VIA Rail Canada

Third Quarter Report 2025

VIA Rail Canada
SIIX 2902

Management's Discussion and Analysis

For the quarter ended September 30, 2025

1. Introduction

The Management's discussion and analysis report outlines the financial results of VIA Rail Canada Inc. (The Corporation) for the quarter and the nine-month period ended September 30, 2025, compared with the quarter and the nine-month period ended September 30, 2024. This document should be read in conjunction with the interim condensed financial statements and notes.

Materiality

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

Forward-Looking Statement Disclosure

Management's discussion and analysis report contains forward-looking statements which may be identified with the words "may", "likely to" and "could". These statements reflect our evaluation of the information currently available and are subject to a number of risks and uncertainties referred to in the risk section of this document.

2. Corporate Overview

VIA Rail is a non-agent Crown corporation which operates Canada's national passenger rail service on behalf of the Government of Canada. The Corporation's objectives are to manage and provide a safe, efficient, reliable, and environmentally sustainable passenger rail service that meets the needs of travellers in Canada.

The Government of Canada determines the Corporation's role within the overall structure and services provided by the federal government and provides appropriations to subsidize passenger rail services.

3. Highlights of Financial Results and Major Key Operating Statistics

	QUARTERS ENDED SEPTEMBER 30				NINE-MONTH PERIODS ENDED SEPTEMBER 30			
(in millions of Canadian dollars)	**2025**	**2024**	**Var $**	**Var %**	**2025**	**2024**	**Var $**	**Var %**
Financial Performance								
Passenger revenues *(section 4.2)*	**147.3**	133.4	13.9	10.4%	**358.2**	332.8	25.4	7.6%
Other revenues	**7.2**	6.1	1.1	18.0%	**18.6**	18.3	0.3	1.6%
Total revenues	**154.5**	139.5	15.0	10.8%	**376.8**	351.1	25.7	7.3%
Operating expenses *(section 4.3)*	**268.6**	259.3	9.3	3.6%	**794.0**	747.1	46.9	6.3%
Operating loss before funding from the Government of Canada and income taxes *(section 4.1)*	**(114.1)**	(119.8)	5.7	4.8%	**(417.2)**	(396.0)	(21.2)	(5.4%)
Net income (loss) for the period	**5.8**	0.7	5.1	728.6%	**(5.0)**	(0.4)	(4.6)	(1150.0%)
Remeasurements of defined benefit components of the pension plans and other employee benefit plans (net of tax)	**60.9**	(0.4)	61.3	15325.0%	**82.2**	78.3	3.9	5.0%
Comprehensive income for the period	**66.7**	0.3	66.4	22133.3%	**77.2**	77.9	(0.7)	(0.9%)
Financial Position and Cash Flows								
Total assets *(section 4.4) (Note 1)*	**3,669.8**	3,419.5	250.3	7.3%	**3,669.8**	3,419.5	250.3	7.3%
Total liabilities and deferred capital funding *(section 4.4) (Note 1)*	**3,291.7**	3,118.5	173.2	5.6%	**3,291.7**	3,118.5	173.2	5.6%
Cash *(section 4.5)*	**71.9**	15.5	56.4	363.9%	**71.9**	15.5	56.4	363.9%
Net cash (used in) provided by operating activities *(section 4.5)*	**(7.6)**	(33.1)	25.5	77.0%	**52.3**	11.4	40.9	358.8%
Net cash provided by (used in) investing activities *(section 4.5)*	**21.3**	15.9	5.4	34.0%	**(41.7)**	(16.0)	(25.7)	(160.6%)
Net cash used in financing activities *(section 4.5)*	**(1.0)**	(0.8)	(0.2)	(25.0%)	**(2.8)**	(2.7)	(0.1)	(3.7%)
Government Funding								
Operating *(section 5)*	**74.3**	80.2	(5.9)	(7.4%)	**280.9**	284.8	(3.9)	(1.4%)
Capital *(section 5)*	**104.8**	171.2	(66.4)	(38.8%)	**296.6**	396.7	(100.1)	(25.2%)
Total Government funding	**179.1**	**251.4**	**(72.3)**	**(28.8%)**	**577.5**	**681.5**	**(104.0)**	**(15.3%)**
Key Operating Statistics								
Train-miles operated *(in thousands)*	**1,626**	1,559	67	4.3%	**4,821**	4,911	(90)	(1.8%)
Seat-miles *(in millions)*	**474**	472	2	0.4%	**1,321**	1,306	15	1.1%
Passenger-miles *(in millions)*	**293**	267	26	9.7%	**739**	717	22	3.1%
Passengers *(in thousands)*	**1,256.9**	1,179.4	77.5	6.6%	**3,264.5**	3,242.8	21.7	0.7%
Average passenger load factor *(%)*	**62**	57	5	8.8%	**56**	55	1	1.8%
RASM (revenue per available seat mile) *(in cents) - Note 2*	**33.00**	29.19	3.81	13.1%	**28.84**	26.94	1.90	7.1%
CASM (cost per available seat mile) *(in cents) - Note 2*	**48.67**	46.19	2.48	5.4%	**50.11**	48.75	1.36	2.8%
Cost recovery ratio *(%) - Note 2*	**67.8**	63.2	4.6	7.3%	**57.6**	55.3	2.3	4.2%
Operating deficit per passenger mile *(in cents) - Note 2*	**25.4**	30.0	(4.6)	(15.3%)	**38.0**	39.7	(1.7)	(4.3%)
On-time performance *(%)*	**33**	48	(15)	(31.3%)	**33**	57	(24)	(42.1%)

(Amounts in brackets represent decreases)
Note 1: Comparative figures as at December 31, 2024
Note 2: Based on funded results

3. Highlights of Financial Results and Major Key Operating Statistics (cont'd)

Financial Highlights

Third quarter

- → Total revenues increased by 10.8 percent resulting from an increase in average revenues increase as well as an increase in ridership, compared to the corresponding quarter of 2024.
- → Operating expenses increased by 3.6 percent mainly due to higher costs involved with the disruptions in access as well as higher depreciation and amortization.
- → The operating loss decreased by 4.8 percent due to an increase in revenues higher than the increase in operating expenses.
- → Operating funding decreased by 7.4 percent, reflecting the lower amounts required for funded activities.
- → The Corporation generated a comprehensive income of $66.7 million compared to a comprehensive income of $0.3 million in 2024. The variation is mainly due to the remeasurements of the defined benefit components of the pension plans and other employee benefit plans.

Nine-month period

- → Total revenues increased by 7.3 percent also resulting from an increase in average revenues as well as an increase in ridership.
- → Operating expenses increased by 6.3 percent due to the higher costs involved with the disruptions in access, as well as higher depreciation and amortization, compared to the corresponding nine-month period of 2024.
- → The operating loss increased by 5.4 percent due to an increase in operating expenses, partly offset by an increase in revenues.
- → Operating funding decreased by 1.4 percent, reflecting lower amounts required for funded activities.
- → The Corporation generated a comprehensive income of $77.2 million compared to a comprehensive income of $77.9 million in 2024. The variation is mainly due to the remeasurements of the defined benefit components of the pension plans and other employee benefit plans.

Most of the operating statistics related to revenues and ridership have improved this quarter and on a cumulative basis. Revenues per available seat-mile (RASM) have increased reflecting the fact that the increase in revenues (10.8 percent) was higher than the increase in capacity (0.4 percent seat-miles). Costs per available seat-mile (CASM) have increased reflecting the fact that the increase in costs (3.6 percent) was higher than the increase in capacity (0.4 percent seat-miles).

The cost recovery ratio has improved by 7.3 percent compared to the corresponding quarter last year and by 4.2 percent on a cumulative basis.

Due to recent developments with one of the third-party infrastructure owners, the Corporation is facing disruptions in access that have led to a significant drop in on-time performance from 48 percent in 2024 to 33 percent in 2025.

4. Analysis of Financial Results

4.1 Comparison of IFRS and Funded Operating Results

	QUARTERS ENDED SEPTEMBER 30				NINE-MONTH PERIODS ENDED SEPTEMBER 30			
(in millions of Canadian dollars)	2025	2024	Var $	Var %	2025	2024	Var $	Var %
Operating loss on a funded basis	**(74.3)**	**(80.2)**	**5.9**	**7.4%**	**(280.9)**	**(284.8)**	**3.9**	**1.4%**
NON-FUNDED ADJUSTMENT TO REVENUES								
Adjustment for VIA Préférence points and others	**(1.9)**	1.7	(3.6)	(211.8%)	**(4.2)**	(0.8)	(3.4)	(425.0%)
NON-FUNDED ADJUSTMENTS TO EXPENSES								
Pension and other employee benefit plans	**(0.4)**	(2.7)	2.3	85.2%	**(2.6)**	(3.4)	0.8	23.5%
Depreciation and loss on disposal of property, plant and equipment, intangible assets and right-of-use assets	**(45.9)**	(41.0)	(4.9)	(12.0%)	**(129.4)**	(110.2)	(19.2)	(17.4%)
Other provisions for non-cash items	**8.4**	2.4	6.0	250.0%	**(0.1)**	3.2	(3.3)	(103.1%)
Total non-funded adjustments to expenses	**(37.9)**	(41.3)	3.4	8.2%	**(132.1)**	(110.4)	(21.7)	(19.7%)
Total items not requiring funds from operations	**(39.8)**	**(39.6)**	**(0.2)**	**(0.5%)**	**(136.3)**	**(111.2)**	**(25.1)**	**(22.6%)**
Operating loss under IFRS	**(114.1)**	**(119.8)**	**5.7**	**4.8%**	**(417.2)**	**(396.0)**	**(21.2)**	**(5.4%)**
Operating funding from the Government of Canada	**74.3**	80.2	(5.9)	(7.4%)	**280.9**	284.8	(3.9)	(1.4%)
Amortization of deferred capital funding	**44.8**	40.0	4.8	12.0%	**126.1**	107.1	19.0	17.7%
Net income (loss) before income taxes	**5.0**	**0.4**	**4.6**	**1150.0%**	**(10.2)**	**(4.1)**	**(6.1)**	**(148.8%)**
Income tax recovery	**0.8**	0.3	0.5	166.7%	**5.2**	3.7	1.5	40.5%
Net income (loss) under IFRS for the period	**5.8**	**0.7**	**5.1**	**728.6%**	**(5.0)**	**(0.4)**	**(4.6)**	**(1150.0%)**
Remeasurements of the defined benefit component of the pension plans and other employee benefit plans	**82.8**	(0.6)	83.4	13900.0%	**111.9**	106.5	5.4	5.1%
Income tax (expense) recovery	**(21.9)**	0.2	(22.1)	(11050.0%)	**(29.7)**	(28.2)	(1.5)	(5.3%)
Other comprehensive income (loss)	**60.9**	**(0.4)**	**61.3**	**15325.0%**	**82.2**	**78.3**	**3.9**	**5.0%**
Comprehensive income for the period	**66.7**	**0.3**	**66.4**	**22133.3%**	**77.2**	**77.9**	**(0.7)**	**(0.9%)**

(Amounts in brackets represent decreases)

4. Analysis of Financial Results (cont'd)

4.1 Comparison of IFRS and Funded Operating Results (cont'd)

Net income under IFRS for the quarter:

Net income of $5.8 million this quarter, compared to a net income of $0.7 million last year, representing an improvement of $5.1 million mainly due to:

→ Higher amortization of deferred capital funding $4.8 million,

→ Lower operating loss of $5.7 million resulting from higher revenues of $15.0 million partly offset by higher operating expenses of $9.3 million mostly due to the disruptions in access as well as higher depreciation and amortization of $4.9 million, partly offset by

→ Lower government operating funding recognized during the quarter of $5.9 million.

Net loss under IFRS for the nine-month period:

Net loss of $5.0 million for the nine-month period, compared to a net loss of $0.4 million last year, representing a decline of $4.6 million mainly due to:

→ Higher operating loss $21.2 million, (attributable to higher expenses of $46.9 million, mostly due to the disruption in access and higher depreciation and amortization of $19.2 million, partially offset by higher revenues of $25.7 million),

→ Lower government funding recognized during the nine-month period of $3.9 million, partly offset by

→ Higher amortization of deferred capital funding of $19.0 million.

Comprehensive income

Comprehensive income includes the remeasurement of the defined benefit component of the pension plans and other employee benefit plans is composed of quarterly non-cash remeasurements resulting from changes in actuarial assumptions and the return on pension plan assets. For more details see Note 12 of the interim condensed financial statements and notes.

4. Analysis of Financial Results (cont'd)

4.2 Revenues

	QUARTERS ENDED SEPTEMBER 30				NINE-MONTH PERIODS ENDED SEPTEMBER 30			
(in millions of Canadian dollars)	**2025**	**2024**	**Var $**	**Var %**	**2025**	**2024**	**Var $**	**Var %**
Passenger revenues								
Corridor East	**95.7**	88.7	7.0	7.9%	**243.1**	230.6	12.5	5.4%
Southwestern Ontario (SWO)	**14.4**	14.1	0.3	2.1%	**40.2**	38.4	1.8	4.7%
Québec City – Windsor corridor	**110.1**	**102.8**	**7.3**	**7.1%**	**283.3**	**269.0**	**14.3**	**5.3%**
Ocean	**6.2**	5.1	1.1	21.6%	**12.0**	11.0	1.0	9.1%
Canadian	**30.1**	21.0	9.1	43.3%	**61.5**	49.0	12.5	25.5%
Regional services	**2.1**	1.8	0.3	16.7%	**4.1**	3.7	0.4	10.8%
Non-Corridor	**38.4**	**27.9**	**10.5**	**37.6%**	**77.6**	**63.7**	**13.9**	**21.8%**
Other	**(1.2)**	2.7	(3.9)	(144.4%)	**(2.7)**	0.1	(2.8)	(2800.0%)
Total passenger revenues under IFRS	**147.3**	**133.4**	**13.9**	**10.4%**	**358.2**	**332.8**	**25.4**	**7.6%**
Other revenues	**7.2**	6.1	1.1	18.0%	**18.6**	18.3	0.3	1.6%
Total revenues under IFRS	**154.5**	**139.5**	**15.0**	**10.8%**	**376.8**	**351.1**	**25.7**	**7.3%**
Adjustment for VIA Préférence points (non-funded) and other	**1.9**	(1.7)	3.6	211.8%	**4.2**	0.8	3.4	425.0%
TOTAL FUNDED REVENUES	**156.4**	**137.8**	**18.6**	**13.5%**	**381.0**	**351.9**	**29.1**	**8.3%**

(Amounts in brackets represent decreases)

Passengers

	QUARTERS ENDED SEPTEMBER 30				NINE-MONTH PERIODS ENDED SEPTEMBER 30			
(in thousands)	**2025**	**2024**	**Var $**	**Var %**	**2025**	**2024**	**Var $**	**Var %**
Passenger revenues								
Corridor East	**945.0**	894.6	50.4	5.6%	**2,474.1**	2,465.0	9.1	0.4%
Southwestern Ontario (SWO)	**233.6**	221.3	12.3	5.6%	**621.1**	625.8	(4.7)	(0.8%)
Québec City – Windsor corridor	**1,178.6**	**1,115.9**	**62.7**	**5.6%**	**3,095.2**	**3,090.8**	**4.4**	**0.1%**
Ocean	**27.1**	23.3	3.8	16.3%	**57.4**	53.4	4.0	7.5%
Canadian	**28.3**	19.6	8.7	44.4%	**60.1**	48.9	11.2	22.9%
Regional services	**22.9**	20.6	2.3	11.2%	**51.8**	49.7	2.1	4.2%
Non-Corridor	**78.3**	**63.5**	**14.8**	**23.3%**	**169.3**	**152.0**	**17.3**	**11.4%**
TOTAL PASSENGERS	**1,256.9**	**1,179.4**	**77.5**	**6.6%**	**3,264.5**	**3,242.8**	**21.7**	**0.7%**

(Amounts in brackets represent decreases)

4. Analysis of Financial Results (cont'd)

4.2 Revenues (cont'd)

Passenger revenues

Passenger revenues rose by $13.9 million (10.4 percent) this quarter and by $25.4 million (7.6 percent) for the nine-month period.

The quarterly increase of 10.4 percent in passenger revenues is primarily due to the improvement in average revenues of 6.5 percent as well as a 6.6 percent increase in ridership. For the nine-month period, the 7.6 percent rise in passenger revenues is mainly attributable to a 7.7 percent increase in average revenues as well as a 0.7 percent increase in ridership.

Québec City – Windsor corridor

Revenues increased by $7.3 million (7.1 percent) during the quarter, driven by a 1.3 percent improvement in average revenues as well as a 5.6 percent increase in ridership. On a cumulative basis, revenues rose by $14.3 million (5.3 percent) for the nine-month period, largely due to a 5.2 percent improvement in average revenues while passenger ridership was stable.

The increase in average revenues reflects the introduction of a fare differentiation pricing approach, a new feature of the new reservation system launched by the Corporation in November 2023. This approach offers customers various fare options, enhancing the overall value proposition.

Ocean

Revenues increased by $1.1 million (21.6 percent) for the quarter compared to last year. Ridership grew by 16.3 percent, and average revenues increased by 2.7 percent. On a cumulative basis, revenues increased by $1.0 million (9.1 percent), driven by a 1.3 percent increase in average revenues and a 7.5 percent increase in ridership.

Canadian

Revenues increased by $9.1 million (43.3 percent) compared to the same quarter last year. This growth is due to a 44.4 percent increase in ridership caused by partial service interruptions associated with Jasper wildfires in 2024 partly offset by a 0.9 percent decrease in average revenues. On a cumulative basis, revenues increased by $12.5 million (25.5 percent), mainly due to a 22.9 percent increase in ridership as well as a 2.0 percent improvement in average revenues.

Regional services

Revenues for the quarter increased by $0.3 million (16.7 percent), primarily due to a 5.0 percent rise in average revenues as well as an 11.2 percent increase in ridership. On a cumulative basis, revenues increased by $0.4 million (10.8 percent), primarily due to a 4.8 percent rise in average revenues as well as a 4.2 percent increase in ridership.

Other revenues

Other revenues increased by $1.1 million (18.0 percent) for the quarter and by $0.3 million (1.6 percent) for the nine-month period.

4. Analysis of Financial Results (cont'd)

4.3 Operating Expenses

	QUARTERS ENDED SEPTEMBER 30				NINE-MONTH PERIODS ENDED SEPTEMBER 30			
(in millions of Canadian dollars)	**2025**	**2024**	**Var $**	**Var %**	**2025**	**2024**	**Var $**	**Var %**
Compensation and employee benefits	**101.9**	100.6	1.3	1.3%	**297.8**	290.2	7.6	2.6%
Train operations and fuel	**51.3**	49.2	2.1	4.3%	**152.6**	145.4	7.2	5.0%
Stations and property	**11.7**	10.4	1.3	12.5%	**41.4**	37.0	4.4	11.9%
Marketing and sales	**8.9**	8.1	0.8	9.9%	**25.4**	24.1	1.3	5.4%
Maintenance material	**13.0**	9.5	3.5	36.8%	**38.5**	31.7	6.8	21.5%
On-train product costs	**14.6**	11.8	2.8	23.7%	**38.7**	33.1	5.6	16.9%
Professional services	**4.2**	4.5	(0.3)	(6.7%)	**16.3**	10.7	5.6	52.3%
Telecommunications	**10.0**	8.9	1.1	12.4%	**28.7**	26.6	2.1	7.9%
Depreciation and amortization	**45.8**	38.3	7.5	19.6%	**129.3**	105.6	23.7	22.4%
Loss on disposal of property, plant and equipment and intangible assets	**0.1**	2.7	(2.6)	(96.3%)	**0.1**	4.6	(4.5)	(97.8%)
Unrealized (net gain) net loss on derivative financial instruments	**(0.9)**	2.1	(3.0)	(142.9%)	**0.4**	0.4	–	0.0%
Other	**8.0**	13.2	(5.2)	(39.4%)	**24.8**	37.7	(12.9)	(34.2%)
Total operating expenses under IFRS	**268.6**	259.3	9.3	3.6%	**794.0**	747.1	46.9	6.3%
Non-funded adjustments *(section 4.1)*	**(37.9)**	(41.3)	3.4	8.2%	**(132.1)**	(110.4)	(21.7)	(19.7%)
Total funded expenses	**230.7**	218.0	12.7	5.8%	**661.9**	636.7	25.2	4.0%

(Amounts in brackets represent decreases)
(Explanations are provided for expenses for which variances are $3 million or more, or 10 percent or more)

4. Analysis of Financial Results (cont'd)

4.3 Operating Expenses (cont'd)

Total operating expenses increased by $9.3 million (3.6 percent) for the quarter and by $46.9 million (6.3 percent) for the nine-month period. The primary variances are as follows:

Compensation and employee benefits

The expenses increased by $1.3 million (1.3 percent) during the quarter and by $7.6 million (2.6 percent) for the nine-month period. These increases are mainly due to higher staffing costs associated with the annual salary increases.

Train operations and fuel

The expenses increased by $2.1 million (4.3 percent) during the quarter and by $7.2 million (5.0 percent) for the nine-month period. These increases are mostly due to the disruptions in access.

Stations and property

The expenses increased by $1.3 million (12.5 percent) during the quarter and by $4.4 million (11.9 percent) for the nine-month period. The increases are due to higher lease costs, as well as additional building and site maintenance expenses reflecting the increased level of frequencies and ridership.

Maintenance material

The expenses rose by $3.5 million (36.8 percent) compared to the last quarter and by $6.8 million (21.5 percent) for the nine-month period. The increases are attributable to additional maintenance work resulting from the increase in utilization of the equipment, as well as to the additional repairs required on the aging non-Corridor fleet.

On-train product costs

The expenses increased by $2.8 million (23.7 percent) for the quarter and by $5.6 million (16.9 percent) for the nine-month period. The increases are primarily due to higher ridership in Business and Sleeper classes and higher prices reflecting current inflation rates. In addition, part of the increase is linked to purchases related to the new Venture fleet.

Professional services

The expenses decreased by $0.3 million (6.7 percent) during the quarter and increased by $5.6 million (52.3 percent) for the nine-month period. This increase reflects higher legal fees, mostly due to the disruptions in access.

Unrealized (net gain) net loss on derivative financial instruments

There was a net gain of $0.9 million for the quarter and a net loss of $0.4 million for the nine-month period, compared to a net loss of $2.1 million for the quarter and net loss of $0.4 million for the nine-month period ended September 30, 2024. These net losses reflect the fact that contract prices are higher than market fuel prices.

Other expenses

The expenses decreased by $5.2 million (39.4 percent) for the quarter and by $12.9 million (34.2 percent) for the nine-month period. The decrease for both the quarter and the nine-month period since the year 2024 was above average in terms of non-recurring items and a favourable insurance settlement occurred in 2025.

4. Analysis of Financial Results (cont'd)

4.4 Financial Position

(in millions of Canadian dollars)	September 30, 2025	December 31, 2024	Var $	Var %
ASSETS				
Current assets	**213.0**	247.9	(34.9)	(14.1%)
Advances on contracts	**19.9**	28.6	(8.7)	(30.4%)
Property, plant and equipment	**2,337.7**	2,162.8	174.9	8.1%
Intangible assets	**428.6**	422.2	6.4	1.5%
Right-of-use assets	**89.6**	89.6	–	0.0%
Employee benefit assets	**581.0**	468.4	112.6	24.0%
Total Assets	**3,669.8**	**3,419.5**	**250.3**	**7.3%**
LIABILITIES				
Current liabilities	**326.7**	321.9	4.8	1.5%
Other payables	**56.8**	81.4	(24.6)	(30.2%)
Deferred income tax	**93.5**	69.0	24.5	35.5%
Lease liabilities	**95.7**	95.9	(0.2)	(0.2%)
Employee benefit liabilities	**30.3**	32.1	(1.8)	(5.6%)
Total Liabilities	**603.0**	**600.3**	**2.7**	**0.4%**
Deferred capital funding	**2,688.7**	2,518.2	170.5	6.8%
Share capital	**9.3**	9.3	–	0.0%
Accumulated surplus, beginning of period	**291.6**	185.1	106.5	57.5%
Net (loss) income	**(5.0)**	0.1	(5.1)	5100.0%
Other comprehensive income	**82.2**	106.5	(24.3)	(22.8%)
Accumulated surplus, end of period	**368.8**	**291.7**	**77.1**	**26.4%**
Total Liabilities and Shareholder's equity	**3,669.8**	**3,419.5**	**250.3**	**7.3%**

(Amounts in brackets represent decreases)
(Explanations are provided for variances of $3 million or more, or 10 percent or more)

The main changes in the Statement of Financial Position result from the following major elements:

Assets

→ Total assets have increased by $250.3 million due mainly to an increase in property, plant and equipment of $174.9 million as the 32 trainsets of the Corridor Fleet Replacement Project have been delivered.

→ Employee benefit assets have increased by $112.6 million resulting from an increase in return on assets.

→ Current assets have decreased by $34.9 million, mainly from a decrease of $45.9 million in receivables from the Government of Canada.

4. Analysis of Financial Results (cont'd)

4.4 Financial Position (cont'd)

Liabilities and deferred capital funding

→ Total liabilities have increased by $2.7 million mainly due to an increase in deferred income tax of $24.5 million, partly offset by a decrease in other payables of $24.6 million due to the payment of holdbacks on contracts.

→ Deferred capital funding has increased by $170.5 million due to capital investments mostly due to the Corridor Fleet Replacement Project.

Comprehensive income

Other comprehensive income increased mainly due to the return on assets affecting employee benefit assets and liabilities.

4.5 Liquidity, Cash Flows and Capital Investments

Liquidity and cash flows

	QUARTERS ENDED SEPTEMBER 30				NINE-MONTH PERIODS ENDED SEPTEMBER 30			
(in millions of Canadian dollars)	**2025**	**2024**	**Var $**	**Var %**	**2025**	**2024**	**Var $**	**Var %**
Balance, beginning of period	**59.2**	33.5	25.7	76.7%	**64.1**	22.8	41.3	181.1%
Net cash (used in) provided by operating activities	**(7.6)**	(33.1)	25.5	77.0%	**52.3**	11.4	40.9	358.8%
Net cash provided by (used in) investing activities	**21.3**	15.9	5.4	34.0%	**(41.7)**	(16.0)	(25.7)	(160.6%)
Net cash used in financing activities	**(1.0)**	(0.8)	(0.2)	(25.0%)	**(2.8)**	(2.7)	(0.1)	(3.7%)
Balance, end of period	**71.9**	**15.5**	**56.4**	**363.9%**	**71.9**	**15.5**	**56.4**	**363.9%**

(Amounts in brackets represent decreases)

Operating activities

Net cash decreased by $25.5 million (77.0 percent) for the quarter and increased by $40.9 million (358.8 percent) for the nine-month period. The variances are mainly due to the change in working capital items ($46.0 million for the quarter and $84.6 million for the nine-month period) as shown in Note 15 of the interim condensed financial statements.

Investing activities

Net cash increased by $5.4 million (34.0 percent) for the quarter and decreased by $25.7 million (160.6 percent) for the nine-month period. The variances are mainly due to the timing of the amounts received from the government during the quarter or the nine-month period compared to the amounts paid for the acquisition of property, plant and equipment and intangible assets.

4. Analysis of Financial Results (cont'd)

4.5 Liquidity, Cash Flows and Capital Investments (cont'd)

Funded capital investments

Property, plant and equipment and intangible assets totalled $2,766.3 million at September 30, 2025, which is an increase of $181.3 million compared to the balance as at December 31, 2024.

Funded capital investments of $294.1 million were made during the nine-month period.

	QUARTERS ENDED SEPTEMBER 30				NINE-MONTH PERIODS ENDED SEPTEMBER 30			
(in millions of Canadian dollars)	**2025**	**2024**	**Var $**	**Var %**	**2025**	**2024**	**Var $**	**Var %**
Equipment	**0.3**	5.5	(5.2)	(94.5%)	**20.5**	24.3	(3.8)	(15.6%)
Infrastructure	**9.6**	26.4	(16.8)	(63.6%)	**25.9**	34.2	(8.3)	(24.3%)
Maintenance	**0.3**	20.6	(20.3)	(98.5%)	**10.4**	43.5	(33.1)	(76.1%)
Information technology	**5.0**	6.0	(1.0)	(16.7%)	**18.8**	15.7	3.1	19.7%
Stations	**6.0**	12.0	(6.0)	(50.0%)	**26.5**	27.2	(0.7)	(2.6%)
Corridor Fleet Replacement Program	**83.4**	98.5	(15.1)	(15.3%)	**190.6**	245.3	(54.7)	(22.3%)
Other	**0.2**	2.2	(2.0)	(90.9%)	**1.4**	6.5	(5.1)	(78.5%)
Total capital investments	**104.8**	**171.2**	**(66.4)**	**(38.8%)**	**294.1**	**396.7**	**(102.6)**	**(25.9%)**
Advance on contract - Fleet Replacement Program	**–**	–	–	0.0%	**2.5**	–	2.5	n/a
Total	**104.8**	**171.2**	**(66.4)**	**(38.8%)**	**296.6**	**396.7**	**(100.1)**	**(25.2%)**

(Amounts in bracket represent decreases)

The most significant investments made during the quarter and the nine-month period were in the Corridor Fleet Replacement Program, in Equipment projects including the HEP (head-end power) long haul and non-Corridor equipment rebuild program (referred to as the "Heritage program") and in infrastructure projects (for track and bridge improvements).

5. Results compared to the 2024-2028 Corporate Plan

The Corporate Plan provides information on funded activities, therefore comparisons between actual and planned results are based on funded activities.

The Corporation continues to work towards achieving the goals and strategies identified in its Corporate Plan. The financial results of the quarter were in line with corporate plan assumptions and forecasts.

In terms of capital expenditures, although investments for the quarter were below planned expenditures, work progressed on the major strategic projects identified in the plan such as the Corridor Fleet Replacement Program, the HEP equipment rebuild programs, and in the infrastructure projects.

Government funding relating to operating expenses:

(in millions of Canadian dollars)	September 30, 2025	September 30, 2024
Balance, beginning of the period (January 1)	**119.5**	80.6
Received to fund operating expenses	**(363.1)**	(292.3)
Recognized in financial results	**280.9**	284.8
Balance, end of the period	**37.3**	73.1

Government funding relating to capital expenditures:

(in millions of Canadian dollars)	September 30, 2025	September 30, 2024
Balance, beginning of the period (January 1)	**(2.3)**	81.3
Received to fund the acquisition of property, plant and equipment and intangible assets (including the cost of land)	**(260.3)**	(416.6)
Used to fund capital expenditures and an advance on contract	**296.6**	396.7
Balance, end of the period	**34.0**	61.4

5. Results compared to the 2024-2028 Corporate Plan (cont'd)

Parliamentary appropriations

The Corporation receives its funding from the Government of Canada based on the Government's fiscal year which begins April 1 and ends March 31. Thus, parliamentary appropriations for operating expenses and capital expenditures are based on the Government's fiscal year.

Parliamentary appropriation for operating expenses	For the twelve-month period ending March 31, 2026	For the twelve-month period ending March 31, 2025
Original parliamentary appropriation	**383.9**	302.7
Supplementary parliamentary appropriation *(Note 1)*	**63.7**	132.3
Revised annual parliamentary appropriation	**447.6**	435.0
Appropriation recognized for the three months ended:		
June 30	**93.9**	77.9
September 30	**74.3**	80.2
Total appropriation recognized for the period	**168.2**	158.1
Appropriation available for remainder of the government fiscal year	**279.4**	276.9

Note 1: For 2025-26 - an amount of $38.7 million will be received for operations related to 2024-2025, and an amount of $25.0 million will also be received for operations, related to 2023-2024. The amount of $63.7 million is pending Government approval.

Parliamentary appropriation for capital expenditures	For the twelve-month period ending March 31, 2026	For the twelve-month period ending March 31, 2025
Original parliamentary appropriation	**953.9**	856.7
Supplementary parliamentary appropriation *(Note 1)*	**880.9**	694.2
Revised annual parliamentary appropriation	**1,834.8**	1,550.9
Appropriation recognized for the three months ended:		
June 30	**114.2**	128.3
September 30	**104.8**	171.1
Total appropriation recognized for the period	**219.0**	299.4
Appropriation available for remainder of the government fiscal year	**1,615.8**	1,251.5

Note 1: The amount of $880.9 million is pending Government approval.

6. Risk Analysis

This section highlights the Corporation's key risks which may have a potential impact on the Corporation's financial results and provides information on risks for which the trend or status has changed compared to the status as at December 31, 2024.

As at the quarter ended September 30, 2025, there were no significant changes in the risks presented as at December 31, 2024.

7. Outlook

Results for the nine-month period improved compared to the corresponding period of 2024 in terms of revenues while the operating loss has deteriorated due to an increase in operating expenses, mostly due to the disruptions in access.

Communications continue with third-party infrastructure owners to improve on-time performance and protect the Corporation's operations on their network. The Corporation is facing disruptions in access and on-time performance (33 percent in 2025 compared to 57 percent in 2024), which is affecting the Corporation's performance and has a significant impact on our operations, including a decrease in ridership.

In the meantime, initiatives are being implemented to streamline processes and minimize operating costs as part of the Corporation's continuous improvement journey. In addition, strategic projects such as the Corridor Fleet Replacement Program have reached important milestones with the introduction of all train sets while the Corporation is working to make them fully operational. The Corporation is launching a reliability program designed to complement the scope of the Heritage Fleet Modernization program. These investments will improve the reliability of the Heritage Fleet but cannot guarantee the availability of the entire fleet until the arrival of the new trains.

We are proud to support the federal initiative offering discounted travel fares for families and young people this upcoming holiday season. Building on the strong success of the summer program, this renewed effort continues to encourage Canadians to explore our beautiful country. By making travel more accessible, the initiative fosters national unity, stimulates the economy, and celebrates the diverse landscapes and cultures that make Canada truly unique.

The Corporation is actively engaged in initiatives aligned with the Government of Canada's objective to review federal spending in response to the new federal budget requirements. As part of a comprehensive expense reduction strategy, these efforts aim to identify areas of inefficiency and reallocate resources to improve service delivery and operational effectiveness.

Watch your step
Attention à la marche

Interim Condensed Financial Statements

Management's Responsibility Statement

For the quarter ended September 30, 2025

Management of the Corporation 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 presentation of quarterly financial statements that are free from material misstatements.

Management is also responsible for ensuring all other information in this quarterly financial report is consistent, where appropriate, with the quarterly financial statements.

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.

MARIO PÉLOQUIN, MBA
President and Chief Executive Officer

CARL DELISLE, CPA
Chief Financial and Technology Officer

Montréal, Canada
November 20, 2025

Statement of Financial Position

(in thousands of Canadian dollars)	September 30, 2025 (unaudited)	December 31, 2024 (audited)
CURRENT ASSETS		
Cash	**$ 71,904**	$ 64,060
Trade and other receivables *(Note 5)*	**98,527**	142,276
Other assets	**13,869**	12,276
Materials	**28,670**	29,316
	212,970	247,928
NON-CURRENT ASSETS		
Advances on contracts	**19,883**	28,640
Property, plant and equipment *(Note 6)*	**2,337,703**	2,162,786
Intangible assets *(Note 7)*	**428,643**	422,217
Right-of-use assets (*Note 9)*	**89,587**	89,559
Employee benefit assets *(Note 12)*	**581,048**	468,408
	3,456,864	3,171,610
Total Assets	**$ 3,669,834**	$ 3,419,538
CURRENT LIABILITIES		
Trade and other payables *(Note 8)*	**$ 243,063**	$ 255,464
Lease liabilities *(Note 9)*	**3,751**	3,352
Provisions *(Note 10)*	**4,815**	6,015
Deferred revenues and other liabilities *(Note 11)*	**75,022**	57,190
	326,651	322,021
NON-CURRENT LIABILITIES		
Other payables	**56,835**	81,357
Deferred income tax *(Note 13)*	**93,525**	69,009
Lease liabilities *(Note 9)*	**95,737**	95,915
Employee benefit liabilities *(Note 12)*	**30,264**	32,144
	276,361	278,425
Deferred capital funding *(Note 14)*	**2,688,688**	2,518,156
SHAREHOLDER'S EQUITY		
Share capital	**9,300**	9,300
Accumulated surplus	**368,834**	291,636
	378,134	300,936
Total Liabilities and Shareholder's equity	**$ 3,669,834**	$ 3,419,538

Commitments (Note 17)
The accompanying notes are an integral part of these interim condensed financial statements.

Statement of Comprehensive Income

	QUARTERS ENDED SEPTEMBER 30		NINE-MONTH PERIODS ENDED SEPTEMBER 30	
(in thousands of Canadian dollars) *(unaudited)*	**2025**	**2024**	**2025**	**2024**
REVENUES				
Passenger	**$ 147,369**	$ 133,339	**$ 358,236**	$ 332,763
Other	**7,156**	6,078	**18,559**	18,297
	154,525	139,417	**376,795**	351,060
EXPENSES				
Compensation and employee benefits	**101,947**	100,595	**297,803**	290,213
Train operations and fuel	**51,272**	49,143	**152,550**	145,357
Stations and property	**11,690**	10,397	**41,395**	36,964
Marketing and sales	**8,947**	8,054	**25,423**	24,063
Maintenance material	**13,047**	9,532	**38,511**	31,731
On-train product costs	**14,596**	11,842	**38,684**	33,121
Operating taxes	**2,475**	4,106	**9,513**	12,366
Professional services	**4,205**	4,554	**16,308**	10,724
Telecommunications	**10,002**	8,858	**28,694**	26,593
Depreciation of property, plant and equipment *(Note 6)*	**37,009**	30,242	**103,372**	81,793
Amortization of intangible assets *(Note 7)*	**7,860**	7,126	**22,977**	20,920
Depreciation of right-of-use assets *(Note 9)*	**992**	914	**2,970**	2,879
Loss on disposal of property, plant and equipment and intangible assets *(Notes 6 and 7)**	**58**	2,685	**60**	4,614
Unrealized (net gain) net loss on derivative financial instruments	**(873)**	2,113	**413**	394
Realized (net gain) net loss on derivative financial instruments	**(212)**	493	**(517)**	321
Interest expense on lease liabilities	**796**	802	**2,233**	2,104
Other*	**4,889**	7,797	**13,659**	22,956
	268,700	259,253	**794,048**	747,113
OPERATING LOSS BEFORE FUNDING FROM THE GOVERNMENT OF CANADA AND INCOME TAXES	**(114,175)**	(119,836)	**(417,253)**	(396,053)
Operating funding from the Government of Canada	**74,367**	80,225	**280,935**	284,827
Amortization of deferred capital funding *(Note 14)*	**44,840**	39,958	**126,146**	107,156
Net income (loss) before income taxes	**5,032**	347	**(10,172)**	(4,070)
Income tax recovery	**810**	379	**5,167**	3,707
NET INCOME (LOSS) FOR THE PERIOD	**5,842**	726	**(5,005)**	(363)
Other comprehensive income (loss)				
Amounts not to be reclassified subsequently to net income:				
Remeasurements of the defined benefit component of the pension plans and other employee benefit plans *(Note 12)*	**82,828**	(603)	**111,886**	106,505
Income tax (expense) recovery	**(21,973)**	160	**(29,683)**	(28,254)
	60,855	(443)	**82,203**	78,251
COMPREHENSIVE INCOME FOR THE PERIOD	**$ 66,697**	$ 283	**$ 77,198**	$ 77,888

The accompanying notes are an integral part of these interim condensed financial statements.
**Certain comparative figures have been reclassified to conform to the current year's presentation.*

Statement of Changes in Shareholder's Equity

	QUARTERS ENDED SEPTEMBER 30		NINE-MONTH PERIODS ENDED SEPTEMBER 30	
(in thousands of Canadian dollars) *(unaudited)*	**2025**	**2024**	**2025**	**2024**
SHARE CAPITAL	**$ 9,300**	$ 9,300	**$ 9,300**	$ 9,300
Accumulated surplus				
Balance, beginning of period	**302,137**	262,670	**291,636**	185,065
Net income (loss) for the period	**5,842**	726	**(5,005)**	(363)
Other comprehensive income (loss) for the period	**60,855**	(443)	**82,203**	78,251
Balance, end of period	**368,834**	262,953	**368,834**	262,953
Total Shareholder's equity	**$ 378,134**	$ 272,253	**$ 378,134**	$ 272,253

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

Statement of Cash Flows

(in thousands of Canadian dollars) *(unaudited)*	QUARTERS ENDED SEPTEMBER 30 2025	2024	NINE-MONTH PERIODS ENDED SEPTEMBER 30 2025	2024
OPERATING ACTIVITIES				
Net income (loss) for the period	**$ 5,842**	$ 726	**$ (5,005)**	$ (363)
Adjustments to determine net cash (used in) provided by operating activities:				
Depreciation and amortization *(Notes 6, 7 and 9)**	**45,861**	38,282	**129,319**	105,592
Loss on disposal of property, plant and equipment and intangible assets *(Notes 6 and 7)**	**58**	2,685	**60**	4,614
Other payables variations	**(18,727)**	–	**(31,702)**	–
Advances on contracts variations	**215**	106	**898**	112
Amortization of deferred capital funding *(Note 14)*	**(44,840)**	(39,958)	**(126,146)**	(107,156)
Interest expense on lease liabilities	**796**	802	**2,233**	2,104
Income tax recovery	**(810)**	(379)	**(5,167)**	(3,707)
Interest income	**(756)**	(1,020)	**(2,217)**	(3,706)
Unrealized (net gain) net loss on derivative financial instruments	**(873)**	2,113	**413**	394
Post-employment and other employee benefit expenses *(Note 12)*	**417**	4,154	**(19)**	7,903
Employer post-employment and other employee benefit contributions *(Note 12)*	**(1,709)**	(1,442)	**(5,141)**	(4,518)
Defined benefit surplus utilized to fund employer contributions *(Note 12)*	**903**	820	**2,526**	2,330
Net change in working capital items *(Note 15)*	**6,835**	(39,156)	**94,538**	9,932
Interest paid	**(796)**	(802)	**(2,233)**	(2,104)
Net cash (used in) provided by operating activities	**(7,584)**	(33,069)	**52,357**	11,427
INVESTING ACTIVITIES				
Government funding received related to acquisition of property, plant and equipment and intangible assets *(Note 15)*	**130,000**	206,000	**257,841**	416,664
Government funding received related to an advance on contract *(Note 14)*	**–**	–	**2,500**	–
Acquisition of property, plant and equipment and intangible assets *(Notes 6, 7, 8 and 15)*	**(109,458)**	(191,247)	**(301,942)**	(436,431)
Payment of an advance on contract	**–**	–	**(2,500)**	–
Interest received	**735**	1,093	**2,357**	3,652
Proceeds from the disposal of property, plant and equipment	**–**	–	**8**	–
Net cash provided by (used in) investing activities	**21,277**	15,846	**(41,736)**	(16,115)
FINANCING ACTIVITIES				
Payment of the lease liabilities	**(951)**	(800)	**(2,777)**	(2,654)
Net cash used in financing activities	**(951)**	(800)	**(2,777)**	(2,654)
CASH				
Increase (decrease) during the period	**12,742**	(18,023)	**7,844**	(7,342)
Balance, beginning of period	**59,162**	33,507	**64,060**	22,826
Balance, end of period	**$ 71,904**	$ 15,484	**$ 71,904**	$ 15,484
REPRESENTED BY:				
Cash	**71,904**	15,484	**71,904**	15,484
	$ 71,904	$ 15,484	**$ 71,904**	$ 15,484

The accompanying notes are an integral part of these interim condensed financial statements.
**Certain comparative figures have been reclassified to conform to the current year's presentation.*

Notes to the Interim Condensed Financial Statements

1. Authority, Objectives and General Information

VIA Rail Canada Inc. is a Crown corporation named in Part I of Schedule III to the *Financial Administration Act* and is not an agent of His Majesty. The Corporation was incorporated in 1977 in Canada, under the Canada Business Corporations Act. The Corporation is subject to the provisions of Income Tax Act. The corporate headquarters is located at 3 Place Ville Marie, Montréal (Quebec). The Corporation's vision is to be a smarter way to move people with a mission to place passengers at the core of everything we do and strive to offer a safe, smart and valued travel experience across Canada. The Corporation uses the roadway infrastructure of other railway companies and relies on them to control train operations. The Corporation has one operating segment, passenger transportation and related services in Canada. The Corporation's activities are considered seasonal since passenger traffic increases significantly during the summer and holiday periods resulting in an increase in revenue for these same periods.

The Corporation is subject to a directive (P.C. 2013-1354) that was issued on December 9, 2013, and a related subsequent directive (P.C. 2016-443) that was issued on June 3, 2016, pursuant to sections 89.8 and 89.9 of the *Financial Administration Act*. As per these directives, the Corporation must obtain Treasury Board approval on the terms and conditions of employment of its non-unionized employees who are not appointed by Governor in Council. The Corporation confirms that the requirements of these directives have been met.

In July 2015, the Corporation was issued a directive (P.C. 2015-1114) pursuant to section 89(1) of the *Financial Administration Act* to align its travel, hospitality, conference and event expenditure policies, guidelines and practices with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that is consistent with its legal obligations and to report on the implementation of this directive in the Corporation's next corporate plan. The Corporation confirms that the requirements of the directive have been met.

In March 2022, the Corporation was issued a directive (P.C. 2022-0259) pursuant to section 89 of the *Financial Administration Act* to:

a) procure the incorporation under the *Canada Business Corporations Act* of a wholly owned subsidiary, the mandate of which is to develop and implement the High Frequency Rail project, including the design, construction, financing, operation and maintenance of passenger rail services in Ontario and Quebec through one or more agreements with the private sector, in cooperation with the Minister of Transport;

b) provide all necessary support, expertise, and cooperation to the subsidiary to facilitate the subsidiary's role and fulfilment of its mandate; and

c) provide all necessary support, expertise, and cooperation to the Minister of Transport to facilitate the Minister's role in the development and implementation of the High Frequency Rail project.

The Corporation has incorporated the subsidiary, named VIA HFR – VIA TGF Inc. on November 29, 2022, and confirms that the Corporation will continue to implement the requirements of the directive. On June 20, 2024, Bill C-69, *An Act to implement certain provisions of the budget tabled in Parliament on April 16, 2024*, received royal assent. As a result, the subsidiary (VIA HFR – VIA TGF Inc.) became an agent of His Majesty in right of Canada, with retroactive effect to November 29, 2022, the date of its incorporation. A Crown corporation that has agent status enjoys the constitutional immunities, privileges and prerogatives that are enjoyed by the Crown and can bind the Crown by its acts.

These financial statements were approved and authorized for issue by the Board of Directors on November 20, 2025.

The Corporation has received the additional funding from the Government of Canada and has the adequate resources to operate for the foreseeable future. Management continues to adopt the going concern basis of accounting in preparing the financial statements.

2. Basis of Preparation

a) Statement of compliance

These interim condensed financial statements have been prepared in accordance with Section 131.1 of the *Financial Administration Act* and International Accounting Standards IAS 34 – *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB) and approved by the Accounting Standards Board of Canada.

Section 131.1 of the *Financial Administration Act* requires that most parent Crown corporations prepare and make public quarterly financial reports in compliance with the *Treasury Board of Canada's Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Reports*.

These interim condensed financial statements have not been audited and should be read in conjunction with the annual financial statements for the year ended December 31, 2024, which have been prepared in accordance with the IFRS (Accounting Standards).

b) Functional and presentation currency

These interim condensed financial statements are presented in Canadian dollars, which is the Corporation's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand in the interim condensed financial statements, and to the nearest million in the notes to the interim condensed financial statements.

3. Summary of Material Accounting Policy Information

The significant accounting policies applied in these unaudited interim condensed financial statements are disclosed in Note 4 of the Corporation's audited financial statements for the year ended December 31, 2024.

4. Key Sources of Estimation Uncertainty and Critical Judgements

In applying the Corporation's accounting policies, management is required to make certain assumptions, estimates and judgements that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent liabilities at the reporting date.

Assumptions and estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

They are reviewed on an ongoing basis. Changes to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected. However, uncertainties relating to assumptions, estimates and judgements could result in outcomes that would require a material adjustment to the carrying amount of the asset or liability affected in future years. Key sources of estimation uncertainty and critical judgements are disclosed in Note 5 of the Corporation's audited financial statements for the year ended December 31, 2024.

5. Trade and Other Receivables

The trade and other receivables balance includes the following:

(in millions of Canadian dollars)	September 30, 2025	December 31, 2024
Trade	**7.3**	6.3
Other receivables	**8.8**	7.2
Loss allowance	**(0.4)**	(0.9)
Trade and other receivables classified at Amortized cost	**15.7**	12.6
Amount receivable from the Government of Canada – Operating funding	**37.3**	119.5
Amount receivable from (payable to) the Government of Canada – Capital funding *(Note 15)*	**34.0**	(2.3)
Total receivable from the Government of Canada	**71.3**	117.2
Sales taxes	**11.5**	12.5
Total trade and other receivables	**98.5**	142.3

All trade and other receivables amounts have short-term maturities. Their net book values correspond to a reasonable approximation of their fair value.

6. Property, Plant and Equipment

(in millions of Canadian dollars)	Land	Rolling stock	Maintenance buildings	Stations and facilities *(Note 1)*	Owned infrastructures	Leasehold improvements	Machinery and equipment	Computer hardware	Other	Projects in progress	Total
Cost:											
January 1, 2025	17.7	1,727.5	259.3	240.3	379.0	111.1	46.4	41.5	14.3	478.1	3,315.2
Additions	–	–	–	–	–	–	–	–	–	278.4	278.4
Disposals	–	(1.8)	(0.1)	–	–	(0.3)	(0.3)	(2.3)	–	–	(0.6)
Transfers	–	293.4	21.6	4.5	1.7	2.1	0.3	4.0	0.2	(327.8)	–
Total cost	17.7	2,019.1	280.8	244.8	380.7	112.9	46.4	43.2	14.5	428.7	3,588.8
Accumulated depreciation and impairment:											
January 1, 2025	–	668.3	118.3	84.7	153.8	63.7	26.9	28.6	8.1	–	1,152.4
Additions	–	70.2	6.4	7.4	8.8	4.0	1.8	3.8	1.0	–	103.4
Disposals	–	(1.8)	–	–	–	(0.2)	(0.4)	(2.3)	–	–	(4.7)
Total accumulated depreciation and impairment	–	736.7	124.7	92.1	162.6	67.5	28.3	30.1	9.1	–	1,251.1
Total carrying amount	**17.7**	**1,282.4**	**156.1**	**152.7**	**218.1**	**45.4**	**18.1**	**13.1**	**5.4**	**428.7**	**2,337.7**

Note 1 – The Corporation leases to third parties a small surface area of certain stations belonging to it. Given that this is only a non-significant proportion of certain stations, these assets are not presented on a separate line.

7. Intangible Assets

(in millions of Canadian dollars)	External software	In-house developed software	Right of access to rail infrastructure	Other	Projects in progress	Total
Cost:						
January 1, 2025	194.5	8.7	448.4	3.8	17.0	672.4
Additions	–	–	–	–	29.4	29.4
Transfers	8.7	–	5.5	–	(14.2)	–
Total cost	203.2	8.7	453.9	3.8	32.2	701.8
Accumulated amortization and impairment:						
January 1, 2025	71.5	7.8	167.8	3.1	–	250.2
Additions	14.7	–	8.3	–	–	23.0
Total accumulated amortization and impairment	86.2	7.8	176.1	3.1	–	273.2
Total carrying amount	**117.0**	**0.9**	**277.8**	**0.7**	**32.2**	**428.6**

8. Trade and Other Payables

The trade and other payables balance includes the following:

(in millions of Canadian dollars)	September 30, 2025	December 31, 2024
Wages payable and accrued	**57.7**	53.2
Accounts payable and accruals – Trade	**58.6**	65.3
Accounts payable and accruals – Capital assets	**114.9**	126.6
Trade and other payables classified at Amortized cost	**231.2**	245.1
Other	**11.9**	10.4
Total trade and other payables	**243.1**	255.5

9. Leases

The Corporation as a lessee:

The Corporation leases several assets including land, office spaces, stations and facilities and information technology equipment. The carrying amounts of right-of-use assets recognized and the movement during the period are as follows:

(in millions of Canadian dollars)	Land	Office spaces	Stations and facilities	Information technology equipment	Total
Cost:					
January 1, 2025	0.5	14.9	85.3	0.1	100.8
Additions	–	–	2.0	1.0	3.0
Disposal	–	–	(0.4)	(0.1)	(0.5)
Total cost	0.5	14.9	86.9	1.0	103.3
Accumulated depreciation:					
January 1, 2025	0.1	1.0	10.0	0.1	11.2
Additions	–	0.8	2.1	0.1	3.0
Disposal	–	–	(0.4)	(0.1)	(0.5)
Total accumulated depreciation	0.1	1.8	11.7	0.1	13.7
Net carrying amount	**0.4**	**13.1**	**75.2**	0.9	**89.6**

Total cash outflow is $1.8 million for the quarter and $5.1 million for the nine-month period (September 30, 2024: $1.7 million for the quarter and $4.9 million for the nine-month period).

The Corporation has not entered into any sale and leaseback transactions in the current or prior period and has no income from subleasing right-of-use assets. The Corporation has also not entered into any variable leases that do not depend on an index or rate.

The carrying amounts of lease liabilities and the movements of the period are as follows:

(in millions of Canadian dollars)	September 30, 2025	December 31, 2024
Balance, beginning of period	**99.3**	100.6
Additions	**3.0**	2.1
Accretion of interest	**2.2**	2.9
Payment	**(5.0)**	(6.3)
Balance, end of period	**99.5**	99.3
Current	**3.8**	3.4
Non-current	**95.7**	95.9
Total lease liabilities	**99.5**	99.3

10. Provisions

The provisions balance includes the following:

(in millions of Canadian dollars)	January 1, 2025	Additional provisions recognized	Provisions utilized	Unused amounts reversed	September 30, 2025
Environmental costs	3.4	1.0	(1.8)	(0.2)	**2.4**
Litigation and equipment repairs	2.6	1.9	(1.6)	(0.5)	**2.4**
Total provisions	6.0	2.9	(3.4)	(0.7)	**4.8**

Environmental costs

The Corporation's operations are subject to numerous federal, provincial, and municipal environmental laws and regulations concerning among other things, the management of air emissions, wastewater, hazardous materials, wastes and soil contamination as well as the management and decommissioning of underground and aboveground storage tanks. A risk of environmental liability is inherent in railroad and related transportation operations, real estate ownership and other activities of the Corporation with respect to both current and past operations.

When remediation costs can be reasonably estimated, a provision is recorded based on the anticipated future costs.

Litigation and equipment repairs

The Corporation is subject to claims and legal proceedings brought against it in the normal course of business. Management believes that adequate provisions for litigation and equipment repairs have been made in the affected accounts. The ultimate resolution of those matters is not expected to have a significant adverse effect on the Corporation's financial position.

11. Deferred Revenues and Other Liabilities

Deferred revenues and other liabilities are comprised of the following:

(in millions of Canadian dollars)	September 30, 2025	December 31, 2024
Advance ticket sales	**53.7**	37.6
VIA Préférence loyalty program	**11.1**	10.8
Other	**10.2**	8.8
Total deferred revenues and other liabilities	**75.0**	57.2

Advance ticket sales, which represent contract liabilities, relate to payments received in advance of performance under the contract. Contract liabilities are recognized as revenue as the Corporation performs the contract.

12. Employee Benefit Assets and Liabilities

The Corporation provides a number of pension plans with defined benefits (funded) and defined contribution components. The Corporation also provides other employee benefits that are unfunded, which comprise post-retirement medical and life insurance benefits, and long-term employee benefits such as unfunded self-insured workers' compensation benefits, long-term employee disability benefits and continuation of benefit coverage for employees on long-term disability.

As disclosed in Note 16 Employee benefit assets and liabilities of the Corporation's annual financial statements, the Corporation reviews its actuarial assumptions at each reporting period to ensure that the net defined benefit asset (liability) recognized in the financial statements is updated for significant changes arising from non-recurring events. The impact on the net defined benefit asset (liability) arising from any such changes in assumptions is recognized in other comprehensive income as remeasurement for the period.

The significant actuarial assumptions used for the purpose of determining the defined benefit obligation and pension benefit costs were:

	September 30, 2025	December 31, 2024
ASSUMPTIONS – DISCOUNT RATES		
Assumptions for the calculation of the obligation		
Defined benefit component of the pension plans	**4.80%**	4.70%
Post-employment benefit plans	**4.90%**	4.70%
Long-term employee benefit	**4.50%**	4.50%
Assumptions for the calculation of the costs		
Defined benefit component of the pension plans	**4.70%**	4.60%
Post-employment benefit plans	**4.70%**	4.60%
Long-term employee benefit	**4.50%**	4.60%

Defined benefit component of the pension plans and other employee benefit plans

Based on these actuarial valuations and projections to September 30, the summary of the principal valuation results, in aggregate, is as follows:

	DEFINED BENEFIT COMPONENT OF THE PENSION PLANS		OTHER EMPLOYEE BENEFIT PLANS	
(in millions of Canadian dollars)	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
Fair value of plan assets	**2,604.8**	2,518.9	**–**	–
Defined benefit obligation	**(2,023.8)**	(2,050.5)	**(30.3)**	(32.1)
Net defined benefit asset (liability)	**581.0**	468.4	**(30.3)**	(32.1)

12. Employee Benefit Assets and Liabilities (cont'd)

	DEFINED BENEFIT COMPONENT OF THE PENSION PLANS		OTHER EMPLOYEE BENEFIT PLANS	
	FOR THE QUARTER ENDED SEPTEMBER 30			
(in millions of Canadian dollars)	**2025**	**2024**	**2025**	**2024**
Service cost	**4.1**	4.8	**0.6**	0.8
Interest income	**(29.4)**	(22.1)	**–**	–
Interest expense	**24.2**	19.5	**0.5**	0.3
Administration expenses	**0.4**	0.9	**–**	–
Total (revenues) expenses recognized in net income (loss)	**(0.7)**	3.1	**1.1**	1.1

	FOR THE QUARTER ENDED SEPTEMBER 30			
(in millions of Canadian dollars)	**2025**	**2024**	**2025**	**2024**
Return on plan assets	**82.2**	94.5	**–**	–
Effect of change in financial assumptions	**0.4**	(94.1)	**0.2**	(1.0)
Total remeasurements recognized in other comprehensive income (loss)	**82.6**	0.4	**0.2**	(1.0)

	FOR THE QUARTER ENDED SEPTEMBER 30			
(in millions of Canadian dollars)	**2025**	**2024**	**2025**	**2024**
Employer contributions	**–**	–	**1.7**	1.4
Defined benefit surplus utilized to fund the employer contributions *(Note 2)*	**(0.9)**	(0.8)	**–**	–
Total employer contributions	**(0.9)**	(0.8)	**1.7**	1.4
Employee contributions	**3.3**	3.3	**–**	–
Total contributions	**2.4**	2.5	**1.7**	1.4

Note 1: In 2023 and 2024, the Corporation's Defined Benefit Plan (DBP) had a going-concern excess, and solvency assets exceeding 105% of liabilities, therefore no minimum contribution was required to be made during the 2024 and 2025 fiscal years.

Note 2: In accordance with the VIA Rail Pension regulations, a withdrawal of $0.9 million (September 30, 2024: $0.8 million) from the Non-Unionized DBP surplus was utilized to fund the Non-Unionized Defined Contribution Plan (DCP) employer contributions.

12. Employee Benefit Assets and Liabilities (cont'd)

	DEFINED BENEFIT COMPONENT OF THE PENSION PLANS		OTHER EMPLOYEE BENEFIT PLANS	
	FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30			
(in millions of Canadian dollars)	**2025**	**2024**	**2025**	**2024**
Service cost	**10.8**	13.2	**1.9**	2.1
Interest income	**(88.9)**	(81.5)	**–**	–
Interest expense	**72.9**	70.7	**1.1**	1.1
Administration expenses	**2.2**	2.3	**–**	–
Total (revenues) expenses recognized in net income (loss)	**(3.0)**	4.7	**3.0**	3.2

	FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30			
(in millions of Canadian dollars)	**2025**	**2024**	**2025**	**2024**
Return on plan assets	**88.7**	106.9	**–**	–
Effect of change in financial assumptions	**23.4**	(0.4)	**(0.2)**	0.2
Total remeasurements recognized in other comprehensive income (loss)	**112.1**	106.5	**(0.2)**	0.2

	FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30			
(in millions of Canadian dollars)	**2025**	**2024**	**2025**	**2024**
Employer contributions	**–**	–	**5.1**	4.5
Defined benefit surplus utilized to fund the employer contributions *(Note 2)*	**(2.5)**	(2.3)	**–**	–
Total employer contributions	**(2.5)**	(2.3)	**5.1**	4.5
Employee contributions	**10.2**	10.3	**–**	–
Total contributions	**7.7**	8.0	**5.1**	4.5

Note 1: In 2023 and 2024, VIA Rail's Defined Benefit Plan (DBP) had a going-concern excess, and solvency assets exceeding 105% of liabilities; therefore no minimum contribution was required for the 2024 and 2025 fiscal years.

Note 2: In accordance with the VIA Rail Pension Regulations, a withdrawal of $2.5 million (September 30, 2024: $2.3 million) from the Non-Unionized DBP surplus was used to fund employer contributions to the Non-Unionized Defined Contribution Plan (DCP).

13. Income Taxes

The income tax expense consists of the following:

	QUARTERS ENDED SEPTEMBER 30		NINE-MONTH PERIODS ENDED SEPTEMBER 30	
(in millions of Canadian dollars)	**2025**	**2024**	**2025**	**2024**
Deferred	**0.8**	0.4	**5.2**	3.7
Income tax recovery	**0.8**	0.4	**5.2**	3.7

Deferred income tax reflects the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of the deferred income tax assets and (liabilities) are as follows:

DEFERRED INCOME TAX BALANCES (in millions of Canadian dollars)	**Opening Balance**	**Recognized in net income**	**Recognized in OCI**	**Closing Balance**
Property, plant and equipment and advances on contract	31.2	2.2	–	**33.4**
Provisions	1.7	(0.3)	–	**1.4**
Lease liabilities	26.4	0.1	–	**26.5**
Employee benefit liabilities	8.6	(0.6)	0.1	**8.1**
Losses carry-forward	13.1	3.4	–	**16.5**
Total deferred income tax assets	**81.0**	**4.8**	**0.1**	**85.9**
Other assets	(0.2)	0.1	–	**(0.1)**
Intangible assets	(1.7)	0.4	–	**(1.3)**
Right-of-use assets	(23.8)	–	–	**(23.8)**
Employee benefit assets	(124.3)	(0.1)	(29.8)	**(154.2)**
Total deferred income tax liabilities	**(150.0)**	**0.4**	**(29.8)**	**(179.4)**
Total deferred income tax liabilities	**(69.0)**	**5.2**	**(29.7)**	**(93.5)**

14. Deferred Capital Funding

Deferred capital funding represents the unamortized portion of the funding used to purchase property, plant and equipment and intangible assets.

(in millions of Canadian dollars)	September 30, 2025	December 31, 2024
Balance, beginning of period	**2,518.2**	2,137.4
Government funding for property, plant and equipment and intangible assets (including the cost of land)	**294.1**	524.1
Government funding for an advance on contract	**2.5**	3.0
Total Government funding for property, plant and equipment, intangible assets and advance on contract	**296.6**	527.1
Amortization of deferred capital funding	**(126.1)**	(146.3)
Balance, end of period	**2,688.7**	2,518.2

15. Supplemental Cash Flows Information

Net change in working capital items:

	QUARTERS ENDED SEPTEMBER 30		NINE-MONTH PERIODS ENDED SEPTEMBER 30	
(in millions of Canadian dollars)	**2025**	**2024**	**2025**	**2024**
Trade and other receivables	**23.8**	(34.8)	**80.1**	6.3
Other assets	**4.6**	2.6	**(2.1)**	(2.3)
Materials	**0.5**	(1.4)	**0.6**	(1.7)
Trade and other payables	**(3.9)**	2.9	**(0.8)**	(14.1)
Provisions	**0.1**	–	**(1.2)**	3.9
Deferred revenues and other liabilities	**(18.3)**	(8.5)	**17.9**	17.8
Total	**6.8**	(39.2)	**94.5**	9.9

The change in trade and other receivables excludes an amount of ($36.3) million (September 30, 2024: $19.9 million) in relation to government funding for capital expenditures, as the amount relates to investing activities.

Investing activities supplemental information:

	QUARTERS ENDED SEPTEMBER 30		NINE-MONTH PERIODS ENDED SEPTEMBER 30	
(in millions of Canadian dollars)	**2025**	**2024**	**2025**	**2024**
Acquisition of property, plant and equipment and intangible assets	**(108.4)**	(180.6)	**(307.8)**	(422.8)
Additions to property, plant and equipment and intangible assets not affecting cash as they were previously cashed out through the advances on contracts	**4.6**	5.4	**10.4**	14.8
Change in accounts payable and accruals – Capital assets	**(8.9)**	(20.1)	**(11.7)**	(39.7)
Change in other non-current payables	**3.3**	4.1	**7.2**	11.3
Total cash out for acquisition of property, plant and equipment and intangible assets	**(109.4)**	(191.2)	**(301.9)**	(436.4)
Government funding invoiced for property, plant and equipment and intangible assets	**104.8**	171.2	**294.1**	396.8
Change in amount receivable from the Government of Canada – Capital funding	**25.2**	34.8	**(36.3)**	19.9
Total Government funding received for property, plant and equipment and intangible assets	**130.0**	206.0	**257.8**	416.7

16. Financial Risks

The Corporation's financial instruments are exposed to the same risks as disclosed in its annual financial statements for the year ended December 31, 2024.

17. Commitments

a) For the nine-month period ending September 30, 2025, there have been no material changes to the Corporation's contractual commitments, other than normal procurement activities relating to tangible and intangible assets and the use of existing contracts relating to payments made to service providers.

   For a description of these contractual commitments, see Note 22 of the audited annual financial statements for the year ending December 31, 2024.

b) As mentioned in Note 1 Authority, objectives and general information, the Corporation has entered into train service agreements for the use of tracks and the control of train operations. For some contracts, no amounts are included in the table above regarding those contracts since the amount of the commitments depends on the annual usage of the tracks.

c) The Corporation has provided letters of credit from a financial institution totalling approximately $25.7 million (December 31, 2024: $23.8 million) to various provincial government workers' compensation boards as security for future payment streams.

18. Related Party Transactions

A) Government of Canada, its agencies and other Crown corporations

The Corporation is related in terms of common ownership to all Government of Canada created departments, agencies and Crown corporations. The Corporation conducts transactions with these entities in the normal course of business on trade terms similar to those applied to other individuals and enterprises and these transactions are recorded at fair value.

In 2022, the Corporation and the unconsolidated structured entity entered into a service agreement for collaboration and support regarding the High Frequency Rail (HFR) project and for back-office services provided by the Corporation to VIA HFR – TGF VIA Inc. to facilitate the organization and functioning of the unconsolidated structured entity. As at September 30, 2025, the Corporation has an account receivable from VIA HFR – TGF VIA Inc. of $0.2 million (December 31, 2024: $0.4 million) and re-invoiced a total amount of $2.8 million (September 30, 2024: $3.1 million) on a cumulative basis mainly included in the "Professional services" and "Compensation and employee benefits" lines item of the Statement of Comprehensive Income. There were no significant transactions in 2025 and 2024.

B) Transactions with post-employment benefits plans

Transactions with the Corporation's post-employment benefits plans are conducted in the normal course of business. The transactions with the Corporation's post-employment benefit plans consist of contributions as determined by actuarial valuations, as disclosed in Note 12. There were no other significant transactions during the period.

VIA Rail Canada