407 International

# Interim Condensed Consolidated Financial Statements

**September 30, 2026**

**407 INTERNATIONAL INC**

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

**(in millions of Canadian dollars)**

**(Unaudited)**

| | Notes | As at September 30 2026 | As at December 31 2025 |
|---|---|---|---|
| **Assets** | | | |
| Current assets | | | |
| Cash and cash equivalents | 14 | $ 995.1 | $ 351.1 |
| Restricted cash and investments | 5 | 437.1 | 396.7 |
| Trade receivables and other | 8 | 574.2 | 450.2 |
| Total current assets | | 2,006.4 | 1,198.0 |
| Non-current assets | | | |
| Restricted cash and investments | 5 | 680.7 | 673.1 |
| Deferred tax assets | | 47.0 | 68.8 |
| Intangible assets | 7 | 1,382.9 | 1,398.1 |
| Property, plant and equipment | 6 | 2,442.9 | 2,484.2 |
| Total non-current assets | | 4,553.5 | 4,624.2 |
| **Total assets** | | **$ 6,559.9** | **$ 5,822.2** |
| **Liabilities and equity** | | | |
| Current liabilities | | | |
| Trade and other payables | | $ 142.1 | $ 151.8 |
| Contract liabilities | | 32.5 | 28.9 |
| Accrued interest on long-term debt | | 161.4 | 132.0 |
| Lease obligations | | 0.9 | 3.3 |
| Long-term debt | 9 | 775.3 | 412.3 |
| Total current liabilities | | 1,112.2 | 728.3 |
| Non-current liabilities | | | |
| Lease obligations | | 1.4 | 1.6 |
| Deferred tax liabilities | | 581.2 | 600.6 |
| Long-term debt | 9 | 12,032.2 | 11,381.1 |
| Total non-current liabilities | | 12,614.8 | 11,983.3 |
| **Total liabilities** | | **13,727.0** | **12,711.6** |
| Equity | | | |
| Issued capital | | 804.6 | 804.6 |
| Reserve | | 6.2 | 6.9 |
| Retained deficit | | (7,977.9) | (7,700.9) |
| Total deficit | | (7,167.1) | (6,889.4) |
| **Total liabilities and equity** | | **$ 6,559.9** | **$ 5,822.2** |

**On behalf of the Board:**

*(signed)*
**ROB MACISAAC**
Director

*(signed)*
**MICHAEL BERNASIEWICZ**
Director

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

**407 INTERNATIONAL INC.**

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
## (in millions of Canadian dollars, except per share amounts)
## (Unaudited)

| | Notes | Three month period ended September 30 | | Nine month period ended September 30 | |
|---|---|---|---|---|---|
| | | 2026 | 2025 | 2026 | 2025 |
| **Revenues** | 11 | **$ 682.0** | **$ 577.9** | **$ 1,789.9** | **$ 1,511.4** |
| **Expenses** | 12 | **110.2** | **88.4** | **320.5** | **310.6** |
| Interest expense | | 156.3 | 139.4 | 455.3 | 397.4 |
| Interest income | | (11.1) | (13.5) | (34.6) | (38.7) |
| Other expense | | - | (0.4) | 0.6 | 0.1 |
| Other income | | (0.3) | (0.2) | (3.1) | (0.6) |
| Interest and other expenses | 9 | 144.9 | 125.3 | 418.2 | 358.2 |
| Income before tax | | 426.9 | 364.2 | 1,051.2 | 842.6 |
| Current income tax expense | | 112.4 | 100.5 | 275.7 | 227.2 |
| Deferred income tax expense (recovery) | | 0.6 | (4.1) | 2.5 | (3.2) |
| Income tax expense | | 113.0 | 96.4 | 278.2 | 224.0 |
| **Net income** | | **$ 313.9** | **$ 267.8** | **$ 773.0** | **$ 618.6** |
| Net income | | 313.9 | 267.8 | 773.0 | 618.6 |
| Other comprehensive loss: | | | | | |
| Reclassification to income of gains on cash flow hedges, net | | (0.3) | (0.2) | (0.7) | (0.6) |
| **Total comprehensive income** | | **$ 313.6** | **$ 267.6** | **$ 772.3** | **$ 618.0** |
| **Earnings per share** | | | | | |
| Net income per share, basic and diluted | | $ 0.405 | $ 0.346 | $ 0.997 | $ 0.798 |

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

**407 INTERNATIONAL INC.**

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**(in millions of Canadian dollars)**

**(Unaudited)**

| | Issued capital | Reserve | Retained deficit | Total deficit |
|---|---|---|---|---|
| **Balance at January 1, 2026** | **$ 804.6** | **$ 6.9** | **$ (7,700.9)** | **$ (6,889.4)** |
| Payment of dividends | - | - | (1,050.0) | (1,050.0) |
| Net income for the period | - | - | 773.0 | 773.0 |
| Other comprehensive loss for the period | - | (0.7) | - | (0.7) |
| **Balance at September 30, 2026** | **$ 804.6** | $ 6.2 | **$ (7,977.9)** | **$ (7,167.1)** |
| **Balance at January 1, 2025** | **$ 804.6** | **$ 7.7** | **$ (7,011.4)** | **$ (6,199.1)** |
| Payment of dividends | - | - | (450.0) | (450.0) |
| Net income for the period | - | - | 618.6 | 618.6 |
| Other comprehensive loss for the period | - | (0.6) | - | (0.6) |
| **Balance at September 30, 2025** | **$ 804.6** | **$ 7.1** | **$ (6,842.8)** | **$ (6,031.1)** |

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

**407 INTERNATIONAL INC.**
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(in millions of Canadian dollars)**
**(Unaudited)**

| | Notes | Three month period ended September 30 2026 | Three month period ended September 30 2025 | Nine month period ended September 30 2026 | Nine month period ended September 30 2025 |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| Receipts from customers | | $ 641.8 | $ 540.3 | $ 1,657.7 | $ 1,413.9 |
| Payments to suppliers and employees | | (105.5) | (50.7) | (239.0) | (172.2) |
| Cash generated from operations | | 536.3 | 489.6 | 1,418.7 | 1,241.7 |
| Interest received | | 13.5 | 13.9 | 36.6 | 38.7 |
| Interest paid | | (125.7) | (127.7) | (390.6) | (371.3) |
| Income tax paid | | (71.4) | (62.0) | (259.1) | (237.3) |
| | | **352.7** | **313.8** | **805.6** | **671.8** |
| **Cash flows from investing activities** | | | | | |
| Additions to property, plant and equipment | | (18.1) | (19.0) | (37.0) | (42.7) |
| Advance payment | | - | (0.1) | (0.4) | (0.1) |
| Restricted cash and investments | 5 | (27.0) | (9.3) | (50.2) | (33.0) |
| Non-trade receivables and other | | 0.7 | (1.0) | 1.0 | 1.2 |
| | | **(44.4)** | **(29.4)** | **(86.6)** | **(74.6)** |
| **Cash flows from financing activities** | | | | | |
| Proceeds from long-term debt and credit facility | | - | 300.0 | 1,099.2 | 749.5 |
| Debt issue costs | | - | - | (7.3) | (2.7) |
| Repayment of long-term debt and credit facility | | (4.5) | (4.3) | (113.9) | (363.1) |
| Repayment of lease obligations | | (0.1) | (0.3) | (3.0) | (5.2) |
| Dividends paid to shareholders | | (550.0) | (250.0) | (1,050.0) | (450.0) |
| | | **(554.6)** | **45.4** | **(75.0)** | **(71.5)** |
| (Decrease) Increase in cash and cash equivalents | | (246.3) | 329.8 | 644.0 | 525.7 |
| **Cash and cash equivalents, beginning of period** | | **1,241.4** | **548.2** | **351.1** | **352.3** |
| **Cash and cash equivalents, end of period** | | **$ 995.1** | **$ 878.0** | **$ 995.1** | **$ 878.0** |
| **Supplementary Cash Flow Information** | | | | | |
| Net change in financial liabilities | 15 | 26.2 | 307.8 | 1,040.9 | 405.4 |

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

## 1. GENERAL INFORMATION

407 International Inc. and its subsidiaries (**Company**) are privately held companies existing under the laws of Canada. The Company's address and principal place of business is 6300 Steeles Avenue West, Woodbridge, Ontario, L4H 1J1, Canada. The principal business of the Company is the ownership of 407 ETR Concession Company Limited (**407 ETR)** and, through 407 ETR, the operation, maintenance and management of Highway 407 ETR along with the construction of extensions and certain deferred interchanges, lane widenings and additional interchanges under the 99-year Highway 407 Concession and Ground Lease Agreement (**CGLA)** with the Province of Ontario dated April 6, 1999. The interim condensed consolidated financial statements of the Company for the three and nine month periods ended September 30, 2026 (**Financial Statements)** were approved by the Board of Directors of the Company on October 21, 2026.

The Financial Statements include the accounts of 407 International Inc., consolidated with those of its wholly owned subsidiaries, 407 ETR, Canadian Tolling Company International Inc. (**Cantoll**) and 14374304 Canada Inc. (**14374304 Inc.**). Cantoll was incorporated in December 2001 to assume ownership of an integrated computerized accounting, billing and customer relationship management system and new transponders, and is responsible for the development of its integrated automation systems and the implementation and management of roadside tolling technologies and back-office systems. 14374304 Inc. was incorporated in September 2022 to assist in the implementation of the Company's tax planning strategies. All inter-company transactions, balances, revenues and expenses have been eliminated on consolidation.

## 2. BASIS OF PRESENTATION

The Financial Statements are prepared on a going concern basis and have been presented in millions of Canadian dollars. These Financial Statements have been prepared in accordance with IFRS® Accounting Standards **(IFRS Accounting Standards)**, Interim Financial Reporting (**IAS 34**) as issued by the International Accounting Standards Board (**IASB**).

The Financial Statements have been prepared using the same accounting policies and methods as were used for the Company's consolidated financial statements and the notes thereto for the years ended December 31, 2025 and 2024 (**2025 Annual Financial Statements**). The Financial Statements should be read in conjunction with the 2025 Annual Financial Statements.

**IFRS 7 and IFRS 9** *Amendments to the Classification and Measurement of Financial Instruments which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures* (**Amendments to IFRS 9 and IFRS 7**)

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 which became effective beginning January 1, 2026. The standard has been adopted and has no material impact on the Financial Statements. The Amendments to IFRS 9 and IFRS 7 clarify the requirements related to the date of recognition and derecognition of financial assets and financial liabilities, with an exception for derecognition of financial liabilities settled via an electronic transfer, clarify the requirements for assessing contractual cash flow characteristics of financial assets and clarify the characteristics of non-recourse loans and contractually linked instruments.

## 3. FUTURE CHANGES TO ACCOUNTING POLICIES

**IFRS 18** *Presentation and Disclosure in the Financial Statements (**IFRS 18**):*

IFRS 18 replaces IAS 1, Presentation of Financial Statements (**IAS 1**), carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. The standard will introduce changes to the presentation of the statement of income and comprehensive income, as well as the statement of cash flows. In the Statement of Income and Comprehensive Income, the Company will present additional line items and subtotals, including an operating profit or loss subtotal. Enhanced disaggregation of income and expenses will also be required. In the Statement of Cash Flows, changes in classification and presentation of certain cash flows will affect the grouping and labelling of operating, investing, and financing activities.

IFRS 18 is required to be applied retrospectively for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Company is finalizing its assessment of the impact of IFRS 18 on its financial reporting and expects to adopt the standard at its effective date using the transition provisions provided in the standard. Comparative information will be restated to reflect the requirements of IFRS 18.

## 4. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENT

The preparation of the Financial Statements in conformity with IFRS Accounting Standards requires management of the Company to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities as at the date of the Financial Statements, the reported amounts of revenues and expenses of the reporting period, as well as disclosures made in the accompanying notes to the Financial Statements. Judgement is commonly used in determining whether a balance or transaction should be recognized in the consolidated financial statements and estimates and assumptions are more commonly used in determining the measurement of recognized transactions and balances. However, judgements and estimates are often interrelated.

There have been no significant changes relating to accounting judgements, estimates and assumptions in the preparation of the Financial Statements from those judgements, estimates and assumptions disclosed in note 5 to the 2025 Annual Financial Statements.

## 5. RESTRICTED CASH AND INVESTMENTS

Pursuant to the Master Trust Indenture dated as of July 20, 1999 and effective as of May 5, 1999 between the Company, 407 ETR and The Trust Company of Bank of Montreal (now Computershare Advantage Trust of Canada) (**Indenture**), the Company established the debt service funds, the operating and maintenance and renewal and replacement funds, and debt service reserve funds, all of which are fully funded with Qualified Investments (as defined in the Indenture). The current portion is expected to become unrestricted within the next twelve months.

## 5. RESTRICTED CASH AND INVESTMENTS (continued)

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| Current | | |
| Debt service funds | $ 165.8 | $ 148.4 |
| Debt service reserve funds | 31.2 | 12.2 |
| Operating and maintenance reserve and renewal and replacement funds (**O&M and R&R Funds**) | 240.1 | 236.1 |
| | **$ 437.1** | **$ 396.7** |
| Non-current | | |
| Debt service reserve funds | $ 680.7 | $ 673.1 |
| | **$ 680.7** | **$ 673.1** |
| **Total** | **$ 1,117.8** | **$ 1,069.8** |

Restricted cash and investments consist of:

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| Cash | $ 324.2 | $ 208.2 |
| Deposit Notes | 17.3 | 31.8 |
| Guaranteed Investment Certificates | 15.0 | 131.4 |
| Bank Bonds | 54.5 | 58.5 |
| Federal Notes | 119.7 | 115.5 |
| Floating Rate Notes | 346.0 | 197.4 |
| Treasury Bills | 136.9 | 157.6 |
| Provincial Promissory Notes | 104.2 | 169.4 |
| **Total** | **$ 1,117.8** | **$ 1,069.8** |

Cash movements in restricted cash and investments were as follows:

| | Three month period ended September 30 | | Nine month period ended September 30 | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Contributions to debt service funds | $ 149.1 | $ 130.0 | $ 434.6 | $ 386.5 |
| Contributions to refunding bond fund | - | - | - | 350.0 |
| Interest payments on long-term debt | (125.2) | (125.1) | (388.9) | (367.9) |
| Repayments of long-term debt | (4.6) | (4.3) | (13.9) | (363.1) |
| Interest received | 7.7 | 8.7 | 21.1 | 23.6 |
| Establishment of debt service reserve fund | - | - | 63.0 | 21.2 |
| Transfers of excess reserves to general fund | - | - | (65.7) | - |
| Release of debt service reserve fund | - | - | - | (17.3) |
| **Total** | **$ 27.0** | **$ 9.3** | **$ 50.2** | **$ 33.0** |

## 6. PROPERTY, PLANT AND EQUIPMENT

| | Toll highway | Toll equipment | Back Office Systems | Transponders | Operations centre | Office equipment | Motor vehicles | Leased Equipment | Assets under construction | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| *Cost* | | | | | | | | | | |
| Balance at December 31, 2025 | $ 2,875.2 | $ 144.2 | $ 230.1 | $ 41.7 | $ 102.6 | $ 27.4 | $ 27.2 | $ 10.7 | $ 8.7 | 3,467.8 |
| Additions | (0.4) | (0.1) | - | 1.9 | 0.2 | 0.1 | 0.8 | 0.3 | 23.0 | 25.8 |
| Retirements | (0.1) | - | - | (2.0) | - | (0.6) | - | (5.7) | - | (8.4) |
| **Balance at September 30, 2026** | **$ 2,874.7** | **$ 144.1** | **$ 230.1** | **$ 41.6** | **$ 102.8** | **$ 26.9** | **$ 28.0** | **$ 5.3** | **$ 31.7** | **$ 3,485.2** |
| *Accumulated depreciation* | | | | | | | | | | |
| Balance at December 31, 2025 | $ 643.4 | $ 103.3 | $ 130.0 | $ 31.7 | $ 43.2 | $ 18.5 | $ 7.4 | $ 6.1 | $ - | 983.6 |
| Depreciation expense | 34.4 | 6.4 | 11.9 | 2.9 | 3.1 | 3.1 | 2.1 | 3.1 | - | 67.0 |
| Retirements | - | - | - | (2.0) | - | (0.6) | - | (5.7) | - | (8.3) |
| **Balance at September 30, 2026** | **$ 677.8** | **$ 109.7** | **$ 141.9** | **$ 32.6** | **$ 46.3** | **$ 21.0** | **$ 9.5** | **$ 3.5** | **$ -** | **$ 1,042.3** |
| ***Carrying amount, December 31, 2025*** | **$ 2,231.8** | **$ 40.9** | **$ 100.1** | **$ 10.0** | **$ 59.5** | **$ 9.0** | **$ 19.8** | **$ 4.6** | **$ 8.7** | **$ 2,484.2** |
| ***Carrying amount, September 30 2026*** | **$ 2,196.9** | **$ 34.4** | **$ 88.2** | **$ 9.0** | **$ 56.5** | **$ 5.9** | **$ 18.5** | **$ 1.8** | **$ 31.7** | **$ 2,442.9** |

During the three and nine month periods ended September 30, 2026, capitalized borrowing costs aggregating to $0.2 and $0.3 respectively (2025 - $0.1 and $0.1, respectively), were included as additions to assets under construction. The average interest capitalization rate relating to the borrowing cost was 4.5% for the three and nine month periods ended September 30, 2026, respectively (2025 – 3.8% and 4.0%, respectively).

Assets under construction mainly include work in progress on highway improvement, tolling operations, operations technology architect, and building projects.

## 7. INTANGIBLE ASSETS

| | Concession Rights | Licences | Total |
|---|---|---|---|
| *Cost* | | | |
| Balance at December 31, 2025 | $ 1,676.1 | $ 9.8 | $ 1,685.9 |
| **Balance at September 30, 2026** | **$ 1,676.1** | **$ 9.8** | **$ 1,685.9** |
| *Accumulated amortization* | | | |
| Balance at December 31, 2025 | $ 282.0 | $ 5.9 | $ 287.8 |
| Amortization expense | 14.5 | 0.7 | 15.2 |
| **Balance at September 30, 2026** | **$ 296.5** | **$ 6.6** | **$ 303.0** |
| ***Carrying amount, December 31, 2025*** | **$ 1,394.1** | **$ 3.9** | **$ 1,398.1** |
| ***Carrying amount, September 30, 2026*** | **$ 1,379.6** | **$ 3.2** | **$ 1,382.9** |

## 8. TRADE RECEIVABLES AND OTHER

**Movement in Trade Receivables**

| | Three month period ended September 30 | | Nine month period ended September 30 | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Balance, beginning of the period | $ 866.0 | $ 741.6 | $ 747.1 | $ 681.3 |
| Revenues (excluding contract) | 671.6 | 577.9 | 1,776.3 | 1,511.4 |
| Contract billings to customer | - | - | 17.1 | - |
| Bad debts written off, net of recoveries | (19.2) | (1.7) | (24.5) | (7.8) |
| Receipts from customers | (641.8) | (540.3) | (1,657.7) | (1,413.9) |
| Other | 3.5 | 3.5 | 21.8 | 10.0 |
| **Balance, end of the period** | **$ 880.1** | **$ 781.0** | **$ 880.1** | **$ 781.0** |

**Movement in Allowance for Lifetime Expected Credit Loss (Lifetime ECL)**

Changes in the Allowance for Lifetime ECL are as follows:

| | Three month period ended September 30 | | Nine month period ended September 30 | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Balance, beginning of the period | $ 337.6 | $ 271.2 | $ 313.0 | $ 259.3 |
| Provision for Lifetime ECL expense | 13.5 | 17.3 | 44.2 | 35.9 |
| Bad debts written off, net of recoveries | (19.2) | (1.7) | (24.5) | (7.8) |
| Other adjustments | (0.6) | (0.3) | (1.4) | (0.9) |
| **Balance, end of the period** | **$ 331.3** | **$ 286.5** | **$ 331.3** | **$ 286.5** |

The provision for Lifetime ECL expense has been included in expenses and is net of any recoveries that were provided for in prior periods.

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| Trade receivables | $ 880.1 | $ 747.1 |
| Allowance for Lifetime ECL | (331.3) | (313.0) |
| | 548.8 | 434.1 |
| Prepayments and other receivables | 25.4 | 16.1 |
| **Total** | **$ 574.2** | **$ 450.2** |

Trade receivables are net of certain amounts that were billed to customers but excluded from revenues in accordance with the revenue recognition policy for toll and fee revenues. Prepayments and other receivables include prepaids, other non-trade related receivables and an advance payment to a supplier.

At September 30, 2026, the Company had $499.3 (2025 - $460.4) in trade receivables that were 90 days past due against which the Company has recorded an allowance for expected credit losses of $289.9 (2025 - $276.8).

## 9. LONG-TERM DEBT

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| **Senior Bonds:** | | |
| $400.0, Series 99-A2, 6.47%, maturing July 27, 2029 | 397.5 | 396.9 |
| $300.0, Series 99-A3, 6.75%, maturing July 27, 2039 | 190.4 | 199.3 |
| $208.3, Series 99-A6, 5.328%, maturing December 1, 2026 | 381.1 | 370.7 |
| $208.3, Series 99-A7, 5.328%, maturing December 1, 2031 | 380.2 | 369.8 |
| $325.0, Series 00-A2, 5.29%, maturing December 1, 2039 | 350.8 | 351.9 |
| $340.0, Series 04-A3, 5.96%, maturing December 3, 2035 | 338.9 | 338.8 |
| $350.0, Series 11-A1, 4.45%, maturing November 15, 2041 | 348.0 | 347.9 |
| $400.0, Series 12-A1, 4.19%, maturing April 25, 2042 | 397.8 | 397.7 |
| $400.0, Series 12-A2, 3.98%, maturing September 11, 2052 | 396.0 | 395.9 |
| $200.0, Series 13-A1, 4.68%, maturing October 7, 2053 | 198.8 | 198.8 |
| $150.0, Series 15-A1, 3.30%, maturing March 27, 2045 | 148.8 | 148.8 |
| $500.0, Series 15-A2, 3.83%, maturing May 11, 2046 | 496.7 | 496.6 |
| $500.0, Series 16-A1, 3.60%, maturing May 21, 2047 | 496.6 | 496.6 |
| $350.0, Series 16-A2, 2.43%, maturing May 4, 2027 | 349.9 | 349.7 |
| $250.0, Series 17-A1, 3.43%, maturing June 1, 2033 | 249.1 | 249.0 |
| $500.0, Series 17-A2, 3.65%, maturing September 8, 2044 | 496.7 | 496.6 |
| $500.0, Series 18-A1, 3.72%, maturing May 11, 2048 | 497.3 | 497.2 |
| $300.0, Series 19-A1, 3.14%, maturing March 6, 2030 | 299.2 | 299.1 |
| $500.0, Series 19-A2, 3.67%, maturing March 6, 2049 | 496.4 | 496.3 |
| $700.0, Series 20-A1, 2.84%, maturing March 7, 2050 | 695.1 | 695.0 |
| $400.0, Series 20-A3, 2.59%, maturing May 22, 2032 | 398.6 | 398.4 |
| $500.0, Series 23-A1, 4.86%, maturing on July 31, 2053 | 495.7 | 495.7 |
| $250.0, Series 24-A1, 4.89%, maturing on April 4, 2054 | 247.5 | 247.5 |
| $500.0, Series 24-A2, 4.54%, maturing on October 9, 2054 | 495.8 | 495.7 |
| $350.0, Series 25-A1, 4.45%, maturing September 11, 2052 | 346.9 | 346.9 |
| $300.0, Series 25-A2, 4.81%, maturing October 3, 2055 | 297.4 | 297.4 |
| $400.0, Series 25-A3, 4.11%, maturing October 3, 2035 | 397.3 | 397.1 |
| $500.0, Series 26-A1, 4.48%, maturing October 7, 2036 | 496.6 | - |
| $500.0, Series 26-A2, 5.06%, maturing April 7, 2056 | 495.7 | - |
| **Other Senior Bonds:** | | |
| $162.3, Series 04-A2, 3.276%, maturing July 27, 2039 (note 10) | 215.1 | 207.0 |
| **Junior Bonds:** | | |
| $165.0, Series 00-B1, 7.125%, maturing July 26, 2040 | 164.5 | 164.5 |
| **Subordinated Bonds:** | | |
| $480.0, Series 06-D1, 5.75%, maturing February 14, 2036 | 478.3 | 478.2 |
| $350.0, Series 22-D1, 4.2%, maturing February 14, 2028 | 349.3 | 349.0 |
| $325.0, Series 22-D2, 4.45%, maturing August 14, 2031 | 323.5 | 323.4 |
| | **$ 12,807.5** | **$ 11,793.4** |
| ***Financial liabilities carried at Fair Value Through Profit or Loss ("FVTPL")*** | | |
| Other Senior Bonds: Series 04-A2 | $ 215.1 | $ 207.0 |
| ***Financial liabilities carried at amortized cost*** | | |
| Senior Bonds | $ 11,276.8 | $ 10,271.3 |
| Junior Bonds | 164.5 | 164.5 |
| Subordinated Bonds | 1,151.1 | 1,150.6 |
| | 12,592.4 | 11,586.4 |
| | $ 12,807.5 | $ 11,793.4 |
| Current | $ 775.3 | $ 412.3 |
| Non-current | 12,032.2 | 11,381.1 |
| | **$ 12,807.5** | **$ 11,793.4** |

## 9. LONG-TERM DEBT (continued)

### Interest and Other Expenses

| | Three month period ended September 30 | | Nine month period ended September 30 | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Interest expense on bonds and credit facility | $ 146.9 | $ 128.8 | $ 423.1 | $ 377.4 |
| Non-cash inflation component of: | | | | |
| Interest recovery RRBs | 10.4 | 8.1 | 24.4 | 15.6 |
| Interest expense (recovery), Senior Bond, Series 04-A2 | 1.0 | 0.1 | 0.7 | (2.4) |
| Fair value adjustment (recovery) expense, Senior Bond, Series 04-A2 | (1.8) | 2.5 | 7.4 | 6.9 |
| Capitalized interest | (0.2) | (0.1) | (0.3) | (0.1) |
| **Total interest expense on long-term debt** | **156.3** | **139.4** | **455.3** | **397.4** |
| Interest income on financial assets designated as FVTPL | (11.1) | (13.5) | (34.6) | (38.7) |
| Other expense | - | (0.4) | 0.6 | 0.1 |
| Other income: | | | | |
| Insurance proceeds | - | - | (2.4) | - |
| Reclassification of gains on cash flow hedges | (0.3) | (0.2) | (0.7) | (0.6) |
| **Total interest and other expenses** | **$ 144.9** | **$ 125.3** | **$ 418.2** | **$ 358.2** |

### Senior Bonds

All Senior Bonds are repayable at maturity except for Series 99-A3, which is repayable in fixed semi-annual scheduled installments of interest and principal of $11.2. Senior Bonds are redeemable, in whole or in part, at the option of the Company. Interest is payable semi-annually.

On April 7, 2026, the Company issued $500.0 of 4.48% Senior Bonds, Series 26-A1 and $500.0 of 5.06% of Senior Bonds, Series 26-A2. The net proceeds of the bonds were used to repay the outstanding balance on the Company's Syndicated Credit Facility on April 7, 2026, to fund the related debt service reserve funds and for other general corporate purposes.

### Real Return Bonds

The Company issued Senior Bonds Series 99-A6 and Series 99-A7 in August 1999 with interest payable semi-annually and Senior Bonds amortizing Series 00-A2 in February 2000 (collectively, the **RRBs**).

As at September 30, 2026, the inflation compensation component of all RRBs was $501.2 (2025 - $476.8).

### Syndicated Credit Facility

Refer to note 12 to the 2025 Annual Financial Statements for information on the credit agreement establishing a syndicated credit facility with four Canadian chartered banks (the **Syndicated Credit Facility**).

As at September 30, 2026, the Company had an outstanding balance of $nil (2025 – $nil) under the Syndicated Credit Facility.

## 9. LONG-TERM DEBT (continued)

### Current Portion of Long-Term Debt

As at September 30, 2026, the current portion of long-term debt of $775.3 (2025 - $412.3) includes Senior Bonds, Series 99-A6, which matures on December 1, 2026 of $381.1, (2025 - $370.7), Senior Bonds, Series 16-A2, which matures on May 4, 2027 of $349.9, (2025 - $nil), Senior Bonds, Series 99-A3 of $9.6 (2025 - $9.0), Senior Bonds, Series 00-A2 - $18.6 (2025 - $17.7), and Senior Bonds, Series 04-A2 – of $16.1 (2025 - $14.9).

## 10. FINANCIAL INSTRUMENTS

Refer to note 15 to the 2025 Annual Financial Statements for information on the Company's risks and risk management strategy. There were no changes in the Company's risks and approach to risk management during the three and nine month periods ended September 30, 2026.

| | Assets Measured at Fair Value | | | | | |
|---|---|---|---|---|---|---|
| | As at September 30, 2026 | | | As at December 31, 2025 | | |
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **Financial assets measured at FVTPL** | | | | | | |
| Cash and cash equivalents | $ 995.1 | $ - | $ - | $ 351.1 | $ - | $ - |
| Restricted cash and investments | 1,117.8 | - | - | 1,069.8 | | - |
| **Total fair value** | **$ 2,112.9** | **$ -** | **$ -** | **$ 1,420.9** | **$ -** | **$ -** |

| | Liabilities Measured at Fair Value | | | | | |
|---|---|---|---|---|---|---|
| | As at September 30, 2026 | | | As at December 31, 2025 | | |
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **Financial liabilities measured at FVTPL** | | | | | | |
| Senior Bonds, Series 04-A2 | $ - | $ 215.1 | $ - | - | $ 207.0 | $ - |
| **Total fair value** | **$ -** | **$ 215.1** | **$ -** | **$ -** | **$ 207.0** | **$ -** |

Level 1 of the fair value hierarchy includes unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 includes inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 includes inputs for the asset or liability that are not based on observable market data.

The fair value of the long-term debt (including the current portion) as at September 30, 2026 was $11,815.8 (2025 - $11,188.0) determined using publicly-available quotations provided by a major Canadian financial institution, except for Senior Bonds, Series 04-A2, which was determined by using a valuation technique. These instruments are Level 2.

Senior Bonds, Series 04-A2 is a derivative financial instrument and is reported at fair value. The fair value of Senior Bonds, Series 04-A2 as at September 30, 2026 was $215.1 (2025 - $215.6) which was determined by using a valuation technique which estimated future inflation of 2.4% (2025 – 2.0%) based on the break-even inflation rate and applied a nominal discount rate of 4.7% (2025 – 4.1%). During the nine month period ended September 30, 2026, the fair value of Senior Bonds, Series 04-A2 was $nil (2025 - $3.2 increase) due to the change in the Company's corporate spread.

Current financial assets are amounts that are expected to be settled within one year. Current financial liabilities are settled at the contractual maturity date within one year. The carrying amounts approximate fair value because of the short-term nature of these instruments. For non-current restricted cash and investments, the Company compares and uses publicly available quotations to determine the fair values. The carrying amounts approximate fair values.

## 11. REVENUES

| | Three month period ended September 30 | | Nine month period ended September 30 | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Revenues | | | | |
| Tolling | $ 639.4 | $ 551.0 | $ 1,694.2 | $ 1,428.7 |
| Fee | 32.3 | 26.9 | $ 82.2 | $ 82.7 |
| Contract | 10.3 | - | 13.5 | - |
| **Total** | **$ 682.0** | **$ 577.9** | **$ 1,789.9** | **$ 1,511.4** |

## 12. EXPENSES

| | Three month period ended September 30 | | Nine month period ended September 30 | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Systems operations | $ 18.7 | $ 18.1 | $ 57.5 | $ 52.3 |
| Customer operations | 36.1 | 34.9 | 102.0 | 87.1 |
| Highway operations | 7.2 | 7.4 | 30.5 | 26.0 |
| General and administration | 12.3 | 9.5 | 34.7 | 27.8 |
| Schedule 22 payment (recovery) | 7.1 | (9.8) | 12.6 | 35.4 |
| Contract costs | 0.8 | - | 1.0 | - |
| **Operating expenses** | 82.2 | 60.1 | 238.3 | 228.6 |
| Depreciation and amortization | 28.0 | 28.3 | 82.2 | 82.0 |
| Total | $ 110.2 | $ 88.4 | $ 320.5 | $ 310.6 |

Systems operations costs include costs for developing, operating and maintaining the Company's tolling system, office computer network and integrated automation systems.

Customer operations include all costs to support the customer lifecycle including the Company's call centre, transponder distribution, billing and the collection of overdue accounts. Also included in customer operations is provision for Lifetime ECL.

Highway operations include costs to operate the highway such as structural, roadside and seasonal maintenance and police and road safety enforcement.

General and administration expenses include public relations, finance, administration, facilities, human resources, business process, legal, audit and executive costs.

Schedule 22 payment expense is to account for certain Highway 407 ETR traffic levels that are below the annual traffic thresholds

Contract expenses relate to the reconfiguration of the road-side tolling technology in connection with the removal of tolls on Highway 407.

Depreciation and amortization expenses reflect the expense of property, plant and equipment and intangible assets over their respective useful lives. Substantially all the depreciation and amortization expenses relate to highway operations and systems operations assets.

## 12. EXPENSES (continued)

Total expenses include employee salary and benefits of $17.6 and $53.3 (2025 – $17.6 and $52.0), of which $0.3 and $1.1 (2025 - $0.3 and $1.1) relate to short-term benefits of key management personnel for the three and nine month periods ended September 30, 2026, respectively. Key management personnel of the Company include the President and Chief Executive Officer and the Chief Financial Officer. Short-term benefits of key management personnel include wages, annual incentives and other benefits. The Company does not provide for share-based payments or other long-term benefits but does provide post-employment benefits and termination benefits.

## 13. COMMITMENTS AND CONTINGENCIES

The following are the commitments, contractual maturities and related interest obligations as at September 30, 2026:

| | Less than 1 year | 1 to 2 years | 2 to 3 years | 3 to 4 years | 4 to 5 years | Beyond 5 years |
|---|---|---|---|---|---|---|
| Trade and other payables | $ 142.1 | $ - | $ - | $ - | $ - | $ - |
| Contract liabilities | 32.5 | - | - | - | - | - |
| Lease obligations | 0.9 | 0.8 | 0.5 | 0.1 | - | - |
| Interest payments on lease obligations | 0.1 | 0.1 | - | - | - | - |
| Long-term debt | 759.4 | 379.9 | 431.7 | 333.5 | 360.5 | 10,405.0 |
| Derivative financial liability | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 128.6 |
| Interest payments on long-term debt | 542.9 | 514.1 | 504.8 | 472.3 | 465.6 | 6,102.3 |
| **Total** | **$ 1,494.0** | **$ 911.0** | **$ 953.1** | **$ 822.0** | **$ 842.2** | **$ 16,635.9** |

These commitments include $109.9 for the years 2026 to 2033 to a related party, Webber Infrastructure Management Canada Limited, a subsidiary of the parent company for Cintra 4352238 Investments Inc., a wholly owned subsidiary of Cintra Global S.E., for winter maintenance costs included in operating costs.

Refer to note 18 to the 2025 Annual Financial Statements for information on the Company's contingencies. There were no changes to the contingencies during the nine month period ended September 30, 2026.

## 14. CASH AND CASH EQUIVALENTS

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| Cash and cash equivalents consist of: | | |
| Cash | $ 310.5 | $ 313.6 |
| Government Promissory Notes | 13.6 | 37.5 |
| Government Treasury Bills | 671.0 | - |
| **Total** | **$ 995.1** | **$ 351.1** |

Pursuant to the Indenture, the Company maintains a minimum cash balance of $10.0 to fund working capital requirements. This amount is included as Cash and cash equivalents.

## 15. SUPPLEMENTARY CASH FLOW INFORMATION

**Net increase/(decrease) in financial liabilities:**

| | Three month period ended September 30 | | Nine month period ended September 30 | |
|---|---|---|---|---|
| | **2026** | **2025** | **2026** | **2025** |
| Long-term debt | $ 6.1 | $ 307.5 | $ 1,014.1 | $ 407.1 |
| Lease obligations | (0.1) | 0.5 | (2.6) | (4.0) |
| Accrued interest on long-term debt | 20.2 | (0.2) | 29.4 | 2.3 |
| | **$ 26.2** | **$ 307.8** | **$ 1,040.9** | **$ 405.4** |

**Cash and non-cash movements in financial liabilities:**

| | | | | |
|---|---|---|---|---|
| Cash movements: | | | | |
| Proceeds from issuance of bonds in long-term debt | $ - | $ - | $ 999.2 | $ 349.5 |
| Proceeds from Credit Facilities in long-term debt | - | 300.0 | 100.0 | 400.0 |
| Repayment of bonds in long-term debt | (4.5) | (4.3) | (13.9) | (363.1) |
| Repayment of Credit Facilities in long-term debt | - | - | (100.0) | - |
| Interest paid | (125.7) | (127.7) | (390.6) | (371.3) |
| Debt issue costs paid | - | - | (7.3) | (2.7) |
| Repayment of lease obligations | (0.1) | (0.3) | (3.0) | (5.2) |
| | **$ (130.3)** | **$ 167.7** | **$ 584.4** | **$ 7.2** |
| Non-cash movements: | | | | |
| Interest expense on long-term debt and credit facility | $ 146.9 | $ 128.8 | $ 423.1 | $ 377.4 |
| Interest expense - RRBs | 10.4 | 8.1 | 24.4 | 15.6 |
| Interest expense - Senior Bonds, Series 04-A2 | 1.0 | 0.1 | 0.7 | (2.4) |
| Fair value adjustment - Senior Bonds, Series 04-A2 | (1.8) | 2.5 | 7.4 | 6.9 |
| Increase (decrease) in accrued financing charges | - | (0.2) | 0.6 | (0.5) |
| Leased equipment additions | - | 0.8 | 0.3 | 1.2 |
| | **$ 156.5** | **$ 140.1** | **$ 456.5** | **$ 398.2** |
| **Total net change** | **$ 26.2** | **$ 307.8** | **$ 1,040.9** | **$ 405.4** |

## 16. RELATED PARTY TRANSACTIONS

Transactions with related parties are measured at their exchange amounts, which is the consideration agreed to by the parties.

The Company incurred the following operating expenses with related parties:

| Related Party | Relationship | Classification in the Financial Statements | Nature of transaction with the related party | Three month period ended September 30 2026 | Three month period ended September 30 2025 | Nine month period ended September 30 2026 | Nine month period ended September 30 2025 |
|---|---|---|---|---|---|---|---|
| Cintra Servicios de Infraestructuras SA | Subsidiary of shareholder | Operating expenses | Administration and consulting services | $ 0.3 | $ 0.5 | $ 1.0 | $ 1.0 |
| Webber Infrastructure Management Canada Limited | Subsidiary of shareholder parent | Operating expenses | Winter maintenance services | $ - | $ - | $ 9.5 | $ - |

Amounts owed to related parties were as follows:

| Related Party | Relationship | Classification in the Financial Statements | Nature of transaction with the related party | As at September 30 2026 | As at December 31 2025 |
|---|---|---|---|---|---|
| Cintra Servicios de Infraestructuras SA | Subsidiary of shareholder | Trade and other payables | Administration and consulting services | $ 0.5 | $ 0.3 |
| Webber Infrastructure Management Canada Limited | Subsidiary of shareholder parent | Trade and other payables | Winter maintenance services | $ - | $ 4.7 |
| Webber Infrastructure Management Canada Limited | Subsidiary of shareholder parent | Lease liability - current | Winter maintenance services | $ - | $ 2.4 |

The Company entered into agreements with the following related parties for which no transactions have occurred yet resulting in no income or expense recognized in the financial statements for the three and nine month periods ended September 30, 2026:

| Related Party | Relationship | Nature of transaction with the related party |
|---|---|---|
| Ferrovial Corporate US, LLC | Shareholder parent | Licensing and professional services for artificial intelligence optical character recognition software to support licence plate reading |
| OM&R 407 East Development Group General Partnership | Subsidiary of shareholder | Bridge and infrastructure inspection services |
| Blackbird Maintenance 407 General Partnership | Subsidiary of shareholder | Bridge and infrastructure inspection services |

## 16. RELATED PARTY TRANSACTIONS (continued)

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

## 17. SEASONAL NATURE OF THE BUSINESS

The Company's results for the three and nine month periods ended September 30, 2026 are not necessarily indicative of the results that may be expected for the full year due to seasonal variations in traffic volumes. The Company has historically experienced a higher volume of travellers on the Highway during the third quarter as a result of leisure and recreational travellers, while the winter months in the first and fourth quarters generally result in lower trip volumes. Operating expenses remain relatively steady throughout the year. The Company's interest expense on the RRBs and Senior Bonds, Series 04-A2 is calculated based on changes in the consumer price index (**CPI**); as such, interest expense in respect of these bonds will fluctuate due to the volatility and seasonal nature of the CPI.