Canadian Commercial Corporation

2026–2027 First Quarter
Financial Report (Unaudited)

For the period ended
June 30, 2026

Canada

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MANAGEMENT'S DISCUSSION AND ANALYSIS

EXECUTIVE SUMMARY

The Canadian Commercial Corporation (CCC) plays a vital role in helping Canadian businesses access and succeed in foreign government procurement markets through its specialized government-to-government (G2G) contracting expertise.

In a global environment defined by geopolitical realignment and disruption across supply chains, Canada faces both heightened exposure and significant opportunity. These macroeconomic and geopolitical forces are accelerating the demand for trusted and reliable commercial partnerships. CCC's government-to-government business model directly responds to this need with contracting expertise that reduces risk and equips Canadian exporters to compete and win in international markets, primarily in the defence, security, aerospace, nuclear energy, and clean-tech sectors.

The Corporation's financial results are grounded in the three-pillar strategy articulated in the 2026-2027 Corporate Plan (Plan), which seeks to grow and diversify Canada's trade by securing new trade relationships and deepening others; deliver value by investing in operational excellence; and enhance CCC's impact through environmental, social and corporate governance (ESG). CCC continues to advance its multi-year transformation initiative focused on re-engineering core business processes, improving operational efficiency, and identifying additional opportunities for cost savings. These efforts are enhancing the Corporation's capacity to deliver greater value to Canadian exporters, while driving a more agile and results-driven organization that is well-positioned to support Canada's domestic and international-trade objectives.

Given the timing of specific contract requirements and associated delivery schedules, significant variations in CCC's income and operations are expected when comparing period-over-period results or Corporate Plan variance analysis.

Pillar 1: Growth

Through its unique G2G model, CCC supports Canada's priorities to grow exports and diversify trade partners across its three business lines: the Defence Production Sharing Agreement (DPSA), Sourcing, and International Prime Contracting (IPC).

During the three-month period ended June 30, 2026, CCC has helped Canadian businesses secure $1.2 billion of new contracts (Value of Contracts Signed (VCS)[1]), primarily in the DPSA and Sourcing business lines. This exceeded the Corporate Plan target for the period (by $458.8 million and 63%) and represents an increase compared to prior year's results (by $801.2 million).

CCC also delivered $842.4 million in commercial trading transactions (CTT)[2] representing the value of goods and services exported under CCC contracts, primarily in the DPSA and Sourcing business lines, within the defence sector. While CTT were $231.0 million below the Corporate Plan target, they exceeded the prior year's results by $334.6 million.

The Corporation earned $4.2 million in fees for service revenues, which was $1.7 million below the Corporate Plan target and $2.0 million higher than the same period in the prior year results, both due to the timing of contractual commitments.

Pillar 2: Operational excellence

CCC emphasizes operational excellence as the cornerstone of effectively managing contracts and risk when supporting Canadian exporters. The Corporation continues to ensure value for money by streamlining operations and generating efficiencies, in line with Government of Canada cost-savings priorities. For the three-month period ended June 30, 2026, CCC continued to enhance operational effectiveness by making strategic investments in innovation and digital transformation, including enhancing cybersecurity measures, the customer relationship management (CRM) application, and data management.

CCC continues to spend efficiently on its operations while contributing to the creation and sustainment of more Canadian jobs across various sectors by facilitating access to global government procurement markets for Canadian exporters.

CCC achieved a net profit of $9.7 million in the three-month period ended June 30, 2026, exceeding the Corporate Plan target (by $4.7 million), and $8.7 million higher than the same period in the prior year, mainly due to higher interest income and fees for service.

The year-to-date net profit of $9.7 million, as well as the offsetting dividend of $10.0 million which was declared by the Board of Directors during the quarter, resulted in a net decrease of $0.3 million in retained earnings, bringing the balance of total equity to $79.4 million (from $79.7 million as at March 31, 2026).

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[1] VCS is a non-GAAP measure that represents the value of contracts and amendments signed during a reporting period. It measures the total value of goods and services to be delivered over the entire duration of a contract and hence represents the full contract value when the contract is signed.
[2] CTT is a non-GAAP measure of economic activity that represents the value of goods and services delivered under contract during the reporting period.

Pillar 3: Environmental, Social and Governance practices and principles
CCC is committed to operating in an environmentally, socially and ethically responsible manner consistent with Canada's international commitments and internationally recognized best practices.

A cornerstone of CCC's ESG approach is the Code for Exporters, which outlines expectations for ethical conduct and responsible business practices. Through this initiative, CCC promotes ESG principles across its network of Canadian exporters and makes recommendations for exporters to augment their compliance policies and practices. As at June 30, 2026, the *Code* was acknowledged by 208 Canadian exporters, an important part of CCC's objective to build awareness of responsible business conduct across the exporter community. In addition, so far this year CCC supported 5 exporters in implementing or making improvements to their existing integrity policies, procedures, or training programs for employees.

The Risk Management section, under the Pillar 3 section, offers additional details of CCC's application of ESG principles.

BASIS OF PREPARATION AND DISCLOSURE

The following management's discussion and analysis (MD&A) was prepared in accordance with the Treasury Board of Canada's Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Reports. It is not intended to be a full MD&A and it should be read in conjunction with the Corporation's audited annual financial statements and accompanying notes for the year ended March 31, 2026. All amounts presented are in Canadian dollars unless otherwise specified.

Forward-looking statements
This document contains projections and other forward-looking statements that require management to make assumptions subject to risk and uncertainty. Consequently, actual results may differ materially from expectations expressed in forward-looking statements. These risks and uncertainties are discussed in the risk section.

International Financial Reporting Standards
The financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. Under IFRS, the Canadian Commercial Corporation's (CCC or the Corporation) financial results are presented on an agent basis. However, as a prime contractor, CCC remains contractually obligated to ensure completeness of contracts with foreign buyers, ensuring that the terms of the contract are fulfilled regardless of performance by the Canadian exporter.

Non-GAAP measures
The Corporation also uses certain non-GAAP financial measures to evaluate its performance. Non-GAAP measures are defined and qualified when presented.

Large material contracts
Historically, large contracts have materially affected the Corporation's financial statements. These may cause significant variations in certain year-over-year amounts on the Statement of Financial Position and the Statement of Comprehensive Income.

Foreign exchange
The Corporation's contracts with foreign buyers are currency matched to offset contracts with Canadian exporters. Currency-matching for contractual receipts and payments limits CCC's foreign exchange risk. In cases where payment between parties is made in different currencies, the Corporation may enter forward contracts. The majority of CCC transactions are conducted in U.S. dollars (USD). Since CCC's reporting currency is the Canadian dollar, reported results may be impacted by fluctuations in foreign exchange rates.

BUSINESS LINE REPORTING STRUCTURE

CCC works with exporters from across Canada's industrial sectors through its three main lines of business.

Defence Production Sharing Agreement (DPSA)
CCC supports significant Canadian defence export activity under the Defence Production Sharing Agreement (DPSA). The DPSA enables Canadian exporters to compete for contracts as part of the United States Department of War (DoW) domestic supply base. Enabling access in this manner provides Canadian exporters with business opportunities that drive exports and jobs in Canada, while generating economic and industrial benefits in both Canada and the United States.

The DPSA continues to help underpin the collective security of Canada and the United States by leveraging each country's industrial and technological strengths in meeting respective defence procurement needs. Cross-border trade linked to the DPSA also offers important opportunities for firms in some of Canada's most innovative sectors.

CCC does not charge fees for services provided under the DPSA business line. An annual parliamentary appropriation of $13.8 million is received to administer the DPSA.

Sourcing services for other Government of Canada Departments (Sourcing)
CCC's Sourcing business line has emerged as a critical capability in Canada's procurement toolkit, enabling agile, responsible and reliable solutions for federal government partners during times of global crisis and complex operational need. The Sourcing business line provides procurement capacity and expertise to departments and agencies of Canada's federal government to support the delivery of international aid or in-kind assistance programs with goods and services available for export from Canada. Sourcing is funded through memoranda of understanding with federal government departments and agencies under a model of full-cost recovery for services provided.

International Prime Contracting (IPC)
The Corporation's International Prime Contracting (IPC) business line is a fee-based service that establishes government-to-government (G2G) contracts with foreign government buyers and concurrent contracts with Canadian exporters. The Corporation works with Canadian exporters of all sizes and across diverse Canadian industrial sectors. The goal of these business activities is to increase the volume of exports and the number of exporters that CCC serves while supporting key Government of Canada priorities. Every contract is unique, and CCC's guarantee of contract performance provides added incentive for foreign governments to procure Canadian expertise for priority strategic projects (e.g., food security, nuclear energy, transportation, infrastructure, national security, and others).

Concessions contracts provide electronic lotteries by a Canadian exporter to various countries.

VALUE OF CONTRACTS SIGNED (VCS)

CCC uses VCS (a non-GAAP measure) to represent the value of contracts and amendments signed during a reporting period. It measures the total value of goods or services to be delivered over the entire duration of a contract, therefore it represents the full contract value at the time the contract is signed.

The sales cycle for international government contracting is often measured in years and subject to impacts related to international political and economic events. Consequently, significant variations in VCS are normal when comparing year-over-year results and results in a business cycle that can be difficult to predict and repeat consistently.

Year-over-year comparison
The VCS for all three business lines is $1.2 billion for the three-month period ended June 30, 2026, representing an increase of $801.2 million (206%) compared to the $388.2 million reported in the prior year period. The increase was primarily driven by:

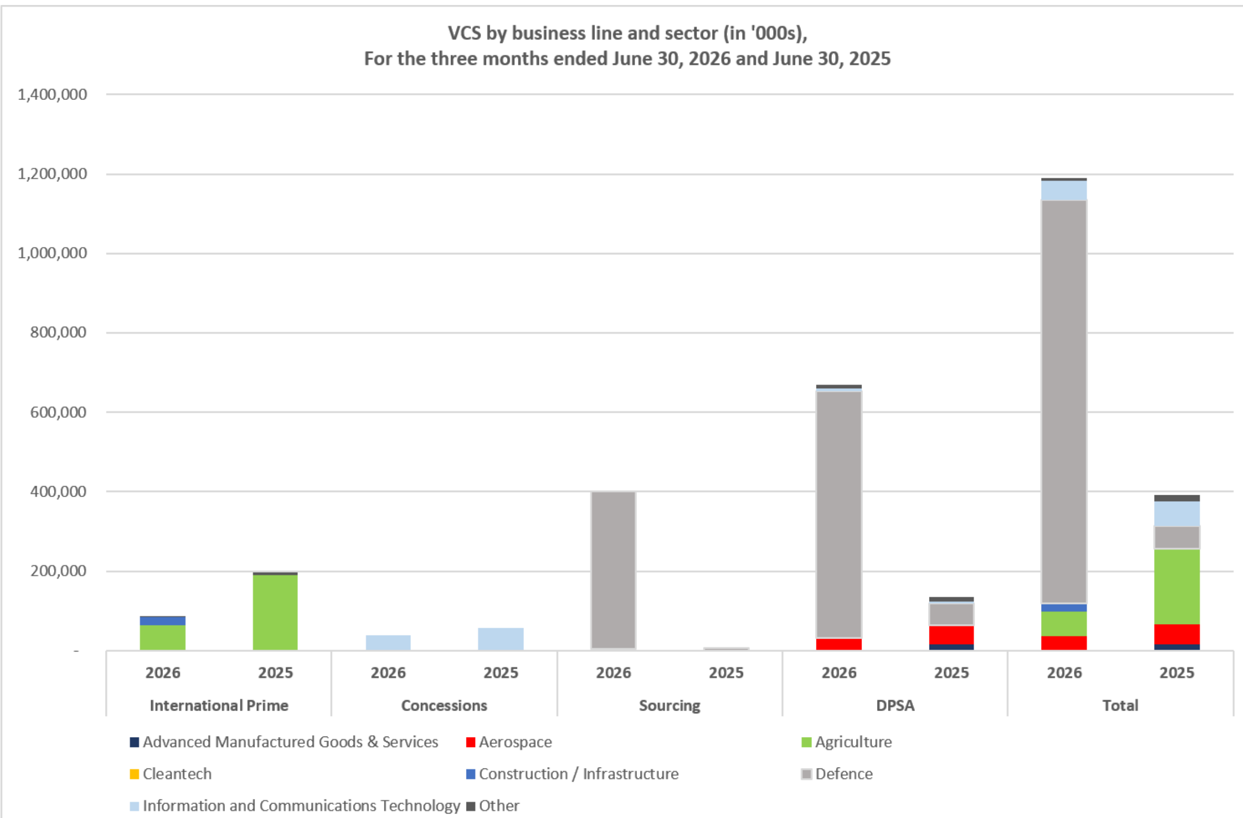
- higher VCS in DPSA (increase of $539.2 million over the prior year), primarily attributable to several defence contracts with an established supplier; and

- higher VCS in Sourcing (increase of $393.2 million over the prior year), primarily attributable to a significant contract for the supply of defence equipment to Ukraine.

VCS by business line for the three-month period ended June 30:

	For the three months ended June 30,				% of Total	
VCS by business line ($000's)	**2026**	2025	$ Change	% Change	**2026**	2025
International Prime	**$ 83,155**	$ 196,465	$ (113,310)	(58%)	**7%**	51%
Concessions	**39,201**	57,055	(17,854)	(31%)	**3%**	15%
Total International Prime	**122,356**	253,520	(131,164)	(52%)	**10%**	65%
DPSA	**668,926**	129,716	539,210	>100%	**56%**	33%
Sourcing	**398,130**	4,968	393,162	>100%	**33%**	1%
Total	**$ 1,189,412**	$ 388,204	$ 801,208	>100%	**100%**	100%

VCS by business line and sector for the three-month period ended June 30:



COMMERCIAL TRADING TRANSACTIONS (CTT)

CCC uses CTT (a non-GAAP measure of economic activity) to represent the value of goods and services delivered under contract during the reporting period.

Given the Corporation's status as an agent for reporting under IFRS Accounting Standards, CTT is not recognized as revenue. CTT data is captured to measure the Corporation's impact on the Canadian economy and as the main driver of the fees for service revenue. CCC's fees for service revenues are generally commensurate with CTT. The variance detailed in this section also applies to the fees for service variance discussion.

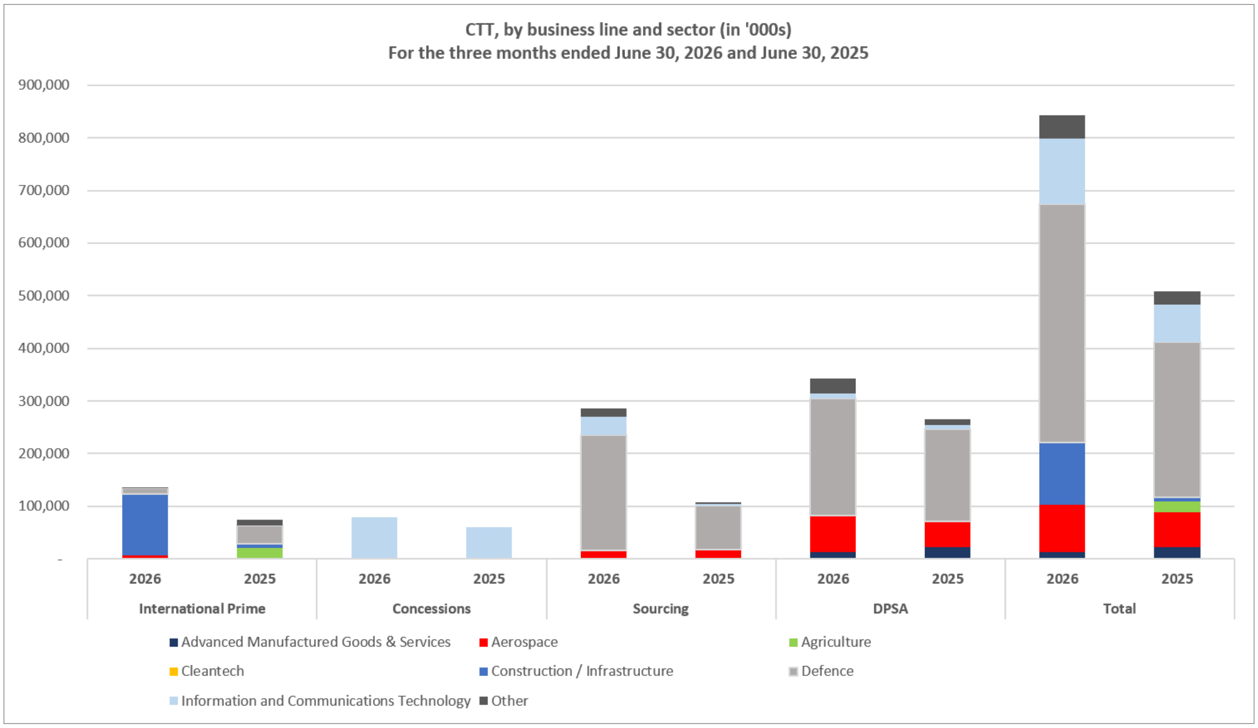
Year-over-year comparison

Given the timing of specific contract requirements and associated delivery schedules, significant variations in CTT are expected when comparing period-over-period results. The total CTT for the three-month period ended June 30, 2026, was $842.4 million (a $334.6 million increase compared to the same period in the previous year). These results were generated by an increased value of deliveries across all three business lines, particularly driven by the defence and construction/infrastructure sectors.

CTT by business line for the three-month period ended June 30:

	For the three months ended June 30,					
					% of Total	
CTT by business line ($000s)	**2026**	2025	$ Change	% Change	**2026**	**2025**
International prime	**$ 135,013**	$ 73,937	$ 61,076	83%	**16%**	15%
Concessions	**78,756**	60,241	18,515	31%	**9%**	12%
Total International Prime	**213,769**	134,178	79,591	59%	**25%**	26%
Sourcing	**285,947**	107,866	178,081	>100%	**34%**	21%
DPSA	**342,674**	265,724	76,950	29%	**41%**	52%
Total	**$ 842,390**	$ 507,768	$ 334,622	66%	**100%**	100%

CTT by business line and sector for the three-month period ended June 30:



SUMMARY OF FINANCIAL RESULTS

The Corporation's financial results for the three-month period ended June 30, 2026 improved significantly compared to the prior year's results and were ahead of Corporate Plan targets. The net profit increase was supported by higher fees for service revenue, increased finance and other income, together with a favourable foreign exchange gain.

Financial Management Policy

CCC plans for financial sustainability and manages surpluses and deficits across multi-year horizons. This approach addresses the lengthy sales cycle of international government contracting and the effects of geopolitical and economic events.

CCC's Financial Management Policy defines the requirements to maintain a financial self-sustainability model over the long term. It requires CCC to maintain sufficient equity to meet its commitments and undertake appropriate operating and capital investments to ensure operational effectiveness and efficiency and to sustain the Corporation's workforce, facilities, systems and processes.

The framework considers four factors for managing capital and monitoring financial sustainability: the timing of contractual revenues and expenses, net results of operations, working capital requirements, and equity position.

Comprehensive Income discussion

For the three-month period ended June 30, 2026, the Corporation recorded a net profit of $9.7 million, an increase from the prior year's net profit of $1.0 million. The Corporation achieved higher CTT (as outlined in the previous sections), resulting in fees for service revenue of $4.2 million, which is also higher than the same period in the prior year. Variances in fees for service revenue and expenses are detailed in the following sections.

	For the three months ended June 30			
Comprehensive Income ($000s)	**2026**	2025	$ Change	% Change
Fees for service revenue and other income	**$ 4,228**	$ 2,391	$ 1,837	77%
Government funding	**3,667**	3,176	491	15%
Operating and administrative expenses	**8,632**	8,322	310	4%
Gain (loss) on foreign exchange	**828**	(1,671)	2,499	(150%)
Finance income and costs	**9,564**	5,387	4,177	78%
Net profit	**$ 9,655**	$ 961	$ 8,694	905%
Other comprehensive income	**-**	-	-	-
Total comprehensive Income	**$ 9,655**	$ 961	$ 8,694	905%

FEES FOR SERVICE REVENUE

The Corporation charges fees for service on its IPC business line. IPC fees are calculated as a percentage of the contract value, with fees negotiated on a contract-by-contract basis. They are generally reflective of a project's risk profile and competitive market conditions.

Fees may be recognized as revenue differently, depending on the performance obligations related to the various business lines. However, the majority are recorded based on the performance of activities required for the Canadian exporter to obtain the right to payment under the terms and conditions of the prime contract. This is generally commensurate with CTT.

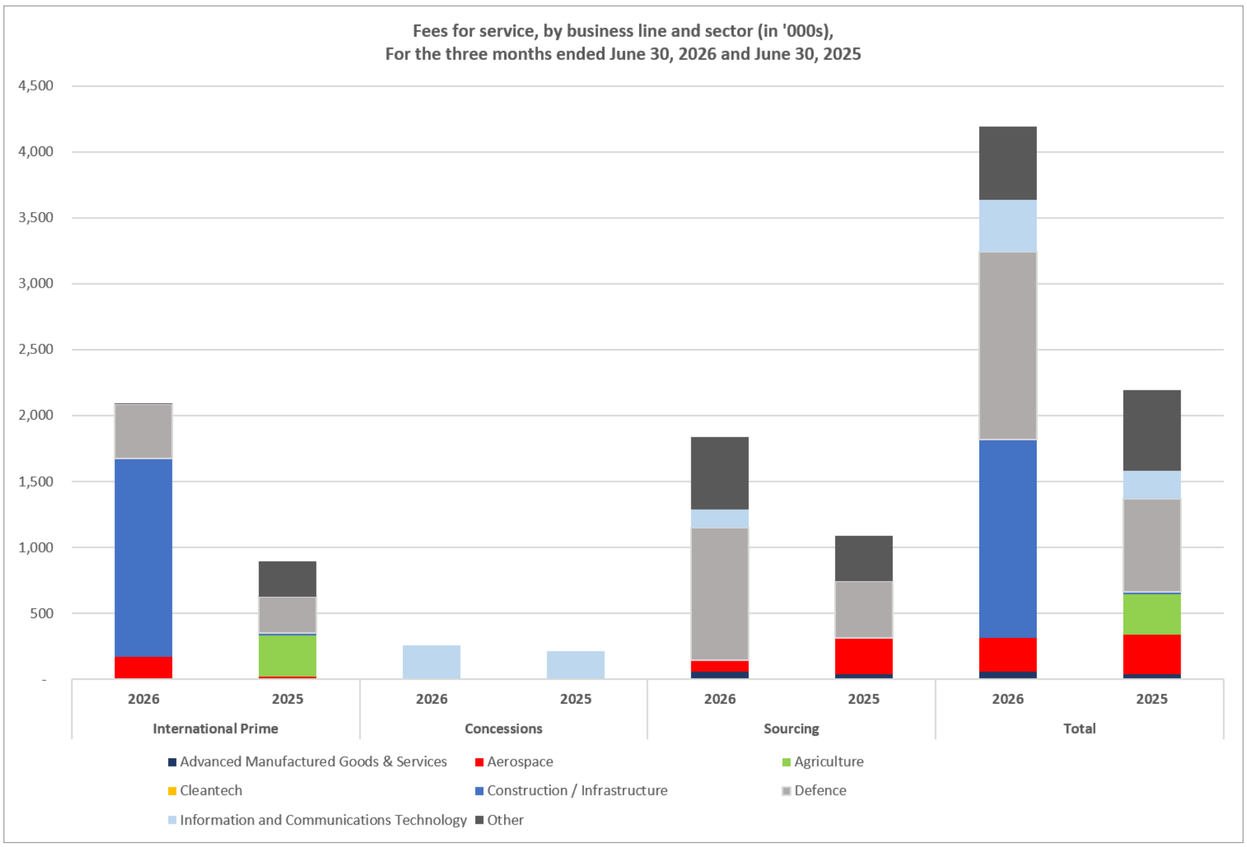
The Corporation also charges fees on its Sourcing business line. The fees are recognized on a straight-line basis over the term of the contract and established to recover the costs to structure and manage contracts.

For the three-month period ended June 30, 2026, the fees for service revenue totalled $4.2 million, an increase of $2.0 million compared with the same period in the prior year. The increase was primarily driven by higher revenues in IPC due to the timing of contractual milestones and deliveries, as well as higher revenues in Sourcing resulting from significant contract signings in the prior year that generated increased service activity in the current period.

The table below shows a 91% year-over-year increase in fees for service, which is greater than the increase observed in CTT. This is mainly attributable to the increased revenue generated in the Sourcing business line, where revenue recognition does not directly correspond to CTTs.

Fees for service by business line ($000s)	For the three months ended June 30, 2026	2025	$ Change	% Change	% of Total 2026	% of Total 2025
International Prime	**$ 2,093**	$ 896	$ 1,197	>100%	**50%**	41%
Concessions	**257**	214	43	20%	**6%**	10%
Total International Prime	**2,350**	1,110	1,240	>100%	**56%**	51%
Sourcing	**1,838**	1,085	753	69%	**44%**	49%
Total	**$ 4,188**	$ 2,195	$ 1,993	91%	**100%**	100%

Fees for service by business line and sector for the three-month period ended June 30:



GOVERNMENT FUNDING

Given that CCC does not receive Fees for service on DPSA contracts, the Corporation receives an annual parliamentary appropriation of $13.8 million to exclusively fund the operating and administrative expenses incurred for the DPSA. For the three-month period ended June 30, 2026, the Corporation recognized government funding of $3.7 million, an increase of $0.5 million over the prior year, as an offset to costs incurred for DPSA administration. This resulted from timing differences associated with the increased operating and administrative expenses, including additional hiring. CCC's annual parliamentary appropriation is reflective of cost savings under CCC's commitments towards the Comprehensive Expenditure Review and Budget 2023 to deliver value for money for Canadians.

OPERATING AND ADMINISTRATIVE EXPENSES

The Corporation's $8.6 million in operating and administrative expenses, for the three-month period ended June 30, 2026, increased by $0.3 million (over the previous year's $8.3 million). This moderate increase was primarily driven by increases in workforce compensation associated with annual salary adjustments, higher PSPC contract management service costs resulting from increased VCS activity, as well as higher travel expenses to deliver on contracts under management.

The Corporation remains committed to delivering operational excellence while employing cost savings measures and prioritizing efficiencies in all aspects of service delivery.

	For the three months ended June 30					
					% of Total	
Operating and administrative expenses ($000s)	**2026**	2025	$ Change	% Change	**2026**	2025
Workforce compensation and related expenses	**$ 5,920**	$ 5,828	$ 92	2%	**69%**	70%
PSPC Contract management services	**746**	650	96	15%	**9%**	8%
Consultants	**563**	533	30	6%	**7%**	6%
Travel and hospitality	**453**	380	73	19%	**5%**	5%
Software, hardware and support	**329**	294	35	12%	**4%**	4%
Depreciation	**261**	264	(3)	(1%)	**3%**	3%
Rent and related expenses	**186**	205	(19)	(9%)	**2%**	2%
Communications	**105**	102	3	3%	**1%**	1%
Other expenses	**69**	66	3	5%	**1%**	1%
Total Operating and administrative expenses	**8,632**	$ 8,322	$ 310	4%	**100%**	100%

STATEMENT OF FINANCIAL POSITION DISCUSSION

Assets and liabilities reflect timing differences between amounts received from foreign and other buyers and the related payments to Canadian exporters. As contractual performance obligations are fulfilled, balances for cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities, which represent amounts at a specific point in time, can fluctuate widely.

Asset and Liability positions

As at June 30, 2026, total assets of $1.7 billion increased by $455.5 million or 36% from the prior year-end. The increase is mainly attributable to:

- the increase of cash and cash equivalents of $439.0 million, primarily reflecting higher cash advances received for Sourcing contracts.

Total liabilities of $1.7 billion increased by $455.8 million, or 38% from the prior year-end. This increase is primarily driven by:

- An increase in advances of $327.3 million, mainly attributable to increased activities on Sourcing projects; and
- An increase of $111.1 million in Accounts payable and accrued liabilities, due to timing differences between cash receipts from foreign buyers and payments to Canadian exporters.

The offsetting increases in both total assets and liabilities reflect the nature of the contracts under management and the effect on balances due to the timing of receipts and payments.

Equity position
Equity for the period decreased by $0.3 million, reflecting year-to-date net profit of $9.7 million, reduced by the dividend of $10.0 million declared during the period. These balances include shareholder contributed surplus of $10.0 million.

As at (in '000s)	June 30, 2026	March 31, 2026	$ Change	% Change
Total assets	**$ 1,736,949**	$ 1,281,494	$ 455,455	36%
Total liabilities	**1,657,586**	1,201,786	$ 455,800	38%
Total equity	**79,363**	79,708	$ (345)	(0%)
Total liabilities and equity	**$ 1,736,949**	$ 1,281,494	$ 455,455	36%

Dividend declaration
On June 3, 2026, in alignment with its Financial Management Policy and Dividend Policy, the Corporation's Board of Directors approved the issuance of a dividend of $10.0 million payable to its shareholder.

CORPORATE PLAN DISCUSSION

The Corporation operates in challenging global markets where government budgets are dynamic and subject to frequent changes. Demand for Canadian-made solutions varies with economic and geopolitical factors, which increases the complexity of G2G export sales and the duration of the sales cycle. In the face of these uncertainties, the Corporation is committed to continuing to work with Canadian exporters to ensure efficiency in services provided so they can continue to pursue better opportunities. To this end, CCC engages in prudent financial management, including rigorous risk management processes, strategically invests in critical capabilities, and focuses on creating value for Canadian stakeholders.

Comparison of financial results to 2026–2027 Corporate Plan

The Treasury Board has approved CCC's operating and capital budgets for 2026-27 as included in the Canadian Commercial Corporation's Corporate Plan 2026–2027 to 2030–2031. The Corporate Plan will be tabled in Parliament in Q2.

The Corporation achieved a net profit of $9.7 million, which was higher than the planned net profit of $4.9 million.

Several factors contributed to these results:

- higher finance and other income ($3.3 million) compared to Plan, driven by larger than anticipated cash balances resulting from the timing of receipt of advances; and
- lower operational expenses ($2.0 million) compared to plan, primarily due to the timing of planned hires as the organization continues to operationalize its increased capacity under the Corporate Plan, to deliver on contracts under management.

Government funding is recorded as an offset to costs incurred related to the administration of the DPSA. Funding is capped at the approved parliamentary appropriation. For the three-month period ended June 30, 2026, government funding recognized to date was $224 thousand higher than the initial budget, reflecting higher eligible costs incurred during the period.

The table below presents financial results compared to the Corporate Plan for the three-month period ended June 30, 2026:

	For the three-months ended June 30, 2026				
	Actual (YTD)	Q1 CP Target (YTD)	Variance $	Variance %	2026-2027 CP Target
VCS ($000s)	**$ 1,189,412**	$ 730,625	$ 458,787	63%	$ 2,922,500
CTT ($000s)	**$ 842,391**	$ 1,073,379	$ (230,988)	(22%)	$ 4,293,517

Net profit ($000s)	**Actual (YTD)**	CP Target (YTD)	Variance $	Variance %	2026-2027 CP Target
Revenues					
Fees for service	**$ 4,188**	$ 5,867	$ (1,679)	(29%)	$ 23,468
Other income	**40**	38	3	7%	150
	4,228	5,905	(1,677)	(28%)	23,618
Government funding	**3,667**	3,443	224	7%	13,772
Expenses					
DPSA expenses	**3,667**	3,854	(186)	(5%)	15,414
Non-DPSA expenses	**4,965**	6,807	(1,843)	(27%)	27,229
	8,632	10,661	(2,029)	(19%)	42,643
Gain (loss) on foreign exchange	**828**	-	828	>100%	-
Finance income and costs	**9,564**	6,234	3,330	>100%	24,936
Net profit	**$ 9,655**	$ 4,921	$ 4,734	96%	$ 19,683

CCC'S COMMITMENT TO RISK MANAGEMENT

CCC made clear and measurable organization-wide progress to strengthen enterprise risk management and embed it into strategic planning, operational execution, and everyday decision-making.

Risk management processes were reinforced across the full contract and project life cycle, with an increased emphasis on early, structured risk identification to better inform contract management plans and execution.

CCC also advanced its enterprise risk management framework to clearly align risks with strategic objectives, ensuring risks are identified, assessed, and monitored in direct support of its mandate and long-term priorities. Enhanced tools, governance, and enterprise-wide practices, including more consistent approaches to project risk assessment across all three business lines, reinforced a shared culture of risk awareness. Together, these actions represent a significant step forward, positioning CCC beyond a compliance-based approach and toward a resilient, decisionsupporting risk management framework that strengthens confidence in its ability to anticipate risk, manage complexity, and deliver on its strategy.

Key risks associated with each of the three strategic pillars and their corresponding objectives are identified below. Each risk was assessed to inform decision-making and support effective governance. Management conducts regular reviews of existing control measures and assesses residual risk exposure against the Corporation's established risk appetite. Instances where residual exposure exceeds the approved risk appetite are identified, formally documented, and addressed through targeted mitigation strategies and management action plans, as appropriate.

Pillar 1 - Growth

Risk	Description
Resource constraints	The risk that the objectives of the business development pursuit or contracts under execution are not achieved due to limited quantum or capability of CCC workforce, leading to lower VCS, reputational damages, or financial losses. A Strategic Workforce Plan is under implementation to ensure capacity is in place to respond to business requirements.
USA relationship	The risk of the curtailment of the DPSA or revision of other trade mechanisms due to American protectionism politic, leading to lower or nil VCS for the DPSA and loss of appropriation. CCC developed and maintains strong liaison with U.S. Department of War leadership to reinforce the critical role Canadian exporters provide under the DPSA.
Supplier performance	The risk of a contract non-delivery due to a supplier (i.e., a Canadian exporter) failing to deliver the contracted goods and/or services to CCC as per the terms and condition of the domestic contract, leading to reputational damages and financial loss. CCC conducts a thorough risk assessment of the managerial, technical, and financial capacity of each supplier. Management closely monitors and reports on exporter performance on a risk-based approach for each contract.
Global economic downturn	The risk that volume of contracts and interest revenues decrease due to the global economic downturn, leading to financial sustainability concerns. By monitoring economy changes and staying agile, CCC re-allocates market development resources in regional and sectorial areas that could experience the upside of an economic downturn.
DPSA appropriation	The risk that DPSA program contracts decrease due to an appropriation reduction, leading to lower Canadian exports, reputational damage, or financial losses. CCC continues to demonstrate its value to Canadian exporters and to the broader economy, reinforcing the importance of sustained government support.

Risk	Description
Geopolitical tension	The risk of curtailment of the project pipeline due to geopolitical tensions, leading to lower VCS and decrease in revenue. Although CCC cannot affect the likelihood of the risk, efforts are dedicated to monitoring diplomatic advisories, continuous engagement with Global Affairs Canada for alignment on foreign policy.
Global supply chain	The risk that exporters cannot meet their contractual obligations due to global supply chain issues, leading to missed deadlines and reputational damages. CCC conducts technical analyses for each project to proactively identify potential supply chain risks, including issues that could lead to delays. This assessment includes a targeted evaluation of Canadian content within the supply chain to support domestic participation and mitigate dependency risks.

Pillar 2 – Operational Excellence

Risk	Description
Transformation projects	The risk that business processes are not optimized due to transformation projects not achieving their objectives, leading to operational objectives and /or financial objectives not being achieved. CCC's project governance framework incorporates leading practices in project management, including systematic tracking and measurement of benefits realization.
Attrition	The risk that a high number of executives retire in the short/medium term due to current demographics, leading to a loss of institutional knowledge, reputational damage, or financial losses. CCC is advancing the development of comprehensive succession plans for all senior management and critical roles to ensure leadership continuity and organizational resilience.
Resource deployment	The risk of missed future opportunities due to constrained resources or sub- optimal deployment in business development/contract management, leading to lower VCS, reputational damages, and financial losses. Through the implementation of a new project risk rating tool, management has adopted a risk-based approach to resource allocation, enhancing efficiency and oversight.

Risk	Description
System availability	The risk of operational disruption and compromised sensitive data due to reliance on multiple cloud service providers for critical applications, leading to weak resiliency. CCC maintains a comprehensive business continuity plan, which is tested annually to ensure organizational preparedness and resilience in the event of disruption. In parallel, CCC has established robust recovery capabilities to restore the availability of all critical business information systems within two days of an incident.
Contract structure	The risk that CCC incurs out-of-pocket extra-contractual costs due to CCC accepting risk that should have been allocated to another party or is incorrectly drafted into the contract, leading to financial losses. CCC mitigates the risk of overly complex or inappropriately drafted contracts through thorough due diligence, internal legal review, and the use of standardized contract structures, including back-to-back clauses aligned with prime agreements. These controls are supported by clear training and accountability, formal risk review processes, and enhanced monitoring for more complex projects.
Cyber security	The risk that CCC systems are breached due to compromised security features, leading to reputational damages and potential financial cost. CCC maintains robust cybersecurity and information management practices, supported by ongoing training and simulation exercises, to ensure employees remain well-informed and equipped to effectively manage associated risks.
Compliance	The risk of legal claims or regulatory penalties due to non-compliance of corporate policies, legal, or regulatory obligations, leading to reputational damages or financial losses. CCC mitigates compliance risk through a comprehensive framework that includes mandatory training, clear governance structures, regularly updated policies and codes of conduct, and strong oversight mechanisms such as internal audits and whistleblower channels. This approach is reinforced by leadership commitment to a culture of compliance, defined accountability, and formal processes to manage exceptions and address non-compliance.

Risk	Description
Contract margins	The risk of low contribution margins due to the current business model, leading to insufficient sustainability. CCC mitigates the risk of insufficient contribution margins through a comprehensive control framework that includes rigorous pricing reviews prior to project approval, ongoing monitoring of contract performance and margins through regular management and board reporting, and early risk identification via structured contract review forums. These controls are complemented by disciplined pricing policies, active portfolio diversification, targeted business development to drive profitable growth, and continuous oversight of higher-risk contracts through specialized governance committees and lifecycle margin tracking.
Fraud	The risk that a third party or an employee diverts CCC assets due to control breakdown (design or execution flaws), leading to reputational damages. CCC maintains strong internal controls to mitigate fraud risk, including the implementation of a formal whistleblower policy, complemented by ongoing employee training and awareness initiatives—such as education on phishing schemes—to strengthen vigilance and promote a culture of integrity and accountability.

Pillar 3 - ESG

Risk	Description
Third party behaviour	CCC is party to a contract where wrongdoing, bribery or human rights violations arise due to breaches of obligations or best practices leading to reputational or financial damages. CCC mitigates this risk through robust due diligence practices, alignment with Government of Canada policies on human rights and responsible business conduct, and adherence to applicable legal and international standards. These measures are reinforced by clear expectations set out in CCC’s Code for Exporters, ongoing oversight by integrity and human rights committees.

MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these quarterly financial statements in accordance with the Treasury Board of Canada's Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Reports, and for such internal controls as Management determines are necessary to enable the preparation of quarterly financial statements that are free from material misstatement. Management is also responsible for ensuring all other information in this quarterly financial report is consistent, where appropriate, with the quarterly financial statements. These quarterly financial statements have not been audited or reviewed by an external auditor.

Based on our knowledge, these unaudited quarterly financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Corporation, as at the date of, and for the periods presented in, the quarterly financial statements.

Bobby Kwon

President and Chief Executive Officer

Juliet Woodfield

Vice-President of Corporate Services and

Chief Financial Officer

Ottawa, Canada

August 21, 2026

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

Statement of Financial Position (Unaudited)

As at	Notes		June 30, 2026		March 31, 2026
ASSETS					
Current assets					
Cash and cash equivalents	4	$	**1,686,970**	$	1,247,928
Accounts receivable	5 , 12		**38,851**		22,994
Other assets	6		**2,411**		1,739
			1,728,232		1,272,661
Non-current assets					
Property and equipment			**6,640**		6,705
Right-of-use assets			**2,077**		2,128
			8,717		8,833
Total assets		$	**1,736,949**	$	1,281,494
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	7, 12	$	**171,217**	$	60,091
Dividend payable	11		**10,000**		-
Advances			**1,453,943**		1,126,679
Deferred revenue	8		**3,669**		4,386
Deferred government funding	9		**10,105**		-
Provisions			**-**		2,235
Lease liabilities	10		**320**		316
Employee benefits			**927**		860
			1,650,181		1,194,567
Non-current liabilities					
Deferred revenue	8		**3,500**		3,235
Lease liabilities	10		**3,905**		3,984
			7,405		7,219
Total liabilities			**1,657,586**		1,201,786
EQUITY					
Contributed capital			**10,000**		10,000
Retained earnings			**69,363**		69,708
Total equity			**79,363**		79,708
Total liabilities and equity		$	**1,736,949**	$	1,281,494
Lease commitments	10				
Contingencies	17				

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

Authorized for issue on August 21, 2026

Bobby Kwon
President and Chief Executive Officer

Juliet S. Woodfield, FCPA, FCA
Vice-President of Corporate Services

Statement of Comprehensive Income (Unaudited)

	Notes		For the three months ended June 30 **2026**		2025
REVENUES					
Fees for service	13	**$**	**4,188**	$	2,195
Other income	14	**$**	**40**		196
			4,228		2,391
GOVERNMENT FUNDING					
Parliamentary appropriation	9		**3,667**		3,176
			3,667		3,176
EXPENSES					
Operating and administrative expenses	15		**8,632**		8,322
			8,632		8,322
Operating loss before foreign exchange			**(737)**		**(2,755)**
Gain (loss) on foreign exchange			**828**		(1,671)
Operating profit (loss)			**91**		**(4,426)**
Finance Income			**9,611**		5,439
Profit before financing			**9,702**		1,013
Finance Costs			**47**		52
Net profit		**$**	**9,655**	$	961
Other comprehensive income			**-**		-
Total comprehensive income		**$**	**9,655**	$	961

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

Statement of Changes in Equity (Unaudited)

For the three months ended June 30, 2026	**Note**		**Contributed Capital**		**Retained Earnings**		**Total**
BALANCE MARCH 31, 2026		**$**	**10,000**	**$**	**69,708**	**$**	**79,708**
Net profit					**9,655**		**9,655**
Dividend	11				**(10,000)**		**(10,000)**
BALANCE JUNE 30, 2026		**$**	**10,000**	**$**	**69,363**	**$**	**79,363**

For the three months ended June 30, 2025	**Note**		**Contributed Capital**		**Retained Earnings**		**Total**
BALANCE MARCH 31, 2025		$	10,000	$	65,129	$	75,129
Net profit					961		961
Dividend	11				(10,000)		(10,000)
BALANCE JUNE 30, 2025		$	10,000	$	56,090	$	66,090

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

Statement of Cash Flows (Unaudited)

	Notes	For the three months ended June 30 **2026**	2025
OPERATING ACTIVITIES			
Operating profit (loss)		**$ 91**	$ (4,426)
Adjustments to determine net cash from (used in) operating activities:			
Depreciation property and equipment		**210**	212
Depreciation right-of-use assets		**51**	52
Employee benefit expense		**67**	23
Foreign exchange (gain) loss on cash and cash equivalents		**(869)**	1,554
Change in working capital from:			
Accounts receivable	5 , 12	**(15,303)**	41,553
Other assets	6	**(672)**	(340)
Accounts payable and accrued liabilities	7, 12	**111,126**	(17,832)
Advances		**327,264**	(30,799)
Deferred revenue	8	**(452)**	73
Deferred government funding	9	**10,105**	10,616
Provision		**(2,235)**	-
Cash provided by operating activities		**429,383**	686
INVESTING ACTIVITIES			
Interest received		**9,057**	4,637
Additions to property and equipment		**(145)**	-
Cash provided by investing activities		**8,912**	**4,637**
FINANCING ACTIVITIES			
Interest paid	10	**(47)**	(52)
Principal repayment of lease liabilities	10	**(75)**	(73)
Cash used in financing activities		**(122)**	(125)
Effect of exchange rate changes on cash and cash equivalents		**869**	(1,554)
Net increase in cash and cash equivalents		**439,042**	3,644
Cash at the beginning of the year		**1,247,928**	595,248
Cash and cash equivalents at the end of the period		**$ 1,686,970**	$ 598,892

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

1. NATURE, ORGANIZATION AND FUNDING

The Canadian Commercial Corporation (the Corporation) was established in 1946 by the *Canadian Commercial Corporation Act* (CCC Act). The Corporation is wholly owned by the Government of Canada and is an agent Crown corporation listed in Part I of Schedule III of the *Financial Administration Act* (FAA). The Corporation is accountable for its affairs to Parliament through the Minister of International Trade (the Minister). The Corporation is domiciled and operates in Canada with a head office located at 350 Albert Street, Ottawa, Ontario.

The Corporation acts as the prime contracting agency for Canadian exporters when foreign governments, international organizations, or foreign private sector buyers wish to purchase products and services from Canada through the Government of Canada. The Corporation enters into prime contracts with these foreign buyers and into corresponding domestic contracts with Canadian exporters. Additionally, the Corporation enters into certain Sourcing services agreements to procure goods and services for international end users on behalf of the Government of Canada and foreign governments.

The Corporation's operations are funded by Fees for service, supplemented by parliamentary appropriation from the Government of Canada.

In September 2008, the Corporation, together with a number of other Crown corporations, was issued a directive (P.C. 2008-1598) pursuant to Section 89 of the FAA, entitled *Order giving a direction to parent Crown corporations involved in commercial lending to give due consideration to the personal integrity of those they lend to or provide benefits to in accordance with Government's policy to improve the accountability and integrity of federal institutions*. The Corporation implemented the directive effective January 1, 2010, and has remained compliant with the directive since then.

In January 2026, the Corporation was issued a directive (P.C. 2026-0005) 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 currently completing its legal analysis on the implications of the directive and is aligning its business practices with the policy, consistent with its legislative authorities and governance framework.

The Corporation is not subject to the provisions of the *Income Tax Act*.

2. BASIS OF PREPARATION

(a) Compliance with IFRS Accounting Standards

These condensed interim financial statements have been prepared in accordance with the Treasury Board of Canada's Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Reports, using IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted in the Corporation's audited annual financial statements as at, and for the year ended March 31, 2026. These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Corporation's Annual Report and audited financial statements for the year ended March 31, 2026.

During the period, the Corporation elected to early adopt IFRS 18, Presentation and Disclosure in Financial Statements, which replaces IAS 1, Presentation of Financial Statements. The adoption of IFRS 18 did not have a significant impact on the Corporation's financial position, results of operations, or cash flows, but resulted in certain changes to the presentation and disclosure of financial information.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for, as permitted by IFRS and to the extent material, the following items:

- Accrued employee benefit liabilities for post-employment and other long-term employee benefit plans are recognized at the present value of the defined benefit obligations.

(c) Use of estimates and judgments

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities, the disclosure of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results may differ significantly from estimates, resulting in significant differences in the related financial statement balances.

Estimates and underlying assumptions are reviewed on an ongoing basis and in detail as at the date of the financial statements. Any changes in estimates are reflected in the financial statements in the period in which they become known and in any future periods affected.

The Corporation's key sources of estimation uncertainty during the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are related to the measurement of expected credit losses for accounts receivable and unbilled revenue, the determination of the useful lives of property and equipment, the determination of unsatisfied (or partially unsatisfied) performance obligations, the determination of whether a contingent liability needs to be disclosed or a provision for contract remediation expenses or other contract related liabilities need to be recognized, and the allocation of expenses to administer the DPSA.

The critical judgements made by management in applying the Corporation's accounting policies that have the most significant effect on the amounts recognized in the financial statements are related to the determination of the amount and timing of revenue recognition and related expenses, the accounting for cost recovery transactions, the allocation of indirect expenses related to administration of DPSA, the assessment of whether there have been significant changes in credit risks impacting the expected credit losses for accounts receivable and unbilled revenue, the determination of right-of-use assets and lease liabilities, and the determination of whether an item is recognized in the financial statements as a contingent liability.

(d) Functional and presentation currency

The Corporation's functional and presentation currency is the Canadian dollar.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies applied in the preparation of these condensed interim financial statements are consistent with those disclosed in the Corporation's audited annual financial statements for the year ended March 31, 2026.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents had the following balances by currency as at:

	June 30, 2026		March 31, 2026	
	Original currency	**Canadian dollars**	Original currency	Canadian dollars
Canadian dollars	**1,556,916**	**$ 1,556,916**	1,052,741	$1,052,741
U.S. dollars	**86,036**	**122,258**	133,511	186,101
Euros	**4,807**	**7,796**	5,653	9,086
		$ 1,686,970		$1,247,928

i) Cash and notice deposits

Cash and notice deposit balances include advances received from foreign buyers and others not yet paid to Canadian exporters and, when applicable, amounts held back from Canadian exporters to be remitted at later dates in accordance with the terms and conditions of contracts. Also, see note 12 for a description of the Corporation's revolving line of credit.

ii) Restricted cash

a. Restricted cash relates to cash held by CCC in separate bank accounts for the benefit of foreign buyers in connection with agreements with those foreign buyers. These funds may only be used to satisfy project-related payments in accordance with the applicable agreements. CCC management has determined that restricted cash held on behalf of third parties is controlled by CCC, as it has the ability to direct the use of the funds and bears the associated risks and benefits. Accordingly, these amounts are recognized on the statement of financial position, with a corresponding advance liability reflecting the obligation to remit the funds.
b. In addition, as at June 30, 2026, in connection with an agreement with a foreign buyer, CCC holds cash of $70.0 million (2026: $62.9 million) in a separate bank account for the benefit of that foreign buyer. For amounts not recognized, the Corporation has judged that although it has certain contractual responsibilities regarding the administration of this bank account, it does not have control of the future economic benefits relating to this cash. As such, the Corporation has not recognized this cash as an asset of the Corporation, nor has it recorded a corresponding advance amount within liabilities. In addition, the Corporation does not recognize any interest income earned on this cash balance. This contract was terminated in February 2026, and the funds will be returned to the foreign buyer as per the contractual obligations.

5. ACCOUNTS RECEIVABLE

Accounts receivable include amounts that are due to the Corporation for Fees for service invoiced and yet to be collected, amounts due from foreign buyers related to amounts already paid to Canadian exporters and other amounts primarily from Canadian government organizations. These amounts are based on normal international trade terms and are generally non-interest bearing.

The Corporation's accounts receivable consisted of the following as at:

	June 30, 2026	March 31, 2026
Accounts receivable	**$ 22,399**	$ 20,868
Accrued receivables	**16,452**	2,126
	$ 38,851	$ 22,994

The currency profile of the Corporation's accounts receivable was as follows as at:

	June 30, 2026		March 31, 2026	
	Original currency	**Canadian dollars**	Original currency	Canadian dollars
Canadian dollars	**30,186**	**$ 30,186**	11,748	$ 11,748
U.S. dollars	**6,099**	**8,665**	8,068	11,246
		$ 38,851		$ 22,994

Credit and market risks related to accounts receivable are disclosed in note 12.

6. OTHER ASSETS

The Corporation's other assets included the following as at:

	June 30, 2026	March 31, 2026
Prepaid expenses	**$ 1,316**	$ 657
Unbilled revenues	**1,095**	1,082
	$ 2,411	$ 1,739

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities represent amounts due related to the Corporation's operating and administrative expenses, amounts due to Canadian exporters from amounts received from foreign buyers and other miscellaneous amounts due. These amounts are due on normal trade terms.

The Corporation's accounts payable and accrued liabilities consisted of the following as at:

	June 30, 2026	March 31, 2026
Accounts payable	**$ 167,208**	$ 55,576
Accrued liabilities	**4,009**	4,515
	$ 171,217	$ 60,091

The currency profile of the Corporation's accounts payable and accrued liabilities was as follows as at:

	June 30, 2026		March 31, 2026	
	Original currency	**Canadian dollars**	Original currency	Canadian dollars
Canadian dollars	**160,637**	**$160,637**	43,363	$ 43,363
U.S. dollars	**7,233**	**10,277**	11,256	16,496
Euros	**187**	**303**	144	232
		$171,217		$ 60,091

Market and liquidity risks related to accounts payable and accrued liabilities are disclosed in note 12.

8. DEFERRED REVENUE

A reconciliation of the Corporation's deferred revenue is as follows:

	June 30, 2026	March 31, 2026
Balance at the beginning of the year	**$ 7,621**	$ 3,762
Plus: additional deferred revenue	**1,590**	7,932
Less: amounts recognized as Fees for service	**(1,715)**	(4,116)
Impact of netting unbilled and deferred revenue from same contract	**(327)**	43
Balance at the end of the period	**$ 7,169**	$ 7,621

9. DEFERRED GOVERNMENT FUNDING

A parliamentary appropriation of $13.8 million was authorized for the 2026-2027 fiscal year. This funding is provided through Global Affairs Canada and is to be used exclusively to support the administration of the DPSA.

A reconciliation of the Corporation's deferred government funding is as follows:

	June 30, 2026	March 31, 2026
Balance at the beginning of the year	**$ -**	$ -
Plus: funding from the Government of Canada	**13,772**	13,796
Less: government funding revenue recognized	**(3,667)**	(13,796)
Balance at the end of the period	**$ 10,105**	$ -

10. LEASE LIABILITIES

The Corporation's leasing activities relate to office space.

A reconciliation of the Corporation's lease liabilities is as follows:

	June 30, 2026	March 31, 2026
Balance at the beginning of the year	$ 4,300	$ 4,592
Interest expense	47	202
Lease payments	(122)	(494)
Balance at the end of the period	$ 4,225	$ 4,300

Interest expense related to lease liabilities is included in finance cost. The Corporation's operating and administrative expenses include $143 (2026 — $560) related to variable lease payments not included in the measurement of lease liabilities. For the three-month period ended June 30, 2026, there were no significant expenses related to leases of low-value assets and short-term leases for which the recognition exemption has been applied.

11. CAPITAL MANAGEMENT

The Corporation's objective, definition, and key strategies with respect to its capital are consistent with those disclosed in the Corporation's audited financial statements for the year ended March 31, 2026.

The Corporation is not subject to externally imposed capital requirements.

On June 3, 2026, the Corporation's Board of Directors approved the issuance of a dividend of $10.0 million (2025 - $10.0 million) payable to its shareholder.

The Corporation's breakdown of the equity was as follows as at:

	June 30, 2026	March 31, 2026
Contributed capital	$ 10,000	$ 10,000
Retained earnings	69,363	69,708
	$ 79,363	$ 79,708

12. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

As described in the Corporation's Annual Report and audited financial statements for the year ended March 31, 2026, the Corporation is exposed to credit risk, market risk and liquidity risk as a result of holding financial instruments.

The following section is a description of the most significant risks associated with financial instruments and how the Corporation manages its risk exposure.

(a) 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 credit risk arises principally from the Corporation's cash and cash equivalents, accounts receivable and unbilled revenue which includes Fees for service due to the Corporation. The carrying amount of financial assets recorded in the financial statements represents the maximum exposure to credit risk.

Cash and cash equivalents

The Corporation invests surplus funds to earn investment income with the objective of maintaining safety of principal and providing adequate liquidity to meet cash flow requirements. During the year, the Corporation's exposure to credit risk from investing cash and cash equivalents is minimized through compliance with the Corporation's Board of Directors approved investment policy, which specifies approved investment instruments and portfolio limits. Per the investment policy, the Corporation is permitted to invest cash and cash equivalents in highly liquid demand deposits and temporary investments with a Canadian chartered bank. Investments must maintain credit ratings at, or above, thresholds identified from at least two of the agencies listed below:

- Moody's rating of P1
- Standard and Poor's (S&P) rating of A1
- Dominion Bond Rating Service (DBRS) rating of R1 (low)

Accounts receivable

The Corporation has credit risk related to accounts receivable which includes Fees for service revenue and other amounts owed to the Corporation. Other amounts include situations where the Corporation may agree to pay DPSA and non-DPSA invoices at the request of Canadian exporters prior to receiving funds from the U.S. Department of Defence or other foreign buyers.

Since the DPSA foreign buyer is rated AAA by recognized rating agencies, the credit exposure is minimized to acceptable levels. For non-DPSA foreign buyers, the Corporation assesses the credit risk to ensure it is also within acceptable levels.

As at June 30, 2026, 78% (March 31, 2026 — 53%) of the Corporation's accounts receivable were from AAA-rated counterparties.

The Corporation recognized a loss allowance for expected credit loss of nil (March 31, 2026 — nil) related to accounts receivable from foreign buyers and other entities arising from contracts with customers. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The maximum exposure to credit risk for accounts receivable by geographic region was as follows as at:

		June 30, 2026		March 31, 2026
Canada	**$**	**30,476**	$	12,087
United States		**7,776**		8,028
Asia *		**366**		355
Europe		**233**		1,704
South America		**-**		820
	$	**38,851**	$	22,994

* Includes Middle East

Accounts receivable are considered past due when the payer has failed to make the payment by the contractual due date. The ageing profile of the Corporation's past due accounts receivable was as follows as at:

		June 30, 2026		March 31, 2026
< 30 days	**$**	**172**	$	8,191
> 30 days and < 180 days		**9,908**		1,946
> 180 days		**561**		2,936
	$	**10,641**	$	13,073

All overdue accounts receivable are considered fully collectable as at June 30, 2026, as it is normal for the Corporation to encounter delays in collecting certain accounts receivable as a result of the foreign environment in which it operates.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Corporation is not exposed to significant interest rate risk or other price risk, however, as noted below, does have currency risk exposure.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation is exposed to foreign currency risk on its accounts receivable and accounts payable denominated in foreign currencies due to timing differences between their initial recognition and the actual receipt or payment of cash. To address foreign exchange risks, contracts with foreign buyers and corresponding contracts with Canadian exporters are generally transacted in the same currency. In some cases where payment between parties is made in a different currency, the Corporation may enter into forward contracts. Generally, the Corporation uses these strategies to effectively transfer the currency risk to the Canadian exporter.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's exposure to fair-value interest rate risk arises from investing in cash and cash equivalents. The risks associated with fluctuations in interest rates are minimized by investing in highly liquid demand deposits and temporary investments with a reputable chartered bank. The Corporation is not exposed to any significant interest rate risk.

(c) Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is minimized through compliance with the Corporation's investment policy whereby cash and cash equivalents are invested in highly liquid demand deposits and temporary investments with a Canadian financial institution in order to meet financial obligations on a timely basis.

A potential claim for damages for non-performance of outstanding contracts could create liquidity risk for the Corporation. To mitigate this risk, the Corporation has contractual recourse that consists of, in all material respects, back-to-back contractual obligations from Canadian exporters in an amount equal to the value of the contract. In addition, the Corporation receives an indemnity from the exporter against any additional costs incurred by entering into the back-to-back contractual relationship. In order to further mitigate its overall liquidity risk exposure from non-performance on contracts, the Corporation may supplement this recourse by requiring the Canadian exporter to provide commercial securities including holdbacks, bank guarantees, surety bonds, parent guarantees, insurance assignments, property liens, personal guarantees and shareholder cash to be held in trust with the Corporation.

As part of the normal course of business, management assesses the likelihood of any contingent liabilities. Contingent liabilities with respect to certain unresolved contract issues are disclosed in note 17(b).

Under contract terms, other than DPSA related contracts, payments to Canadian exporters are usually not made in advance of receipt of payment from foreign buyers, and therefore do not expose the Corporation to liquidity risk.

The *CCC Act* permits the Corporation to borrow from the Consolidated Revenue Fund or enter into other credit arrangements or indemnities from other sources for an amount not to exceed $90.0 million.

The Corporation has a revolving credit facility providing access to funds in the amount of $40.0 million (March 31, 2026 — $40.0 million) Canadian or its U.S. dollar equivalent. The credit facility is used exclusively for the Corporation's working capital requirements to facilitate payments to Canadian exporters under the DPSA business line.

As per contractual terms in the DPSA business line, the Corporation commits to payments to Canadian exporters within thirty days on most contracts. For the International contracts, the Corporation commits to payments within two to five business days from receipt of payments from the foreign buyer. At times, collection of amounts from the foreign buyer on DPSA contracts can take more than thirty days. This can occasionally result in the Corporation using the credit facility in the normal course of operations. Indebtedness under this agreement is unsecured and this credit facility has an expiry date of December 31, 2026, subject to extension by the Minister of Finance or the approval of a corporate plan. As at June 30, 2026, the draw on this line of credit was nil (March 31, 2026 — nil).

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are due on normal trade terms. The maturity profile of the Corporation's accounts payable and accrued liabilities was as follows as at:

		June 30, 2026		March 31, 2026
< 1 year	**$**	**171,217**	$	60,091
	$	**171,217**	$	60,091

13. REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Disaggregation of Fees for service revenue

The sources of the Corporation's Fees for service revenue were as follows:

	For the three months ended			
		June 30, 2026		June 30, 2025
International business	**$**	**2,093**	$	896
Lottery programs		**258**		214
	$	**2,351**	$	1,110
Government of Canada initiatives		**1,837**		1,085
	$	**4,188**	$	2,195

(b) Unsatisfied (or partially unsatisfied) performance obligations

Unsatisfied, or partially unsatisfied, contractual performance obligations are mostly due to services which are yet to be provided by the Corporation over the remaining duration of the contract. The following table sets out the estimated transaction prices allocated to unsatisfied, or partially unsatisfied contracted performance obligations of the Corporation to be met in the future and the estimated timing of revenue recognition as at June 30, 2026. Actual amounts may differ from these estimates due to a variety of factors, including the unpredictable nature of customer behaviour, industry regulation and the economic and political environments in which the Corporation operates.

		June 30, 2026
< 1 year	$	15,975
> 1 year		44,360
	$	60,335

The above amounts do not include the variable consideration portions that cannot be reliably estimated.

14. OTHER INCOME

The Corporation earns other income from various sources which are typically not from international business activities. The table below illustrates the sources of other income:

	For the three months ended			
		June 30, 2026		June 30, 2025
Discounting income	$	24	$	25
Miscellaneous income		16		171
	$	40	$	196

15. OPERATING AND ADMINISTRATIVE EXPENSES

Operating and administrative expenses are as follows:

	For the three months ended			
		June 30, 2026		June 30, 2025
Workforce compensation and related expenses	$	5,920	$	5,828
PSPC Contract management services		746		650
Consultants		563		533
Travel and hospitality		453		380
Software, hardware and support		329		294
Depreciation		261		264
Rent and related expenses		186		205
Communications		105		102
Other expenses		69		66
Total Operating and administrative expenses	$	8,632	$	8,322

16. RELATED PARTY TRANSACTIONS

The Corporation is related in terms of common ownership to all Government of Canada departments, agencies and Crown corporations. The Corporation enters into transactions with these entities in the normal course of business, under the same terms and conditions that apply to unrelated parties, and as such the transactions approximate fair value.

17. CONTINGENCIES

(a) Collateral

The value of outstanding deliverables to be performed by Canadian exporters for which the Corporation, on behalf of the Government of Canada, has guaranteed performance to foreign government buyers as at June 30, 2026, was $10.9 billion (March 31, 2026 — $10.0 billion).

To manage performance risk of outstanding deliverables, the Corporation has contractual recourse that consists, in all material respects, of corresponding deliverables from Canadian exporters in the same amount. The collateral pledged by Canadian exporters is to mitigate counterparty risk to the deliverables guaranteed by the Corporation in the event of non-performance claims against the Corporation for reasons related to the Canadian exporter failing to perform per the terms and conditions of contracts. The types of collateral the Corporation may require the Canadian exporter to provide are various commercial securities including holdbacks, bank guarantees, surety bonds, parent guarantees, insurance assignments, property liens, personal guarantees and shareholder cash held in trust with the Corporation.

As at June 30, 2026, commercial securities that have been pledged to the Corporation as collateral by Canadian exporters in the unlikely event of their contractual non-performance are in the form of parent guarantees totalling $4.3 billion (March 31, 2026 — $4.4 billion in the form of parent guarantees) which approximate their fair value.

(b) Other contingent liabilities

As part of the normal course of business, management assesses the likelihood of any contingent liabilities. As of June 30, 2026, the Corporation has certain unresolved contract issues that are being actively managed towards resolution. Any financial impact on the Corporation, including the potential for future contract remediation expenses, cannot be reasonably estimated at this time.