

2025–26 Annual Report

ALTO

High-Speed Train

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About this Annual Report

This Annual Report presents VIA HFR – VIA TGF Inc.'s progress against its 2025–26 to 2029–30 corporate plan and includes the Corporation's annual financial statements for the fiscal year ended March 31, 2026. More information about the Corporation and its activities, operating environment, strategic objectives, and key planning highlights for 2025-26 to 2029–30 can be found in Alto's 2025–26 Corporate Plan Summary (the Corporate Plan Summary), available on Alto's website under About Us | Transparency and Trust (altotrain.ca).

Key terms used in this Annual Report

- Alto or the Corporation means VIA HFR – VIA TGF Inc.
- Cadence is Alto's private developer partner (PDP) and was selected through an open and competitive procurement process led by the Government of Canada.
- Alto and Cadence are parties to a pre-development agreement (PDA), which describes the parameters required to advance and optimize the design and scope of the project and sets out the roles and responsibilities of each party during the development and pre-construction phase.
- The "project" is the development of a high-speed rail network between Québec City and Toronto as mandated by the Government of Canada. It is referred to as the "Initiative" in the Corporate Plan Summary.
- The project is currently in the "development and pre-construction" phase. It is referred to as the "Co-development phase" in the Corporate Plan Summary.
- The "corridor" includes the station cities of Québec City, Trois-Rivières, Laval, Montréal, Ottawa, Peterborough, and Toronto, all included in the Corporation's mandate.
- The Toronto–Québec City "study corridor" extends close to 1,000 kilometres and represents a zone approximately 10 kilometres wide within which Alto is exploring various possibilities for developing a high-speed rail network. See page 5 for a map of the study corridor and Alto's website under About the Project | Map and Network for more information.

This Annual Report was approved by Alto's Board of Directors on June 19, 2026.

Land Acknowledgement

Alto operates across Ontario and Québec, including offices in Toronto, Ottawa, Montréal, and Québec City. We acknowledge that our work along the corridor takes place on the ancestral and unceded lands of many Indigenous peoples, including Algonquin, Anishinaabe, Mississaugas, Haudenosaunee, Wendat, W8banaki, Atikamekw, Innu, and Wolastoqiyik Wahsipekuk peoples. We recognize the presence of Indigenous peoples on these lands and the importance of respectful relationships shaped by our shared history.

2025-26 at a Glance



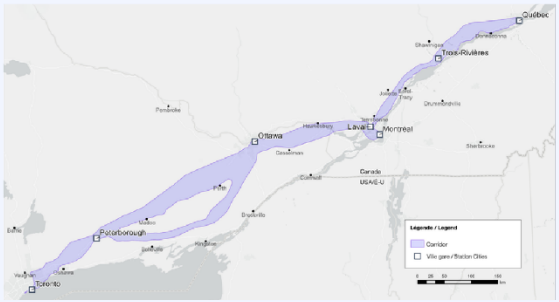
2025–26 at a Glance

This year marked continued progress as Alto advanced study corridor refinement, engagement, and project development and pre-construction activities.

Advancing the refinement of the study corridor

Established the study corridor and progressed network development through detailed analyses and engagement.

Announced the Ottawa–Montréal segment as the first to be constructed.



Engaging with Indigenous groups

Consulted and continued engagement with Indigenous communities to support collaboration and informed decision-making, including:

1,700+ engagement activities

250+ collaborative meetings

28 in-community visits

Consulting with communities to shape the project

Launched and delivered one of the most extensive public consultation initiatives ever conducted in Canada.

324,000+ unique visits on the consultation platform

19,000+ comments on the corridor map

10,000+ open house attendees

Working together to deliver high-speed rail

Collaborated with private developer partner, Cadence, on project development and design.

cadence

Progressing on an accelerated schedule to deliver early benefits

Developed concurrent workstreams to support the start of construction in 2029.



Toronto — Peterborough — Ottawa — Montréal — Laval — Trois-Rivières — Québec

Messages from Leadership

Message from the Chair and the Vice Chair of the Board of Directors

Message from the President and Chief Executive Officer



Message from the Chair and the Vice Chair of the Board of Directors

On behalf of the Board of Directors, we are pleased to present Alto's Annual Report for the year ended March 31, 2026, which marked the high-speed rail project's transition from planning and procurement into our first year of development and pre-construction work. It has been a year of significant progress and acceleration as we oversaw the commencement of critical activities between Alto and our private developer partner, Cadence.



J. Robert S. Prichard
Chair of the Board of Directors

Marie-José Nadeau
Vice Chair of the Board of Directors

Much has been accomplished under the leadership of CEO Martin Imbleau and Alto's executive team over the course of the year. They are an impressive group with a relentless dedication to our vision and the work necessary to realize it.

The work has been substantial and meticulous. The Board was satisfied to see the early and ongoing implementation of governance, oversight, and decision-making structures put into place to support disciplined progress while preserving consistently high standards of accountability, transparency, and control. Management has built a strong and resilient organization as we have scaled up to meet the full demands of our task.

Throughout the year, the Board oversaw the translation of extensive preparatory work—undertaken prior to the Government's February 2025 announcement of the development of the high-speed rail network in the Toronto–Quebec City corridor and the selection of Cadence as private development partner—into active delivery. This reaffirmed the strength of the leadership in place, the depth of expertise across the Corporation, and its capacity to advance work on schedule, reinforcing confidence that Alto is well positioned to oversee an initiative of this scale in alignment with the public interest.

Following the Government's September 2025 announcement that the project schedule would be accelerated, with the objective of starting construction in 2029, planning activities intensified. Early scrutiny of sequencing and costs helped establish aggressive, yet realistic, expectations for development and pre-construction, supporting responsible stewardship of public resources and prudent management.

At this stage, there is clarity with respect to the plan, schedule, and regulatory readiness requirements. Key risks, dependencies, and government decision points are well identified, sharpening the Board's ability to oversee the project timetable and measure progress. This level of visibility also provides confidence that the project is progressing in a manner that enables informed, evidence-based decision-making by the Government of Canada as our work on the proposed alignment advances.

From the Board's perspective, Alto has demonstrated growing maturity and capability. As the Corporation prepares for the work ahead on a project poised to shape Canada's transportation landscape for generations, confidence in Alto's mission, and the benefits it will generate for Canadians, has strengthened. The high-speed rail project remains on track, with the public interest firmly in focus. We are consulting with and listening intensively to communities and stakeholders along the corridor, and we are engaging with Indigenous communities affected by the project to ensure there are strong economic benefits for them to be realized.

Since the last Annual Report, the Board welcomed its seventh director, Claude Généreux, and the terms of Alto's first three directors appointed in 2022—Robert Fonberg, Chair of the Audit and Risk Committee; Marie-José Nadeau, Vice Chair of the Board and Chair of the Human Resources, Corporate Governance and Nominating Committee; and J. Robert S. Prichard, Chair of the Board—were each renewed for a second three-year term. This new appointment complemented the skillset of the existing directors and enhanced the diverse profile of the Board in terms of gender, language, and regional representation, with directors based in Québec City, Montréal, Ottawa, and Toronto. The renewals will ensure there is continuity in stewardship and preservation of institutional knowledge as we progress in the development and pre-construction phase of the project.

We have been greatly assisted by a strong working partnership with Transport Canada that has ensured alignment between us and the Government of Canada. We want to record our gratitude to our Minister, the Honourable Steven MacKinnon, the Deputy Minister Michael Vandergrift and all the staff at Transport Canada. This is a true joint effort, and we are grateful for the support we have received.

We are well underway.

The momentum is here, and the foundational work is solid. In a sense, a new era of mobility for the millions of Canadians in the corridor has already begun. We are committed to more major progress in the year ahead to realize the full promise of this nation-building project.

Message from the President and Chief Executive Officer

We have come a long way in the last year. The transformative potential of the Alto high-speed rail network is now a focal point, a trending topic that has people talking. The project is taking shape quickly—both in the minds of Canadians and in real time. This past year was marked by strong visibility and political momentum, the progression of tangible preparatory work, and meaningful engagement with Indigenous communities and the public.



Martin Imbleau
President and Chief Executive Officer

In September 2025, Prime Minister Mark Carney identified Alto as a transformative national project, bringing a new level of clarity to the vision for high-speed rail in Canada. In December, ahead of our public consultation activities, Minister of Transport Steven MacKinnon and I announced that the central segment, connecting Ottawa to Montréal via Laval, will be the first to be built. Construction is expected to begin around 2029, and, as that work progresses, we will break ground on the western and eastern segments toward Toronto and Québec City.

These announcements speak to Alto's strategic value and our country's urgent need for modern, fast rail infrastructure. In today's and tomorrow's economies, we know mobility fuels productivity, and, right now, mobility is limited in our country's most densely populated region.

Alto will be the backbone that unites the region, a central transportation link that will integrate with other transit systems, strengthen economic ties, and bring communities closer together. It is a forward-looking solution to the increasingly unsustainable transportation demands from Toronto to Québec City, the most populated area in the country. The number of intercity rail passengers will rise significantly as people opt for a reliable, safe and accessible option that gets them where they are going sooner. Alto also received the mandate from the Minister of Transport to develop options and recommendations to enhance passenger rail in Southwestern Ontario.

For Canadians, in a word, the project means more. More time for family and friends. More opportunities for jobs and education. More connection, more travel. More possibilities. Alto will transform the way we travel, work, and live.

This is a project we cannot afford to wait for. In November 2025, the federal government introduced legislative measures to accelerate the path to construction. Those measures, forming the *High-Speed Rail Network Act*, were enacted into law in March 2026. They not only get us to construction sooner, but they also provide predictability for the project's stakeholders. Residents, Indigenous communities, property owners, local businesses, construction companies, suppliers and developers will have more visibility on what to expect—and when—as we hit our milestones. As a Crown corporation developing a Canada-owned major rail network, we do not take our responsibility lightly; we grasp the local impacts and concerns, understand the benefits and advantages, and are taking a precise, data-oriented approach that will get the job done on schedule.

With every milestone we meet, the project moves further away from concept and closer to reality. The question is no longer why we should build it, but how we get it done. I want every Canadian to know that we are moving forward—

step by disciplined step—and building the foundations required for responsible, measured progress without losing sight of the larger objective.

This year, we advanced development and pre-construction work with our private developer partner, Cadence, across several key areas. Under joint governance and operating models, we advanced early design, technical and environmental studies, and systems planning—early proof of an already productive delivery partnership. We launched and advanced a comprehensive multi-disciplinary analysis to study and further refine the corridor. This crucial undertaking includes analyses of data from geotechnical and environmental studies, public feedback, and input from Indigenous communities, among other criteria. We also initiated outreach to Canada's steel industry and initiated phased market sounding for major works procurement. More than steps along the way, these developments signal progress at pace.

We know that a project of this scope must earn the confidence of those it is meant to serve. In January 2026, we set a full-scale public consultation campaign into motion across the entire corridor to accomplish two critical objectives.

Firstly, we presented the work already underway to the public and to Indigenous communities: the study corridor, fieldwork undertaken and planned, and the project's economic and social benefits—all grounded in data, research, and analysis.

Secondly, and most importantly, the campaign was an opportunity to listen. We heard Canadians' concerns and hopes for the project and answered their questions. We opened multiple channels for participation, including in-person open houses, virtual information sessions, roundtable discussions, exit surveys, and a dedicated online portal. More than 10,000 people participated in person—an extraordinary turnout that reflects the public's interest and investment in the project's outcome. Online participation has been outstanding as well, with more than 324,000 unique visits to our website's consultation portal, over 24,000 questionnaires filled out, and just shy of 20,000 comments on our interactive map. What we heard will directly inform the next phase of work as we move toward narrowing the study corridor.

Throughout this entire process, we maintained a strong focus on meaningful Indigenous engagement, consultation, and partnerships. We engaged with Indigenous communities early in the project and that engagement continues today—in fact, our efforts escalated in the past year as we initiated consultation on the corridor. We are also building trust and advancing partnerships through co-designed collaboration agreements and Indigenous participation frameworks. We remain firmly committed to deepening our partnerships with these communities as the project evolves, and to advance the Government of Canada's commitment to reconciliation.

Alto's progress also depends on having the right capacity and expertise in place. Over the past year, the Corporation has evolved to meet the scale of its mandate, with workforce growth, stronger governance, advanced systems, and new training initiatives.

We are well positioned for the year ahead. Alto is ready to deliver results and move forward with the rigour Canadians expect. Our focus will remain on meeting regulatory requirements, advancing further technical and environmental studies, deepening Indigenous partnerships while pursuing new ones, refining the network's alignment, and launching the next wave of consultations, where we will continue our discussions with the public, with farmers, with small businesses and property owners, with families and their neighbours living in urban centres and in rural areas.

This next year will be about taking the right steps, in the right order, with the right information—and doing so on time. That is the critical path for nonstop progress. Above all, we remain committed to earning and maintaining the trust of Canadians as we advance a historic transportation project designed to serve them for generations to come.

Corporate Profile

Mandate

The Project at a Glance



Corporate Profile

MANDATE

Alto, incorporated as VIA HFR – VIA TGF Inc., is mandated to develop and implement the high-speed rail network project, including the design, construction, financing, operation and maintenance of a high-speed passenger rail service in Ontario and Québec through one or more agreements with the private sector, in cooperation with the Minister of Transport (the Minister).

Vision

Building the train we need.

Mission

Together, we're connecting communities and driving society's progress by building a high-speed rail network.

Values

Alto's values form the moral and cultural foundation of the Corporation. They guide how work is conducted, how collaboration occurs, and how decisions are made, bringing coherence to actions and shaping how the Corporation advances.

Collective Commitment: Together, we're leveraging individual effort to meet shared goals and achieve a social, environmental and economic impact that is positive, equitable and inclusive.

Responsible Velocity: Together, we're striking a balance between flexibility and rigour to maintain a high level of performance within an adaptable framework.

Spirit of Initiative: Together, we dare to explore promising new horizons and take calculated risks to optimize our success.

Inspiring Collaboration: Together, we're building an inclusive and collaborative environment based on trust where each person is valued for their expertise, respected for their ideas and recognized for their contributions.

THE PROJECT AT A GLANCE

Shaping Canada's future with high-speed rail

The project is a transformational initiative by the Government of Canada to revolutionize intercity travel in the country's most densely populated region. This ambitious project will include the construction of nearly 1,000 km of dedicated tracks linking Québec City, Trois-Rivières, Laval, Montréal, Ottawa, Peterborough and Toronto. The service will operate primarily on electrified tracks, significantly reducing greenhouse gas emissions and providing a more sustainable alternative to existing intercity travel options, while driving productivity and boosting the economy.

Alto represents a significant evolution for Canada's transportation sector. By offering a modern, sustainable, and high-performance rail network, the project will support economic growth, environmental sustainability, reconciliation with Indigenous Peoples, and improved mobility for generations of Canadians to come. The high-speed rail network is a

foundational investment that will drive a fundamental shift in how millions of Canadians live, connect, and move across the corridor.

Alto will transform the future of public transportation in Canada by delivering a high-speed rail network that will achieve the seven project outcomes established by the Government of Canada.

PROJECT OUTCOMES	ASSOCIATED CONTRIBUTIONS
1. Significantly increase intercity rail passengers	By providing faster, more reliable, and more frequent train services, the project aims to significantly increase the number of intercity rail passengers, reducing road congestion and potentially decreasing reliance on other modes of transportation.
2. Enhance passenger experience in the corridor	The project will improve travel times, service reliability, and overall efficiency for travellers. It will also aim to maintain connections with cities currently served by existing rail services and create opportunities to optimize local services, ensuring continued regional connectivity while strengthening integration with new high-speed services.
3. Provide safe intercity journeys	The project will deliver modern, high-quality rail infrastructure and operations designed to ensure safe, reliable intercity travel across the corridor, aligned with leading industry standards.
4. Contribute to reconciliation with Indigenous Peoples	Engagement and consultation with Indigenous communities is integral to the project's success. Alto is committed to meaningful participation by Indigenous Peoples and to advancing reconciliation through respectful engagement, collaboration, and the development of mutually beneficial economic opportunities that reflect and support Indigenous cultures, rights, and connections to their lands.
5. Significantly increase availability of accessible and affordable services	The project will support a more accessible and more affordable transportation system, improving mobility options for communities across the corridor.
6. Minimize ongoing financial costs to taxpayers	The project is being developed with a focus on long-term efficiency and financial stability, with the objective of reducing ongoing costs to taxpayers over time.
7. Provide meaningful environmental benefits to support the Government of Canada's net-zero commitment	The project will deliver a low-carbon, electrified transportation solution aligned with Canada's climate change commitments and net-zero objectives. By reducing reliance on higher-emission modes of transportation, it is expected to lower greenhouse gas emissions over the long term.

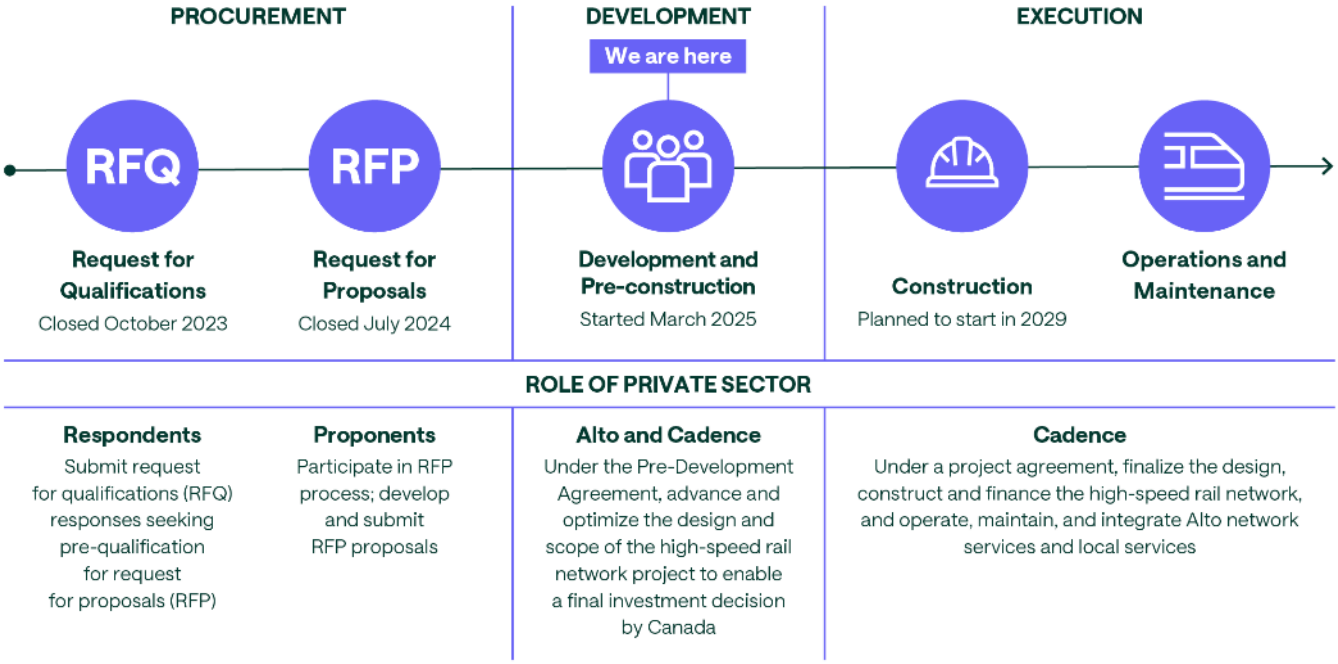
Overview of delivery phases

The Alto high-speed rail network project is advancing through a multi-year, phased approach to development and delivery, in collaboration with Cadence. This approach supports project advancement while fostering innovation, enhancing passenger rail service outcomes, strengthening risk management, with the objective of achieving better value for Canadians.

There are four stages within the development and pre-construction phase:

- Stage 1: plan validation and initial network development – ***complete***
- Stage 2: network concept design development – ***current stage***
- Stage 3: segment development
- Stage 4: transition to execution

In September 2025, the Government of Canada identified Alto as a transformative strategy that will receive support to accelerate development and begin construction years ahead of schedule. The start of this next phase—the construction phase—is planned for 2029.



Management's Discussion and Analysis



Strategic Objectives

Performance Highlights

Analysis of Financial Results

Risk Management

Outlook for 2026-27

Management's Discussion and Analysis

STRATEGIC OBJECTIVES

The Corporation's strategic objectives and activities for the 2025–26 to 2029–30 planning period remain consistent with those of the previous year and are guided by three key priorities:

1. Drive the design and development of a high-speed passenger rail network in the corridor
2. Foster Indigenous partnerships, engage stakeholders, and other partners effectively
3. Strengthen the Corporation

Additional information can be found in Alto's 2025–26 Corporate Plan Summary, available on Alto's website under About Us | Transparency and Trust (altotrain.ca).

PERFORMANCE HIGHLIGHTS

Fiscal year 2025–26 marked Alto's third year of operations and first year of collaboration with Cadence. The following tables provide an overview of Alto's performance highlights by key priority in 2025–26.

KEY PRIORITY #1: Drive the design and development of a high-speed passenger rail network in the corridor

In 2025–26, the Corporation completed stage 1 of the development and pre-construction phase and formally transitioned to stage 2. Following the Government of Canada's announcement that construction would begin in 2029, Alto reaffirmed its commitment to advancing the project on schedule and confirmed its readiness to do so on an accelerated development timeline. During the year, Alto undertook preliminary analyses covering technical, environmental, social, and financial aspects of the project to inform the identification of a proposed alignment in the study corridor.

Measurement	Status	2025–26 Highlights
The Corporation will advance the high-speed rail network project by collaborating with its private developer partner, Cadence, on the first stage of development and pre-construction phase.	 **Achieved**	**Completion of Stage 1** Alto successfully completed all stage 1 activities identified in the plan for the development and pre-construction phase and established a joint governance structure with Cadence to support ongoing development activities.

KEY PRIORITY #1: Drive the design and development of a high-speed passenger rail network in the corridor *(continued)*		
Measurement	**Status**	**2025–26 Highlights**
The development and pre-construction phase will optimize the design to achieve or exceed the Government of Canada's project outcomes. This work will inform the Government before it makes a final decision on whether to advance the project from development to construction.	 **On Track**	**Transition to Stage 2 of Development and Pre-Construction Phase** In July 2025, Alto formally transitioned from stage 1, plan validation and initial network development, to stage 2, network concept design development. Stage 2 activities continue to advance, with work progressing through detailed engineering work, field studies, and other development work necessary to advance the project toward the Government's intended project outcomes.
The development and pre-construction plan will be updated by Cadence to describe the steps needed to deliver the expected outcomes, meet the project requirement specifications established by the Corporation, and comply with the PDA. The Corporation will also establish reporting and monitoring processes with Cadence.	 **On Track**	**Development and Pre-Construction Plan** Throughout 2025–26, Cadence developed and periodically updated the development and pre-construction plan in accordance with the PDA. Cadence will continue to update this plan on a regular basis throughout the development and pre-construction phase to ensure it reflects evolving scope, schedule and budget, sequencing adjustments, refinements to the project requirement specifications, and progress across workstreams.
Options for the final route alignment throughout the corridor will be analyzed during the first two stages of the development and pre-construction phase, and planning for the impact assessment (IA) process will continue.	 **On Track**	**Alignment Development** In 2025–26, the Corporation advanced a key milestone by establishing the study corridor and progressing route alignment development through a comprehensive, multi-disciplinary analysis incorporating engineering, environmental, socio-economic, and regional considerations. **Central Segment Announcement** In December 2025, the Minister of Transport announced that the central segment, connecting Ottawa to Montréal via Laval, will be the first to be built, with construction expected to begin in 2029.

KEY PRIORITY #1: Drive the design and development of a high-speed passenger rail network in the corridor *(continued)*		
Measurement	**Status**	**2025–26 Highlights**
The Corporation will continue engaging with federal experts and decision-makers, to inform early planning, build relationships, and design processes aimed at navigating any IA and regulatory processes as efficiently and effectively as possible. The Corporation will also engage with Government to explore how the project can be implemented as efficiently as possible under existing legislative and regulatory frameworks and provide input that Government may consider in the context of any broader legislative or regulatory reviews.	 **On Track**	**Transformative National Strategy** In September 2025, the Government of Canada identified the project as a transformative national strategy. Alto is working with the Major Projects Office to accelerate engineering, regulatory, and permitting work to enable and target the start of project construction for 2029. **Impact Assessment Readiness** The Corporation advanced planning activities for the IA process, including preparatory work for the planning phase and the development of the project description. Alto also undertook preliminary environmental field studies along the corridor to inform early IA planning and support future regulatory requirements. These efforts are being undertaken in the context of evolving federal processes, including recent efforts by the Impact Assessment Agency of Canada to streamline reviews for major projects, with the objective of completing impact assessments within a two-year timeframe.

KEY PRIORITY #2: Foster Indigenous partnerships, engage stakeholders, and other partners effectively

In 2025–26, Alto significantly expanded engagement across the corridor, maintaining a strong and consistent presence with a broad range of rightsholders and stakeholders impacted by the project, including Indigenous communities, municipalities, provincial governments, business and community organizations, and the public.

A major milestone during the year was the delivery of an extensive public consultation campaign, conducted between January and March 2026—one of the most significant consultation exercises of its kind in Canada—which gathered input from communities across the corridor to inform project planning and design. In parallel, Alto advanced a comprehensive and ongoing engagement program with Indigenous communities, grounded in respectful dialogue and aimed at supporting meaningful participation throughout project development.

Throughout the year, Alto also maintained active engagement with federal officials to support early planning and to seek timely policy and funding authorities required to advance the development and pre-construction phase.

Measurement	Status	2025–26 Highlights
The Corporation continues to build relationships with Indigenous groups and partners, and to engage stakeholders and other partners to broaden public support for the project. Effective engagement fosters transparency, builds trust with the communities along the corridor, and helps identify concerns early, leading to more comprehensive planning and acceptable mitigation strategies.	 **On Track**	**Public Consultation Campaign** The Corporation launched and delivered a large-scale public engagement campaign across the corridor, comprising in-person open houses, roundtables, virtual information sessions, and an online engagement platform. The consultation campaign provided communities with early access to project information, including the study corridor, and meaningful opportunities to share feedback to inform ongoing project development. **Stakeholder Engagement** Alto engaged with elected provincial and municipal officials, host railways and utility companies, and community and interest groups to share information about the project and raise awareness regarding ongoing field studies, technical assessments and environmental surveys. **Community Partnerships** Launched a community partnership program to maximize Alto's positive impact across the corridor and to support a wide range of initiatives that promote the economy, social cohesion, innovation, and lasting environmental benefits.

KEY PRIORITY #2: Foster Indigenous partnerships, engage stakeholders, and other partners effectively *(continued)*		
Measurement	**Status**	**2025–26 Highlights**
The Corporation's activities in 2025-26 will continue to support reconciliation with Indigenous groups and partners, expanding the breadth of Alto's engagement and consultation. Alto will also launch community consultations about the project, as well as engage with external experts to support Alto's work.	 **On Track**	**Indigenous Engagement and Consultation** Alto continues to build and strengthen relationships with Indigenous Peoples and partners. During 2025–26, the Corporation advanced Collaboration Agreements with Indigenous communities, bringing the total to eight agreements signed as of March 31, 2026. Since November 2025, Alto has been consulting with Indigenous communities to support corridor refinement, including the sharing of corridor maps and holding multiple meetings to gather input. Consultation with Indigenous communities on impact assessment and field-study related matters remains a priority. Throughout the year, Alto delivered a range of presentations and engagement activities with Indigenous groups, including High-Speed Rail 101 sessions, project overviews, and briefings on the impact assessment process. The Corporation also provided training with eRailSafe Canada and facilitated workshops focused on the co-design of an archaeological protocol. In parallel, Alto continues to advance work on First Nation financial participation and is preparing to discuss with communities.

KEY PRIORITY #3: Strengthen the Corporation

In 2025–26, Alto continued to strengthen its internal capacity through targeted investments in people, processes, and systems. These efforts were aimed at supporting the Corporation's role as the Project Authority and Contracting Authority (both as defined in the 2025–26 Corporate Plan Summary) and enabling it to operate effectively as a strong counterparty to Cadence.

Measurement	Status	2025–26 Highlights
As the Corporation carries out its responsibilities as Project Authority and Contracting Authority under the PDA, it will demonstrate effective governance and stewardship of resources. Alto will strengthen its corporate governance processes to support informed decision-making, prudent resource management, and financial sustainability.	 **On Track**	**Project Authority and Contracting Authority** Throughout the 2025–26 fiscal year, Alto operated as the Project Authority and Contracting Authority responsible for the project. During this period, the Corporation continued to strengthen governance structures, oversight mechanisms, and internal controls to support effective project delivery. **Governance, Oversight, and Assurance** Alto established a governance framework anchored by strong corporate and project management oversight from the Board. To maintain alignment with the Government of Canada's policy objectives, the Corporation continues to maintain regular engagement with federal stakeholders through agreed-upon governance forums. Alto has established a structured internal assurance framework to support effective oversight of controls and governance and continues to refine this approach over time. The Corporation has also taken steps to enhance its internal audit function and build internal capacity. **Stewardship of Resources** The Corporation managed and deployed development and pre-construction funding in accordance with approved authorities, ensuring the responsible stewardship of public resources as the project progresses.

KEY PRIORITY #3: Strengthen the Corporation *(continued)*		
Measurement	**Status**	**2025–26 Highlights**
The Corporation will make investments in information technology, including software and applications, to provide employees with the tools needed to deliver Alto's mandate. Additionally, new tools for human resources management will be implemented to support the organizational culture Alto needs to attract, mobilize, and retain a highly skilled workforce.	 **On Track**	**Information Technology Investments** In 2025–26, the Corporation successfully launched a new enterprise resource planning system to support effective stewardship over the significant resources dedicated to the project. Alto maintains a fully cloud-based IT environment and continues to invest in modern IT equipment and digital tools to ensure employees have secure, mobile, and reliable access to systems required to deliver Alto's mandate across multiple office locations. **Human Resources Tools and Culture** In parallel, the Corporation implemented new human resources managements tools and processes through its enterprise resource planning platform. These initiatives included the introduction of a formal performance management process and workforce support systems designed to strengthen organizational culture and support the attraction, mobilization, and retention of a highly skilled workforce.

ANALYSIS OF FINANCIAL RESULTS

Overview

Alto continues to manage planned expenditures and the receipt of Government funding from appropriations in line with its strategic priorities.

Fiscal year 2025-26 was the third year of operations for Alto, and the first full year of the development and pre-construction phase of the project. Alto is advancing the project in collaboration with the PDP, Cadence. Following the Government's announcement in September 2025 of an accelerated schedule, project activities intensified. This increased level of activity is reflected in the financial results, with higher government funding, expenses, assets and liabilities compared to last year.

The following discussion and analysis of the financial position and results of operations should be read in conjunction with the audited financial statements and related notes for the fiscal year ended March 31, 2026.

Table 1) Summary Highlights

(In thousands of Canadian dollars, unless otherwise indicated)

As at / For the year ended March 31	BUDGET	2026	2025	VARIANCE			
				2026 VS BUDGET		2026 VS 2025	
				$	%	$	%
FINANCIAL POSITION							
Net Financial Assets (Net Debt)	$1,611	**$(2,336)**	$(303)	$(3,947)	(245%)	$(2,033)	(671%)
Non-Financial Assets	95,132	**70,699**	1,455	(24,433)	(26%)	69,244	4,759%
Accumulated Surplus	96,743	**68,363**	1,152	(28,380)	(29%)	67,211	5,834%
OPERATING RESULTS							
Revenues	$520,875	**$176,571**	$70,697	$(344,304)	(66%)	$105,874	150%
Expenses	425,284	**109,360**	76,980	(315,924)	(74%)	32,380	42%
Operating Surplus (Deficit)	95,591	**67,211**	(6,283)	(28,380)	(30%)	73,494	(1,170%)
CASH FLOW							
Cash provided by (used for) operating transactions	$123,969	**$57,911**	$(1,492)	$(66,058)	(53%)	$59,403	3,981%
Cash used for capital transactions	(95,591)	**(41,076)**	(282)	54,515	(57%)	(40,794)	14,466%
Cash provided by investing transactions	–	**–**	4,500	–	0%	(4,500)	(100%)
Cash, end of the year	34,162	**22,621**	5,786	(11,541)	(34%)	16,835	291%

Operating Results

Alto's level of activity increased significantly compared to last year with the ramp-up of the development and pre-construction phase in collaboration with the PDP. This resulted in corresponding significant increases in government funding and expenses.

The table below provides an overview of Alto's operating results.

Table 2) Operating Results

(In thousands of Canadian dollars, unless otherwise indicated)

As at / For the year ended March 31	BUDGET	2026	2025	VARIANCE			
				2026 VS BUDGET		2026 VS 2025	
				$	%	$	%
OPERATING RESULTS							
Revenues	$520,875	**$176,571**	$70,697	$(344,304)	(66%)	$105,874	150%
Expenses	425,284	**109,360**	76,980	(315,924)	(74%)	32,380	42%
Operating Surplus (Deficit)	95,591	**67,211**	(6,283)	(28,380)	(30%)	73,494	(1,170%)

Revenues

Alto's primary source of revenues are funds received from the Government of Canada from Alto's annual appropriation. These funds are held by Transport Canada and released gradually throughout the year to meet Alto's operating and capital cash flow requirements, in accordance with the Treasury Board of Canada Secretariat's Directive on Payments.

Revenues reached $176.6M this year, reflecting an increase of $105.9M (or 150%) over last year. This increase reflected the need to fund the increase in operating and capital expenses resulting from the intensified development activities associated with the project.

While revenues and associated activity volume ramped up compared to prior year, Alto incurred less expenditures than planned and therefore only used 34% of the government funding originally budgeted. This was due to the project launch occurring later than initially anticipated.

Expenses

Table 3) Expenses Classified by Key Priority

(In thousands of Canadian dollars, unless otherwise indicated)

For the year ended March 31	BUDGET	2026	2025	VARIANCE			
				2026 VS BUDGET		2026 VS 2025	
				$	%	$	%
EXPENSES BY KEY PRIORITY							
Rail network design and development	$350,350	**$51,782**	$42,277	$(298,568)	(85%)	$9,505	22%
Stakeholder engagement	38,193	**15,460**	8,588	(22,733)	(60%)	6,872	80%
Corporate stewardship	36,741	**42,118**	26,115	5,377	15%	16,003	61%
TOTAL EXPENSES	$425,284	**$109,360**	$76,980	$(315,924)	(74%)	$32,380	42%

Alto recognized expenses of $109.4M in 2026, reflecting an increase of $32.4M (42%) over last year. This increase was attributable to the ramp up in activities across all three key priorities (see Table 3), following the signing of the PDA with Cadence in March 2025 and the Government's announcement in September 2025 of the project's accelerated schedule. The Corporation went from supporting the government-led procurement process last year to taking the lead on development and pre-construction activities as Project Authority this year. The increase in stakeholder engagement expenses reflected the continued engagement with Indigenous Peoples, communities, partners, and other stakeholders, while the increase in corporate stewardship expenses reflected efforts to build corporate infrastructure and internal capabilities to strengthen the Corporation's ability to achieve its mandate.

While expenses grew compared to last year, they only represented 26% of the budget of $425.3M due to the delayed launch of the project. The Corporation took action to move part of its funding from 2025–26 into future fiscal years through a reprofile exercise that was approved by the Government as part of the 2026-27 to 2030-31 corporate plan. Additional reprofiles are being assessed by the Corporation.

Table 4) Expenses Classified by Nature

(In thousands of Canadian dollars, unless otherwise indicated)

For the year ended March 31	2026	2025	VARIANCE 2026 VS 2025 $	VARIANCE 2026 VS 2025 %
Employee costs	$44,610	$23,389	$21,221	91%
Private Developer Partner	32,627	954	31,673	3,320%
Professional services	21,564	47,274	(25,710)	(54%)
Equipment	3,363	2,750	613	22%
Other costs	3,015	92	2,923	3,177%
Travel	2,185	927	1,258	136%
Leases	1,879	1,567	312	20%
Amortization	117	27	90	333%
TOTAL EXPENSES	**$109,360**	$76,980	$32,380	42%

The growth in expenses year-over-year was observed across most categories (see Table 4). In particular, the increases in Employee costs, Travel and Equipment reflected the Corporation's increased employee base, with total headcount reaching 202 full-time equivalents (FTEs) on March 31, 2026, up from 145 FTEs at the same time last year. The advancement of the development and pre-construction phase drove the increase of $31.7M in PDP expenses. The decrease of $25.7M in Professional services reflects the shift from a heavy reliance on contractors in 2025 to the Corporation ramping up the hiring of its own workforce and the increasing role and responsibilities of the PDP.

Operating Surplus

Alto's operating surplus of $67.2M resulted mainly from higher government funding recognized in revenues compared to expenses. This difference is due to the fact that part of the government funding used to fund the costs directly attributable to the development of the rail network, in the amount of $68.2M, were recognized as Assets under development in the Statement of Financial Position.

The operating surplus was lower than budget by $28.3M (30%). This was the result of lower expenses incurred during the year of $109.4M compared to budget of $425.3M, and corresponding lower government funding needed to fund operations of $176.2M compared to budget of $520.9M.

Statement of Financial Position

As at March 31, 2026, Alto had a net debt of $2.3M and non-financial assets of $70.7M, resulting in an accumulated surplus of $68.4M.

Table 5) Financial Position

(In thousands of Canadian dollars, unless otherwise indicated)

				VARIANCE			
				2026 VS BUDGET		2026 VS 2025	
As at March 31	BUDGET	2026	2025	$	%	$	%
FINANCIAL POSITION							
Net Financial Assets (Net Debt)	$1,611	**$(2,336)**	$(303)	$(3,947)	(245%)	$(2,033)	(671%)
Non-Financial Assets	95,132	**70,699**	1,455	(24,433)	(26%)	69,244	4,759%
Accumulated Surplus	96,743	**68,363**	1,152	(28,380)	(29%)	67,211	5,834%

Net financial assets (Net debt)

Net financial assets (Net debt) are comprised of resources that measure the Corporation's solvency at a point in time. It is calculated as the surplus of Alto's financial resources (cash and government funding receivable) over its total obligations (accounts payable and accrued liabilities). Alto's net debt amounted to $2.3M this year compared to net debt of $0.3M last year. The year-over-year growth was primarily driven by the increased activities with the PDP, which resulted in a larger balance payable at year-end. This increase was partially offset by an increase of $23.0M in the government funding receivable balance and an increase in the cash balances of $16.8M.

Non-financial assets

Alto's non-financial assets consist of capital assets and prepaid expenses. As at March 31, 2026, Alto's non-financial assets amounted to $70.7M, compared to $1.5M last year and a budget of $95.1M.

The significant increase over last year was mainly driven by the initial recognition of the Assets under development of $68.2M, consisting of directly attributable costs related to the development of the high-speed rail network.

Alto's non-financial assets at year-end were lower than budget by $24.4M (26%). This was mainly the result of lower than budgeted capital assets recognized in the year as the budget had anticipated the purchase of land and an earlier project launch.

Accumulated Surplus

Alto's accumulated surplus represents the net resources that the Corporation has available to provide future services. At year end, Alto's accumulated surplus reached $68.4M, up from $1.2M last year. This growth was mainly due to the Corporation beginning to recognize costs directly attributable to the high-speed rail network in Assets under development.

Alto's accumulated surplus was lower than budget by $28.4M (29%). This was the result of the project launch occurring later than initially forecasted.

Cash Flow and Liquidity

Alto proactively manages cash balances to ensure that sufficient funds are available to pay for expenditures as they become due. As a fully appropriated Crown corporation, Alto's cash balances are provided by the Government of Canada, with administrative oversight provided by Transport Canada. Operating and capital transactions are governed by Alto's operating and capital budgets.

Table 6) Cash Flow

(In thousands of Canadian dollars, unless otherwise indicated)

As at / For the year ended March 31	BUDGET	2026	2025	VARIANCE			
				2026 VS BUDGET		2026 VS 2025	
				$	%	$	%
CASH FLOW							
Cash provided by (applied to) operating transactions	$123,969	**$57,911**	$(1,492)	$(66,058)	(53%)	$59,403	3,981%
Cash provided by (applied to) capital transactions	(95,591)	**(41,076)**	(282)	54,515	(57%)	(40,794)	14,466%
Cash provided by investing transactions	–	**–**	4,500	–	–	(4,500)	(100%)
Cash, end of the year	34,162	**22,621**	5,786	(11,541)	(34%)	16,835	291%

Capital expenditures

In 2025–26, Alto incurred $68.7M in capital expenditures compared to a budget of $95.6M, resulting in a $(26.9M) or (28%) variance from budget. As at March 31, 2026, of the $68.7M incurred, $41.1M in cash was applied to capital transactions, with the remaining balance of $27.6M awaiting payment subsequent to year end. Capitalization of expenditures is assessed in the context of the future economic benefits associated with a resource, which may either be purchased or developed by Alto. This assessment resulted this year in Alto beginning to capitalize costs directly attributable to the development of the high-speed rail network in Assets under development. The capitalization of expenditures throughout the delivery of the project is expected to be a significant driver of Alto's portfolio of non-financial assets, which will be developed, purchased and managed by Alto in collaboration with the PDP.

RISK MANAGEMENT

Risk management remains a central focus at Alto as the project advances through the development and pre-construction phase. Alto employs a robust enterprise risk management (ERM) framework to ensure risks are identified, assessed and managed.

The ERM framework enables Alto to:

- Proactively identify and prioritize the Corporation's most critical risks that, if not mitigated, would impact its ability to meet its objectives.
- Integrate risk management into the decision-making processes with respect to strategy development and resource allocation.
- Create a risk-aware culture throughout the Corporation.

In 2025–26, Alto continued to advance its risk management processes and practices. Alto's inaugural ERM policy was adopted, codifying the key aspects of its ERM framework including roles and responsibilities. Alto's Board oversees the ERM program through its Audit and Risk Committee.

Alto actively identifies and monitors risks that are present or emerging within its external and internal operating environment. Due to the nature of Alto's operations, risk management is a collaborative effort between the Corporation and Cadence. Through this collaboration, a project risk register has been developed to identify, assess and mitigate risks. The maintenance of the risk register is an ongoing process as new risks are identified and existing risks evolve. Key risks are those that may materially affect Alto's ability to deliver on its mandate and are subject to greater oversight by Alto's executive team and the Audit and Risk Committee.

The following table sets out Alto's key risks and corresponding mitigation approach as of March 31, 2026.

RISK	RISK DESCRIPTION	MITIGATION APPROACH
Land Acquisition	Alto fails to acquire necessary land to enable scheduled construction activities.	Develop and implement a strategic land acquisition program to enable timely and efficient land assembly.
Environment and Permitting	Alto fails to obtain a favourable Impact Assessment decision and/or required permits to meet project and schedule requirements.	Engage with responsible agencies to seek regulatory clarity and confirm requirements to obtain permits and develop and implement field work program.
Construction Procurement	Alto fails to procure required materials and labour to meet project and schedule requirements.	Develop and implement a comprehensive procurement strategy to explore sourcing opportunities for materials, maintain competitive tension in the market and address labour needs.
Host Railways	Alto fails to reach necessary agreements or project requirements with host railways.	Negotiate and sign agreements and identify mutually beneficial opportunities through engineering solutions and infrastructure upgrades.
Utilities	Alto fails to align utility requirements with project requirements and/or timelines.	Engage utilities to align on project requirements, timelines and resources, and foster collaboration between governments, Alto and utilities for permitting.
Stakeholders & Indigenous Relations	Alto fails to generate and maintain required project support from key stakeholders and/or Indigenous communities or fails to fulfill the Crown's Duty to Consult.	Develop and implement integrated and proactive communications and consultation approaches for each audience to continue building trust and ongoing support for the project. Establish strong, ongoing relationships with potentially impacted Indigenous communities, identify and address concerns early, and coordinate closely with relevant Crown departments and agencies to support Crown led consultation processes.

OUTLOOK FOR 2026–27

In 2026–27, Alto's efforts will build on the priorities and strategic objectives established in 2025–26, reflecting the project's progression while remaining firmly grounded in the Corporation's mandate. As summarized below and set out in Alto's Corporate Plan 2026–27 Summary, available on Alto's website under About Us | Transparency and Trust (altotrain.ca), activities will be guided by three key priorities.

1. Drive the design and development of a high-speed passenger rail network in the corridor

Alto will collaborate with and oversee Cadence to develop and optimize the whole network design, which will include establishing a proposed alignment from the study corridor. This work will inform future investment decisions by the Government before construction begins.

Alto will continue to advance project activities in a concurrent manner, leading up to key Government decision points. This approach reflects a shared commitment to timely delivery and will enable Alto to undertake preparatory activities and critical path decisions without waiting for approvals that would otherwise have been sequential. This approach will allow Canadians to benefit sooner from more frequent, reliable, affordable, and faster intercity train services.

With the comprehensive multi-disciplinary analysis well advanced in 2025–26, Alto, in collaboration with Cadence, will focus on refining and finalizing the study corridor and route alignment.

Alto will work with Cadence to develop a procurement strategy for the construction phase, including an analysis of the Canadian supply chains, and potential packaging and delivery models.

During 2026–27, Alto will implement a comprehensive compensation and mitigation framework to ensure fair treatment of affected landowners and sustainable outcomes for agricultural communities. Additionally, Alto will engage in activities required for the impact assessment documentation that will be submitted to the relevant authority.

2. Foster Indigenous partnerships, engage stakeholders and other partners effectively

Alto will continue to build relationships with Indigenous groups and partners and engage stakeholders and other partners effectively to secure and broaden public support for the project. Effective engagement fosters transparency, builds trust with communities along the corridor, and enables Alto to identify concerns early, which leads to more comprehensive planning and better mitigation strategies.

In 2026-27, Alto will undertake a second round of public consultations, focused on presenting a refined alignment and engaging communities on local considerations to support alignment finalization.

As the development and pre-construction phase advances, Alto will engage various stakeholders to collect data, receive input, and integrate that feedback into its alignment development work. The Corporation will also continue to engage and consult Indigenous communities across the corridor, including through collaboration on socio-economic opportunities and the development of approaches to First Nation financial participation.

In 2026-27, Alto will continue its development of a community benefits plan in collaboration with municipalities Indigenous communities and established local organizations.

Community consultation activities will be organized throughout the development and pre-construction phase.

3. Enable project advancement and support corporate stewardship

The Corporation will continue to demonstrate financial stability and responsibility for prudent resource management while delivering on the Government's mandate. Alto will continue to implement new strategic initiatives and build on existing tools for human resources management to shape and support the organizational culture needed to attract, mobilize, and retain a highly skilled workforce.

Alto will continue to strengthen corporate services such as finance, information management and information technology, and facilities management to ensure employees have the tools to deliver Alto's mandate.

To ensure strong corporate governance, Alto will deliver and report on clear and measurable outcomes, incorporate best practices of good governance, and report on performance management, Cadence activities, and risk management in a transparent way.

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Statement of Management Responsibility

For the year ended March 31, 2026

Management of VIA HFR – VIA TGF Inc. (the Corporation) is responsible for the preparation and fair presentation of the financial statements contained in the Annual Report. These financial statements have been prepared in accordance with Public Sector Accounting Standards and necessarily include certain amounts that are based on management's best estimates and judgment. Financial information contained throughout the Annual Report is consistent with that in the financial statements. Management considers that the financial statements present fairly the financial position of the Corporation, its financial performance and its cash flow.

To fulfill its responsibility, the Corporation maintains systems of internal controls, policies and procedures. These are designed to provide reasonable assurance as to the integrity and reliability of financial information, that the assets are safeguarded and controlled, and that transactions and events are properly recorded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board of Directors exercises its responsibilities through the Audit and Risk Committee (the Committee) of the Board of Directors, consisting of directors who are independent in accordance with the Committee's charter. The Committee meets periodically with the external auditors and with management to fulfill its oversight responsibilities with respect to financial reporting and disclosures, policies, processes and practices; internal controls; audit processes; accounting standards; risk management; legal and regulatory compliance; security, information management, and information technology; reporting on environmental, social, and governance matters; and any other oversight responsibilities as the Board of Directors may assign to the Committee. The Committee is responsible for reviewing the financial statements and Annual Report and for making a recommendation with respect to approval thereof to the Board of Directors.

The Board of Directors, on the recommendation of the Committee, approved the financial statements.

The external auditor, the Auditor General of Canada, has audited the Corporation's financial statements for the year ended March 31, 2026 and her report indicates the scope of her audit and her opinion on the financial statements.

"Martin Imbleau" (signed)
President and Chief Executive Officer

"Tom Roberts" (signed)
Chief Financial and Technology Officer

Montréal, Canada
June 19, 2026

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

INDEPENDENT AUDITOR'S REPORT

To the Minister of Transport

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of VIA HFR – VIA TGF Inc. (the Corporation), which comprise the statement of financial position as at 31 March 2026, and the statement of operations, statement of change in net financial assets (net debt) and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 March 2026, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the 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 financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Corporation'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 Corporation'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

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 Corporation to cease to continue as a going concern.

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

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 financial statements, we have audited transactions of VIA HFR – VIA TGF Inc. coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the applicable provisions of Part X of the *Financial Administration Act* and regulations, the *Canada Business Corporations Act* and regulations, the by-laws of VIA HFR – VIA TGF Inc, and the directive issued pursuant to section 89 of the *Financial Administration Act* described in Note 1 to the financial statements.

In our opinion, the transactions of VIA HFR – VIA TGF Inc. that came to our notice during the audit of the 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 Canadian public sector accounting standards 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 VIA HFR – VIA TGF Inc.'s compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable VIA HFR – VIA TGF Inc. 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 financial statements are in compliance with the specified authorities referred to above.



Josée Maltais, CPA, CA
Interim Principal
for the Auditor General of Canada

Ottawa, Canada
19 June 2026

Statement of Financial Position

In thousands of Canadian dollars, unless otherwise indicated

As at March 31	NOTES	2026	2025
FINANCIAL ASSETS			
Cash		$ 22,621	$ 5,786
Government funding receivable and other	9	29,554	6,575
TOTAL FINANCIAL ASSETS		52,175	12,361
LIABILITIES			
Accounts payable and accrued liabilities	6	54,511	12,664
TOTAL LIABILITIES		54,511	12,664
NET DEBT		**$ (2,336)**	$ (303)
NON-FINANCIAL ASSETS			
Tangible capital assets	5	68,830	303
Prepaid expenses		1,869	1,152
TOTAL NON-FINANCIAL ASSETS		70,699	1,455
ACCUMULATED SURPLUS		**$ 68,363**	$ 1,152

Contingent assets and Commitments (Notes 4 and 8, respectively)

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board of Directors on June 19, 2026.

"J. Robert S. Prichard" (signed)
Chair of the Board of Directors

"Robert Fonberg" (signed)
Chair of the Audit and Risk Committee

Statement of Operations

In thousands of Canadian dollars, unless otherwise indicated

For the year ended March 31	NOTES	BUDGET	2026	2025
REVENUES				
Government funding	9	$ 520,875	$ 176,148	$ 70,284
Interest revenue		–	423	413
TOTAL REVENUES AND GOVERNMENT FUNDING		520,875	176,571	70,697
EXPENSES				
Rail network design and development		350,350	51,782	42,277
Stakeholder engagement		38,193	15,460	8,588
Corporate stewardship		36,741	42,118	26,115
TOTAL EXPENSES	10	425,284	109,360	76,980
OPERATING SURPLUS (DEFICIT)		$ 95,591	**$ 67,211**	$ (6,283)
ACCUMULATED OPERATING SURPLUS AT BEGINNING OF YEAR		1,152	1,152	7,435
ACCUMULATED OPERATING SURPLUS AT END OF YEAR		$ 96,743	**$ 68,363**	$ 1,152

The accompanying notes are an integral part of these financial statements.

Statement of Change in Net Financial Assets (Net Debt)

In thousands of Canadian dollars, unless otherwise indicated

For the year ended March 31	NOTES	BUDGET	2026	2025
OPERATING (DEFICIT) SURPLUS		$ 95,591	$ 67,211	$ (6,283)
Acquisition of Tangible capital assets	5	(95,591)	(68,740)	(282)
Amortization of Tangible capital assets	5	760	116	27
Loss on disposal of Tangible capital assets	5	–	97	–
		760	(1,316)	(6,538)
Change in Prepaid expenses		–	(717)	(587)
CHANGE IN NET FINANCIAL ASSETS (NET DEBT)		$ 760	**$ (2,033)**	$ (7,125)
NET FINANCIAL ASSETS (NET DEBT) AT BEGINNING OF YEAR		(303)	(303)	6,822
NET FINANCIAL ASSETS (NET DEBT) AT END OF YEAR		$ 457	**$ (2,336)**	$ (303)

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flow

In thousands of Canadian dollars, unless otherwise indicated

For the year ended March 31	NOTES	2026	2025
OPERATING TRANSACTIONS			
Operating (deficit) surplus[1]		$ 67,211	$ (6,283)
Changes in non-cash items			
Amortization of Tangible capital assets	5	116	27
Loss on disposal of Tangible capital assets	5	97	–
Accrued interest on Investment		–	3
Changes in non-cash working capital items			
Change in Accounts payable and accrued liabilities	6	14,183	1,193
Change in Government funding receivable		(22,979)	1,821
Change in Taxes receivable	4	–	2,334
Change in Prepaid expenses		(717)	(587)
CASH PROVIDED BY (USED FOR) OPERATING TRANSACTIONS		**$ 57,911**	$ (1,492)
CAPITAL TRANSACTIONS			
Acquisition of Tangible capital assets	5	(41,076)	(282)
CASH USED FOR CAPITAL TRANSACTIONS		**$ (41,076)**	$ (282)
INVESTING TRANSACTIONS			
Redemption of Investment		–	4,500
CASH PROVIDED BY INVESTING TRANSACTIONS		**$ –**	$ 4,500
NET INCREASE IN CASH		16,835	2,726
CASH, BEGINNING OF YEAR		5,786	3,060
CASH, END OF YEAR		**$ 22,621**	$ 5,786
SUPPLEMENTAL CASH FLOW INFORMATION			
Non-cash capital activities			
Change in Accounts payable and accrued liabilities relating to capital assets		$ (27,664)	$ –

The accompanying notes are an integral part of these financial statements.

[1] The Operating (deficit) surplus includes interest revenue of $423 ($413 - March 31, 2025) from the Corporation's working capital.

Notes to the Financial Statements

For the year ended March 31, 2026

In thousands of Canadian dollars, unless otherwise indicated

1. AUTHORITY, MANDATE AND ACTIVITIES

VIA HFR - VIA TGF Inc., operating under the project name Alto (the Corporation), was incorporated on November 29, 2022, under the provisions of the *Canada Business Corporations Act*, consistent with Orders in Council P.C. 2022-0259 and P.C. 2022-0261. The Corporation reports to Parliament through the Minister of Transport.

The Corporation's mandate is to develop and implement the high-speed rail project with the private sector, including the design, construction, financing, operation, and maintenance of passenger rail services in Ontario and Quebec through one or more agreements with the private sector, in cooperation with the Minister of Transport. The mandate may only be amended with the approval of the Governor in Council (Order in Council P.C. 2022-0261).

On February 19, 2025, the Government of Canada announced that Cadence was to be the Private Developer Partner (the PDP), to develop the high-speed rail project with the Corporation. The Government announced an investment in the co-development phase of the project, amounting to $3.9 billion over six years, starting in 2024-25. This is in addition to funding provided in Budget 2024. On March 19, 2025, as requested by the Minister of Transport and Internal Trade, the two partners entered into a Pre-Development Agreement (the PDA) setting out the terms of the co-development phase, with the Corporation acting as the project authority.

The Corporation is a wholly owned subsidiary of VIA Rail Canada Inc., from which it operates at arm's length. According to Bill C-69 that received royal assent on June 20, 2024, the Corporation is an agent of His Majesty in right of Canada, retroactive to the date of its incorporation. A Crown corporation that has agent status enjoys constitutional immunities, privileges and prerogatives that are enjoyed by the Crown and can bind the Crown by its acts. Furthermore, the Corporation must comply with all provisions of Part X of the *Financial Administration Act* that apply only to parent Crown corporations, as if it were a parent Crown corporation – except for sections 104.1, 105, 106, 107 and 108 in accordance with Order in Council P.C. 2022-0260. Bill C-15 that received royal assent on March 26, 2026, enacts the *High-Speed Rail Network Act,* which establishes a legislative framework to facilitate the implementation of a rail network that allows for the carrying of passengers at high speed between Quebec and Ontario.

The Corporation depends on funding from the Government of Canada for its operations. The Corporation has received Treasury Board of Canada approval for its 2025-26 to 2029-30 Corporate Plan as well as its 2026-27 to 2030-31 Corporate Plan. The Corporate Plans are aligned with Part X of the *Financial Administration Act* and the policy direction provided by the Corporation's ultimate shareholder, the Government of Canada, and reflect its plans and priorities.

In January 2026, the Corporation was issued a directive (P.C. 2026-0009) pursuant to section 89 of the *Financial Administration Act* to align its 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 consistent with its mandate and to report on the implementation of this directive in the Corporation's next corporate plan. The Corporation is working toward alignment with the Buy Canadian Procurement Policy Framework and currently expects to be fully aligned by December 31, 2026.

The financial statements were approved by the Board of Directors on June 19, 2026.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of accounting

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) established by the Public Sector Accounting Board (PSAB).

b. Measurement uncertainty

The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements, the reported amounts of revenue and expenses during the reporting period, as well as related note disclosures.

The items subject to the most significant estimates are Contingent Assets, Tangible capital assets (Assets under development and the estimated useful life of Tangible capital assets), Accounts payable and accrued liabilities, Operating expenses. These estimates are reviewed by management on an ongoing basis. Actual results could differ significantly from these estimates.

Proxy rates and reconciliation to actual costs

As services are provided by the PDP, present economic obligations are created based on actual costs incurred. However, the Corporation is billed for eligible costs under the PDA using a proxy all-in cost rate approach (the proxy rate) by the PDP. The proxy rate is a standard rate established under the terms of the PDA.

Under the terms of the PDA, amounts billed at the proxy rate are subject to periodic reconciliation to actual costs incurred at a frequency agreed upon with the PDP. Upon completion of each reconciliation, an adjustment is determined for the difference between amounts billed at the proxy rate and actual costs incurred for the reconciliation period and is then settled. As a result, measurement uncertainty exists for accounts impacted by PDP billings, such as: Contingent assets (Note 4), Tangible capital assets (specifically Assets under development) (Note 5), Accounts payable and accrued liabilities (Note 6) and Operating expenses (Note 10).

As at March 31, 2026, the first proxy rate reconciliation under the PDA is planned to occur in fiscal year 2026-27. The resulting adjustment, if any, may be a payable, receivable, or nil adjustment, depending on the relationship between the proxy rate and actual costs incurred for the period. Because the reconciliation process was not complete for the reporting period, and the information necessary to determine the adjustment was not available, management is unable to make a reasonable estimate of the amount of the adjustment, if any. Accordingly, no amount has been recognized in these financial statements in respect of the reconciliation. Any adjustment will be recognized in the period in which the reconciliation is completed and the amount becomes determinable.

c. Cash

Cash is comprised of demand deposits held at Canadian chartered banks in both Canadian and U.S. currencies.

d. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are recorded and carried at cost.

Amounts payable to the Private Developer Partner relate to the development activities of the high-speed rail project performed to date and are determined in compliance with the terms of the PDA dated March 19, 2025. The PDA is outside the scope of PS 3160 Public Private Partnerships because under the terms of the PDA, the

Corporation controls the infrastructure asset and bears the associated construction and financial risks, with the Private Developer Partner bearing no financing responsibilities.

e. Financial instruments

Financial instruments are classified in one of the following categories: (i) fair value; or (ii) cost or amortized cost. The Corporation determines the classification of its financial instruments at initial recognition.

Financial instruments, including Cash, and Accounts payable and accrued liabilities, are initially recorded at their fair value and are subsequently measured at amortized cost, net of any provisions for impairment.

The measurement of financial instruments depends on their classification as follows:

CATEGORIES	FINANCIAL INSTRUMENTS	MEASUREMENT
Financial Assets	Cash	Cost
Financial Liabilities	Accounts payable and accrued liabilities	Cost

The Corporation identifies, assesses and manages financial risks in order to minimize their impact on its results and financial position. Financial risks are managed in accordance with specific criteria. The Corporation does not engage in speculative transactions or the use of derivatives.

f. Tangible capital assets

Tangible capital assets consist primarily of assets under development related to the Corporation's high-speed rail network, and corporate assets. Tangible capital assets are recorded at cost less accumulated amortization.

Assets under development represent costs incurred for the design and development of the Corporation's high-speed rail network infrastructure and related components. Such costs include expenditures that are directly attributable to the development of tangible capital assets. Assets under development are not amortized, as the underlying assets are not yet available for use. The accumulated costs will be transferred to the appropriate tangible capital asset category when the assets are substantially complete and ready for their intended use. Amortization will commence at that time and will be recognized over the estimated useful lives of the assets on a systematic basis.

Tangible capital assets in use are amortized over their estimated useful lives using a straight-line method, over the following periods:

Office equipment and furniture	5 years
IT software and hardware	5 years
Leasehold improvements	Lease term

When conditions indicate that a tangible capital asset no longer contributes to the ability of the Corporation to provide services, or that the value of future economic benefits associated with a tangible capital asset is below its carrying value, the cost of the tangible capital asset is reduced to reflect impairment. Impairment is recorded in the Statement of Operations as an expense. Assessments to evaluate impairment are conducted at each reporting period.

The amortization and write-downs of Tangible capital assets are recognized in the Statement of Operations.

g. Government funding

The Corporation receives funds from Transport Canada for operating and capital expenditures, which are released from the annual parliamentary appropriations authorized by Parliament. The Corporation recognizes parliamentary appropriations as revenue when authorized and eligibility criteria are met, up to the limit of voted authority. Funds received are released as the Corporation becomes eligible based on expenditures expected to be incurred under its expenditure management program and the Treasury Board of Canada Secretariat's *Directive on Payments*. Any portion of the Parliamentary appropriations, authorized and eligible but not received by the Corporation, is recognized as Government funding receivable.

h. Interest

Interest on cash deposits is recorded in the period in which it is earned.

i. Operating expense recognition and functional presentation

The Corporation recognizes expenses in the period in which they are incurred. Estimates for accruals are made at the end of each reporting period.

As described in note 2(f), a portion of the expenses incurred by the Corporation relates to activities that meet the criteria for capitalization as tangible capital assets under development. Costs that are directly attributable to the development of the high-speed rail network infrastructure are capitalized to assets under development and are therefore excluded from the operating expenses.

Operating expenses are presented in the Statement of Operations by function, consistent with how the Corporation's management reviews its expenses. The nature of expenses is disclosed in note 10. Functional classifications are defined as follows:

- Rail network design and development: This category includes expenses related to the technical, planning, and professional activities required to design and develop the passenger rail service. It comprises activities such as engineering and architectural services, environmental impact assessments, simulation and modelling of rail operations, and consulting fees for specialized transportation planning.
- Stakeholder engagement: This category includes activities undertaken to communicate, collaborate, and build relationships with external parties that have an interest in or role related to the project. It comprises activities such as community consultations, engagement with Indigenous communities, and collaboration with partners, including various levels of government and transportation authorities.
- Corporate stewardship: This category includes activities that support the Corporation's internal governance, risk management, and corporate functions including finance, human resources, and information technology.

j. Employee future benefits / Employee benefits

Pension benefit plans

The Corporation offers a defined contribution pension plan to all its employees and a non-registered savings plan to its executives. The Corporation's contributions to these pension plans are recognized as an expense in the period in which employees have rendered the service entitling them to the contributions.

Other benefit plans

The Corporation offers short-term employee benefits including vacation leave, sick leave, health, dental, life insurance, and long-term disability benefits. Vacation and sick leave benefits do not vest and do not accumulate beyond the end of the fiscal year in which they were awarded. The cost of these benefits is recognized in the period in which the expense relates and is not discounted.

Long-term incentive plan

The Corporation offers a long-term incentive plan to executive employees (excluding the CEO). Awards under the plan vest at the end of a three-year performance period and payout is contingent on (i) continued employment on the payout date, and (ii) achievement of performance objectives set by the Board at the recommendation of the Human Resources, Corporate Governance and Nominating Committee prior to the start of each fiscal year comprising the three-year performance period. The award obligation is accrued over time as earned.

k. Foreign currency translation

Transactions denominated in a foreign currency are translated into Canadian dollars at the exchange rate in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using rates as at March 31.

The Corporation elected to recognize all exchange gains and losses resulting from foreign currency transactions in the Statement of Operations, including those exchange gains and losses arising prior to settlement or derecognition of all financial instruments.

l. Budget figures

Budget figures included in the financial statements were provided for comparison. These figures are from the 2025-26 to 2029-30 Corporate Plan, which was approved by the Corporation's Board of Directors and the Treasury Board of Canada.

m. Inter-entity and related party transactions

Inter-entity transactions are presented at the exchange amount and are disclosed when entering into transactions with commonly controlled entities (entities controlled by the Government of Canada).

n. Contingent assets

Contingent assets are possible assets which may become actual assets when one or more future events, not wholly in the Corporation's control, occur or fail to occur. In accordance with PSAS, contingent assets are not recognized in the financial statements. However, they are disclosed when the confirming future event is likely to occur.

o. Accounting standards issued but not yet effective

The following standards have been issued by the PSAB but are not yet effective:

The Conceptual Framework for Financial Reporting in the Public Sector - The Conceptual Framework replaces Financial Statement Concepts, Section PS 1000, and Financial Statement Objectives, Section

PS 1100. The Conceptual Framework applies to fiscal years beginning on or after April 1, 2026. The Corporation will adopt the Conceptual Framework on April 1, 2026.

PS 1202 Financial statement presentation - This new Section sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts in the Conceptual Framework. The main changes are to the statement of financial position, adding a new statement of net financial assets or net financial liabilities, and adding a new statement of changes in net assets or net liabilities. This standard applies to fiscal years beginning on or after April 1, 2026. The Corporation will adopt this standard on April 1, 2026.

PS 3251 Employee benefits – This new Section replaces Section PS 3250 and Section PS 3255. It establishes standards for the recognition, measurement, presentation and disclosure of all employee benefits, including short-term employee benefits, post-employment benefits, other long-term employee benefits and termination benefits. This standard applies to fiscal years beginning on or after April 1, 2029, with earlier adoption permitted.

PS 3150 Tangible capital assets – This Section has been amended. The main features of the amendments that may impact the Corporation's financial statements include a new criterion added to the definition of a tangible capital asset, new guidance for tangible capital assets purchased at a value substantially below fair value, and new guidance for contributed material or labour during the development or construction of tangible capital assets. These amendments apply to fiscal years beginning on or after April 1, 2030, with earlier adoption permitted.

The Corporation is currently evaluating the impact of adopting these standards on its financial statements.

3. FINANCIAL INSTRUMENTS

a. Fair value

The carrying value of the Corporation's financial assets and financial liabilities, approximates their fair value due to their short-term nature.

For the year ended March 31, 2026, no impairment was recognized on these instruments.

b. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Corporation's maximum exposure to credit risk as at March 31, 2026, relates to Cash of $22,621 ($5,786 at March 31, 2025). The Corporation does not have any significant credit risk given cash is deposited with chartered Canadian banks and reputable financial institutions and the Corporation regularly monitors its accounts' activity.

c. Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. The Corporation's activities are funded by Parliamentary appropriations received from the Government of Canada. The liquidity risk is low given the Corporation manages the risk by establishing budgets with detailed cash estimates, regularly monitoring of its cash flow requirements, and frequently communicating with Transport

Canada to manage ongoing cash requirements and secure appropriate funding. The Corporation's Accounts payable and accrued liabilities are non-interest-bearing and are payable 30 days after the receipt of an invoice.

d. Market risk

Market risk is the risk of an impact on results from changes in market factors such as fluctuations in foreign currency exchange rates, interest rates, and equity prices.

The Corporation is subject to foreign currency exchange rate risk on its U.S. dollar Cash, and foreign dollar denominated Accounts payable and accrued liabilities. The foreign exchange rate risk is low given foreign denominated balances are not significant.

4. CONTINGENT ASSETS

As a result of the enactment, on June 20, 2024, of Bill C-69, *An Act to implement certain provisions of the budget tabled in Parliament on April 16, 2024,* the Corporation is an agent of His Majesty in right of Canada, with retroactive effect to November 29, 2022, the date of its incorporation. Subject to final ruling by the relevant tax authorities, there is uncertainty surrounding the range of possible values that the Corporation may be eligible to recover as an Agent Crown corporation. The Corporation estimates that if a favourable ruling is obtained, it is likely to recover at least 50% of sales taxes on goods and services, or approximately $13,552 as at March 31, 2026 ($5,097 at March 31, 2025). This estimate will continue to be reviewed in the context of rulings from the relevant tax authorities. The Corporation will recognize the receivable only when realization becomes virtually certain.

5. TANGIBLE CAPITAL ASSETS

	IT hardware	IT software	Office Furniture and equipment	Leasehold improvements	Assets under development	Total
COST						
April 1, 2024	$ 52	$ –	$ –	$ –	$ –	$ 52
Additions	–	121	137	24	–	282
March 31, 2025	52	121	137	24	–	334
Additions	50	177	78	255	68,180	68,740
Disposals	–	(121)	–	–	–	(121)
March 31, 2026	102	177	215	279	68,180	68,953
ACCUMULATED AMORTIZATION						
April 1, 2024	(4)	–	–	–	–	(4)
Amortization	(10)	(6)	(9)	(2)	–	(27)
March 31, 2025	(14)	(6)	(9)	(2)	–	(31)
Amortization	(13)	(48)	(30)	(25)	–	(116)
Disposals	–	24	–	–	–	24
March 31, 2026	(27)	(30)	(39)	(27)	–	(123)
NET BOOK VALUE						
As at March 31, 2025	$ 38	$ 115	$ 128	$ 22	$ –	$ 303
As at March 31, 2026	**$ 75**	**$ 147**	**$ 176**	**$ 252**	**$ 68,180**	**$ 68,830**

As at March 31, 2026, the Corporation has recognized $68,180 in Assets under development relating to costs incurred that are directly attributable to the development of the high-speed rail network infrastructure and related components. These assets are not yet available for use and, accordingly, are not amortized.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accruals are made at the end of the period to present expenses and liabilities for the period. Accounts payable and accrued liabilities include the following:

As at March 31	2026	2025
Trade payables	$ 10,328	$ 9,025
Due to the Private Developer Partner	36,423	954
Accrued vacation, wages and benefits payable	7,760	2,685
TOTAL	**$ 54,511**	$ 12,664

Accounts payable and accrued liabilities are short-term in nature, except for obligations under a non-registered savings plan for executives of $99 as at March 31, 2026 ($59 – March 31, 2025) included in Accrued vacation, wages and benefits payable, which are payable upon the executives' departure or retirement. These amounts are payable at an indeterminable future date.

7. EMPLOYEE FUTURE BENEFITS/EMPLOYEE BENEFITS

The Corporation offers defined contribution benefit plans to its employees, including a defined contribution pension plan, a non-registered savings plan, and a group benefit plan. The expenses recognized for each plan are disclosed in the table below:

For the year ended March 31	2026	2025
Pension plan – employer contribution	$ 1,810	$ 970
Non-registered savings plan – employer contribution	39	59
Group benefit plan – employer contribution	1,584	601
TOTAL	**$ 3,433**	$ 1,630

a. Pension plan

The defined contribution pension plan is a registered pension plan where contribution amounts are pre-determined, and the benefit received at retirement depends on the amount of the contributions accumulated and the earnings on the contributions. Participation in the plan is compulsory, in most circumstances, and employees must join immediately upon becoming eligible for participation. Employees are required to make minimum contributions equal to 4% of their base earnings and may make optional contributions of up to 3% of their base earnings, for a maximum possible total of 7% of base earnings. The Corporation matches 100% of employee contributions.

b. Non-registered savings plan

The defined contribution non-registered savings plan is for employees at the executive level who have reached the annual *Income Tax Act* limit within the defined contribution pension plan. The contributions are made solely by the Corporation and are recorded as liabilities when earned by employees, with a corresponding employee benefit expense. There is no legal requirement for the Corporation to invest in corresponding plan assets related to this plan. At this time, the Corporation has not designated any assets and there are no assets in trust to offset the liability for this plan.

c. Group benefit plan

Premiums for a comprehensive suite of benefits are paid by the Corporation. They include an insured portion (for health benefits) and an uninsured portion (for personal benefits), the latter being paid by the Corporation based on use.

8. COMMITMENTS

The Corporation has commitments due in future years for IT services, professional services and for rent on operating leases for office space, totaling $22,597 ($18,081 – March 31, 2025). The minimum payments are as follows:

	IT SERVICES	PROFESSIONAL FEES	RENT	TOTAL
2027	$ 1,723	$ 100	$ 2,044	$ 3,867
2028	1,246	–	2,455	3,701
2029	639	–	2,573	3,212
2030	37	–	2,642	2,679
2031 & onwards	–	–	9,138	9,138
TOTAL	**$ 3,645**	**$ 100**	**$ 18,852**	**$ 22,597**

On March 19, 2025, the Corporation entered into a multi-year Pre-Development Agreement with Cadence to co-develop the high-speed rail network. Pursuant to the agreement, the Corporation reimburses actual eligible project costs incurred by Cadence and approved in accordance with the agreement as project activities progress. Payments are not subject to fixed minimum funding requirements. Multi-year project budgets and cash flow forecasts are established to support project planning, financing, and liquidity management; however, such budgets do not constitute legally binding commitments of the Corporation to fund specified amounts. The agreement includes customary termination provisions under which the Corporation would be obligated to reimburse eligible costs incurred up to the termination date. As at March 31, 2026, the Corporation had no material contractual commitment for future expenditures beyond costs incurred and payable in respect of work performed to date. Accordingly, professional fees indicated in the table above exclude amounts related to this agreement.

9. RELATED PARTY TRANSACTIONS

The Corporation is related to Government of Canada Departments, Agencies and Crown corporations through common control. Transactions recorded in the Corporation's financial information are measured at the exchange amount. The Corporation enters into transactions with these entities in the normal course of business for some specific services.

The Corporation received a variety of administrative support services from its parent corporation, VIA Rail, in the areas of finance, human resources, and information technology. This included the use of underlying systems, such as VIA Rail's financial system. The Corporation recorded $3,393 in expenses for the year ($2,680 – March 31, 2025).

As part of the Interchange Canada program, federal public servants were seconded from a variety of federal departments to the Corporation to support its operations and contribute to the professional development of the participants. The Corporation recorded $757 in expenses for the year ($1,757 – March 31, 2025) related to these services.

The Corporation received consulting services to support the procurement process from Public Services and Procurement Canada. The Corporation recorded $82 in expenses for the year ($492 – March 31, 2025).

The funds received from the Government of Canada are related to items contained in the Corporation's voted appropriation named Payments to the Corporation for operating and capital expenditures, held by Transport Canada. The Corporation recorded $176,148 in revenues for the year ($70,284 – March 31, 2025).

The amounts due to related parties included in Accounts payable and accrued liabilities are as follows:

As at March 31		2026		2025
VIA Rail Canada Inc.	$	376	$	337
Impact Assessment Agency of Canada		182		–
Infrastructure Canada		25		156
Public Services and Procurement Canada		18		24
Transport Canada		–		1,247
TOTAL	**$**	**601**	$	1,764

Any portion of the Parliamentary appropriations received from the Government of Canada, which are authorized and eligible but not received by the Corporation, is recognized as Government funding receivable, as follows:

As at March 31		2026		2025
Government of Canada	$	29,554	$	6,575
TOTAL	**$**	**29,554**	$	6,575

No transactions are recorded when a related party operates within its mandate to support the high-speed rail network project unless an explicit agreement with the Corporation is reached.

During the year, the Corporation received audit services without charge from the Office of the Auditor General. No costs are recorded in the financial statements for these services.

Transport Canada and the Corporation made their respective office spaces in Ottawa and Montréal available to each other at no cost.

Key management personnel:

Other than compensation and benefits, the Corporation has not entered into transactions with its key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Corporation, including the Corporation's senior management personnel and members of its Board of Directors.

10. OPERATING EXPENSES

The following table presents the breakdown of Operating Expenses by nature.

For the year ended March 31		2026		2025[2]
Employee costs	$	44,610	$	23,389
Private Developer Partner		32,627		954
Professional services		21,564		47,274
Equipment		3,363		2,750
Other Costs		3,015		92
Travel		2,185		927
Leases		1,879		1,567
Amortization		117		27
TOTAL OPERATING EXPENSES	**$**	**109,360**	$	76,980

[2] Certain comparative figures from the 2024-25 financial statements have been reclassified to conform to the 2025-26 presentation. Specifically, certain operating expenses by nature disclosed in note 10 were reclassified to provide more clarity about the nature of expenses. These reclassifications had no effect on the previously reported operating surplus (deficit), accumulated operating surplus or net financial assets (net debt).

Governance at Alto

Board

Management

Transparency and Trust



Governance at Alto

Alto is a federal Crown corporation and agent corporation of His Majesty. The Corporation was incorporated under the *Canada Business Corporations Act* on November 29, 2022, and is a wholly owned subsidiary of the federal Crown corporation VIA Rail Canada Inc. (VIA Rail).

While Alto is not a parent Crown corporation as defined in the *Financial Administration Act* (FAA), in accordance with Order in Council P.C. 2022-0260, the Corporation operates as a parent Crown corporation, with limited exceptions, and at arm's length from VIA Rail.

Alto is ultimately accountable to Parliament, through the Minister, for the conduct of its affairs and is overseen by an independent board of directors (the Board).

Alto reports to Parliament and Canadians on its operations through its annual report, corporate plan summary, and quarterly financial reports. Copies of these reports can be found on Alto's website under About Us | Transparency and Trust (altotrain.ca).

BOARD

The Board is responsible for the stewardship, oversight, and strategic direction of the Corporation and for ensuring that the business and activities carried on by Alto are consistent with its mandate.

The Board has adopted a charter that sets out its roles and responsibilities and offers detailed guidelines on procedures.

Among its principal duties, the Board:

- Provides overall stewardship and strategic oversight of the Corporation and its mandate.
- Approves key plans, budgets, and reports, and monitors organizational performance.
- Oversees risk, internal controls, financial reporting, and governance frameworks.
- Supervises management, including CEO succession, performance objectives, and executive compensation.
- Promotes integrity, ethical conduct, and Board effectiveness through governance policies, education, and evaluation.



J. Robert S. Prichard
Chair of the Board
of Directors



Marie-José Nadeau
Vice Chair of the Board
of Directors



Fiona Blondin
Board Member



Robert Fonberg
Board Member



Claude Généreux
Board Member



Michael Keenan
Board Member



Marie-France Poulin
Board Member

Directors

Alto's directors are appointed by the Corporation's sole shareholder, VIA Rail, upon recommendation from the Minister and after consultations held between the Board, VIA Rail and Transport Canada.

Each director may serve for one or more terms of no more than three years each and may not hold office for more than an aggregate of ten years.

The Chair of the Board is appointed by VIA Rail upon recommendation from the Minister and after consultation with the Board, and the Vice Chair of the Board and the committee chairs are appointed by the Board.

On March 31, 2026, the Board was comprised of seven directors, each of whom are independent from Alto's management. The directors represent a diverse group in terms of background, gender, language, and regional representation along the corridor. Director biographies are available on Alto's website under About Us | The Alto Team (altotrain.ca).

The table below sets out the directors' appointment dates, terms and end dates as of March 31, 2026.

DIRECTOR	LOCATION	INITIAL APPOINTMENT DATE	3-YEAR TERM	CURRENT TERM END DATE
J. Robert S. Prichard	Toronto, Ontario	December 13, 2022	Second	December 13, 2028
Marie-José Nadeau	Montréal, Québec	December 13, 2022	Second	December 13, 2028
Robert Fonberg	Ottawa, Ontario	November 29, 2022	Second	November 29, 2028
Fiona Blondin	Toronto, Ontario	June 2, 2023	Initial	June 2, 2026
Claude Généreux	Montréal, Québec	November 12, 2025	Initial	November 12, 2028
Michael Keenan	Ottawa, Ontario	November 28, 2023	Initial	November 28, 2026
Marie-France Poulin	Québec City, Québec	March 27, 2024	Initial	March 27, 2027

In November 2025, on the recommendation of the Board and the Minister, VIA Rail appointed Claude Généreux as director, renewed the initial term of office for each of J. Robert S. Prichard, Marie-José Nadeau, and Robert Fonberg, for a second three-year term, and reappointed Mr. Prichard as Chair of the Board. In February 2026, the Board recommended terms for Fiona Blondin and Michael Keenan, set to expire in 2026, each be renewed for a second three-year term.

During 2025-26, Alto's articles of incorporation were amended, in accordance with Order in Council P.C. 2026-0180, to increase the maximum number of directors from seven to eleven. The search for additional directors is ongoing.

The Board has adopted a skills matrix to guide director recruitment, renewal and development planning, and to ensure the Board collectively possesses the skills and expertise necessary to oversee the development and delivery of the project while meeting public sector governance expectations.

Each director has a wealth of experience and, collectively, the directors possess the following skills:

- Public sector and Crown corporation accountability
- Financial literacy and oversight
- Risk management
- Legal and regulatory affairs
- Human resources, compensation, executive performance, and diversity, equity and inclusion
- Strategic planning and corporate development
- Communications, government affairs, and public affairs
- Major projects management
- Transportation industry—rail and other linear infrastructure
- Indigenous and stakeholder relations
- Environment and sustainability

Each director is expected to display the following behavioral competencies to further Alto's values:

- Strategic judgement: ability to see the big picture and align with long-term public interest
- Independent thinking: willingness to challenge constructively and exercise sound judgement
- Integrity and public service orientation: commitment to transparency, ethics, and accountability
- Collaborative leadership: ability to build trust and consensus among diverse stakeholders
- Adaptability and agility: comfort with evolving mandates and emerging technologies

Board Committees

The Board has established two committees, the Audit and Risk Committee (ARC) and the Human Resources, Corporate Governance and Nominating Committee (HRCGNC), to assist with its oversight of the Corporation.

Each committee must comprise a minimum of three directors who are appointed by the Board, and one of these members is designated by the Board to be the Chair of the committee. The Chair of the Board is an *ex officio* member of all committees, and every director receives all committee materials and is welcome to attend committee meetings.

The Board has adopted charters for both committees which set out the roles and responsibilities of each committee and offer detailed guidelines on procedures. The committees have established annual work plans that outline items for discussion and decision, ensuring that all matters delegated from the Board are addressed.

BOARD COMMITTEE	PRINCIPAL OVERSIGHT
ARC *Robert Fonberg (Chair), Marie-José Nadeau, Fiona Blondin, Michael Keenan and Marie-France Poulin*	• Financial reporting and disclosures, policies, processes and practices • Internal controls • Audit processes • Accounting standards • Risk management (including insurance coverage) • Legal and regulatory compliance • Security, information management, and information technology • Reporting on environmental, social, and governance (ESG) matters
HRCGNC *Marie-José Nadeau (Chair), Robert Fonberg, Fiona Blondin, Michael Keenan and Marie-France Poulin*	• Human resources and governance policies, programs and practices • CEO appointment and director appointment recommendations • CEO, executive team and corporate objectives and performance evaluations • CEO and executive team compensation and incentives recommendations • Employee compensation, incentives and benefit plans • Human resources strategic plan • CEO and executive team succession planning • Reporting on ethics matters and code of conduct compliance • Board evaluations

Meetings

The Board and committee meeting calendar is generally organized as follows:

BOARD	Four in-person meetings on a quarterly basis and two virtual touchpoint meetings to approve the annual report and the corporate plan
ARC	Four in-person meetings on a quarterly basis and two virtual touchpoint meetings to review and recommend the financial aspects of the annual report and corporate plan
HRCGNC	Four in-person meetings on a quarterly basis

Special meetings of the Board or committees are held as required.

The Board has adopted a recusal policy to ensure that conflicts of interest are appropriately managed.

Board and committee meeting agendas always include an *in-camera* session allowing directors to hold confidential discussions, both with and without the CEO. The ARC also holds *in-camera* sessions with representatives from the Office of the Auditor General of Canada and the Corporation's internal auditor (Chief Audit Executive) at each regularly scheduled committee meeting.

The table below presents the directors' attendance at each Board and committee meeting in 2025-26.

	BOARD		ARC	HRCGNC
	REGULAR	SPECIAL		
J. Robert S. Prichard[3]	6/6	3/3	N/A	N/A
Marie-José Nadeau	6/6	3/3	6/6	4/4
Robert Fonberg	6/6	3/3	6/6	4/4
Fiona Blondin	6/6	2/3	6/6	4/4
Claude Généreux[4]	3/3	N/A	N/A	N/A
Michael Keenan	6/6	3/3	6/6	4/4
Marie-France Poulin	6/6	2/3	6/6	4/4

Director Onboarding and Education

The Board has established a director onboarding program, and an ongoing director education program is in development. To ensure the directors have ongoing development opportunities, management provides deep-dive presentations to the Board and the committees, and directors are invited to events attended by Alto.

[3] The Chair of the Board attended all committee meetings in 2025–26 as an ex-officio member of each committee.

[4] Mr. Généreux was appointed to the Board on November 12, 2025, and was not a member of any committee in 2025–26.

Director Remuneration

The Board, in consultation with the Minister, establishes the remuneration paid to the Chair, Vice Chair, committee Chairs, and other directors, in accordance with Order in Council P.C. 2022-0260.

Directors are remunerated with a flat fee annual retainer for their services and participation in Board and committee meetings. No changes have been made to the director's compensation regime since it was last reviewed by the Board at the end of 2024 in consultation with the Minister.

Annual director fees for 2025–26:

- Chair: $120,000
- Vice Chair: $90,000
- Committee Chair: $55,000
- Other Directors: $45,000

The annual retainers are not cumulative. For instance, the Vice Chair is also the Chair of the HRCGNC and only receives the Vice Chair annual retainer. Directors are also reimbursed for all reasonable out-of-pocket expenses incurred while performing their duties, in accordance with the Corporation's policies on travel and hospitality. Directors are not paid any meeting per diems and do not receive any other taxable benefits.

The table below sets out the directors' remuneration and reimbursements in 2025–26.

	RETAINER EARNED[5]	TRAVEL AND TRAINING REIMBURSEMENTS	TOTAL
J. Robert S. Prichard	$120,038.97	$11,523.94	$131,562.91
Marie-José Nadeau	$90,029.27	$5,890.97	$95,920.24
Robert Fonberg	$56,130.08	$6,137.94	$62,268.02
Fiona Blondin	$45,014.60	$7,777.12	$52,791.72
Claude Généreux[6]	$17,074.44	–	$17,074.44
Michael Keenan	$45,014.60	$4,293.78	$49,308.38
Marie-France Poulin	$45,014.60	$4,014.54	$49,029.14
TOTAL	**$418,316.56**	**$39,638.29**	**$457,954.85**

[5] Annual retainers are paid to directors bi-weekly, in arrears. These amounts reflect the actual amounts earned between April 1, 2025, and March 31, 2026.

[6] Mr. Généreux was appointed to the Board on November 12, 2025, and did not incur any reimbursements in 2025–26.

MANAGEMENT

Executive Team

Alto's day-to-day operations are overseen by an executive team chaired by the CEO. This team brings extensive experience in project management, railway engineering, including expertise in high-speed rail development in other jurisdictions, public affairs, Indigenous and stakeholder relations, commercial and procurement matters, land acquisition, governance, and legal affairs.



Martin Imbleau
President and Chief Executive Officer



Jacynthe Audette
Chief Commercial Officer



Pierre-Yves Boivin
Chief Communications and Engagement Officer



Maria Luisa Dominguez
Chief Project Management Officer



Josée Kouri
Chief Governance Officer and Corporate Secretary



Gwenaëlle Legendre
Chief People and Culture Officer



Marc-Olivier Ranger
Chief Strategic Policy, Environment and Partnerships Officer



Tom Roberts
Chief Financial and Technology Officer



Félix Turgeon
Chief Legal and Real Property Assets Officer

Biographies of the executive team members are available on Alto's website under About Us | The Alto Team (altotrain.ca).

The executive team members regularly present to the Board and the committees.

Executive Compensation

A competitive compensation package is key to Alto's ability to attract and retain a diverse and qualified executive team. Alto's total compensation program consists of a base salary, performance incentives, and benefits.

The Board, through the HRCGNC, reviews the compensation package regularly to ensure that it is reasonable and competitive with similar public and private sector organizations, and, in consultation with the Minister, approves the CEO compensation on an annual basis.

The table below provides an overview of the 2025–26 executive compensation for the CEO and his direct reports. As an employee's specific compensation is personal information and protected in accordance with provisions of the

Access to Information Act and the *Privacy Act*, Alto does not report the actual salary and incentives paid to executives, but rather the range for their positions, on an annualized basis.

2025–26 EXECUTIVE CASH COMPENSATION DISCLOSURE		
Compensation	**CEO**	**Direct Reports**
Base Salary	$573,500 – $674,700[7]	$228,500 – $424,360
Short-term Incentive Program Target Range[8] (as a % of base salary)	80% – 100%	30% – 40%
Long-term Incentive Program Target Range[9] (as a % of base salary)	–	40% – 50%

TRANSPARENCY AND TRUST

Alto is committed to building strong and trustful relationships with stakeholders, partners, and the communities and prioritizes openness and transparency by sharing information about our operations, activities, governance, and finances with the public.

Alto proactively discloses financial information, in compliance with Government of Canada guidance and direction, on Alto's website under About Us | Transparency and Trust | Reports (altotrain.ca).

Alto publishes its annual and quarterly reports, including the Annual Report, Quarterly Financial Report, Access to Information Act Report, Privacy Act Report, Supply Chains Act Report, and Report on climate related financial risks management (the Climate Report), on its website under About Us | Transparency and Trust | Reports (altotrain.ca). The 2024–25 Climate Report remains current for 2025–26.

Alto also publishes its corporate plan summaries on Alto's website under About Us | Transparency and Trust | Corporate Plans (altotrain.ca).

Alto proactively discloses travel and hospitality incurred by senior executives and Board of Directors on the Open Canada website monthly, and these disclosures are accessible from Alto's website under About Us | Transparency and Trust | Proactive Disclosure (altotrain.ca).

As a Crown corporation, Alto has aligned its travel, hospitality, conference and event expenditure policies, guidelines and practices with Treasury Board policies, directives and related instruments in a manner that is consistent with Alto's legal obligations.

[7] The CEO's base salary was benchmarked against a peer group of private and public sector companies and falls within the salary range for Governor in Council appointed Crown corporation CEOs (Group CEO 8).

[8] The short-term incentives are based on the achievement of Alto's annual corporate objectives and individual performance objectives, set by the Board at the recommendation of the HRCGNC prior to the start of each fiscal year.

[9] The long-term incentive plan aims to align a portion of executives' (excluding the CEO) total compensation with the long-term success of Alto and to foster retention. Awards vest at the end of a three-year performance period, and payout is contingent on (i) continued employment on the payout date, and (ii) achievement of performance objectives set by the Board at the recommendation of the HRCGNC prior to the start of each fiscal year comprising the three-year performance period.

Code of Business Conduct and Ethics

The Board has adopted a code of business conduct and ethics (the Code). The Code applies to personnel and directors of the Corporation and serves as the foundation for how the Corporation does business while maintaining its reputation for ethical excellence. The Code sets out Alto's values, its commitment to ethics, and expected behaviours from all members of personnel and directors in their dealings with colleagues, government authorities, suppliers, and other stakeholders.

All Alto personnel and directors are asked to confirm their commitment to adhere to the principles set out in the Code, and to complete a disclosure form for purposes of identifying, managing, and monitoring conflicts of interests, whether actual, potential, or perceived, at least annually.

Annual Public Meeting

Alto's last annual public meeting (APM) was held on August 28, 2025, and co-chaired by the Chair of the Board, J. Robert S. Prichard, the Vice Chair of the Board, Marie-José Nadeau, and Alto's CEO, Martin Imbleau. An on-demand video of the APM is available on Alto's website under News | Alto's Annual Public Meeting 2025 (altotrain.ca).

Alto's next APM will be held in the fall of 2026. This event will offer an opportunity for attendees to gain insights into the Corporation's mandate, main accomplishments during its fiscal year ended March 31, 2026, and its vision for the fiscal year 2026–27, and to engage directly with Alto by submitting questions and inquiries in advance or by logging on to the webcast on the day of the event.

Contact Us

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ALTO

High-Speed Train