the Auditor General of Canada

Ottawa, Canada
25 June 2026

Consolidated Statement of Financial Position

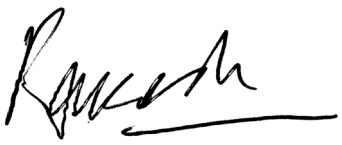
As at March 31 (in thousands of Canadian dollars)	Notes	2026	2025
		$	$
Assets			
Current Assets			
Cash and cash equivalents	7	**16,736**	11,629
Investments	8	**22,776**	19,572
Trade and other receivables	9	**1,369**	1,744
Prepaids		**1,756**	1,663
Total Current Assets		**42,637**	34,608
Non-Current Assets			
Property and equipment	10	**311,949**	325,202
Investment properties	11	**15,282**	15,962
Intangible assets		**19**	30
Lessor inducement		**144**	165
Investments	8	**2,000**	3,000
Total Non-Current Assets		**329,394**	344,359
Total Assets		**372,031**	378,967
Liabilities			
Current Liabilities			
Trade and other payables		**1,961**	2,424
Employee benefits		**1,179**	1,440
Holdbacks		**-**	188
Deferred revenue	12	**1,849**	1,864
Loans payable	13	**400**	400
Bonds payable	14	**8,192**	7,675
Lease liability		**188**	211
Deferred government funding	15	**4,922**	4,988
Total Current Liabilities		**18,691**	19,190

Consolidated Statement of Financial Position (Continued)

As at March 31 (in thousands of Canadian dollars)	Notes	2026	2025
		$	$
Non-Current Liabilities			
Deferred revenue	12	458	609
Loans payable	13	7,967	8,367
Bonds payable	14	4,299	12,491
Lease liability		10	193
Deferred government funding	15	102,338	107,258
Employee benefits	16	7,205	7,284
Total Non-Current Liabilities		122,277	136,202
Equity			
Share capital – 2 shares @ no par value	17	-	-
Retained earnings		231,178	223,440
Accumulated other comprehensive (loss) income		(115)	135
Total Equity		231,063	223,575
Total Equity and Liabilities		372,031	378,967
Contingent liabilities	21		
Commitments	22		
Replacement of property and equipment	23		

The accompanying notes form an integral part of these consolidated financial statements.

Approved by the Board of Directors



Director



Director

Consolidated Statement of Comprehensive Income

As at March 31 (in thousands of Canadian dollars)	Notes	2026	2025
		$	$
Revenue			
Tolls and services		**39,784**	38,063
Leases and permits		**3,219**	3,978
Thousand Islands International Bridge revenue		**7,637**	8,071
Interest		**1,295**	1,251
(Loss) Gain on sale of investments		**(30)**	58
Other		**642**	737
Total Revenue		**52,547**	52,158
Expenses			
Operations		**10,867**	10,705
Thousand Islands International Bridge expenses		**6,485**	7,250
Maintenance		**16,011**	14,755
Canada Border Security Agency & Canadian Food Inspection Agency operations		**8,559**	8,575
Administration		**7,543**	7,331
Additional funding of SIBC operations	**5**	**472**	480
Total Expenses	**18**	**49,937**	49,096
Operating Income Before Government Funding		**2,610**	3,062
Government Funding			
Amortisation of deferred capital funding	**15**	**4,986**	4,530
Funding with respect to operating expenses and land transfer	**15**	**943**	1,049
Total Government Funding		**5,929**	5,579
Non-Operating Items			
Interest expense		**(1,348)**	(1,852)
Total Non-Operating Loss		**(1,348)**	(1,852)
Net Income		**7,191**	6,789

Consolidated Statement of Comprehensive Income (Continued)

As at March 31 (in thousands of Canadian dollars)	Notes	2026	2025
		$	$
Other Comprehensive Income			
Items that will not be reclassified subsequently to net income			
Actuarial gain (loss)	16	547	(249)
Items to be reclassified to net income when specific conditions are met			
Revaluation (loss) gain on fair value through other comprehensive income investments		(280)	230
Cumulative loss (gain) reclassified to income on sale of fair value through other comprehensive income investments		30	(58)
Total Other Comprehensive (Loss) Income		297	(77)
Total Comprehensive Income for the Year		7,488	6,712

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

As at March 31 (in thousands of Canadian dollars)	Notes	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
		$	$	$
Balance as at April 1, 2024		216,900	(37)	**216,863**
Net income		6,789	-	**6,789**
Other Comprehensive Income:				
Actuarial loss	**16**	(249)	-	**(249)**
Revaluation gain on fair value through other comprehensive income investments		-	230	**230**
Cumulative gain reclassified to income on sale of fair value through other comprehensive income investments		-	(58)	**(58)**
Total Other Comprehensive (Loss) Income		(249)	172	**(77)**
Total Comprehensive Income:		6,540	172	**6,712**
Balance at March 31, 2025		223,440	135	**223,575**
Net Income		7,191	-	**7,191**
Other Comprehensive Loss:				
Actuarial gain	**16**	547	-	**547**
Revaluation loss on fair value through other comprehensive income investments		-	(280)	**(280)**
Cumulative loss reclassified to income on sale of fair value through other comprehensive income investments		-	30	**30**
Total Other Comprehensive (Loss) Income		547	(250)	**297**
Total Comprehensive Income		7,738	(250)	**7,488**
Balance at March 31, 2026		231,178	(115)	**231,063**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

As at March 31 (in thousands of Canadian dollars)	Notes	2026	2025
		$	$
Cash Flows from Operating Activities			
Net income		**7,191**	6,789
Adjustments for:			
Amortisation of deferred capital funding	**15**	**(4,986)**	(4,530)
Depreciation of property and equipment	**10**	**17,196**	17,110
Depreciation of investment properties	**11**	**680**	678
Depreciation of intangible assets		**11**	7
(Gain) Loss on disposal of assets		**(9)**	42
Loss (Gain) on sale of investments		**30**	(58)
Change in employee benefits		**207**	535
Foreign exchange (gain) loss		**(29)**	1
		20,291	20,574
Changes in Working Capital:			
Trade and other receivables		**(290)**	1,793
Lessor inducement		**21**	(6)
Prepaids		**(93)**	(84)
Trade and other payables		**32**	83
Deferred revenue	**12**	**(166)**	(192)
		(496)	1,594
Net Cash Generated by Operating Activities		**19,795**	22,168

Consolidated Statement of Cash Flows (Continued)

As at March 31 (in thousands of Canadian dollars)	Notes	2026	2025
		$	$
Cash Flows from Investing Activities			
Payments for property and equipment		**(4,626)**	(17,712)
Payments for investment properties		**-**	(45)
Payments for intangible assets		**-**	(22)
Government funding related to acquisitions of property and equipment received		**665**	16,239
Proceeds on disposal of property and equipment		**9**	-
Proceeds on sale of investments		**11,965**	11,508
Purchase of investments		**(14,449)**	(24,093)
Net Cash Used by Investing Activities		**(6,436)**	(14,125)
Cash Flows from Financing Activities			
Repayment of loans payable		**(400)**	(400)
Repayment of bonds payable		**(7,675)**	(7,191)
Repayment of lease liability		**(206)**	(219)
Net Cash Used by Financing Activities		**(8,281)**	(7,810)
Foreign exchange gain (loss) on cash and cash equivalents held in foreign currency		**29**	(1)
Net increase in cash and cash equivalents		**5,107**	232
Cash and cash equivalents at the beginning of the year		**11,629**	11,397
Cash and Cash Equivalents at the End of the Year	**7**	**16,736**	11,629
Supplemental disclosure on cash flow information			
Interest received included in operating activities		**1,233**	1,216
Interest paid included in operating activities		**1,461**	1,962

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1. Authority and Activities

The Federal Bridge Corporation Limited (the "Corporation") is a *Canada Business Corporations Act* (CBCA) corporation listed in Schedule III Part 1 of the *Financial Administration Act* (*FAA*). It is an agent of the Crown, not subject to income tax under the provisions of the *Income Tax Act*. It is a parent Crown Corporation that reports to the Parliament of Canada through the Minister of Transport. The Corporation resulted, on February 1, 2015, from an amalgamation between the legacy The Federal Bridge Corporation Limited (the "legacy FBCL"), which was a parent Crown corporation, with its subsidiary, St. Mary's River Bridge Company (SMRBC), on January 27, 2015, and with another parent Crown corporation Blue Water Bridge Authority (BWBA). This was done in accordance with the authorities provided by the *Economic Action Plan 2013 Act, No. 2*. The remaining planned amalgamation in this Act, with the Corporation's wholly-owned subsidiary, The Seaway International Bridge Corporation Ltd. (SIBC), has not been realised to date.

The Corporation's primary activities involve the ownership and operation of four international bridges linking the Province of Ontario in Canada to the State of New York or the State of Michigan in the United States of America (U.S.). Moreover, the Corporation may also undertake other activities incidental to the bridge business.

The Corporation's wholly-owned subsidiary, SIBC, operates the Seaway International Bridge crossing in Cornwall as a joint operation (as described in note 5) per agreement between the Corporation as Canadian owner and The Great Lakes St. Lawrence Seaway Development Corporation (GLS) as U.S. owner. As a Crown corporation, SIBC is also subject to the same authorities as the Corporation. The Corporation is also a party to two other agreements for the operation of the international bridges. In regards to the Sault Ste. Marie International Bridge, this agreement is with the U.S. owner, the Michigan Department of Transportation (MDOT). The bridge oversight is through a joint international entity, Sault Ste. Marie Bridge Administration (SSMBA), and its operation is done by the International Bridge Authority (IBA), an entity of MDOT. The agreement applicable to the operations of the Thousand Islands International Bridge is also with the U.S. owner, the Thousand Islands Bridge Authority (TIBA), an entity of Jefferson County, State of New York. At the Blue Water Bridge crossing between Point Edward, Ontario, and Port Huron, Michigan, the Corporation owns and operates the Canadian portion of the crossing. The U.S. side of the crossing is owned and operated by MDOT.

By Order in Council P.C. 2015-31 dated January 26, 2015, the Corporation was granted all necessary approvals of the *International Bridges and Tunnels Act* for the purposes of ownership and management of the international bridges under the Corporation's portfolio. *The Customs Act section 6* and other Acts with similar references, requires the Corporation to provide, equip and maintain, free of charge, adequate buildings, accommodations or other facilities for customs and the Canada Border Services Agency (CBSA). Similar provisions in the *Plant Protection Act* and the *Health of Animals Act* mandate similar support for the Canadian Food Inspection Agency (CFIA) based at the land crossings. The subsidiary, SIBC, is also subject to the *Canada Marine Act* for the purposes of the management of the international bridge that crosses the St. Lawrence River.

The Corporation is subject to directives pursuant to Section 89 of the *FAA*. By Order in Council P.C. 2014–1382 dated December 10, 2014, the Corporation is:

d. to ensure that the pension plans will provide

- **i.** a 50:50 current service cost-sharing ratio between employee and employer for pension contributions, to be phased in for all members by December 31, 2017, and,
- **ii.** for any employee hired on or after January 1, 2015, that the normal age of retirement is raised to 65 years and that the age at which retirement benefits are available, other than those received at the normal age of retirement, corresponds with the age at which they are available under the Public Service Pension Plan; and,

e. to outline its implementation strategies with respect to the commitments set out in paragraph (a) in its next corporate plan and subsequent corporate plans until the commitments are fully implemented.

The Corporation was in full compliance with the directive as of December 31, 2017, and continues to comply with the directive.

By Order in Council P.C. 2015-1114 dated July 16, 2015, the Corporation was also directed to align its policies with the travel, hospitality, conference and event expenditure policies, directives, and other related instruments issued by the Treasury Board pursuant to Section 89 of the *FAA* as follows:

a. to align its 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 is consistent with its legal obligations; and,

b. to report on the implementation of this directive in its next corporate plan.

The Corporation complied with this directive in the 2016-17 fiscal year and continues to comply with the directive.

In January 2026, the Corporation was issued a directive (P.C. 2026-0009) pursuant to section 89 of the *Financial Administration Act* to:

a. align their policies, guidelines and practices with the *Buy Canadian Procurement Policy Framework* and the policy instruments issued under section 6 of that framework, as amended from time to time, in a manner that is consistent with their mandate, and ensure, if applicable and to the extent possible, that their wholly-owned subsidiaries and subsidiaries within the meaning of Part X of the *Financial Administration Act* do the same; and
b. report on the implementation of this directive in their next corporate plan.

The Corporation has complied with this directive and has reported the implementation in its 2026 to 2031 Corporate Plan which was approved on March 27, 2026.

The registered office of the Corporation is 55 Metcalfe, Suite 200, Ottawa, Ontario, K1P 6L5.

The consolidated financial statements were approved and authorised to issue by the Board of Directors on June 25, 2026.

2. Material Accounting Policies

Statement of Compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis of Preparation

The financial statements are consolidated as a result of the ownership in the joint operations and have been prepared on the historical cost basis as explained in the accounting policies below, except as permitted by IFRS and otherwise indicated within these notes.

Functional and Presentation Currency

The consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

Accounting for the Thousand Islands International Bridge

The Corporation records its proportionate share of the Thousand Islands International Bridge revenues and expenses, which consists of 50% gross revenues, 50% gross expenses other than CBSA/CFIA expenses, 100% of CBSA/CFIA expenses, and 50% depreciation of property and equipment. Similar to the revenue recognition policy below, gross revenues for the Thousand Islands International Bridge are recorded when the passenger vehicle users or commercial trucking companies cross the bridge.

The Corporation is responsible for the ownership and major maintenance of the bridges on the Canadian side of the border and as a result, the acquisitions of property and equipment and investment properties are recognised as assets by the Corporation. The Corporation has no interest in the assets or liabilities of TIBA.

Interests in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When the Corporation undertakes its activities under joint operations, the Corporation as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and,
- its expenses, including its share of any expenses incurred jointly.

The Corporation accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRS applicable to the particular assets, liabilities, revenues and expenses. The Corporation has assessed that two of its crossings meet the criteria of a joint operation, as explained in note 5. These crossings are at the Cornwall and Sault Ste. Marie international bridges.

Foreign Currencies

Transactions in currencies other than the Corporation's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date and the resulting gains (or losses) are recorded in net income as part of revenue (or operating expenses). Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The Corporation's proportionate share of the assets and liabilities denominated in foreign currency of SSMBA are translated into Canadian dollars using exchange rates prevailing at the end of each reporting period, with the exception of non-monetary items, which are not retranslated from their exchange rates prevailing at their date of acquisition. Income and expense items are translated at the average exchange rates for each quarter, unless exchange rates fluctuate significantly during that quarter, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in net income.

Government Funding

Normally, the Corporation is financed using its own operating income with the Corporation receiving federal government funding for specific acquisitions of major property and equipment and investment properties from time to time. However, since traffic volumes have not returned to pre-pandemic volumes, the Corporation has obtained federal government funding for operations. Approved government funding drawdowns not received at year-end are recognised as receivables in the Consolidated Statement of Financial Position.

Government funding is recognised in the Consolidated Statement of Comprehensive Income on a systematic basis over the periods in which the Corporation recognises its expenses of the related costs for which the funding is intended to compensate and for land acquisitions in the year in which the land transfer occurs.

Government funding for prepaids, property and equipment and investment properties that are subject to depreciation are recorded as deferred government funding on the Consolidated Statement of Financial Position in the fiscal year in which the purchase is recorded. Income is then recognised in the Consolidated Statement of Comprehensive Income on the same basis, and over the same years, as the prepaid expenses are recognised or depreciation is recognised on the assets acquired using the government funding.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

The Corporation provides access to use the bridge to customers in exchange for a fixed fare. Revenues are recognised when control of the services have transferred and there is no unfulfilled obligation that could affect the customer receiving the services. For the Corporation, control is transferred, and therefore revenue is recognised, at the time the customer crosses the bridge. Where customers prepay tolls, these amounts are included in deferred revenue until the customer crosses the bridge. A receivable is recognised when customers cross the bridge, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Leases and permits revenue is recognised when services are rendered. Minimum lease payments, including lease incentives, relating to operating leases that the lessee is required to make, excluding variable lease payments, are recognised on a straight-line basis over the life of the non-cancellable portion of the lease while variable lease payments are recognised when earned. These revenues include payments received from tenants including Duty Free stores, commercial custom brokers, logistics companies, and professional services companies. All of the Corporation's leases in which the Corporation is the lessor are operating leases.

Deferred revenue represents tolls paid in advance by passenger vehicle users and commercial trucking companies, which represent contract liabilities per IFRS 15 – *Revenue from Contracts with Customers*, and also includes a prepaid minimal lease payment, which is accounted as leases under IFRS 16 – *Leases*, relating to an operating lease for a commercial tenant whose operations were expanded. Deferred revenues that will be recognised greater than one year after the reporting period are considered non-current deferred revenue.

Interest is recognised using the effective interest rate method and recorded in the year in which it is earned. The primary component of revenue in this category is interest related to investments.

Functional Presentation of Expenses

The Corporation's management reviews its expenses by function, therefore its consolidated financial statements are presented as such. Detail surrounding the nature of expenses is detailed in note 18. Functional departments are defined as such:

- Operations: expenses related to the collection of toll revenue, security, and traffic management;
- Thousand Islands International Bridge: represents the Corporation's share of expenses as a result of the international agreement pertaining to the crossing at the Thousand Islands (see note 3 and note 6);
- Maintenance: expenses related to the maintenance, upkeep, and repair of the Corporation's assets;
- CBSA & CFIA operations: The Corporation is required to provide facilities and certain maintenance of these facilities at some of its crossings to the CBSA and the CFIA, for which there is no related revenue; and,
- Administration: the expenses related to the management and oversight of the operations of the Corporation.

Cash and Cash Equivalents

Cash and cash equivalents includes highly liquid investments with maturities of three months or less from the date of acquisition.

Property and Equipment, Investment Properties and Intangible Assets

Items of property and equipment, investment properties, and intangible assets are measured at cost less accumulated depreciation and impairment.

Depreciation is recognised as the systematic allocation of the cost of assets (other than land and projects in progress), less their residual values, over their useful lives. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. Property and equipment, investment properties and intangible assets are depreciated over their estimated useful lives, using the straight-line depreciation method, as follows:

Type of Asset	Straight-line
Bridges and roads	5 – 75 years
Vehicles and equipment	5 – 33 years
Buildings	10 – 70 years
Right-of-use	Lease term
Property improvements	10 – 30 years
Investment properties	10 – 70 years
Intangible assets	5 years

An item of property and equipment, investment properties or intangible assets is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment, investment properties or intangible assets is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in net income.

Projects in progress for the construction of assets are carried at cost. Cost includes design, engineering and professional fees, material inputs and capitalised salaries. Such assets are classified to the appropriate categories of property and equipment, investment properties or intangible assets when completed and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use. Appropriateness of depreciation methods and estimates of useful lives and residual values are assessed on an annual basis. In order to establish useful lives for these assets, management uses its judgement to determine the componentisation of property and equipment, investment properties and intangible assets. A component is accounted for separately if it is significant in comparison to the value of the entire asset and if its useful life differs from the other components.

Properties are classified as investment properties when the properties are held to earn rental income or future rental is probable. As lessor, when assets are leased out under an operating lease, the asset is included in the Consolidated Statement of Financial Position within property and equipment and investment properties based on their primary use.

Impairment

At the end of each reporting period the Corporation reviews its property and equipment, investment properties, and intangible assets to determine whether there are any indications of impairment. An impairment loss is recognised immediately in net income when an asset's carrying amount exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash generating unit (CGU) to which the asset belongs.

The recoverable amount of a CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash inflows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. When impairment indicators exist, the useful lives of the assets within the CGU are reviewed in order to determine if these should be re-assessed. For assets that have a remaining value after the impairment is recognised, the useful lives of the assets within the CGU are reviewed in order to determine if the useful lives should be shortened. Any changes in estimated useful lives are recorded on a prospective basis.

Investment properties are identified as individual CGUs for impairment analysis. Since the cash flows of the bridge operations cannot be independently identified, they are grouped with other assets and tested for impairment at an aggregated CGU level.

Contingencies and Provisions

A provision is recognised if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Unless the possibility of an outflow of resources embodying economic benefits is remote, a contingent liability is disclosed when a possible obligation has arisen from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Corporation; or when a present obligation has arisen from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Leases – as a Lessee

At the inception of a contract, the Corporation assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the inception or on reassessment of a contract that contains a lease component, the Corporation allocates the consideration in the contract to each lease and non-lease component based on their relative stand-alone prices.

The Corporation recognises a right-of-use asset and a lease liability at the lease commencement date. The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Corporation changes its assessment of whether it will exercise an extension or termination options. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in net income if the carrying amount of the right-of-use asset has been reduced to zero.

Employee Benefits

Retirement and Other Post-Employment Benefits

SIBC employees are covered by the *Public Service Pension Plan* (the Plan), a defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation to cover current service costs. Pursuant to legislation currently in place, the Corporation has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognised as an expense in the year when employees have rendered service and represent the total pension obligation relating to SIBC employees.

Employees of SSMBA participate in the State of Michigan's defined benefits and defined contribution pension plans. Contributions are required by both the employees and the Corporation to cover current service costs. Contributions are recognised as an expense in the year when employees have rendered service and represent the total pension obligation relating to the employees of the SSMBA.

The Corporation's remaining employees participate in a defined contribution private pension plan and the cost of this plan is shared equally by the employees and the Corporation, allowing for additional voluntary contributions by employees. Employer payments to the defined contribution retirement benefit plan are recognised as an expense when employees have rendered service entitling them to the contributions.

The Corporation also provides eligible employees with defined post-employment benefits including health, dental, life insurance and an employee assistance program. For these defined post-employment benefits, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The discount rate used to determine the accrued benefit obligation is based on market rates for non-current high quality bonds. Actuarial gains and losses are reflected immediately in the Consolidated Statement of Financial Position with a charge or credit recognised in other comprehensive income in the year in which they occur. Actuarial gains and losses recognised in other comprehensive income are reflected immediately in retained earnings and will not be reclassified to net income. Past service cost is recognised in net income in the year of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the year to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and,
- actuarial gains and losses.

The Corporation presents the first two components of defined benefit costs within the function in which it is incurred. The non-current employee benefits recognised in the Consolidated Statement of Financial Position represent the unfunded portion of the Corporation's defined benefit plan.

Short-Term and Other Long-Term Employee Benefits

A liability is recognised for short-term benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the year the related service is rendered. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service and are presented within current liabilities.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Corporation in respect of services provided by employees up to the reporting and measurement date of March 31. The Corporation provides service awards to eligible employees with a long history of commitment, dedication and exceptional service and have been with the organisation for a predetermined period of time. These service awards are a fixed dollar value provided to the employee every five years. The obligation and the cost of these benefits are determined on an actuarial basis using the projected unit credit method prorated on service and management's best estimate assumptions. The discount rate used to determine the accrued benefit obligation is based on market rates for non-current high quality bonds.

Current service cost, interest cost and past service costs are presented in expense as per the function to which it relates. Actuarial gains and losses are recognised in full in the year in which they occur and are also recorded in expenses as per the function to which they relate. Past service costs associated with post-employment benefits are recognised as an expense at the earlier of when the plan amendment or curtailment occurs, or when the entity recognises related restructuring costs or termination benefits. These benefits are not pre-funded, resulting in a deficit equal to the accrued liability benefit obligation.

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Corporation takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and,
- Level 3 inputs are unobservable inputs for the asset or liability.

Financial Instruments

Financial assets and financial liabilities are recognised when the Corporation becomes a party to the contractual provisions of the instruments. At the initial recognition, the Corporation measures a financial instrument at its fair value plus transaction costs that are directly attributable to the acquisition of the financial instruments. Subsequently, the Corporation classifies its financial instruments in the following measurement categories:

- Financial assets to be measured subsequently at fair value through other comprehensive income;
- Financial assets to be measured at amortised cost; and
- Financial liabilities to be measured at amortised cost.

The classification depends on the Corporation's business for managing the financial assets and the contractual terms of the cash flows.

Classification of Financial Instruments

The Corporation's financial assets and financial liabilities are classified and measured as follows:

Asset/Liability	Classification	Subsequent Measurement
Cash and cash equivalents	Amortised cost	Amortised cost
Investments	Fair value through other comprehensive income Amortised cost	Fair value through other comprehensive income Amortised cost
Trade and other receivables	Amortised cost	Amortised cost
Trade and other payables	Amortised cost	Amortised cost
Holdbacks	Amortised cost	Amortised cost
Loans payable	Amortised cost	Amortised cost
Bonds payable	Amortised cost	Amortised cost

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and expense over the relevant year to net income. The effective interest rate is the rate that discounts estimated future cash flows through the expected life of the instrument.

Financial Assets

Financial assets at fair value through other comprehensive income

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income with other comprehensive income representing the change in fair value. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses and interest income. Interest income from these financial assets is included in net income using the effective interest rate method.

Financial assets at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in net income using the effective interest rate method.

Impairment of Financial Assets

The Corporation assesses the expected credit losses associated with each class of financial asset, based on reasonable and supportable information, including forward looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade and other receivables, the Corporation applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of Financial Assets

The Corporation derecognises a financial asset when the contractual rights to the cash flows from the asset expire. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in net income. When a financial asset at fair value through other comprehensive income is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from accumulated other comprehensive income to net income and recognised as a gain or loss.

Financial Liabilities

All financial liabilities are measured at amortised cost. The Corporation derecognises financial liabilities when, and only when, the Corporation's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in net income.

3. Key Sources of Estimation Uncertainty and Critical Judgements

Key Sources of Estimation Uncertainty

The preparation of the consolidated financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on industry knowledge, consultation with experts and other factors that are considered to be relevant. Actual results may differ from these estimates.

Use of Estimates and Judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Judgements included in the consolidated financial statements are decisions made by management, based on an analysis of relevant information available at the time the decision is made. Judgements relate to application of accounting policies, and decisions related to the measurement, recognition and disclosure of financial amounts.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are included below and in the statement notes relating to items subject to significant estimate uncertainty. Determinations of critical judgements are reassessed at each reporting date.

Property and Equipment, Investment Properties and Intangible Assets

Estimates: Property and equipment, investment properties and intangible assets are depreciated over their useful lives. Useful lives are based on management's estimates of the years of service provided by the assets as outlined in note 2. The appropriateness of useful lives of these assets is assessed annually. Changes to the estimated useful lives would affect current and future depreciation expenses and the future carrying value of the assets.

Judgements: In order to establish useful lives for these assets, management uses its judgement to determine the componentisation of property and equipment, investment properties and intangible assets. A component is accounted for separately if it is significant in comparison to the value of the entire asset and if its useful life differs from the other components.

Long-Lived Assets Valuation

Judgements: The Corporation performs impairment testing on its long-lived assets, when circumstances indicate that there may be impairment. Management judgement is involved in determining if there are circumstances indicating that testing for impairment is required, and in determining the grouping of assets to identify their CGU for the purpose of impairment testing.

The Corporation assesses impairment by comparing the recoverable amount of a long-lived asset, CGU or CGU group to its carrying value. The recoverable amount is defined as the higher of: i) value in use, or ii) fair value less cost to sell. The determination of the recoverable amount involves management judgement and estimation.

Estimates: The recoverable amount involves significant estimates and assumptions, including those with respect to future cash inflows and outflows, discount rates and asset lives. These estimates and assumptions could affect the Corporation's future results, if the current estimates of future performance and fair values change. These determinations will affect the amount of amortisation recognised in future years.

Employee Benefit Plans

Estimates: The cost of other post-employment benefits and other long-term employee benefits earned by employees is actuarially determined using the projected unit credit method prorated on service and management's best estimate of retirement ages of employees, and mortality rates, as well as expected health care costs for other post-employment benefits only. Discount rates used in actuarial calculations are based on long-term interest rates and can have a material effect on the employee benefit liabilities. Management employs external experts to advise the Corporation when deciding upon the appropriate estimates to use to value employee benefit plan obligations and expenses.

Leases – as a Lessee

Judgements: In determining whether a contract meets the definition of a lease, management makes significant judgements regarding whether an identified asset is present, the Corporation has the right to obtain substantially all of the economic benefits, and the Corporation has the right to direct the use of the asset. In addition, management uses judgement to allocate the value of the lease between lease and non-lease components by allocating the total value of the lease to each component based on their stand-alone costs. Management also uses judgement in determining the minimum lease payments, which takes into consideration whether renewal options will be reasonably exercised or not at the inception of the lease.

Leases – as a Lessor

Judgements: The Corporation is party to many leasing arrangements, which requires Management to determine whether the lease is a finance or operating lease, by assessing if substantially all of the risks and rewards of ownership have passed to the lessee. A lease is classified as a finance lease whenever the terms of the lease transfer substantially all of the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases. The most significant judgement, in determining whether the lease transfers substantially all of the risks and rewards of ownership, is whether renewal options are reasonably assured to be exercised at the inception of the lease. At the inception of the lease, the Corporation considers both the minimum lease payment as well as the variable lease payments in order to determine whether the renewal options are reasonably assured to be exercised. In Management's judgement, all of the Corporation's leases are considered to be operating leases.

Joint Arrangements

Judgements: Management applies judgement in assessing the Corporation's status when it is party to joint arrangements. In assessing if the Corporation has joint control of an arrangement, the parties involved must determine if the activities that significantly affect the returns of the arrangement are collectively considered. Once joint control is determined, the Corporation applies judgement in determining whether the arrangement is a joint operation or a joint venture. A joint operation is an arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is an arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. In Management's judgement, the Corporation has two arrangements that are determined to be joint operations, at the Cornwall (SIBC) and Sault Ste. Marie (SSMBA) crossings. Despite the SIBC operation being a 100% wholly-owned subsidiary, due to the international agreement governing its operations, it is considered a joint operation by management. This joint operation in Sault Ste. Marie is considered a foreign operation, however due to the high interdependency between SSMBA and the Corporation, the functional currency judged by management is the Canadian dollar. Management accounts for the difference in equity distribution owed to (or due from) the U.S. partners of these agreements as an adjustment to cash and cash equivalents.

Additional information on the Corporation's joint arrangements can be found in note 5.

Thousand Islands International Bridge

Judgements: There is a third arrangement with an international partner that was judged not to be a joint arrangement by management as the Corporation does not jointly control TIBA. Significantly, this is derived from the fact that four of the seven members of the Board of Directors are appointed by the U.S. partner in the arrangement.

It was determined that although the Corporation can appoint three of the seven members, TIBA is not considered an associate as the Corporation does not have significant influence of TIBA. This arrangement was judged to be this way due to the structure of the agreement with the partner which gives the Corporation the rights to a proportionate share of the bridge related revenues and expenses. However, the agreement does not give the Corporation rights or responsibilities to the assets and liabilities recorded on the financial statements of the operator of the crossing as they relate to the crossing.

Additional information on the Corporation's arrangement with TIBA can be found in note 6.

TIBA provides goods or services to customers directly. The Corporation needed to determine if it was considered the principal or the agent for the purposes of determining the revenue presentation. In determining who is the principal, it had to be determined who controls the goods before they are transferred to the customer. Since the Corporation has an obligation to maintain the bridge, it was deemed that the Corporation controls the goods before being transferred to the customer. Due to these considerations, the Corporation determined that it acts as a principal and therefore a gross presentation is required.

Contingencies and Provisions

Estimates: In determining a reliable estimate of the obligation, management makes assumptions about the amount, likelihood, and timing of outflows, as well as the appropriate discount rate. Factors affecting these assumptions include the nature of the provision, the existence of a claim amount, opinions or views of legal counsel and other advisers, experience in similar circumstances, and any decision of management as to how the Corporation intends to handle the obligation. The actual amount and timing of outflows may deviate from assumptions, and the difference might materially affect future consolidated financial statements, with a potentially adverse impact on the consolidated results of operations, financial position and liquidity.

4. Changes in Accounting Policies

Future Changes in Accounting Policies

The following accounting standards' amendments are issued but not yet effective. Management is still assessing the potential impacts of these standards' amendments on its consolidated financial statements, and as such its impacts are not yet known at this time. However, management is expecting to implement these standards' amendments at their effective date.

IFRS 18, *Presentation and Disclosure in Financial Statements*, is a new accounting standard replacing IAS 1, *Presentation of Financial Statements*. It introduces several new requirements that are expected to impact the presentation and disclosure. These include:

- presentation of new defined subtotals in the statement of profit or loss;
- required disclosures in the notes to the financial statements of management-defined performance measures; and
- enhanced principles on the aggregation and disaggregation of information which apply to the financial statements and notes to the financial statements.

IFRS 18 also makes consequential amendments to IAS 7, *Statement of Cash Flows*. The new IFRS 18 standard and related IAS 7 amendments are for annual reporting periods beginning on or after January 1, 2027, with earlier adoption permitted.

IFRS 9, *Financial Instruments*, and IFRS 7, *Financial Instruments: Disclosures*, have been revised to clarify the classification of financial assets with environmental, social and corporate governance and similar features, and address concerns raised regarding the settlement of liability through electronic payment systems. IFRS 7 and 9 have also been amended to address the classification and measurement of financial instruments, including lease liabilities by clarifying the requirements for derecognition of lease liabilities, especially in the context of lease modifications, and introduce new disclosure requirements for investments designated at fair value through other comprehensive income. The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier adoption permitted.

5. Joint Operations

The Corporation has entered into a joint operation with GLS for operation of toll bridges across the St. Lawrence River between Cornwall, Ontario, Canada and Rooseveltown, New York, U.S. through a wholly-owned subsidiary of the Corporation, SIBC. Although the Corporation owns 100% of the shares of SIBC there is a governing agreement that grants the Board of Directors of SIBC with the full power to manage the affairs of SIBC. Since the Corporation and GLS each appoint 50% of the Directors, the Corporation concluded it has joint control of SIBC with GLS. Although the joint arrangement is structured as a separate vehicle, the Corporation considered the purpose and design of the arrangement and concluded that each of the parties have rights to the assets and obligations for the liabilities of the joint arrangement and SIBC has been classified as a joint operation. The consolidated financial statements of the Corporation include its share of the assets, liabilities, revenues and expenses of SIBC. As per the Joint Venture agreement, SIBC's annual surplus is to be distributed equally between FBCL and GLS and consequently the Corporation's Consolidated Statement of Comprehensive Income typically includes 50% of SIBC revenues and expenses.

During the current year, the Corporation claimed parliamentary appropriations from the Government of Canada to fully fund SIBC revenue shortfalls (see note 15). This funding was provided to fund the entirety of the SIBC crossing, both the Corporation's share of net expenses, and the partner's (GLS) share. Included in the Consolidated Statement of Comprehensive Income is the 50% FBCL share of the joint arrangement as well as $472 (2025 – $480) in expenses to cover the SIBC remaining deficit in accordance with the funding arrangement.

The Corporation's share of SIBC cash and cash equivalents is adjusted to account for the difference in equity distribution between the Corporation and the U.S partner, GLS. The undistributed equity, less the working capital, bears interest, and is payable on demand. FBCL's provides working capital of $950 (2025 – $950) to SIBC which is non-interest bearing.

The Corporation has entered into an arrangement with MDOT for the operation of the Sault Ste. Marie International Bridge through a separate legal entity, SSMBA, and for operational delivery by IBA, an entity of MDOT. The Corporation has the right to appoint 50% of the directors of the Board of SSMBA which directs the relevant activities of the bridge and its operations, and the Corporation has concluded it has joint control with IBA. Although the joint arrangement is structured as a separate vehicle, the Corporation considered the purpose and design of the arrangement and concluded that each of the parties have rights to the assets and obligations for the liabilities of the joint arrangement and SSMBA has been classified as a joint operation. The consolidated financial statements of the Corporation include its share of the assets, liabilities, revenues and expenses of the SSMBA. The Corporation's share of SSMBA cash and cash equivalents is adjusted to account for the difference in equity distribution between the Corporation and the U.S partner, MDOT. The undistributed equity bears no interest, and is payable on demand.

6. Thousand Islands Bridge Authority

The Thousand Islands International Bridge is managed by TIBA in accordance with a bi-national agreement with the Corporation. Due to the nature of the structure of this agreement, the Corporation is entitled to 50% of the gross revenues that are generated at the crossing, and is also responsible for 50% of the operating expenses for the crossing. The net of revenues less expenses are transferred to or from TIBA for the six-month periods ending February 28 and August 31.

For the fiscal year ending March 31, 2026, $3,997 of revenues (2025 – $4,236) are yet to be collected by the Corporation from TIBA and $3,663 (2025– $3,949) is owed by the Corporation to TIBA to cover operating and CBSA costs. Furthermore, property and equipment acquisitions of nil (2025 – $62) and prepaid expenses of $50 (2025 – $40) is owed by the Corporation to TIBA. The net amount due to the Corporation from TIBA, for the fiscal year ended March 31, 2026, included in trade and other receivables, is $284 (2025 – $185).

7. Cash and Cash Equivalents

As at March 31	**2026**	2025
	$	$
Cash	**14,215**	11,490
Cash equivalents	**2,521**	139
Total cash and cash equivalents	**16,736**	11,629

8. Investments

As at March 31	2026	2025
	$	$
Investments carried at amortised cost		
Deposit certificates	**3,000**	4,373
Total investments carried at amortised cost	**3,000**	4,373
Investments carried at fair value through other comprehensive income		
Government of Canada bonds	**2,714**	2,330
Provincial bonds	**1,937**	2,207
Corporate bonds	**17,125**	13,662
Total investments carried at fair value through other comprehensive income	**21,776**	18,199
Total investments	**24,776**	22,572
Less: Current portion	**22,776**	19,572
Non-current portion	**2,000**	3,000

The average term to maturity for the Corporation's bonds is 3.4 years (2025 – 2.7 years), and they earn an average interest rate of 3.29% (2025 – 3.49%). The average term to maturity for the Corporation's deposit certificates was 1.8 years (2025 – 2.1 years), and earned interest an average annual rate of 3.65% (2025 – 3.76%).

9. Trade and Other Receivables

As at March 31	2026	2025
	$	$
Federal departments and agencies	**443**	910
Trade receivables	**926**	834
Total trade and other receivables	**1,369**	1,744

10. Property and Equipment

Cost	Land	Bridges and roads	Vehicles and equipment	Buildings	Right-of-Use Assets	Property Improve-ments	Projects in progress	Total
	$	$	$	$	$	$	$	$
Balance, April 1, 2024	14,967	277,318	37,539	144,706	1,521	36,042	1,302	**513,395**
Additions	115	1,071	2,537	255	5	249	14,283	**18,515**
Disposals	-	(3,718)	(328)	(210)	-	-	-	**(4,256)**
Transfers	24	14,297	-	(24)	-	146	(14,443)	**-**
Balance, March 31, 2025	15,106	288,968	39,748	144,727	1,526	36,437	1,142	**527,654**
Additions	4	26	141	103	42	14	3,613	**3,943**
Disposals	-	(74)	(451)	-	-	(363)	-	**(888)**
Transfers	-	2,976	-	-	-	107	(3,083)	**-**
Balance, March 31, 2026	**15,110**	**291,896**	**39,438**	**144,830**	**1,568**	**36,195**	**1,672**	**530,709**

Accumulated depreciation	Land	Bridges and Roads	Vehicles and Equipment	Buildings	Right-of-Use Assets	Property Improve-ments	Projects in Progress	Total
	$	$	$	$	$	$	$	$
Balance, April 1, 2024	-	108,355	18,289	44,002	1,008	17,560	-	**189,214**
Elimination on disposal of assets	-	(3,334)	(328)	(210)	-	-	-	**(3,872)**
Depreciation	-	8,915	2,612	3,895	189	1,499	-	**17,110**
Balance, March 31, 2025	-	113,936	20,573	47,687	1,197	19,059	-	**202,452**
Eliminated on disposal of assets	-	(74)	(451)	-	-	(363)	-	**(888)**
Depreciation	-	8,930	2,655	3,885	199	1,527	-	**17,196**
Balance, March 31, 2026	**-**	**122,792**	**22,777**	**51,572**	**1,396**	**20,223**	**-**	**218,760**
Net book value, March 31, 2026	**15,110**	**169,104**	**16,661**	**93,258**	**172**	**15,972**	**1,672**	**311,949**
Net book value, March 31, 2025	15,106	175,032	19,175	97,040	329	17,378	1,142	**325,202**

At year-end, the Corporation reviews the estimated useful lives of its capital assets and updates the useful lives as at April 1 of the current fiscal year. As at March 31, 2026, the Corporation revised the estimated useful lives of bridges and roads rehabilitations and other smaller modifications to a variety of assets (2025 – estimated useful lives of bridges and roads rehabilitations and other smaller modifications to a variety of assets). These changes in useful lives are changes in accounting estimates and have been applied on a prospective basis starting on April 1, 2025. These changes in useful lives result in an increase in annual depreciation expense as high as $599 (March 31, 2027) and a decrease in annual depreciation expense as low as $116 (March 31, 2032). This impacts the fiscal years ending March 31, 2026, to March 31, 2089 (2025 – as high of an increase as $28 and as low of a decrease as $136, impacting fiscal years ending March 31, 2025, to March 31, 2089, with fiscal 2029 having the highest increase).

11. Investment Properties

	Investment Properties
	$
Cost	
Balance, April 1, 2024	25,868
Additions	45
Disposals	(8)
Balance, March 31, 2025	**25,905**
Additions	**-**
Disposals	**(20)**
Balance, March 31, 2026	**25,885**
Accumulated depreciation	
Balance, April 1, 2024	9,273
Disposals	(8)
Depreciation expense	678
Balance, March 31, 2025	**9,943**
Disposals	**(20)**
Depreciation expense	**680**
Balance, March 31, 2026	**10,603**
Net book value, March 31, 2026	**15,282**
Net book value, March 31, 2025	15,962

Investment properties comprise commercial properties that are leased to third parties.

Rental income for the year ended March 31, 2026, amounts to $3,066 (2025– $3,831) and is included within ‘leases and permits’. Variable lease payments of $1,812 (2025 – $2,496) is included in rental income. There were no significant investment properties that were vacant at March 31, 2026 (2025 – no significant vacancies).

Fair value of the investment properties have been determined based on a valuation performed by an independent valuator who is a current member of the Appraisal Institute of Canada with the exception of the fair value of land, which was evaluated internally. The value is $26,978 and was determined as March 31, 2026 based on the March 31, 2024 valuation extrapolated to March 31, 2026, using the Consumer Price Index and adjusted for obsolescence (2025 – the fair value of $27,024 was determined based on the March 31, 2024 valuation extrapolated to March 31, 2025, using the Consumer Price Index and adjusted for obsolescence). The fair value of the properties have not been determined on transactions observable in the market because of the nature of the properties and the lack of comparable data. The fair value was determined by estimating the replacement cost of the building and also reduced by obsolescence, considering inputs such as the type of building, age, condition and region that the building is in as well as the mechanical systems attached.

12. Deferred Revenue

As at March 31	**2026**	2025
	$	$
Contracts with customers		
Debit cards and passenger vehicles tickets	**85**	88
Prepaid commercial/commuter vehicles	**1,543**	1,542
Total contracts with customers	**1,628**	1,630
Leases		
Current prepaid facility rentals	**221**	234
Non-current prepaid facility rentals	**458**	609
Total leases	**679**	843
Total deferred revenue	**2,307**	2,473
Less: Current portion	**1,849**	1,864
Non-current portion	**458**	609

Contracts with customers include debit cards, passenger vehicle tickets and prepaid commercial/passenger vehicles. The majority of the deferred revenues from contracts with customers are recognised as revenues in the following fiscal year. The following are the tolls received during the year that have not been recognised in revenue and tolls received in the previous years that are recognised in revenues in the current fiscal year.

As at March 31	**2026**	2025
	$	$
Balance, start of year	**1,630**	1,695
Tolls received during year that have not been recognised in revenue	**1,272**	1,270
Tolls received in previous years that are recognised in revenue	**(1,274)**	(1,335)
Balance, end of year	**1,628**	1,630

13. Loans Payable

As at March 31	**2026 Amortised cost**	2025 Amortised cost
	$	$
$10,000 term facility payable monthly $10,000 @ 2.811% locked until February 11, 2027	**8,367**	8,767
Total loans payable	**8,367**	8,767
Less: Current portion	**400**	400
Non-current portion	**7,967**	8,367

Principal and interest payments for the term facility and credit facility for the remaining years are as follows:

	Principal	**Interest**	**Total**
	$	**$**	**$**
2027	400	230	**630**
2028	400	221	**621**
2029	400	207	**607**
2030	400	196	**596**
2031	400	185	**585**
Thereafter	6,367	161	**6,528**
	8,367	1,200	**9,567**

The Corporation maintains one (2025 – one) credit facility with a Canadian chartered bank in the total amount of $10,000 (2025 – $10,000). The facility has been approved by the Minister of Finance as part of the Corporation's borrowing plan. The credit facility is a reducing term facility, which originally was drawn for $10,000 (2025 – $10,000) on a fixed rate, non-current basis with periodic payments of interest and principal not to exceed a maturity of 25 years. This facility carries the same security as the full bond issuance (note 14). At March 31, 2026, $8,367 remained drawn (2025 – $ 8,767).

14. Bonds Payable

As at March 31	**2026 Amortised cost**	2025 Amortised cost
	$	$
Series 2002-1 bonds maturing July 9, 2027 payable semi-annually on January 9 and July 9	**12,491**	20,166
Total bonds payable	**12,491**	20,166
Less: current portion	**8,192**	7,675
Non-current portion	**4,299**	12,491

Principal and interest payments for the bonds for the remaining years are as follows:

	Principal	**Interest**	**Total**
	$	**$**	**$**
2027	8,192	694	**8,886**
2028	4,299	144	**4,443**
	12,491	838	**13,329**

The Corporation has issued at a face value of $110,000, 6.41% Revenue Bonds payable semi-annually, Series 2002-1, due July 9, 2027.

The Bonds constitute direct, unsecured, and unconditional obligations of the Corporation, and of the Crown in right of Canada who is its principal. Payment of principal of and interest on the Bonds by the Crown in right of Canada in an event of default are subject to government funding.

Below is the requirement for any Bonds outstanding or any obligations under the indenture:

i. The principal and interest will be duly paid on the due dates.

ii. Insurance will be maintained in such types and amounts in accordance with sound business practices and standards in the industry.

iii. The Corporation shall maintain its corporate existence pursuant to the *CBCA* and maintain its existence as an agent Crown corporation or an agent parent Crown corporation under the *Financial Administration Act* (Canada). In addition, The Corporation shall at all times comply in all material respects with the requirements of the *CBCA*, the *Financial Administration Act* (Canada), the *Economic Action Plan 2013 Act, No. 2* and all other applicable laws and governmental orders or regulations.

iv. The Bonds shall constitute direct, unsecured, and unconditional obligations of the Corporation, and as such constitute direct, unsecured, and unconditional obligations of the Crown in right of Canada.

Transaction costs including bond restructuring costs of $1,660 have been added to the $110,000 principal bond amount, resulting from the bond restructuring due to the amalgamation of legacy BWBA and the legacy FBCL.

15. Government Funding

As part of the *Appropriation Act No. 3, 2025–26* (2025 – *Appropriation Act No. 2, 2024–25*), FBCL was authorised to receive up to $1,000 (2025 – $17,923) in Government funding to support the continued safe operation of SIBC (2025- continued safe operation and certain capital acquisitions across the portfolio of bridges). This Government funding is required given the reduction of the Corporation's revenues as a result of the significant reduction in traffic (and associated toll collection). Of the $1,000 in Canadian government funding that was available, $943 (2025 – $959) has been recognised in the Consolidated Statement of Income to cover SIBC's shortfall and $nil (2025 – $16,904) has been recognised in the deferred capital funding and amortised, if applicable.

Funds for capital assets purchased for SIBC are to be transferred to SIBC in future years to compensate for the revenue shortfalls caused by the amortisation of the related tangible capital assets purchased.

As at March 31	**2026**	2025
	$	$
Canadian Government funding available	**1,000**	17,923
Government funding used for operating expenses – SIBC	**943**	959
Government funding used for purchase of capital assets – SIBC	**-**	457
Government funding used for purchase of capital assets – FBCL	**-**	16,447
Total Canadian Government funding claimed	**943**	17,863
Unclaimed Government funding	**57**	60

As at March 31	**2026**	2025
	$	$
Deferred capital funding		
Balance, start of year	**112,246**	100,214
Government funding for capital expenditures received	**-**	16,904
Amortisation of deferred capital funding	**(4,986)**	(4,530)
Applied against the write-off of property and equipment (note 10)	**-**	(342)
Balance, end of year	**107,260**	112,246
Deferred government funding	**107,260**	112,246
Less: Current portion	**4,922**	4,988
Non-current portion	**102,338**	107,258

16. Employee Benefits

Pension Benefits

The Corporation has contracted an outside firm to operate and administer an employee pension plan. Employees of the Corporation must join the pension plan, subject to eligibility requirements. The pension plan, which is a defined-contribution pension plan, is funded on a money-purchase basis with members contributing up to 11% of their annual earnings. In accordance with the plan, the Corporation is required to fund matching contributions up to 9.0% (2025 – up to 9.0%). During the year, the Corporation's pension contributions amounted to $456 (2025 – $449).

Additionally, employees of SIBC are enrolled in the *Public Service Pension Plan* (the Plan). Under the Plan, the President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The general contribution rate effective at year-end was a multiple of 1.00 for all employees (2025 - 1.00). The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2% of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation. The Corporation's portion of pension contributions amounted to $52 (2025 – $57) during the year.

The employees of SSMBA participate in the State of Michigan's defined benefit and defined contribution plans. SSMBA is required to make contributions to the defined benefit plan based on an actuarially determined rate. For the defined contribution plan, SSMBA is required to contribute 4.0% of payroll plus up to an additional match of 3.0%. The contribution requirements of the plan members and SSMBA are established and may be amended by state legislation. During the year, the Corporation's portion of pension contributions amounted to $151 (2025 – $137).

Contributions, for the fiscal year ending March 31, 2027, to the Public Service Pension Plan and the State of Michigan's defined benefit and defined contribution plans are anticipated to be consistent with the contributions made during the year.

Other Benefits

Other than the pension plan, the Corporation provides post-employment benefits to its eligible employees through health, dental, life insurance and an employee assistance program as well as other long-term benefits, which consist of service awards. Benefit costs related to current service are charged to income as services are rendered. The risks associated with these benefits include changes in discount rates, mortality rates, per capita claim costs and general inflation that can cause volatility in the Corporation's financial results. The actuarial valuation was performed as at March 31, 2026.

The following table sets forth the status of the post-employment non-pension related benefit plan:

Defined benefit obligation	Post-employment
	$
Balance, April 1, 2024	6,555
Current service cost	375
Interest cost	333
Actuarial (gain)/loss – other	29
Actuarial (gain)/loss – financial assumptions	220
Benefits paid	(287)
Balance, March 31, 2025	**7,225**
Current service cost	**413**
Interest cost	**353**
Actuarial (gain)/loss – other	**22**
Actuarial (gain)/loss – financial assumptions	**(569)**
Benefits paid	**(295)**
Balance, March 31, 2026	**7,149**

Total long-term employee benefits include post-employment of $7,149 (2025 – $7,225) and service awards of $56 (2025 – $59), totaling $7,205 (2025 – $7,284).

Changes in other comprehensive income during the year:

As at March 31	2026	2025
	$	$
Actuarial (loss) gain arising during the year	**547**	(249)

Post-employment expense recognised in net income (loss) during the year is as follows:

As at March 31	2026 Post-employment	2025 Post-employment
	$	$
Current service costs	**413**	375
Interest cost	**353**	333
Net post-employment expense recognised in year	**766**	708

The significant actuarial assumptions adopted in measuring the Corporation's accrued benefit obligations and net benefit plan expense are as follows:

As at March 31	**2026**	2025
Discount Rate, accrued benefit obligation	**5.20%**	4.70%
Discount Rate, benefit cost	**4.70%**	4.90%
Weighted average assumptions		
Initial weighted average health care trend	**5.21%**	5.34%
Ultimate weighted average helath care trend	**3.93%**	3.93%
Year ultimate health care trend rate is reached	**2041**	2041
Mortality rates	CPM Public table generational improvement using MI – 2017	
	(2025 – CPM Public table generational improvement using MI – 2017)	

The assumed drug trend rate as of March 31, 2026, is 5.50% (2025 – 5.50%) per annum decreasing linearly to 4.0% (2025 – 4.0%) per annum in 2041 (2025 – 2041) fiscal year.

The assumed other health care trend rate as of March 31, 2026, is 6.0% (2025 – 6.0%) per annum decreasing linearly to 4.0% per annum in 2032 (2025 – decreasing linearly per to 4.0% in 2032).

The assumed vision and dental trend rates as of March 31, 2026, are 0.0% and 6.00%, respectively (2025 – 0.0% and 6.0%) with dental trend rates decreasing linearly to 4.0% per annum in 2032 (2025 – with dental trend rates decreasing linearly to 4.0% per annum in 2032).

The average expected maturity of the plan obligation is 15 years (2025 – 15 years).

Sensitivity Analysis

The Corporation has reviewed the assumptions used in the actuarial calculations and has identified the following assumptions as those that could result in a significant impact on the defined benefit obligation:

As at March 31	**2026**	2025
	$	$
Discount rate – increase of 1 %	**(956)**	(1,000)
Discount rate – decrease of 1 %	**1,212**	1,277
Future mortality – increase of 1 year age	**(213)**	(216)
Future mortality – decrease of 1 year age	**210**	214
Trend rates – increase of 1 %	**1,256**	1,234
Trend rates – decrease of 1 %	**(1,001)**	(982)

The sensitivity analysis above may not be representative of the actual change in the defined benefit obligation as it is unlikely that a change in assumptions would occur in isolation of one another, as some of the assumptions may be correlated.

17. Issued Capital

The Corporation's articles of incorporation authorise an unlimited number of shares without par value. The Corporation has two issued and fully paid shares.

18. Supplementary Expense Information

The following table shows the breakdown of expenses by nature for each function on the Consolidated Statement of Comprehensive Income.

Year ended March 31	**2026**	2025
	$	$
Salaries and employee benefits	**17,231**	17,399
Depreciation of property and equipment	**17,196**	17,110
Goods and services	**7,989**	7,789
Repairs and maintenance	**4,995**	4,297
Professional services	**1,363**	1,155
Depreciation of investment property	**680**	678
Foreign exchange loss	**-**	181
Depreciation of intangible assets	**11**	7
Additional funding of SIBC operations	**472**	480
Total Expenses	**49,937**	49,096

19. Related Party Transactions

Balances and transactions between the Corporation and its share of its joint operations have been eliminated on consolidation and are not disclosed in this note. Related party transactions relating to employee benefits are disclosed in note 16, and government bonds and deposit certificate investments are disclosed in note 8. These transactions have been recorded at the exchange amount, meaning the amount agreed to between parties.

Details of transactions between the Corporation and other related parties are disclosed below.

Transactions with Government Related Entities

The Corporation is related in terms of common ownership to all Government of Canada departments, agencies and Crown Corporations. The Corporation enters into transactions with these entities in the normal course of business. These operations are measured at fair value.

During the year, the Corporation recorded $943 of operating funding and $nil of capital funding (2025 – $959 for operating funding, $16,904 for capital funding and $90 for land transfer). At March 31, 2026, the Corporation recorded $426 (2025 – $892) in accounts receivable with related parties and no material related party accounts payable (2025 – no material related party accounts payable).

The Corporation also receives services, such as financial statement audits, at no charge, which have not been reflected in these consolidated financial statements.

Compensation of Key Management Personnel

Key management personnel are defined as the Board of Directors and members of the senior executive team who have the authorities and responsibilities for planning, controlling and directing the activities of the Corporation.

Compensation of key management personnel was as follows:

Year ended March 31	**2026**	2025
	$	$
Short-term employee benefits	**1,334**	1,284
Retirement and other post-employment benefits	**109**	76
Total	**1,443**	1,360

20. Facility Rentals

The Corporation has entered into contracts with companies who rent space in its buildings at various crossings. Variable lease payments, based on sales at the Duty Free Shops and Currency Exchange, are the largest components of the rent received by the Corporation from these lessees. Two of these Duty Free stores and the Currency Exchange have a fixed component of their rent. Contingent revenue recognised during the current year for these leases was $1,812 (2025 – $2,496). The lessee of the Duty Free Shop at the Point Edward crossing has also paid for the expansion of the building. This payment was recorded as deferred revenue and is recognised as revenue on a straight-line basis, amortised over the non-cancellable lease term.

The future minimum rental receivable under non-cancellable operating leases are as follows:

As at March 31	**2026**	2025
	$	$
Within one year	**1,089**	1,039
After one year but not more than five	**2,140**	2,736
More than five years	**60**	-
Total	**3,289**	3,775

21. Contingent Liabilities

The Corporation is named as a defendant jointly and severally with its wholly-owned subsidiary corporation, SIBC, and The Crown in regards to its mandate for the collection of tolls at the Seaway International Crossing. The amount of the claim is $50,000, subject to accounting for bridge tolls and revenues. Transport Canada has assumed responsibility to defend against the claim. The Corporation and its subsidiary corporation, SIBC, are agent Crown Corporations in their own rights and, with respect to this claim, they are being sued for taking actions that they are mandated to take as agents of The Crown. The outcome, timing and amount of any settlement of this claim cannot be determined at this time due to uncertainties primarily related to the resolution of a separate land claim by the same party against The Crown that must first be considered. Also, the long-term legal proceedings on this matter, which have spanned decades, and the basis of inclusion of elements of bridge tolls and revenues must also be deliberated.

In the normal course of its activities, the Corporation may become a claimant or defendant or may be involved in certain pending claims or lawsuits. At March 31, 2026, there are no significant claims against FBCL.

22. Commitments for Expenditure

a. The Corporation has commitments totaling $4,441 (2025 – $6,630) including:
   i. Administrative contracts of $961 (2025 – $1,497) for employee benefits, internal audit, internet services and other contracts;
   ii. Capital project contracts of $710 (2025 – $2,009) for the purchase of property and equipment;
   iii. Maintenance and operating contracts of $2,682 (2025 – $2,943) have been awarded; and
   iv. Rental agreement of $88 (2025 – $181) for the Ottawa office lease.

b. In the normal course of business, the Corporation enters into contractual agreements for goods and services over periods beyond one year. Disbursements largely depend on future volume-related requirements and are subject to the Corporation's contractual rights of termination.

Total commitments for administrative, maintenance and operating, and capital project contracts, in years, are as follows:

As at March 31	**2026**	2025
	$	$
Within one year	**2,434**	4,375
After one year but not more than five	**1,919**	2,074
Total	**4,353**	6,449

Total commitments for office space, in years, are as follows:

As at March 31	**2026**	2025
	$	$
Within one year	**88**	95
After one year but not more than five	**-**	86
Total	**88**	181

The Corporation leases its head office at 55 Metcalfe, in Ottawa, ON. The rental contract is for a fixed term ending December 31, 2026, with no renewal options and no variable lease payments. The commitment for office space, above, represents the operating costs associated with the right of use asset recognised in Property and Equipment (see Note 10).

23. Replacement of Property and Equipment

During fiscal 2024–25 there was a chemical spill by a customer on the first span of the Blue Water Bridge. The replacement cost of $827 has been included under bridges and roads acquisitions in note 10 and is expected to be reimbursed to FBCL. At this time, the manner of reimbursement has not been established and therefore a revenue (and corresponding receivable) is not yet recorded.

24. Financial Instruments

The fair values of trade and other receivables, trade and other payables, holdbacks, and the current portion of the loans payable and bonds payable approximate their carrying value due to the short-term nature of these instruments.

The carrying values and fair values of the Corporation's remaining financial assets and liabilities are listed in the following table:

As at March 31	Fair value	Carrying cost	2026 Level
	$	$	
Financial instruments measured at fair value on a recurring basis			
Investments – fair value through other comprehensive income	**21,776**	**21,776**	Level 2
Financial instruments measured at amortised cost			
Investments – amortised cost	**3,000**	**3,000**	Level 2
Loans payable	**8,367**	**8,367**	Level 2
Bonds payable	**13,026**	**12,491**	Level 2

As at March 31	Fair value	Carrying cost	2025 Level
	$	$	
Financial instruments measured at fair value on a recurring basis			
Investments – fair value through other comprehensive income	18,199	18,199	Level 2
Financial instruments measured at amortised cost			
Investments – amortised cost	4,373	4,373	Level 2
Loans payable	8,767	8,767	Level 2
Bonds payable	21,392	20,166	Level 2

The credit rating of the investments measured at fair value through other comprehensive income remains in compliance with the Corporation's investment policy, which requires all investments be no lower than a grade A, based on external credit ratings.

The fair value of investments measured at fair value through other comprehensive income are priced daily by the FTSE TSX Debt Market Indices service.

A discounted cash flow method, using a factored rate equal to the prevailing market rate of interest for loans and debt bonds having similar terms and conditions, was used to determine the fair value of the loans payable and bonds payable.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Corporation. The Corporation is subject to credit risk on cash, cash equivalents, investments measured at fair value through other comprehensive income, and trade and other receivables.

The Corporation manages this risk by dealing only with members of the Payments Canada or the Government of Canada and by closely monitoring the issuance and collection of credit to commercial clients. The carrying amount reported on the Corporation's Consolidated Statement of Financial Position for its financial assets exposed to credit risk, net of any applicable provisions for losses, represents the maximum amount exposed to credit risk. At March 31, 2026, there were no provisions recorded. The credit risk is not significant for the Corporation (2025 – not significant).

The credit risk associated with cash, cash equivalents, and investments measured at fair value through other comprehensive income is reduced substantially by ensuring that cash surpluses are invested in highly liquid investments. The Corporation's policy is to invest cash surpluses in low-risk instruments at an investment grade "A" or equivalent. Management believes the risk of loss is not significant. The credit risk associated with accounts receivable is minimised since a large portion of the amount is owed from federal government departments generally within 90 days, interest on investments with a grade of "A" or equivalent, receivables from long-term international partners and a long-term commercial lease tenant which also have a past history of paying their accounts on time.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. The Corporation manages the risk by establishing budgets, maintaining cash reserves, obtaining government funding when required and credit facilities, establishing cash forecasts and monitoring cash flows as well as matching terms of investments to the timing of panned disbursements. The Corporation invests surplus cash in high credit quality government and corporate securities in accordance with the policies approved by the Board of Directors and in line with guidance from the Minister of Finance.

The following table presents a maturity analysis of the Corporation's financial liabilities based on the expected cash flows from the date of the Consolidated Statement of Financial Position to the contractual maturity date. The amounts are the contractual undiscounted cash flows.

	2026			
As at March 31	**Carrying amount**	**Less than 3 months**	**3 months to 1 year**	**Over 1 year**
	$	**$**	**$**	**$**
Trade and other payables	**1,961**	**1,776**	**185**	**-**
Long-term debt payable	**22,896**	**159**	**9,356**	**13,381**
Lease liability	**203**	**48**	**145**	**10**
Total	**25,060**	**1,983**	**9,686**	**13,391**

	2025			
As at March 31	Carrying amount	Less than 3 months	3 months to 1 year	Over 1 year
	$	$	$	$
Trade and other payables	2,424	2,125	299	-
Holdbacks	188	12	176	-
Long-term debt payable	31,435	162	9,366	21,907
Lease liability	414	44	175	195
Total	34,461	2,343	10,016	22,102

Market Risk

Market risk is the risk of an impact on results from changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk. The Corporation is exposed to all of these risks.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Corporation is subject to interest rate risk on its cash and cash equivalents. A 1% variation in interest rates at March 31, 2026, would not be material.

Certain fair value through other comprehensive income investments bear interest at a fixed rate. Fair value through other comprehensive income investments also include bonds of the Government of Canada, provincial governments, and corporate banks with fixed rates of interest and an average term to maturity of 3.4 years (2025 – 2.7 years). The fair market value of these instruments is indirectly affected by fluctuations of the market interest rate. The impact of a hypothetical 1% variation in interest rates at March 31, 2026, would not be material.

Credit facility, loans payable and bonds payable also bear interest at fixed rates. However, a change in the fair value would not impact the net income of the Corporation as the Corporation holds the liabilities until maturity.

A material variation in exchange rates during the year would significantly affect toll revenue as there is a direct correlation between the volume of traffic and the exchange rates. Assuming that volumes would not be impacted by the exchange rate, a hypothetical 1% weakening of the Canadian dollar during the course of the fiscal year would have had a $78 (2025 – $150) increase in recorded toll revenue. The Corporation's U.S. cash is held in different banks, due to the Corporation's U.S. bridge operating partners utilising locally available banks. At March 31, 2026, the Corporation's U.S. dollar bank balance was $941 (2025 – $437). A hypothetical 1% variance in the exchange rate at March 31, 2026, would not be material. The Corporation manages this risk by periodically adjusting the toll rates for parity with the foreign exchange rate, and by converting currencies where applicable.

Capital Management

The Corporation defines its capital as its retained earnings, share capital and accumulated other comprehensive income. As per legislative authorities, the maximum amount that the Corporation can borrow is $130,000 with Minister of Finance approval (2025 – $130,000).

The Corporation's objectives in managing capital are to safeguard its ability to continue as a going concern, to fund its asset base and to fulfil its mission and objectives.

25. Subsequent Events

The Corporation leases its head office at 55 Metcalfe, in Ottawa, ON. As disclosed in note 22, the rental contract is for a fixed term ending on December 31, 2026. In April 2026, FBCL entered into a new lease agreement to extend the lease to December 31, 2036. Consequently, in April 2026, FBCL will recognise an increase to the right of use of asset and liability in the amount of $1,942. Additionally, since the lease component does not include the operating costs associated with the right of use asset recognised in Property and Equipment (see Note 10), there is an additional commitment of $1,109.

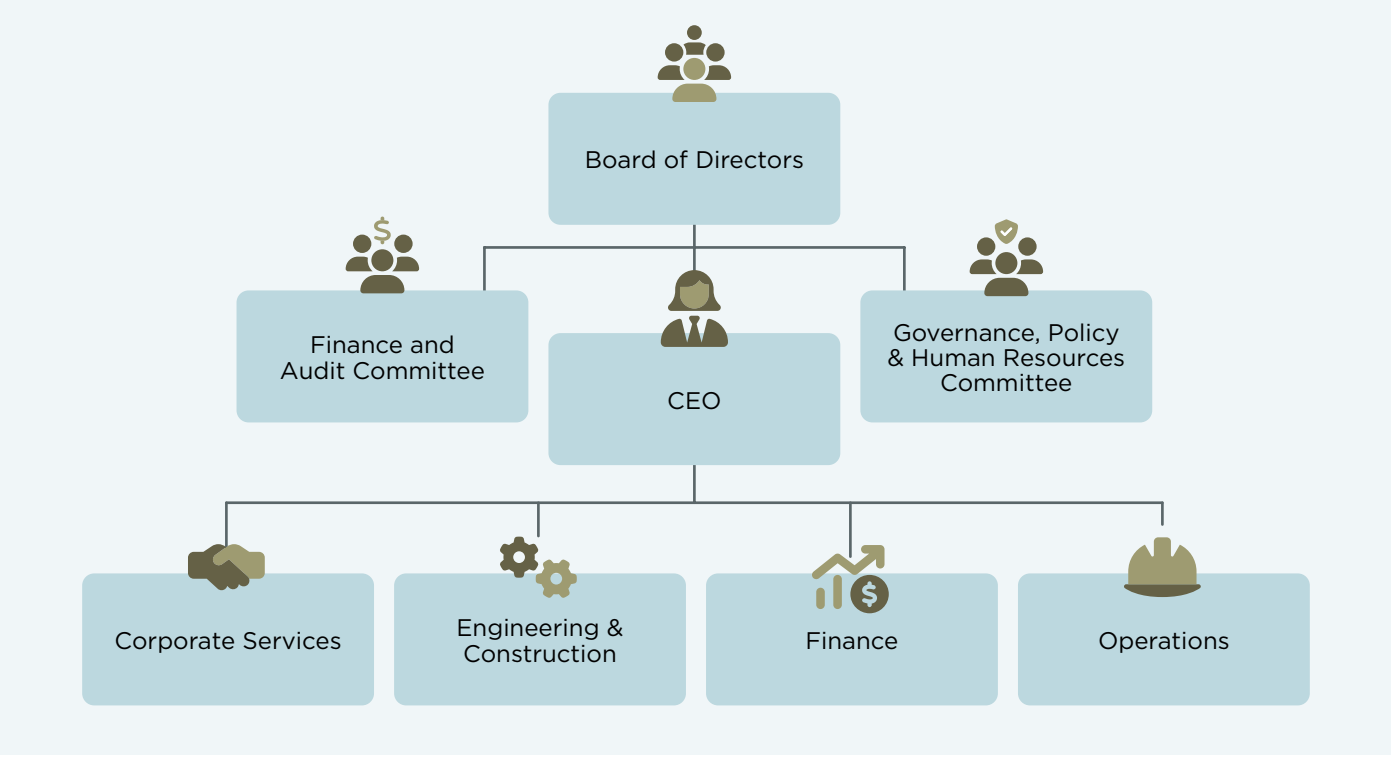
The Corporation, through the Government of Canada's Appropriation Act No. 3, 2026–27, has secured funding of up to $1,000 for 2026–27 to support continued operations deficit for its subsidiary, SIBC. The amount allocated to the Corporation was formally authorized through an Appropriation Act on June 8, 2026.

APPENDIX B:

Corporate Governance

As a Crown corporation, FBCL is governed by a Board of Directors ("the Board") and is accountable to Parliament through the Minister of Transport. The Board is composed of seven directors, including the Chairperson and the Chief Executive Officer (CEO). Both the Chairperson and the CEO are appointed by the Governor in Council, in accordance with section 105 of the *FAA*. The directors, other than the Chairperson and the CEO, are appointed by the Minister with the approval of the Governor in Council.

Bridge operations for the BWB and the SIB are administered directly or through a subsidiary by FBCL whereas FBCL provides a liaison function through international bridge authorities for the operations of SSMIB and TIIB.



FBCL Board Role

The Board is responsible for the oversight and strategic direction of the corporation. It sets corporate objectives and direction, ensures good governance, monitors financial performance, approves budgets and financial statements, approves policies and by-laws, as well as ensures that risks are identified and managed. Six meetings of the Board of Directors are typically held in each fiscal period.

The Board is currently supported in its role and responsibilities by the legally required Finance and Audit Committee, as well as by a Governance, Policy and Human Resources Committee.

The Board has established a Charter for each Standing Committee and operating guidelines that govern the operations of all committees. The Board may establish other committees, as required, to assist the Board in meeting its responsibilities. Committee membership is subject to change and presently serving committee members are listed on the corporation's website.

In accordance with section 113.1 (1) of the *FAA*, the Board of Directors holds an annual public meeting each year, which is open to the public, to highlight the corporation's activities over the past year, as well as current and future initiatives.

Board of Directors Membership

Position	Location	OIC Appointment Date	Term
Pascale Daigneault Chairperson	Toronto, Ontario	May 9, 2021	5 years Expiry May 9, 2026
Rakesh Shreewastav Vice-Chairperson	Toronto, Ontario	June 5, 2024	4 Years
Natalie Kinloch Director, Chief Executive Officer	North Glengarry, Ontario	February 1, 2024	5 Years
John Lopinski Director	Port Colborne, Ontario	February 1, 2022	4 Years
Marie-Jacqueline Saint-Fleur Director	Montreal, Québec	June 5, 2024	4 Years
Andrew Travis Seymour Director	Cornwall, Ontario	June 5, 2024	4 Years
Richard Talvitie Director	Sault Ste. Marie, Ontario	December 17, 2024	3 years



Committees

Finance and Audit Committee

Mandate: As per the duties outlined in the *FAA*, the Finance and Audit Committee provides oversight and makes recommendations to the Board on the standards of integrity and behaviour, the reporting of financial information, management control practices, risk and asset management together with insurance needs.

The Committee is responsible for advising the Board on matters related to financial statements, any internal audit of the corporation and the annual auditor's report of the corporation. It is also responsible to review and advise the Board with respect to a special examination, its resulting plans, and report updates in reference to the Asset Management Program. The Committee performs other functions assigned to it by the Board and they are included in corporate by-laws.

Membership: This Committee is composed of three members of the Board who are appointed by the Board on the recommendation of the Board Chair. One of these members is designated by the Board, on the recommendation of the Board Chair, to be the Chair of the Committee. The Board Chair is also a non-voting ex-officio member of the Committee.

Governance, Policy and Human Resources Committee

Mandate: This Committee assists the Board in overseeing the corporation's governance, Board policy infrastructure and human resources. The role of the Committee is to support the Board in the discharge of its responsibilities by performing due diligence on matters within its area of responsibility and includes ESG matters. Its function is not to approve but make recommendations for approval by the Board.

Membership: This Committee is composed of three members of the Board who are appointed by the Board on the recommendation of the Board Chair. One of these members is designated by the Board, on the recommendation of the Board Chair, to be the Chair of the Committee. As with the Finance and Audit Committee, the Board Chair is also a non-voting ex-officio member of the Committee.

Board of Directors Remuneration

The Governor-in-Council establishes the remuneration paid to the Chair, other Board members and the Chief Executive Officer. The remuneration of the Chair and other Board members follows the Government's Remuneration Guidelines for Part-time Governor in Council Appointees in Crown corporations and is pursuant to section 108 of the *FAA*. The Chair receives an annual retainer of $6,400 – $7,500 and a per diem of $200 – $300 for attending regular and committee meetings, while other Board members are paid an annual retainer of $3,200 – $3,800 and a per diem of $200 – $300. Board members are reimbursed for all reasonable out-of-pocket expenses, including travel, accommodations, and meals, incurred in the performance of their duties.

In 2025–26, Board members received the following reimbursements for expenses:

2025–26 Board Reimbursements

Board Members	Retainer Earned	Per Diems Meetings / Travel	Travel / Training Reimbursements	Total
Notes	a	a, b	c	
Pascale Daigneault Sarnia, ON	$ 7,500	$ 7,275	$ 7,796	$ 22,571
John Lopinski Port Colborne, ON	3,800	6,000	7,440	$ 17,240
Marie-Jacqueline Saint-Fleur Montreal, QC	3,800	4,725	1,047	$ 9,572
Travis Seymour Cornwall, ON	3,800	4,650	497	$ 8,947
Rakesh Shreewastav Toronto, ON	3,800	6,900	7,128	$ 17,828
Rick Talvitie Sault Ste. Marie, ON	3,800	5,400	6,871	$ 16,071
Natalie Kinloch (Note d) Apple Hill, ON	n/a	n/a	n/a	$ -
Total	**$ 26,500**	**$ 34,950**	**$ 30,779**	**$ 92,229**

2025–26 Board Meeting Attendance

Board Members	Board Meetings	Committee Meetings		Training	FBCL Representation
Notes	e	GPHR f	FAC g	# of days	h
Pascale Daigneault Sarnia, ON	7/9	3/3	3/4	1/1	9/9
John Lopinski Port Colborne, ON	9/9	3/3	1/1	0/0	-
Marie-Jacqueline Saint-Fleur Montreal, QC	8/9	1/1	4/4	0/0	-
Travis Seymour Cornwall, ON	8/9	0/0	4/4	0/0	-
Rakesh Shreewastav Toronto, ON	9/9	3/3	3/3	1/1	-
Rick Talvitie Sault Ste. Marie, ON	9/9	3/3	0/0	0/0	-
Natalie Kinloch (Note d) Apple Hill, ON	9/9	-	-	-	-

a. Rates per Order-in-Council PC2015-84, January 30, 2015, for the Chairperson. Rates per Order-in-Council PC2015-81, January 29, 2015, for other Directors. These are supplemented by Guidelines for the Remuneration of the Chairperson and other Directors of The Federal Bridge Corporation Limited (2015), which is based on Remuneration Guidelines for Part-time Governor in Council Appointees in Crown Corporations (2000), published by the Privy Council Office.

b. Includes attendance at Board and Committee meetings, annual public meeting, strategic planning sessions, teleconference, special duties, and additional travel days.

c. Travel and training reimbursements include repayment of reasonable out-of-pocket expenses and registration fees in accordance with FBCL's Travel, Hospitality, Conference, and Events Policy.

d. The Chief Executive Officer is also a member of the Board of Directors and receives no additional

e. During the fiscal year, there were 7 regular meeting of the Board of Directors and 2 Special Meetings convened.

f. GPHR stands for Governance, Policy, and Human Resources Committee

g. FAC stands for Finance and Audit Committee

h. Number of days that the Chairperson has represented FBCL in an official capacity with stakeholders.

Senior Executives

The following individuals hold key senior executive positions within the Corporation:

Name	Title
Natalie Kinloch	Chief Executive Officer
Richard Iglinski	Chief Financial Officer
Thye Lee	Vice-President, Engineering and Construction
Rémi Paquette	Chief Information Officer
Karen Richards	Chief Operating Officer

Senior Executives Remuneration

The employment conditions of the Chief Executive Officer are provided by the Terms and Conditions of Employment for Full-Time Governor-in-Council Appointees. The salary range for the Chief Executive Officer position (CEO 3) is $231,000 – $272,000 (based on approved 2025-26 compensation for Crown corporation CEOs as outlined by Treasury Board). The Chief Executive Officer does not receive an annual retainer nor a per diem for attending Board meetings. The Governor in-Council may also grant to the Chief Executive Officer performance pay of up to 15 percent of the base salary, according to the achievement of key performance objectives, as determined by the Board of Directors.

Remuneration for senior management is modeled on the Government of Canada Executive Group (EX) salary scales.



Code of Conduct

The purpose of the *Public Servants Disclosure Protection Act* is to encourage employees in the public sector, including Crown corporations and other public agencies, to come forward if they have reasons to believe that serious wrongdoing has taken place and to provide protection to them against reprisal should they do so. One requirement of the Act is to promptly provide public access to certain information respecting founded cases of wrongdoing resulting from a disclosure brought forward. Specifically, the Corporation must describe the wrongdoing, the recommendations made to the CEO through the designated disclosure officer, and the corrective action taken by the CEO. FBCL's disclosure officer is the Chief Information Officer.

The Board approved a Code of Values and Ethics that sets out FBCL's values, its commitment to ethics and expected behaviours from all employees in their dealing with their colleagues, the public, and other governmental or external entities. The Code is signed annually by all employees during their annual performance review.

The Corporation fully adheres to the spirit of the *Public Servants Disclosure Protection Act* and has had no disclosures to date.

APPENDIX C:

Risk Management

The enterprise risk management process at FBCL is composed of four main components:

- the Corporate Risk Profile;
- the Corporate Risk Appetite Statement Framework;
- the Corporate Risk Registry; and,
- a three-year risk-based audit plan.

FBCL views risk management as a shared responsibility. The Board of Directors, committees, CEO, and all employees actively participate in managing risks within their respective areas of responsibility. The aim is to embed a consistent, holistic, and comprehensive approach to risk management, firmly rooted in the organisation's planning, decision-making, and operational activities.

The Board is accountable, along with the CEO, for the overall stewardship of the corporation. The Board sets the strategic direction and:

- Provides direction and oversees risk management strategies, including setting risk targets, appetite, tolerances and capacity;
- Provides leadership in risk management and managing strategic risks within the Corporate Risk Profile;
- Ensures identification of key risks and implements effective systems and resources for risk management;
- Upholds information systems and management practices that meet corporate requirements and ensure data integrity; and,
- Communicates significant residual risks to the Minister of Transport.

The Board of Directors has endorsed the following risk profile and tolerance matrix, adapted from the widely recognised Paisley Consulting Governance, Risk and Compliance assessment methodology.

The Corporation's risk profile encompasses sixteen independently monitored risks which are regularly reviewed and adapted in response to market and environmental changes. Reported below are the risks identified as higher than low.

Likelihood
What's the chance of the risk occurring?

Consequence: How severe could the outcomes be?	Rare 1	Unlikely 2	Moderate 3	Likely 4	Almost Certain 5
Severe 5	5 Moderate	10 Major	15 High	20 Severe	25 Severe
High 4	4 Moderate	8 Moderate	12 Major	16 High	20 Severe
Major 3	3 Low	6 Moderate	9 Moderate	12 Major	15 High
Moderate 2	2 Low	4 Low	6 Moderate	8 Moderate	10 Major
Rare 1	1 Low	2 Low	3 Low	4 Moderate	5 Moderate

▼: Severe ▲: High ◆: Major ■: Moderate ●: Low
↔: Stable ↑: Increasing Risk ↓: Declining Risk

Financial Sustainability	▲↑	Traffic volume has been strongly impacted by an uncertain socio-political environment affecting travel and trade between Canada and the U.S. Medium and long-range capital requirements exceed the revenue collection potential for the bridge portfolio and facility infrastructure. In addition, recent legislation has expanded the scope of facilities support that bridge operators must provide to CBSA. Prudent long-term planning, budget management and cash flow monitoring continue to inform decision-making.
Funding of SIBC	▲↔	SIBC faces high financial exposure due to the low level of paying traffic insufficient to cover baseline operations costs. Its mandate delivery is increasingly dependant on its ability to receive partner and governmental support for the structural deficit of bridge operations. While a finite level of funding has been identified, FBCL continues to be engaged in ongoing discussions with the U.S. partner, GLS, and the Government of Canada regarding funding options, including a cyclical review of tolls and other revenue generation methods.

External Forces	◆↑	Traffic volumes are decreasing due to trade tariffs between Canada and the U.S. have impacted market supply and demand dynamics resulting in lower traffic volumes. Worldwide conflicts have impacted oil prices and are pushing inflation higher resulting in higher costs of goods and reduction in discretionary travel. Careful monitoring of developments and contingency budget planning enable stability of operations.
Cybersecurity	■↑	Threats to cybersecurity are ever increasing. Maintaining operational continuity, financial stability and data integrity and security is crucial for mandate delivery and informed decision-making. A comprehensive cybersecurity action plan is maintained combined with a proactive workforce education and awareness strategy.
Asset Management	■↔	Aging infrastructure requires proactive intervention and long-term planning demonstrates need which surpasses FBCL's current financial capacity. Prioritisation, investment in new technologies to support asset management plan and medium-to-long-term alternative sources of funding are fundamental elements to success.
Reputation	■↔	Maintaining positive and productive relationships with host communities, stakeholders, and the public is critical to the Corporation's reputation and operations. Negative reactions could lead to decreased credibility of the Corporation, difficulties in obtaining support and cooperation for initiatives and potentially disruption to operations. Active engagement with the U.S. partner, GLS, and the Government of Canada are ongoing to resolve this issue.
Competition	■↔	The imminent opening of a new international crossing in the Southwestern Ontario region will impact current levels of traffic. Frequent monitoring and discussions with FBCL partners, clients and stakeholders provide appropriate information to mitigate material impacts to FBCL traffic flow.
Partnerships / Stakeholders	■↑	Key partnerships are essential to running a bridge portfolio, Any material changes in these relationships would impact FBCL's business model. Recent legislation in Canada will have an additional financial effect on the organization in relation to its CBSA obligations. Open communications continue with leadership in order to mitigate and understand the impending effects.

APPENDIX D:

Business and Performance

Performance Assessment

The Corporation continues to focus on the core and future of its business to ensure bridge availability and maintain public trust. While the stewardship of assets and operational optimisation remain foundational pieces of the mandate, increasing weight is being placed on skills development, retention, and digital tools to ensure the long-term sustainability of the Corporation and its subsidiary. The objectives for the organisation that were set for the Corporate Plan timeframe of 2025–26 to 2029-30 were separated into four main strategic goals as follows:

- FBCL sustains its assets, infrastructure, and operations by maintaining stewardship over the quality of its assets, delivering optimal traffic flow through appropriate levels of service, and bolstering portfolio health and safety;
- FBCL ensures adaptable scalability by prioritising risk and optimising business operations to strengthen organisational resilience;
- FBCL optimises financial sustainability by diversifying revenue and growth, maintaining robust financial management practices, and solidifying its capital and debt plans; and
- FBCL nurtures excellence in its people by supporting employee development and diversity, enhancing corporate citizenship, and maintaining strong community engagement opportunities.

The targets' timelines were identified as short-term, expected to be completed in fiscal 2025–26; medium-term, expected within the first three years of the planning period; long-term, expected to occur over the five-year period and beyond; and ongoing, recurring annually throughout the planning period and beyond.

Outcomes	Performance Indicators	Target	Status
Capital assets (bridges, roads, and facilities) are properly maintained, safe and efficient	Percentage of high priority projects identified in bridge inspection reports completed on time and on budget	100% (All)	Achieved
	Percentage of capital projects completed on time and on budget	>90% (All)	Achieved
	Asset management program is expanded towards predictive analytics	Computerised Maintenance Management System is implemented (ST) 100% of imagery (GIS) (LT) 100% of infrastructure inventory at all bridge locations (LT)	Achieved & On target
Traffic flow is improved and reduces idling time	Percentage of improvement in significant identified bottlenecks	> 5% increase in use of ConneXion Cards (MT)	On target
Partner and stakeholder relationships are fortified and portfolio integration is expanded	Number of collaborative projects implemented	≥ 1 annually (All)	Achieved
	Establish long-term sustainability strategy for SIBC	To complete (MT)	Progressing Engaged with U.S. partner to establish a long-term strategy which is in the best interest of all stakeholders
	Maintain level of support provided to the community	> 100 hours (All)	Achieved
Workforce health and safety is safeguarded	Percentage of priority elements implemented	100% implementation (MT)	On target

Outcomes	Performance Indicators	Target	Status
Improved alignment of Environmental, Social and Governance (ESG) framework with United Nations Sustainable Development Goals (UNSDG's)	SDG Goal 5: Number of development initiatives regarding women employees in leadership roles	≥ 2 development leadership initiatives directed at women (All)	Achieved
	SDG Goal 5: Number of development initiatives that support equality, diversity, and inclusion	Diversity (All) • Designated groups > 65% • Leadership positions occupied by women > 40% • Bilingual employees > 20% • Gender diversity variance < 10% • Indigenous >10% • Visible minorities > 8%	Achieved
	SDG Goal 9: Achieve Rick Hansen Foundation Accessibility Certification (RHFAC) Gold	100% of existing BWB buildings and new constructions (LT)	On target
	SDG Goal 9: % of new or retrofit construction to reuse existing materials where safe and viable during development	100% of infrastructure projects are reviewed and analysed to identify highest percentage of retrofit and reuse possible (LT)	On target
	SDG Goal 10: Advancement of reconciliation efforts on Seaway litigation	Per Crown established timeline (All)	Progressing Discussions are ongoing with the Crown
	SDG Goal 10: Number of First Nations initiatives	≥ 5 annually (All)	Achieved
	SDG Goals 12 & 13: Carbon reduction targets set	Establish reduction strategies by 2025–26 Annual Report TCFD disclosure (ST)	Achieved
	SDG Goal 13: Percentage of recommendations from the climate change impact assessment that have been implemented	> 50% (LT)	On target

Outcomes	Performance Indicators	Target	Status
	SDG Goal 13: Stormwater master plan at BWB is completed	To complete (MT)	On target
	SDG Goal 16: OAG Special Examination recommendations addressed	100% addressed per established timeline (All)	Achieved
	SDG Goal 16: Maintain strong internal controls to keep fraud, corruption and bribery non-existent at FBCL	Address 100% of internal audit recommendations within one year (All)	Achieved
	TCFD includes all elements of disclosure	100% of material scope 3 are disclosed (ST) 100% of metrics and strategies are established (MT)	Achieved & On target
Technological infrastructure is stable and secure	Number of cybersecurity breaches and events	0 external breaches (All) 0 internal data privacy events (All)	One external breach at subsidiary – mitigations in place
	Percentage of uptime	> 99.6% (All)	Achieved
Digital capacity is expanded to optimise traffic and operations	Number of high-value digital transformation initiatives implemented	≥ 2 initiatives (MT)	On target
FBCL is financially sustainable	Ensure long term positive cashflow	Operating cashflow > $11M annually (All)	Achieved
	Percentage of debt payments made in full and on time	100% (All)	Achieved
A qualified workforce is attracted and retained	Maintain employee engagement across the corporation	Engagement > 80% (All)	Achieved
	Minimise employee turnover rate	Turnover rate < 15% (All)	Achieved

APPENDIX E:

Taskforce on Climate-Related Financial Disclosure (TCFD)

Introduction

Continued greenhouse gas (GHG) emissions will further warm the planet, and surpassing a 2°C increase from pre-industrial levels could lead to significant economic and social impacts. Climate change remains one of the most complex risks facing corporations today, with physical impacts that are challenging to predict.

To support stronger and more consistent reporting, the Financial Stability Board established the Task Force on Climate-related Financial Disclosures (TCFD). Its recommendations promote clear and comparable information on climate-related risks and opportunities, helping organisations integrate climate considerations into business and investment decisions. The TCFD framework is organised around four key areas: Governance, Strategy, Risk Management, and Metrics and Targets.

FBCL continues to enhance its climate literacy and embed climate considerations into its governance and operational processes. FBCL demonstrates its commitment to transparent reporting on climate-related risks and opportunities and fulfills the Government of Canada's TCFD reporting requirements for Crown corporations. The information presented applies to FBCL-operated assets at BWB, SIB, and the Ottawa head office. Data from SSMIB and TIIB, operated by U.S. partners, may be incorporated in future years. As FBCL advances its ESG Framework, TCFD-related disclosures will continue to grow and evolve.

FBCL is committed to reducing its environmental footprint and strengthening the resilience of its assets. Its environmental priorities include reducing emissions and optimising energy use, protecting land and waterways, integrating sustainability into operations, and advancing climate-related targets. Current and planned initiatives include implementing recommendations from climate studies, exploring renewable energy options, reducing idling through improved traffic flow, reusing materials where feasible, collaborating with CBSA and U.S. CBP, and developing pathways aspiring to achieve net-zero emissions by 2050.

Forward-looking Statements

The 2025–26 TCFD Report includes forward-looking statements based on management's current assumptions about future climate-related risks, opportunities, and strategies. These statements are subject to uncertainties that may cause actual results to differ. Readers should avoid placing undue reliance on them.

Governance

Oversight

The Board of Directors, together with the CEO, provides overall stewardship of FBCL and plays a central role in overseeing climate-related risks and opportunities. Its responsibilities include:

- Setting strategic direction and overseeing risk management through the Enterprise Risk Management (ERM) process.
- Ensuring key risks are identified and supported by effective systems, resources, and information practices.
- Maintaining data integrity and communicating significant residual risks to stakeholders and, when appropriate, through the Minister of Transport to central agencies and Parliament.
- Overseeing FBCL's ESG program, including climate-related considerations, with support from the GPHR and FAC committees.
- Reviewing and approving the ERM Framework and receiving updates on ESG-related risks.
- Conducting an annual review of the enterprise risk profile and corporate objectives, including climate-related objectives, which inform the Corporate Plan.
- Monitoring progress toward corporate goals and targets through periodic reporting and annual performance assessments.

Management Responsibility

The CEO and Senior Management Team (SMT) share responsibility for overseeing and delivering FBCL's ESG Framework. The SMT plans and directs implementation across the corporation, while the CEO is ultimately accountable for ESG outcomes and for ensuring alignment with Government of Canada environmental priorities. ESG functional leadership is held by the Chief Operating Officer, with the Chief Financial Officer responsible for financial disclosures. Each SMT member manages ESG elements relevant to their portfolio.

The SMT meets weekly to address strategic and operational matters, including climate-related risks when required. They regularly assess risk tolerance and metrics, adjusting actions based on findings. The team also ensures adherence to FBCL's Environmental Policy and timely investigation of climate-related metrics.

Strategy

FBCL's international bridges, roadways, and waterfront locations expose it to inherent climate-related risks and opportunities across the full lifecycle of its infrastructure, including major rehabilitations and new construction. The corporation assesses these risks over short- (0–2 years), medium- (3–10 years), and long-term (>10 years) horizons, using its risk matrix and implementing control strategies to limit potential damage and operational impacts.

FBCL evaluates both transitional and physical climate risks through its ERM process. Physical risks are aligned with FBCL's 2021 assessment outlining hazards under high- and low-warming scenarios, including flooding, coastal inundation, extreme wind, soil subsidence, freeze-thaw cycles, surface water flooding, extreme heat, and forest fire. Transitional risks include evolving regulatory, technological, legal, market, and reputational factors.

As FBCL advances its climate initiatives, improved data collection will be key to strengthening future analyses. Actual impacts will depend on the occurrence, severity, and duration of climate events, as well as the location affected. The following section outlines FBCL's current understanding of climate-related risks, opportunities, and their potential business and financial impacts.

Risk Management

Legend used in risks as outlined below

Climate-related risk & impact: ▼: Severe ▲: High ◆: Major ■: Moderate ●: Low
Financial impact: Severe > $100M, High > $50M, Major >$10M, Moderate > $1M, Low < $1M

Transitional Risks

Description	Risk and Financial Impact	Climate-related Opportunities to address risk
Risk #1 Policy/Legal – Increased pricing of GHG emissions		
Policy changes may raise fuel and energy costs, increasing operating expenses. Government targets for zero-emission fleets could raise replacement costs, though most Crown corporations, including FBCL, are not currently required to comply. Canada's Emissions Reduction Plan targets a 40–45% reduction by 2030 and net-zero by 2050.	**Risk:** Moderate ■ **Time horizon:** Short- to long-term **Financial impact:** • Scope 1 & 2 costs: Low (annual) • Fleet replacement: Moderate (one-time) • Potential fuel/energy cost increases: Low (annual)	**Short-term** • Apply low-carbon design measures. • Track annual GHG emissions. **Medium-term** • Advance low-carbon design aligned with 2030 targets. • Retrofit/reuse facilities using sustainable materials. • Assess transition to a zero-emission light-duty fleet by 2030. • Develop net-zero aspirations for 2050. **Long-term** • Implement carbon-reduction strategies for 2050.
Risk #2 Policy/Legal – Enhanced emissions-reporting obligation		
Increasing regulatory requirements for climate disclosures may raise compliance and administrative costs.	**Risk:** Low ● **Time horizon:** Short- to long-term **Financial impact:** Low (annual)	**Ongoing** • Provide staff training. • Seek external expertise as needed. • Update ESG framework to reflect new regulations.

Description	Risk and Financial Impact	Climate-related Opportunities to address risk
Risk #3 Plaza design and technology – Continued levels of GHG emissions		
Vehicle idling is the main source of GHG emissions; technology upgrades and plaza redesign could reduce idling.	**Risk:** High ▲ **Time horizon:** Medium- to long-term **Financial impact:** • Plaza improvements: High (one-time) • Toll/traffic system upgrades: Moderate (decennial)	**Medium-term** • Collaborate with CBP/CBSA to address traffic bottlenecks. **Long-term** • Implement tolling/traffic systems that reduce or eliminate full vehicle stops.
Risk #4 Market – Increased costs of materials		
Volatile prices for materials (e.g., lumber, concrete, steel) and energy may increase capital and operating costs.	**Risk:** Major ◆ **Time horizon:** Short- to long-term **Financial impact:** • Capital project replacement costs: High • Scope 1 & 2 costs: Low (annual)	**Medium-term** • Retrofit and reuse infrastructure where feasible. • Implement energy-efficient and fuel-substitution measures.
Risk #5 Reputation – Increased stakeholder concerns		
Infrastructure projects may raise community concerns about environmental and health impacts; FBCL maintains a strong reputation for minimising adverse impacts.	**Risk:** Low ● **Time horizon:** Short- to long-term **Financial impact:** Low (annual)	**Ongoing** • Conduct impact assessments for major projects. **Long-term** • Monitor environmental conditions (GHG emissions, water levels, flooding, renewable energy options, landscape). • Develop mitigation strategies with host communities.

Physical Risks

Description	Risk and Financial Impact	Climate-related Opportunities to address risk
Risk # 6 Acute – Increased severity of extreme weather events such as floods and high winds		
More frequent and severe extreme weather may damage assets and require earlier rehabilitation, increasing costs.	**Risk:** Moderate ■ **Time horizon:** Short- to long-term **Financial impact:** • Additional maintenance: Low (annual) • Infrastructure replacement: Moderate (one-time, event-dependent)	**Short-term** • Advance asset management program. • Naturalise land around BWB plaza. **Medium-term** Enhance stormwater management. **Long-term** Integrate acute risks into asset management to maintain safety and resilience.
Risk # 7 Chronic – changes in precipitation patterns and extreme variability in weather patterns		
Variable weather, rising temperatures, and freeze-thaw cycles accelerate infrastructure deterioration and may limit safe working conditions during extreme heat.	**Risk:** Major ◆ **Time horizon:** Short- to long-term **Financial impact:** • Additional maintenance: Low (annual) • Infrastructure replacement: High (lifecycle)	**Short-term** • Advance asset management program. • Assess extreme-heat safety risks and integrate measures into health and safety policies. **Medium-term** • Implement climate-impact assessment recommendations. **Long-term** • Integrate chronic risks into asset management to ensure long-term safety and resilience.

The Corporation manages climate-related risks through its ERM processes, including setting risk targets, appetite, tolerances, and capacity. It has completed a weather and climate impact assessment to identify vulnerabilities and is developing a mitigation plan.

FBCL continues to strengthen its climate-risk management by:

- Updating the ERM Framework to incorporate climate change;
- Including climate-risk discussions in Quarterly Financial Reports;
- Collecting data to support TCFD reporting and climate-risk analysis; and
- Increasing climate-risk literacy among staff and stakeholders by sharing TCFD information, monitoring regulatory requirements, and providing targeted training sessions.

FBCL recognises its broader influence across the sector and communities. This report communicates its commitments and demonstrates how climate-related risks and opportunities are identified, assessed, and managed. Integrating climate risk into ERM supports proactive adaptation.

Metrics and Targets

In consideration of the Government of Canada's departmental sustainable-development strategies, and FBCL's volume of emission, the corporation has set two primary climate-related goals:

- achieve a reduction in Scope 1 and 2 GHG emissions (as compared to the base year) of at least 20% for consecutive years by 2030, and aspire to net-zero emissions by 2050; and
- reduce Scope 3 GHG emissions, as they pertain to GHG emissions per thousand commercial vehicles by 2% and per thousand passenger vehicles by 5% by 2030.

Current efforts are focused on meeting the 2030 target for Scope 1 and 2 emissions and establishing the foundational measures required to support climate-resilient operations and long-term decarbonisation by 2050. As a result, specific performance targets have been developed for Goal 1 and select elements of Goal 2, with additional targets to be introduced as data maturity and operational capacity evolve.

Total Emissions (scopes 1, 2, and 3)

The following tables outline total emissions for the current and prior year, as compared to the 2015–16 baseline year.

	Tonnes of CO_2eq		
	Baseline year	**Fiscal 2024–25**	**Fiscal 2025–26**
Scope 1 and 2	865	769	841
Scope 3: Processing of sold products	N/A	1,374	1,611
Scope 3: Purchasing of goods and services	N/A	1,024	1,151
Scope 3: Acquisition of capital projects	N/A	3,400	1,153
Scope 3: Holding of Investments	N/A	4,687	4,534
Total emission	**N/A**	**11,254**	**9,290**

Goal 1: Reduce Scope 1 and 2 GHG Emissions

The following table summarises Scope 1 and 2 emissions for FBCL-operated facilities at the BWB, SIB and Ottawa, comparing the 2015–16 baseline year with fiscal years 2024–25 and 2025–26 to illustrate progress toward FBCL's goal of reducing these emissions in consecutive years by at least 20% by 2030.

		Tonnes of CO_2eq[8]		
Source Group	**Source**	**2015–16 (Baseline year)**	**2024–25**	**2025–26**
Stationary Combustion	Natural Gas	450	397	450
	Propane	29	31	37
Mobile Combustion	Diesel	81	74	86
	Gasoline	76	66	64
Purchased Electricity	Electricity	230	201	204
Total		865	769	841
Target: consecutive years of >20% reduction by 2030		Baseline year	Reduced by 11%	Reduced by 3%

FBCL has taken active steps to reduce greenhouse-gas emissions for more than a decade—well before the development of a formal ESG strategy. The BWB Corporate Center, certified LEED Silver in 2015, means the 2015–16 baseline year already reflects early efforts to modernise facilities and reduce energy consumption. Building on that foundation, over the last two years, FBCL has averaged a 7% reduction in Scope 1 and 2 CO_2e emissions since its baseline year through a series of targeted operational and infrastructure initiatives, including:

- Demolition of older, less efficient CBSA buildings following the opening of the new BWB Corporate Center;
- Replacement of outdated generators with higher-efficiency units;
- Reconfiguration of power-distribution systems at BWB to reduce electricity use;
- Transition to LED lighting across bridge structures and supporting facilities;
- Installation of energy-efficient variable message signs (VMS) at BWB and SIB;

8 In general, each source of GHG emissions were calculated using this formula: GHG Source [tonnes CO_2eq]=Base Quantity [unit]*Emission Factor [(tonnes CO_2eq)/unit]

Where: Base Quantity = the energy or fuel consumed annual (e.g., L of gasoline) Emission Factor = the amount of CO_2eq emitted from the consumption/combustion of the energy

- Upgrades to HVAC systems with modern, high-efficiency components;
- Optimisation of fleet, including greater use of smaller-engine vehicles;
- Acquisition of an electric vehicle to assess operational suitability for bridge environments; and
- Installation of hydrogen energy devices on three maintenance vehicles to reduce fuel consumption and emissions.

Fuel usage fluctuates year-to-year due to weather, operational demands, and the timing of major third-party rehabilitation projects. For example, rehabilitation work can temporarily reduce FBCL's own vehicle use (lowering Scope 1 emissions) while increasing Scope 3 emissions associated with contractor activity. Winter severity also plays a significant role: 2024–25 required significantly more frequent operations as compared to the prior winters, and then the 2025–26 winter brought even more snow and lasted longer than the prior year resulting in higher stationary combustion.

FBCL-operated facilities at BWB and SIB continue to remain well below the federal and provincial greenhouse-gas reporting thresholds of 10,000 tonnes of CO_2e for Scope 1 and 2 emissions.

Goal 2: Reduce Scope 3 GHG Emissions

Data below shows tonnes of CO_2e per thousand dollars (or vehicles) for the four material Scope 3 categories for the last two fiscal years.

	Tonnes of CO_2eq	
	2024–25	2025–26
GHG emissions per thousand **commercial vehicles**	0.0926	0.0923
Target: Reduce GHG emissions per thousand commercial vehicles by 2% by 2030	Baseline year	Consistent
GHG emissions per thousand **passenger vehicles**	0.0072	0.0069
Target: Reduce GHG emissions per thousand passenger vehicles by 5% by 2030	Baseline year	Reduction of 4%
GHG emissions per thousand dollars of **goods and services** purchased	0.169	0.170
GHG emissions per thousand dollars of **capital purchases**	0.328	0.281
GHG emissions per thousand dollars of **investment value**	0.208	0.208

Scope 3 emissions arise from activities not owned or controlled by FBCL but that occur across its broader value chain. These emissions include all sources outside Scope 1 and 2 and often represent the majority of an organisation's total emissions. Under TCFD requirements, Scope 3 emissions must be disclosed when they represent 40% or more of total emissions. Four categories—purchased goods and services, capital goods, processing of sold products, and investments—were deemed material for FBCL and together account for approximately 95% of FBCL's Scope 3 emissions. Details on the four categories as they relate to FBCL include:

Processing of sold products (processed vehicles): This category reflects emissions generated during the processing of vehicles through toll booths, beginning when a vehicle enters the plaza. Emissions associated with CBSA processing are excluded, as they fall under CBSA responsibility. Metrics capture time only on FBCL's plazas—not further queueing—and are expressed as tonnes of CO_2e per thousand vehicles.

Purchasing of goods and services: This includes goods and services acquired to support operations at the BWB, the SIB, and the Ottawa office. Scope 1 and 2 emissions, salaries, waste, and business travel are excluded. Data is presented as tonnes of CO_2e per thousand dollars spent.

Acquisitions of capital projects: Emissions vary according to the nature and scale of annual capital work. Major rehabilitation activities at BWB in 2024–25 significantly influenced emissions in this category. Results are expressed as tonnes of CO_2e per thousand dollars spent.

Holding of investments: FBCL's investment portfolio includes only investment-grade instruments, following Government of Canada-approved risk-management guidelines. As issuers reduce their own emissions, FBCL's investment-related emissions are also expected to decline. Metrics represent tonnes of CO_2e per thousand dollars invested at year-end.

Metrics for these four categories follow recognised standards, including the GHG Protocol and ISO 14064-1. Emissions are calculated using relevant operational data—such as fuel use—and applicable emissions factors. For purchased goods and services, emissions are calculated by multiplying spending by the corresponding emissions factor.

Processing of Sold Products (vehicles throughput)

Vehicle idling is a significant contributor to emissions at bridge locations. The total processing of sold products figure of 1,611 (2025: 1,374) represents emissions generated once a vehicle has entered FBCL's plaza. At the BWB, queue lengths during peak periods can extend up to 5 km onto adjacent highways, further increasing idling time. In recent years, FBCL has undertaken several initiatives to reduce wait times and improve processing efficiency, thereby lowering associated emissions. The increase in emissions, as compared to the prior year, is due to the increase the traffic volume at the BWB location.

In fiscal 2022–23, BWB implemented a modernised toll-collection system that allowed for the introduction of prepaid RFID tags for all types of vehicles, speeding up processing times and reducing reliance on slower payment methods such as cash and credit/debit cards. These scope 3 GHG reduction strategies predated the 2024–25 baseline, reflecting FBCL's ongoing environmental focus before formal metrics and targets reporting. On Apri 1, 2025, BWB transitioned to fully cashless operations, further improving passenger vehicle throughput resulting in a 4% decrease in scope 3 emission per thousand vehicles. As FBCL advances its Smart Corridors initiative, additional improvements in processing and idling times are expected. Over the longer term, FBCL is exploring funding options to redesign the BWB plaza, increase the number of toll lanes, expand automation, and integrate predictive traffic-analysis technologies.

Purchased Goods and Services and Capital Projects

FBCL approaches capital projects with a focus on climate resilience. The corporation considers climate-related hazards such as flooding, extreme heat, and high winds, and has completed assessments to evaluate related risks, vulnerabilities, and infrastructure impacts. These findings have been incorporated into FBCL's TCFD-aligned risk assessment process.

At BWB, the plaza is located along the Lake Huron shoreline, where water levels fluctuate significantly and can rise quickly during storms. Recent weather events have seen water reach plaza pavement, reducing throughput as vehicles slow to navigate flooded areas. FBCL has already upgraded storm-water pumping capacity and launched a multi-year naturalisation project to reduce flooding risk.

Operationally, there is a focus on advancing green procurement practices and reducing waste across FBCL's operations. As the Corporation expands its Scope 3 emissions-reduction efforts, additional strategies will be introduced, including retrofitting existing infrastructure where feasible, deploying technologies that reduce vehicle idling and material consumption, and prioritising environmentally preferable goods and services. As the asset-management program continues to mature, greater emphasis will be placed on integrating sustainable materials and procurement practices into project planning and delivery.

In the short term, FBCL will undertake targeted upgrades to improve energy efficiency and reduce emissions, including replacing roofs on older buildings to address heat loss, upgrading boilers and compressors, and expanding the use of zero-emission vehicles within its fleet. Procurement evaluations already assign weighting to suppliers with ESG-aligned policies or equivalent credentials, supporting responsible sourcing and long-term sustainability objectives. From an information-management perspective, FBCL has also largely transitioned to paperless processes, further reducing material use and operational waste.

In Closing

Overall, FBCL's 2025–26 TCFD disclosure reflects a measured and evolving approach to climate-related governance, risk management, and emissions reduction. While the corporation continues to build data maturity and refine future targets, climate considerations are increasingly embedded in decision-making, supporting more resilient operations and more informed long-term planning.

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