

EXPORT GROWTH AND DIVERSIFICATION

Mont-Tremblant
Quebec



As storytellers and ambassadors of the diverse tourism sector in Canada, we deeply appreciate the significance of our role in representing the multitude of voices and places that collectively shape Canada.

We acknowledge the Indigenous Peoples of all the lands that we work and live on. We do this to reaffirm our commitment and responsibility in improving relationships with nations and our own understanding of local Indigenous Peoples and their cultures. From coast to coast to coast, we acknowledge the territory of the Inuit, Métis, and First Nations people who have called this place home since time immemorial.

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MESSAGE





Ottawa Ontario

Canada's travel and tourism sector is experiencing a global moment. Strong demand and positive international attention are elevating the country's profile as a preferred destination. Canada's distinct travel experiences and international reputation are resonating with global audiences, contributing to growing interest across multiple markets. Canada is seizing this moment to increase its market share of global tourism.

In 2025, travel and tourism continued to demonstrate its value as one of Canada's top service exports. Tourism is delivering high growth at twice the pace of the general economy, and fast returns on Canada's investments. The sector is proving to be among the most resilient in our economy – supporting more than 2 million jobs, generating export revenue, and bringing economic benefits to communities in all regions.

Against this backdrop, Destination Canada focused on execution, guided by a clear strategy and four enduring drivers: Sector Advancement, Brand Leadership, Destination Development, and Collective Intelligence. Our work in 2025 was centred on accelerating impact today while strengthening the foundations of long-term competitiveness.

Sector Advancement in 2025 meant strengthening Canada's tourism sector for long-term competitiveness – supporting partners and policy

makers to build capacity, align priorities, and position Canada to succeed in a rapidly evolving global environment. Destination Canada also worked to reinforce how the sector's economic contribution, export value, and community impact are understood, helping frame tourism as a contributor to Canada's broader growth objectives and firmly within the national growth agenda. With targeted and strategic investments, tourism has the potential to deliver 8-10% of the Government of Canada's goal to double non-United States (US) exports by 2035.

Brand Leadership remained central to our mandate. In 2025, we refreshed Canada's tourism brand to better reflect what sets the country apart and to convert strong global interest into high-value demand. Through targeted leisure marketing and a globally active Business Events program, Destination Canada continued to drive demand aligned with Canada's economic priorities, sustainability objectives, and regional strengths.

As demand grows, destinations must be ready to deliver on our brand promise. Destination Development efforts in 2025 focused on attracting investment, advancing economic development opportunities in northern, rural and remote regions, and tourism planning for a sustainable future. These initiatives help ensure that tourism growth and competitiveness translates into lasting benefits for communities across the country.

Underpinning all of this work is our fourth strategic driver, Collective Intelligence. Through the award-winning Canadian Tourism Data Collective and continued investment in data, analytics, and artificial intelligence (AI), Destination Canada is building shared tourism intelligence to support better decisions, stronger collaboration, and greater resilience across the sector. We are readying ourselves and our sector for AI transformation.

In a time of heightened geopolitical and economic uncertainty, the Government of Canada is charting an ambitious path to diversify trade and deepen relationships with global partners. As a sector

Tourism can contribute 10% of Canada's goal to generate \$300 billion more in non-US exports by 2035.

that is outperforming the Canadian and global economies, Canadian tourism has an important role to play in this agenda. Further, Destination Canada's international reach helps position Canada in many of the world's most influential travel and economic corridors, including most G7 markets. This work delivers strong value for Canadians: an economic return of \$24 for every dollar invested in Destination Canada. In doing so, we are contributing to Canada's broader economic diversification objectives while strengthening trade and transportation networks, and accelerating competitiveness in a rapidly evolving global environment.

These results reflect the dedication of Destination Canada's employees, the guidance of our Board of Directors, and the collaboration of partners nationwide. Together, we remain focused on delivering value for Canadians and positioning tourism as a sustainable economic superpower that generates wealth and wellbeing for all Canadians.



Marsha Walden
President & CEO



Liza Frulla
Chair Board of Directors



Waterton Lakes National Park Alberta

VALUE OF TRAVEL AND TOURISM



Travel and tourism is one of Canada’s most important economic sectors – delivering high growth, diversified export revenue, and social benefits that reach communities across the country. Few sectors combine global reach with such deep local impact, connecting Canada to international markets while generating tangible benefits for communities, small businesses, and workers from coast to coast to coast.

As a services export, tourism brings international spending into the Canadian economy while supporting a diverse network of businesses, workers, and destinations. Its impacts are felt in large cities and small communities alike, generating employment, sustaining local enterprises, and strengthening Canada’s economic and social fabric.

In 2025, tourism generated over \$31.5 billion in export revenue, making it one of Canada’s largest service exports, and contributed nearly \$133 billion to the national economy. The sector supports 280,000 businesses in more than 5,000 communities, and one in ten jobs in Canada depends on tourism activity.

Leisure tourism and business travel also play a strategic role in Canada’s broader economic objectives. They support trade diversification,

deliver growth through services exports, strengthen transportation networks, and provide opportunities for participation across all regions and industries. Importantly, investments in tourism create fast returns for Canada.

Even amid trade and economic uncertainties, tourism continues to show strong long-term growth potential. Canadian tourism is projected to outpace both the Canadian and global economies over the coming decade, reinforcing the sector’s role as a resilient driver of services export growth and national prosperity.

As global demand continues to climb, travel and tourism remains a powerful engine for economic activity, connectivity, and prosperity – contributing to Canada’s competitiveness today and tomorrow.

Forecast Growth to 2035, World vs. Canada

Real CAD (Constant 2024 dollars)

Compound annual growth rate, 2024–2035



ABOUT US



Our aspiration is for tourism to generate wealth and wellbeing for all of Canada and enrich the lives of our guests.

Mandate

Destination Canada is a federal Crown corporation owned by the Government of Canada, reporting to the Minister of Women and Gender Equality and Secretary of State (Small Business and Tourism).

Established under the *Canadian Tourism Commission Act* in 2001, our legislative mandate is to:

- sustain a vibrant and profitable Canadian tourism industry;
- market Canada as a desirable tourist destination;
- support a cooperative relationship between the private sector and the governments of Canada, the provinces and the territories with respect to Canadian tourism; and
- provide information about Canadian tourism to the private sector and to the governments of Canada, the provinces and the territories.

Who We Are

With a mandate to advance Canada's economic interests through a vibrant and profitable tourism industry, Destination Canada maximizes the economic and social returns of one of Canada's top service-export sectors and largest job-creators.

We drive demand through both leisure marketing in nine key geographic markets – Australia, China, France, Germany, Japan, Mexico, South Korea, the United Kingdom (UK), and the US – and a global Business Events program that competitively positions Canada as a host for major international meetings and conventions.

We provide leadership in destination development and investment attraction to help Canada's tourism offerings remain fresh and globally competitive, and we leverage leading-edge technology to deliver robust insights and analysis to support informed decision-making across the sector and all levels of government.

Through high-impact partnerships to attract international travellers and investors, Destination Canada accelerates economic growth, advances trade diversification, and sustains a diverse network of local enterprises. This work strengthens Canada's economic and social fabric, generating long-term wealth and wellbeing for Canadians and their communities.

How We Work

In tourism, we all play for Team Canada.

Mutual success depends on working together – not independently – toward shared goals. Destination Canada's operating model is built on deep collaboration with tourism partners across the sector, including destination marketing organizations, airlines, airports, the travel trade, government agencies, and national associations. This alignment provides a powerful strategic advantage for Canada in an increasingly competitive global environment.

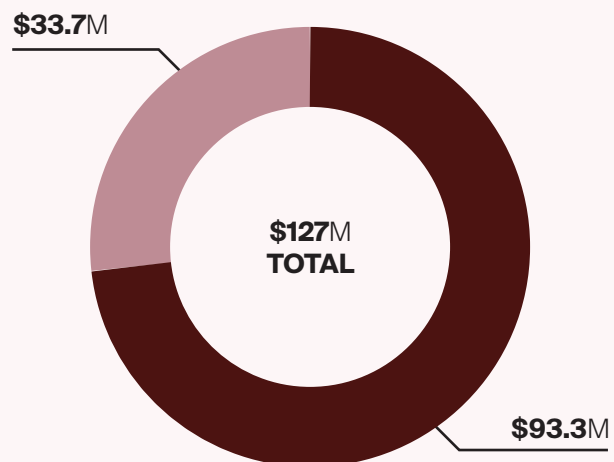
Tourism is a team effort, and our team spans every corner of the country. From municipalities and provincial and territorial partners to national associations and global investment stakeholders, Canada's tourism success is built on shared ambition and coordinated action. By bringing together private-sector leaders, industry organizations, and governments at all levels, Destination Canada helps amplify Canada's impact and ensure that efforts are greater than the sum of their parts.

One of the sector's greatest challenges is its diversity and decentralized structure. Destination Canada works within this ecosystem to align strategies, provide thought leadership, share insights, navigate change, and co-invest with partners for shared success. Together with partners, we have transformed one of tourism's greatest challenges into one of Canada's greatest strengths: the power of collaboration. Our model of collaboration is more than a value – it is a strategic advantage that enables Canadian tourism to act with agility, purpose, and impact, advancing Canada's global competitiveness and delivering lasting benefits for communities across the country. Together, we punch way above our weight.

Sources of Parliamentary Appropriations

Destination Canada operates on a calendar fiscal year. In 2025, our parliamentary appropriations were broken down as noted in the accompanying chart.

- Base funding
- International Convention Attraction Program



STRATEGIC LANDSCAPE





Global

Global tourism patterns continued to shift in 2025 as travel conditions, entry requirements, and traveller confidence evolved across major markets. While demand for international travel remained strong overall, performance varied by region, reflecting differences in ease of access, air connectivity, and shifting traveller sentiment. According to Mastercard Annual European Consumer Survey, consumers are increasingly focused on meaningful experiences, with travel and tourism identified as the top experiential priority.

Within this environment, several key Asian markets continued to support the expansion of outbound travel. Notably, China expanded Approved Destination Status (ADS) arrangements with a growing number of international destinations, enabling the gradual return of organized group travel and supporting renewed air service and long-haul visitation. Other Asian markets also advanced measures to facilitate travel, contributing to increased long-haul demand.

Across Europe, governments continued to modernize border and visa systems, including the introduction of new digital entry processes intended to improve efficiency and manage growing traveller volumes over time.

At the same time, international travel to the US declined in 2025, influenced by a more complex travel environment and reduced traveller confidence in some source markets. This shift affected global travel flows and contributed to changes in traveller choice, particularly for long-haul destinations.

Together, these developments reshaped the global tourism landscape. Destinations that combined strong brand appeal with accessible entry processes, reliable air connectivity, and positive traveller sentiment were better positioned to attract international demand in an increasingly competitive environment.

Canada

In 2025, Canada's tourism performance successfully navigated broader global travel shifts while underscoring the country's enduring appeal as a premier destination. As travel patterns evolved, Canada leveraged its strong global reputation and diversified demand to capture growing interest from overseas markets.



This strategic diversification proved vital; while global travel to the US declined, Canada achieved sustained growth from overseas travellers. Robust demand from Europe and Asia helped offset softer US arrivals into Canada, reinforcing the importance of a wide-reaching visitor base. This was further bolstered by the restoration of Approved Destination Status (ADS) with China in November 2025, which facilitated the gradual return of organized travel from one of the world's largest outbound markets.

This momentum translated into the business events sector, which served as a source of stability throughout the year. Amid global macroeconomic and political uncertainties, Canada continued to stand out as an attractive, stable host for international conferences and meetings.

Driven by a reputation for safety and reliability, the business events pipeline maintained forward momentum as the sector adapted to capture shifting international interest.

Underpinning these successes is Canada's status as a top-tier global brand. In 2025, Canada held the top brand position in the RepCore® Nations global reputation ranking and ranked first among destinations recommended by Americans according to YouGov – critical competitive advantages that reinforce international trust.

Together, these factors have positioned Canada to thrive in an increasingly competitive environment, allowing the sector to navigate volatility while continuing to attract high-value international visitors and secure long-term growth.



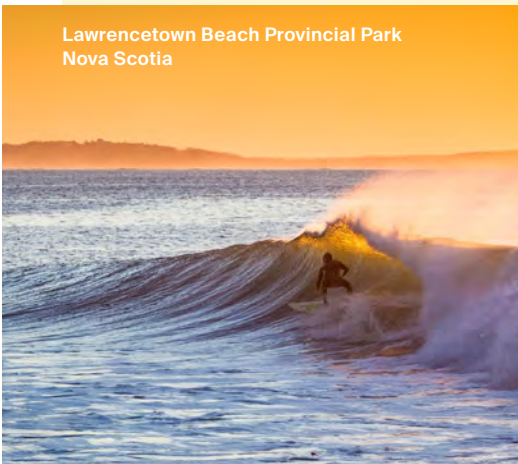
Canada's Global Moment: A Record-Breaking Summer

The summer of 2025 confirmed Canada's strength as a global tourism destination.

Summer tourism generated \$59 billion in revenue, a 6% increase over the previous year. International demand played an increasingly important role in the season's performance, with higher-yield travel from overseas markets helping lift overall results. These visitors stayed longer, spent more, and travelled beyond traditional gateways.

The strength of the summer reflected Canada's global appeal and positive traveller sentiment. As international travellers became more selective in their destination choices, Canada continued to stand out as a trusted, high-quality destination. In 2025, Canada ranked first among destinations recommended by Americans and was recognized as a leading global country brand, reinforcing confidence in the Canadian travel experience.

The record-breaking summer underscores a broader shift: Canada is attracting high-value international travellers, balancing demand across markets, and converting global interest into tangible economic benefits for communities across the country.



Lawrencetown Beach Provincial Park
Nova Scotia



Children's Museum, Winnipeg
Manitoba



Quebec City
Quebec

PERFORMANCE



2025 Results

	Outcome	Key Performance Indicator	Target
Economic Impact	Growth in tourism revenue	Attributable tourism revenue	\$1.87 billion
» RESULT	\$2.42 billion		
Sector Advancement	Increased global competitiveness	Canada's competitiveness ranking	Establish task forces to provide recommendations addressing the 7 levers of competitiveness
» RESULT	<p>6 expert task forces were established and delivered recommendations to the NorthStar forum across key tourism competitiveness priorities. One task force (sustainability) was intentionally sequenced for focused work in 2026.</p>		
Brand Leadership	Strong brand consideration	Consideration and recommendation of Canada as a leisure travel destination	Canada ranks 3 rd or better in 4 of our 9 markets vs. competitive set (recommendation score)
» RESULT	<p>Canada ranked 3rd or better in 5 of our 9 priority markets (France, Germany, Mexico, the UK, and the US), reflecting the strength of the Canada tourism brand and exceeding the planned performance level.</p>		
	Confirmed future business	Value of booked business events	\$2.3 billion
» RESULT	<p>\$2.27 billion – Performance fell slightly short of target due to lower-than-anticipated delegate volumes and marginally reduced average delegate spending compared to assumptions used during target setting. Activity levels remained strong, and the results reflect evolving market conditions and event dynamics rather than reduced engagement. These insights provide valuable guidance for refining future targets and optimizing performance as market conditions continue to stabilize.</p>		

	Outcome	Key Performance Indicator	Target
Destination Development	Expanded investment attraction	Investment attraction in corridors	\$132 million in investment opportunities are identified in the corridor strategies and by Destination Canada activities

» **RESULT** All four 2024-25 corridor strategies, implementation plans, and investment plans are now complete, with a combined 60 proposed investment projects identified across the corridors. Together, these projects represent an **estimated \$233.9M in potential capital investment** across Canada's tourism corridors.

Collective Intelligence	Valued tourism intelligence	Average site visitation	Average monthly Data Collective site visits grow by 20% over 2024 baseline (average site visitation growth)
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» **RESULT** In 2025, Destination Canada significantly strengthened the reach and value of the Data Collective, reinforcing its role as the national platform for trusted tourism intelligence. Average monthly visits increased by 98.7% over the 2024 baseline, far surpassing the 20% growth target set using industry benchmarks and signaling rapidly growing industry reliance on shared, decision-ready insights.

Partnerships	Partner alignment in international programs	Partner co-investment	\$37.5 million
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» **RESULT** **\$55.3 million** – Strong alignment with partners on marketing investment priorities, together with collaboration with leading global technology platforms, the Canadian Tourism Data Collective, and emerging non-traditional partnerships, contributed to higher-than-expected levels of co-investment.

Strategic Overview

Destination Canada's strategy is focused on accelerating the value of tourism, generating wealth and wellbeing for all of Canada while enriching the lives of our guests.

The organization's role extends beyond demand generation to supporting the conditions that enable long-term competitiveness – strengthening Canada's global brand, advancing the sector's role in the economy, ensuring destinations invest in long-term appeal that strengthens our global reputation, and building the intelligence needed to make better decisions in a rapidly evolving market.

These four strategic drivers provide a clear and integrated framework for action. Together, they guide our work with partners to attract high-value international travellers, diversify demand across markets and seasons, and convert global interest into tangible economic benefits for communities across the country.

In 2025, this strategy translated into focused execution. Destination Canada advanced sector-wide priorities, refreshed Canada's tourism brand, supported destination development, and expanded access to timely data and insights. Drawing on real-time market intelligence and strong international relationships, we responded rapidly to shifting trade and tariff conditions, providing timely insights to partners and adapting strategies to sustain momentum and strengthen performance in priority markets over the course of the year. These efforts were mutually reinforcing – strengthening brand leadership, supporting sustainable demand growth, and demonstrating travel and tourism's contributions to Canada's broader economic objectives.



Strategic Driver: Sector Advancement

Tourism's long-term success depends on more than strong demand. It requires that the sector's economic contribution is clearly understood, consistently articulated, and aligned with broader economic and trade priorities. In 2025, Destination Canada focused on strengthening these conditions by showcasing tourism as a strategic economic sector and supporting greater alignment across partners and government.



Advancing Competitiveness Through Collective Action

Tourism competitiveness is shaped by a range of interconnected conditions that extend far beyond marketing alone. In Destination Canada's strategy entitled *Tourism 2030: A World of Opportunity*, we identified seven key levers of tourism competitiveness that influence the sector's ability to grow and compete globally. Together, these levers provide a shared framework for understanding the challenges and opportunities facing tourism and for aligning partners around priority areas for action.

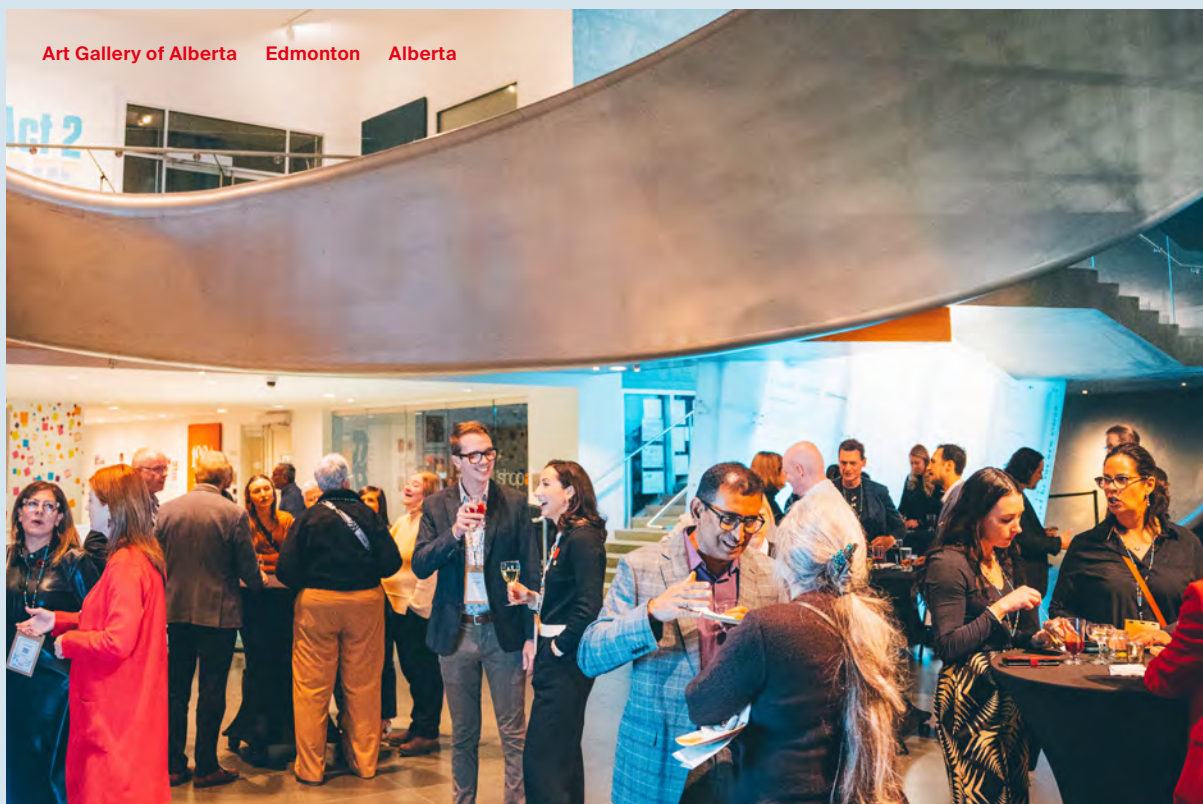
Building on this foundation, we established NorthStar task forces in 2024 to bring together industry, government, and expert perspectives. In 2025, the task forces continued their work to explore competitiveness challenges and develop practical, evidence-informed recommendations aligned to the seven levers. Through our work with our NorthStar implementation teams, we advanced recommendations to increase revenue and yield, deepen brand leadership, improve how tourism attracts investment, accelerate workforce productivity and digital transformation, and strengthen policy and public support. We continue to implement task force recommendations for these five levers while gaining a greater understanding of the work we need to do to improve access and sector sustainability.



Activating the Levers of Tourism Competitiveness

Destination Canada works closely with industry leaders, national tourism sector associations, and policymakers to advance shared priorities that strengthen Canada's tourism competitiveness. Through the NorthStar Advisory Task Forces, destination partners and government representatives are making progress on the seven levers of competitiveness: revenue yield growth, brand leadership, investment, access, workforce and digital transition, sustainability, and public and policy support. These forums provide a structured, pan-Canadian platform to align perspectives and translate research into coordinated action.

In 2025, task force recommendations moved from strategy to action, including developing a shared narrative framework to help partners communicate tourism's value to different audiences, establishing a common approach to measuring tourism workforce productivity, and creating an investment committee to support tourism-related capital attraction. Ongoing engagement with national tourism sector associations and federal partners, including regular CEO-level dialogues, helped reinforce alignment and a shared understanding of tourism's role in driving competitiveness, resilience, and long-term economic growth.



Far-Reaching Impacts of Rendez-Vous Canada 2025

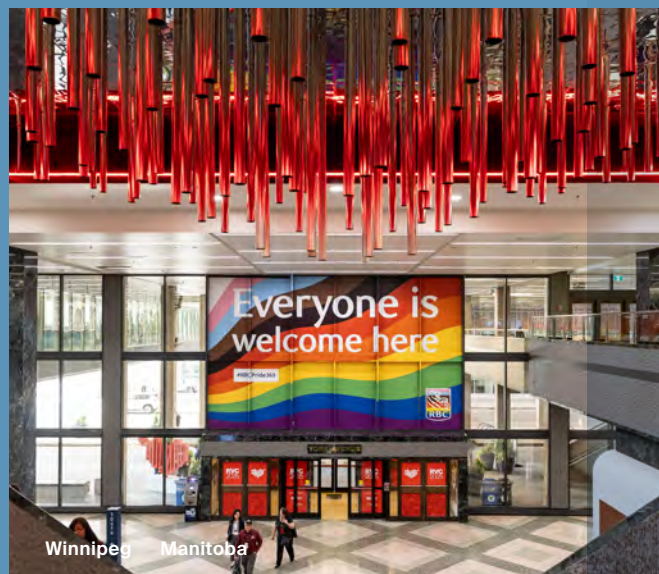


Winnipeg Manitoba



Ottawa Ontario

Canada's largest international tourism marketplace, Rendez-vous Canada (RVC), brought together global travel buyers and Canadian tourism businesses to build partnerships, showcase destination experiences, and generate new opportunities for international visitation.



Winnipeg Manitoba

Hosted in Winnipeg, RVC exceeded target buyer attendance and delivered significant commercial impact. Over four days, an estimated \$90 million in business was secured directly on the show floor, reflecting the event's role in converting international interest into tangible outcomes for Canadian destinations and operators.

The event facilitated more than 50,000 pre-scheduled business appointments, connecting 400+ international buyers from 22 markets with 800+ sellers representing 500 Canadian tourism organizations and businesses, including Indigenous entrepreneurs.

Beyond the show floor, hosting RVC in Winnipeg delivered a significant \$4.6 million economic boost to the city. More than 4,000 hotel room nights were secured during the event, injecting fresh energy into Winnipeg's hospitality

sector and demonstrating the immediate local benefits of hosting world-class tourism events.

RVC strengthens Canada's tourism competitiveness by connecting communities and businesses of all sizes with global distribution channels. By creating opportunities to secure future partnerships and lay the groundwork for continued growth, RVC plays a catalytic role in showcasing Canada's tourism offerings internationally and delivering benefits across the country.

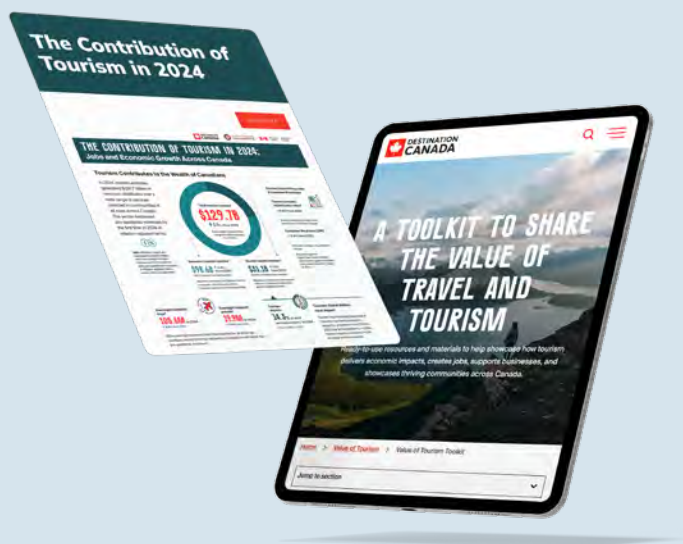
Elevating Tourism’s Role in Canada’s Growth Agenda

In 2025, Destination Canada worked to strengthen the sector’s competitiveness and how tourism is understood and positioned within economic and decision-making contexts across Canada. This included reinforcing tourism’s vital role as a services export, a driver of regional growth, and a contributor to productivity and economic diversification. By grounding discussions in data-based evidence and shared narratives, we helped advance a more consistent understanding of tourism’s value – from both leisure travel and business events perspectives – across industry and government.

To support this shift, we developed practical tools and resources that enable partners to articulate tourism’s economic contribution with greater clarity and confidence. Concise economic summaries, up-to-date statistics, and access to interactive data tools supported more consistent, evidence-based messaging across the sector. When tourism’s

impacts are communicated clearly and credibly, the sector is better positioned to be considered alongside other priority economic sectors.

These efforts also strengthened alignment between tourism and Canada’s broader growth and trade priorities. As Canada advanced a renewed focus on trade diversification, tourism’s ability to generate high-growth and fast economic returns across all regions made it an increasingly important part of the national economic conversation. Resources developed in 2025 such as narrative toolkits and interactive data products supported federal partners, including trade commissioners, in articulating the value of leisure tourism and business events in international and economic contexts. By connecting tourism more explicitly to services exports, trade diversification and regional development objectives, Destination Canada helped position tourism as a high-performing contributor to Canada’s broader growth agenda.



The Value of Travel and Tourism Toolkit

The Value of Travel and Tourism Toolkit is a practical resource designed to help industry and government partners communicate tourism’s economic contribution with clarity and credibility. It includes a concise value overview, current economic and employment statistics, and access to interactive data tools to support consistent, evidence-based messaging across the sector.

The toolkit generated 138 downloads in 2025 and was amplified across digital channels, reaching more than 3.4 million impressions – extending tourism’s economic narrative to decision-makers and industry stakeholders.

Check out the Toolkit online
destinationcanada.com/value-of-tourism



Reinforcing the Impact of Destination Canada

In addition to advancing the sector's economic narrative, Destination Canada worked to strengthen understanding of our own role and value within and beyond the tourism sector. Through consistent messaging and engagement, we amplified the Value of Travel & Tourism narrative while reinforcing our unique contribution as a national convener, data-driven organization, and trusted partner.

By engaging governments, industry, and cross-sector stakeholders, we aimed to build trust, credibility, and buy-in around tourism's role in

Canada's economy and the organization's mandate to advance it. This included articulating how our marketing, intelligence, destination development, and partnership activities work together to support long-term growth and competitiveness.

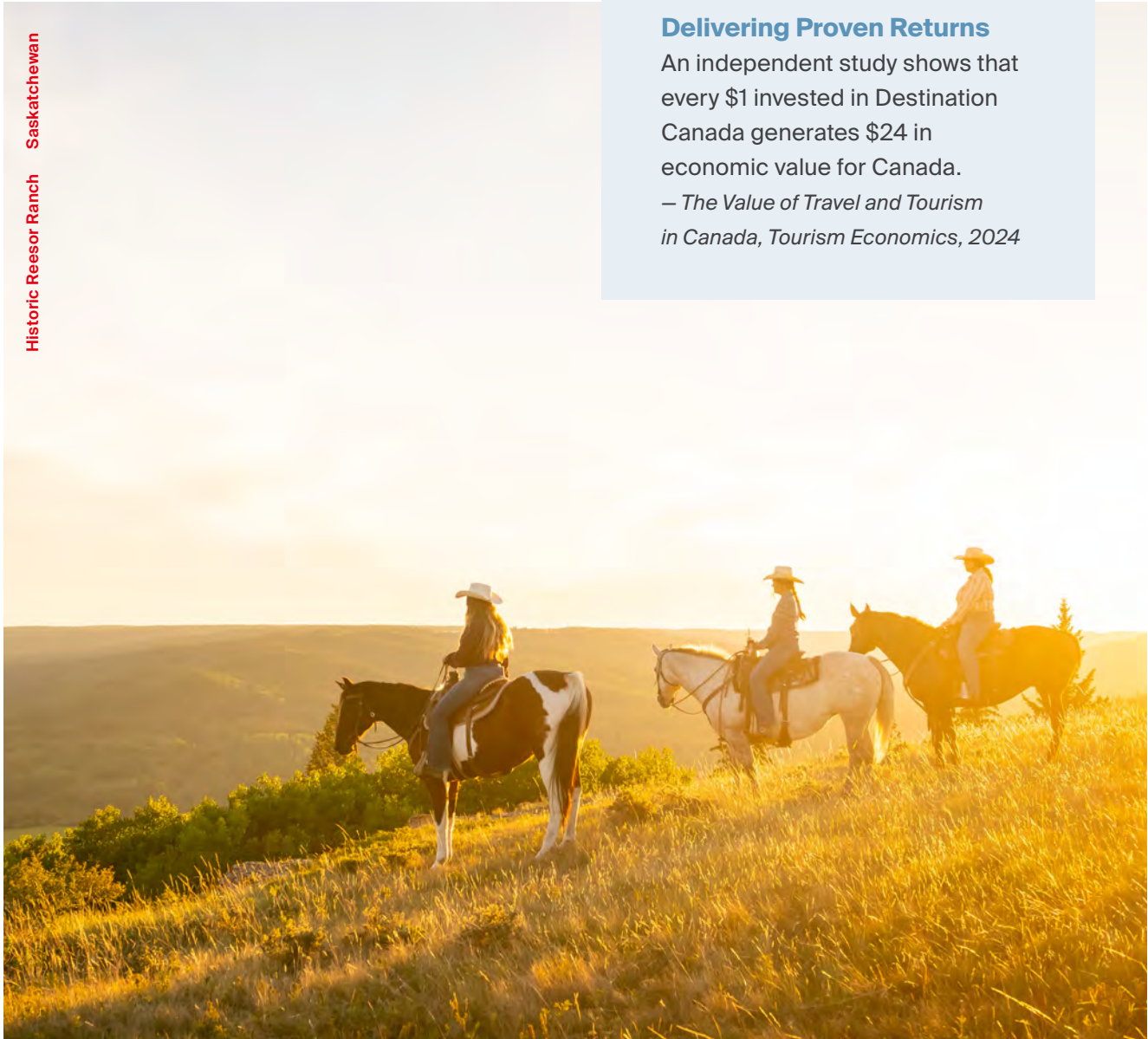
As a result, we strengthened our voice and relevance across policy, economic, and industry discussions, reinforcing confidence in our leadership and ability to deliver value for Canada's tourism sector and the broader economy.

Historic Reesor Ranch Saskatchewan

Delivering Proven Returns

An independent study shows that every \$1 invested in Destination Canada generates \$24 in economic value for Canada.

— *The Value of Travel and Tourism in Canada, Tourism Economics, 2024*



Strategic Driver: Brand Leadership

Brand leadership remains central to Destination Canada’s mandate to grow the long-term value of tourism for Canada.

In 2025, we advanced Canada’s global tourism brand by bolstering its strategic foundation, elevating Canada’s presence in priority international markets, and activating the brand through targeted leisure travel and business events-focused initiatives. Together, these efforts reinforced Canada’s reputation as an open, welcoming, and globally competitive destination – positioning the country to drive high-value international leisure visitation and business events.



Canada’s Global Brand Strength – Rising in Reputation

In 2025, Canada’s global reputation took a significant leap, moving from 6th to 3rd place among 50 nations on the Anholt Nation Brands Index, one of the world’s most respected measures of national image and strength.

This jump reflects a notable improvement in how people around the world perceive Canada across key dimensions such as culture, people, governance, and tourism – all of which influence global decisions about travel, investment, talent attraction, and business. Canada’s elevated position signals growing international admiration and enhances the country’s appeal as a destination for both leisure travellers and business events.

– 2025 Anholt Nation Brands Index



Canada, naturally

In 2025, we launched Canada’s new national tourism brand positioning and tagline – Canada, naturally – marking a significant milestone in reinforcing Canada’s relevance and desirability with target global travellers and event decision-makers.

The new brand value proposition is grounded in global research showing that our target audiences gravitate toward what is real and seek meaning in travel. Responding to the fundamental insight that audiences want the authentic – not fake or filtered – *Canada, naturally* was rolled out across our leisure marketing and Business Events sales channels in 2025. *Canada, naturally* showcases quiet, observational vignettes of everyday moments in extraordinary settings, highlighting Canada’s natural beauty and human kindness – superpowers that locals may not even realize are seen as such by the world.

Canada, naturally was introduced in priority leisure markets, including the US, UK and China, and rolled out across our Business Events program. Designed as a long-term platform rather than a short-term campaign, *Canada, naturally* aims to deepen emotional resonance, increase brand differentiation, and drive incremental tourism revenue by connecting travellers and business event decision-makers with what makes Canada meaningful and distinct.

Driving Global Leisure Demand

In 2025, Destination Canada's marketing efforts focused on renewing Canada's brand proposition, deepening emotional connection with priority travellers, and translating brand strategy into tangible, experience-led activations. Guided by data-driven insights and a clear understanding of evolving traveller motivations, we emphasized authenticity, meaningful connection, and lived experiences as the cornerstone of Canada's global appeal.

FEATURE

Top Chef



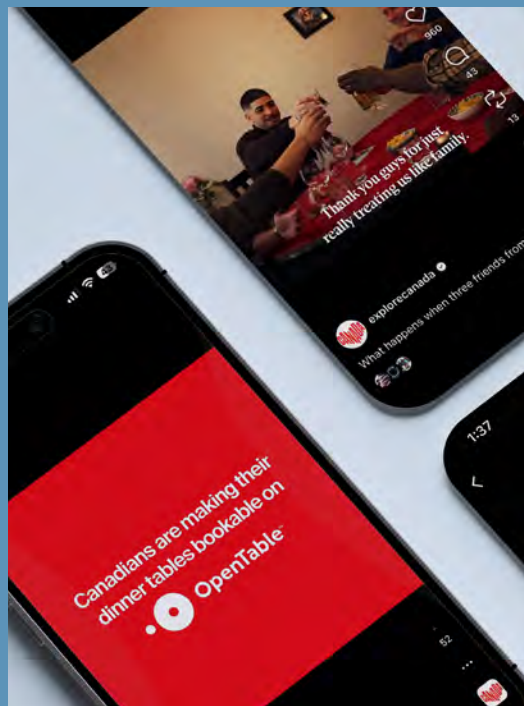
Canada took centre stage in the most recent season of Bravo's US franchise *Top Chef*, integrating Canadian destinations, ingredients, and culinary traditions into one of the world's most recognized food and travel broadcast entertainment franchises.



Delivered through a partnership between *Top Chef*, regional tourism partners, and Destination Canada, the series stood out for its sweeping, cross-country exploration of Canada's regional cuisines and cultures, showcasing the people, places, and ingredients that shape the nation's food identity, and reached audiences across North America and beyond. As a first, the title for this season took on the host nation's name: *Top Chef: Destination Canada*.



By taking viewers on a culinary journey across five diverse regions, the activation connected chefs and audiences to authentic Canadian experiences in a way that felt immersive and culturally grounded. For viewers, it offered a glimpse of what Canada has to offer – designed to spark curiosity and inspire travellers to experience Canada's flavours and communities firsthand.



OpenHome

In the US, Destination Canada launched *OpenHome*, a first-of-its-kind initiative that invited Americans inside real Canadian homes and experience the country’s warmth and hospitality firsthand. Developed in partnership with *OpenTable*, *OpenHome* transformed the *Canada, naturally* brand positioning into a lived experience at a time when American travellers were seeking reassurance about how welcome they would feel while travelling.

By bringing travellers and Canadians together around the dinner table, *OpenHome* offered a simple but powerful expression of connection and realness. The initiative translated Canada’s values into a real, human moment – reinforcing trust, easing uncertainty, and reminding audiences that Canada’s openness is not just a message, but a lived experience.



Asia Regional Sales Mission

Destination Canada worked with Canadian tourism partners to deliver the Asia Regional Sales Mission, leveraging the global platform of Expo 2025 Osaka to strengthen Canada’s market presence in Japan, South Korea, and China.

The mission connected Canadian destinations and tourism organizations with key travel trade and media partners from Asia, creating a focused opportunity to showcase Canada’s priority seasonal experiences.

The program was designed to support commercial outcomes through collaboration. Working alongside partners, we facilitated targeted sales meetings, market briefings, and Canada Talk sessions that deepened travel trade understanding of Canadian destinations and products. As a result, the mission supported the development of new Canadian travel products across all three Asian markets, expanding the range of experiences available for sale and increasing the visibility of Canadian offerings within Asian distribution channels.

Life in Canada

Building on our long-standing partnership with global publisher *National Geographic*, *Life in Canada* was a visual storytelling collaboration that followed three renowned photographers on a road trip through Atlantic Canada.

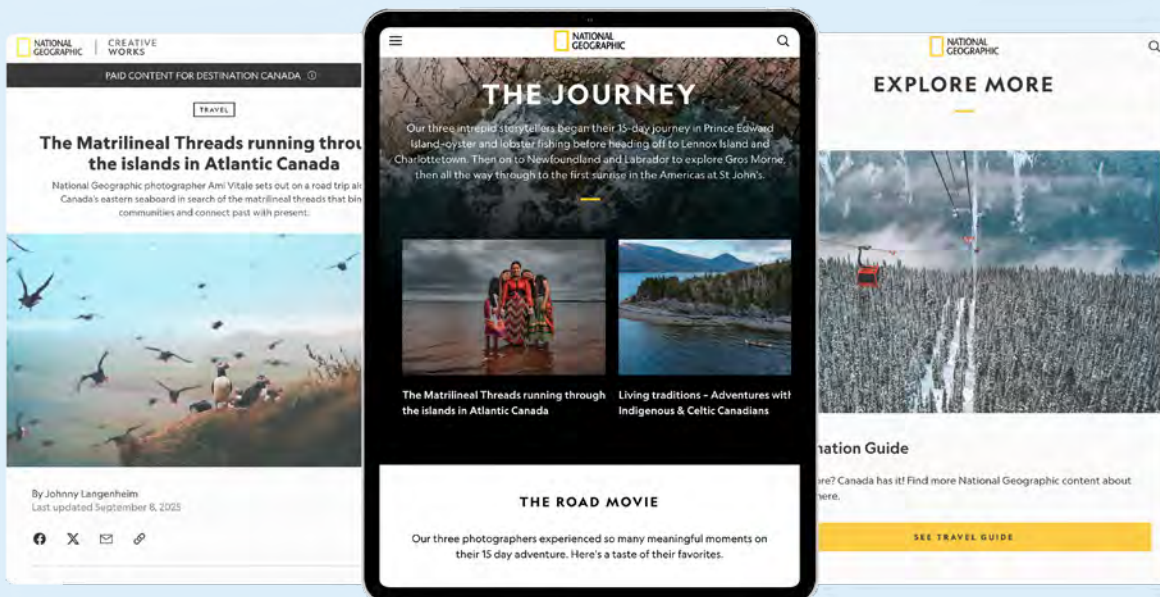


Travelling together in a yellow – a colour iconic to National Geographic – RV, the photographers documented everyday moments, landscapes, and communities through a compelling mix of video and photography.



Along the way, they captured simple, human experiences – quiet coastal towns, shared meals, time on the road, and the natural rhythms of life shaped by land and sea. By focusing on lived moments rather than staged highlights, the initiative told an authentic story of place. Delivered through trusted *National Geographic* storytelling, *Life in Canada* brought the *Canada, naturally* brand tagline to life in a way that was credible, human, and inviting, helping audiences imagine themselves experiencing Canada firsthand.

Review the road trip online on nationalgeographic.com





Edmonton Alberta

Positioning Canada as a Global Destination to Meet, Connect, and Collaborate

Business events are a strategic driver of Canada's visitor economy, generating high-value travel, year-round demand, and long-term benefits for priority economic sectors in communities across the country.

Beyond immediate visitor spending, international meetings and conventions strengthen Canada's global connections, support knowledge exchange, and advance opportunities aligned with key sectors of economic growth.



Montreal Quebec

In 2025, Destination Canada's Business Events program continued to position Canada as a competitive and compelling host destination on the global stage. This work is national in scope and global in reach, supporting partners across the country to attract events that contribute meaningfully to Canada's trade diversification objectives and deliver lasting value for Canadians.

Priority Growth Sectors



Digital Industries



Natural Resources



Agribusiness



Life Sciences



Advanced Manufacturing



Finance & Insurance



A Program Built to Win

In 2025, we advanced our work to attract high-value international business events through a focused approach built on three interconnected pillars:

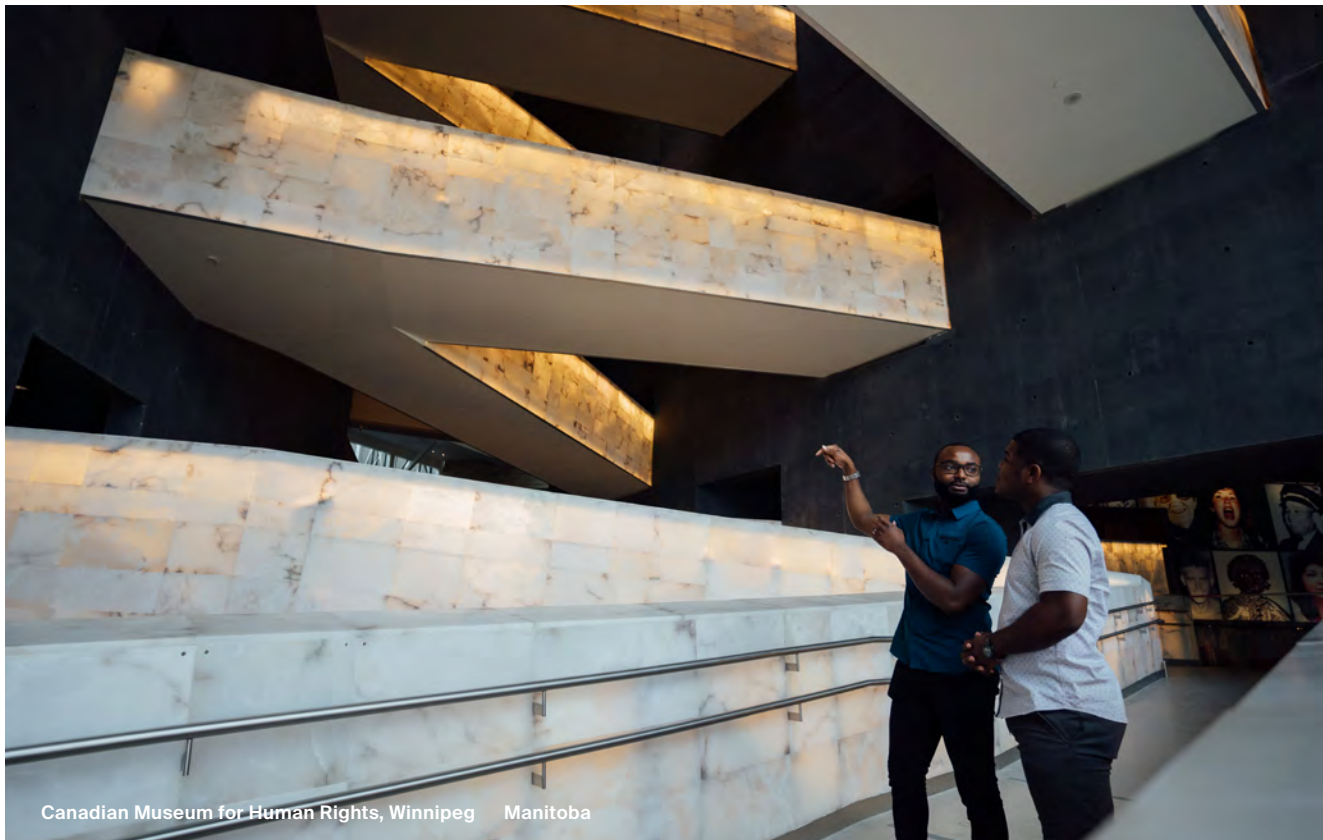
- **Brand awareness** – strengthening Canada’s reputation as a world-class destination for hosting business events.
- **Engagement platforms** – creating opportunities for Canadian partners to connect directly with international decision-makers and generate leads.
- **Conversion** – supporting destinations in transforming these opportunities into confirmed, booked business events.

This integrated framework creates a purposeful path from intent to impact, enabling Canadian destinations to translate global opportunity into sustained economic and community value.

Creative Brand Alignment

In 2025, the Business Events program continued to align with Destination Canada’s refreshed national tourism brand tagline and repositioning, *Canada, naturally* – reinforcing Canada as a natural place to meet, connect, and collaborate. This positioning reflects Canada’s openness, welcoming spirit, and inspiring settings, while showcasing sectoral expertise that set the country apart in a competitive global marketplace.

This brand positioning was brought to life through creative and award-winning activations designed to engage international planners in memorable and meaningful ways. Brand activations such as the *Walk 'n Talk* invited delegates into a guided journey inspired by Canada’s landscapes and senses, while *Unlocking a New Perspective* offered an immersive escape room-style experience that highlighted Canadian creativity, collaboration, and discovery. Together, these tradeshow activations helped translate brand strategy into lived experiences and deepen Canada’s brand resonance with global event decision-makers.



Canadian Museum for Human Rights, Winnipeg Manitoba



Las Vegas Nevada/USA

Showcasing Canada on the Global Stage

Engagement platforms remain essential to maintaining Canada’s visibility and securing its share of the global meetings and conventions market.

In 2025, Destination Canada supported Canadian partners at major international marketplaces, creating direct access to global decision-makers and advancing opportunities for destinations across the country.

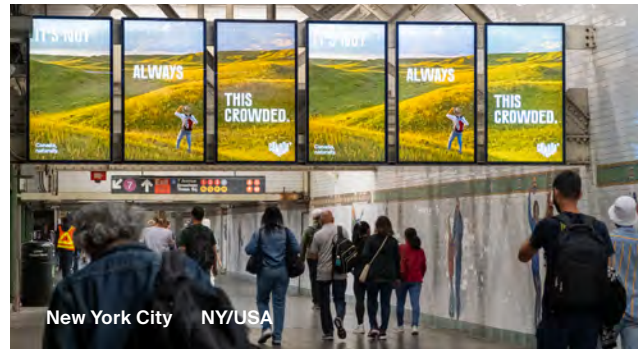
As examples, participation at IMEX America in the US and IBTM World in Spain supported more than 30 partner organizations – including destinations and associations of all sizes – in building a robust pipeline for future events. Representation at these two shows alone generated an estimated \$60 million in economic potential and contributed to a broader Business Events program that secured more than \$2 billion in future business events for Canada.

These high-impact trade shows serve as a global stage, allowing Canada to outpace international competitors by converting interest into high-value bookings. By grounding our presence in local expertise and diverse offerings, we ensure that the economic benefits of business events are felt in communities nationwide.

International Convention Attraction Program

The International Convention Attraction Program (ICAP) is a key mechanism that helps convert global interest into confirmed business events for Canada. Backed by a \$60 million investment by the Government of Canada, ICAP combines strategic brand presence, engagement with international decision-makers, and financial incentives to strengthen Canada’s competitiveness in the global business events market.

Launched in 2024 as a three-year initiative, ICAP supports eligible Canadian destination organizations in bidding for major international conventions. The program is designed to influence event decisions well before they occur – recognizing that major business events are often confirmed years in advance and that sustained support is essential to secure them. ICAP is also being recognized within the international business events community as a highly effective model of convention attraction and subvention strategies.



New York City NY/USA

Since its launch, ICAP has improved Team Canada’s ability to increase interest in Canadian host destinations and close the sale. To the end of 2025, the program has helped secure 104 major international conferences for Canada, spanning cities of all sizes and a range of industrial sectors. These confirmed events are expected to attract nearly 300,000 delegates and generate an anticipated direct economic impact of over \$700 million, demonstrating ICAP’s value in delivering measurable results for Canadian communities and the national economy.

Legacy & Impact

Destination Canada continued its groundbreaking Legacy & Impact Study in 2025 to better understand the full value of business events beyond direct economic outcomes. The study expands how Canada measures success by examining the lasting impacts that international meetings and conventions can generate for communities, sectors, and the broader economy.

Year Two findings reinforce that business events create benefits that extend well beyond delegate spending. These include knowledge exchange, innovation, talent attraction, foreign direct investment attraction, strengthened partnerships, and other long-term community outcomes. The research also highlights the growing importance of sustainability, reflecting a shift toward ensuring events leave a positive handprint, rather than a

negative footprint, by reducing environmental impacts while strengthening sociocultural and economic benefits for host communities.

By identifying the conditions that enable these impacts to take hold, the study provides destinations and organizers with practical insight into how business events can generate deeper, more enduring benefits. It also reflects a broader global shift among international associations which are increasingly seeking meetings that build deeper connections and longer-lasting legacies for both participants and within the communities where they convene.

Through this work, Destination Canada is helping position Canada as a global leader in measuring and maximizing the long-term impacts of business events – supporting a more competitive, sustainable, and future-oriented sector.



Sustainability Roundtable

In 2025, Destination Canada convened a national Sustainability Roundtable, bringing together leading experts from across the business events ecosystem. The roundtable served as a pivotal step in advancing shared priorities and accelerating progress toward more sustainable practices across Canada's business events sector.

Participants identified collaborative actions to strengthen alignment, expand knowledge-sharing, and develop consistent tools and approaches that can be adopted

across destinations and organizers. The roundtable also reinforced a collective commitment to supporting the sector's transition toward net-zero ambitions, including next steps such as building a sustainability knowledge hub, developing standardized resources, and strengthening the business case for sustainable event delivery.

This work reflects Destination Canada's commitment to ensuring business events growth is not only economically valuable, but also environmentally responsible and aligned with long-term sustainability priorities.

Strategic Driver: Destination Development

As global demand for Canada grows, our destinations must be ready to deliver world-class, sustainable experiences. Destination development is the "supply-side" engine of our strategy – strengthening our global reputation for legendary experiences and ensuring that tourism growth translates into lasting wealth and wellbeing for communities across the country. In 2025, our efforts focused on three critical areas: attracting high-quality investment, advancing strategic tourism corridors, and equipping local leaders with the tools to build resilient visitor economies.



Attracting Investment to the Sector

Canada possesses incredible assets and strong fundamentals, yet the tourism sector has historically lagged behind global competitors in coordinated investment attraction. To compete effectively on the world stage, Destination Canada has taken a leadership role in improving investment levels through the establishment of the Investment Attraction Committee. This new governing body brings together leaders from across the tourism, economic development, and investment ecosystems to provide expert advice on the implementation of national supply-side strategies.

Our 2025 activities delivered immediate results, identifying nearly \$234 million in potential investment opportunities across a portfolio of 60 projects, including nature-focused experiences, wellness, agritourism, and critical infrastructure. To turn this pipeline into reality, we laid the groundwork in 2025 for a new national tourism investment portal. Launching in 2026,

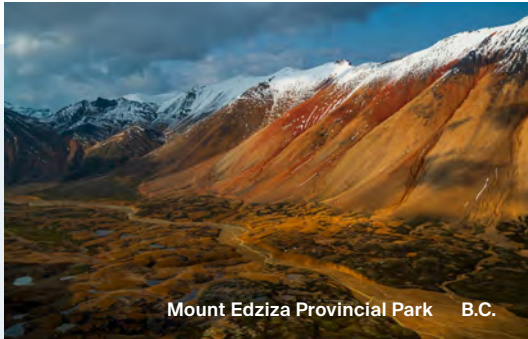
this digital "front door" will provide global investors with streamlined access to market intelligence, available incentives, and shovel-ready projects across the country.

The momentum for Canada's value proposition is perhaps best evidenced by the surge in partner interest for MIPIM, the world's premier real estate investment marketplace. While the 20,000-person conference takes place in 2026, this past year was a year of unprecedented mobilization; we have already confirmed a Team Canada delegation of 26 attendees from 14 partner organizations. This collective effort is not limited to major metropolitan centres like Vancouver or Ottawa, but also includes representation from smaller destinations like Kamloops and Indigenous partners like the Tahltan Nation. This participation reflects the nascent and innovative tourism ecosystem that is striving to establish Canada's reputation as a top-tier destination for sustainable, high-quality investment.

Advancing Corridor Development

The Tourism Corridor Strategy Program is a cornerstone of our efforts to catalyze growth in new regions across the country. By grouping assets and experiences into strategic clusters, we encourage visitors to stay longer and travel further into less-visited areas. To date, we have launched seven national corridors, each designed to create destinations that are resilient and globally appealing.

In 2025, we finalized strategies, implementation plans, and investment plans for four new corridors and reached a pivotal transition as our three inaugural corridors moved from strategy to implementation. We are now working directly with local partners to turn these strategies into investment-ready realities. This phase is about creating the conditions where local communities can lead their own economic futures in tourism.



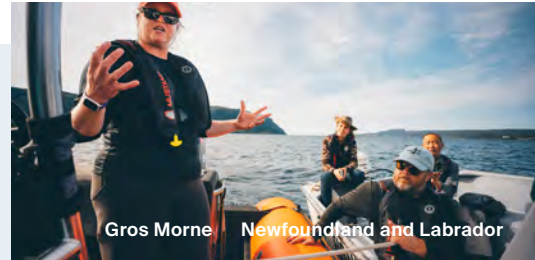
SPOTLIGHT

Northern Indigenous Lodge Network

The Tahltan Central Government set a bold vision for tourism as a primary driver to diversify the Nation's economy, create local jobs, and build an industry based on their way of life.

Supported through the partnership and development of the strategic framework in the Tourism Corridor Strategy Program, the Tahltan Nation launched their investment plans. This community-led momentum culminated in the Tahltan Nation's \$3 million acquisition of the Northway Motor Inn in December 2023 – a cornerstone asset that serves as a powerful testament to the Nation's leadership in reclaiming and shaping their own visitor economy.

As these corridors mature, we are also ensuring they are built to withstand the challenges of a changing environment. In 2025, we set a new national benchmark by embedding climate resiliency directly into our corridor strategies. For government and industry partners, this means that every development plan now includes comprehensive climate risk assessments and adaptation roadmaps. This pioneering approach – moving beyond theory into actionable, site-specific adaptation – was showcased on the global stage at the United Nations Climate Change Conference in Brazil. By presenting our model to international policy leaders, we demonstrated Canada's leadership in integrating climate-conscious planning into regional economic development.



SPOTLIGHT

Atlantic Canada UNESCO Corridor

Success in destination development relies on a "whole-of-government" approach rooted in community-led vision. For the Atlantic Canada UNESCO Corridor, a jointly-developed strategic roadmap helped secure over \$400,000 in investments, including over \$300,000 from the Atlantic Canada Opportunities Agency. This funding is now being deployed by regional leaders to activate the corridor's governance structure and develop world-class experiences.

The project's success is a direct result of the vision and commitment of these Atlantic communities to work across borders, ensuring that the region's diverse UNESCO sites offer a cohesive and sustainable benefit to the people who call them home.

Empowering Local Success through Partnerships and Resources

To ensure Canada's tourism growth is both strategic and community-led, we must equip local leaders with fundamental resources to ignite and manage their own visitor economies. Our work in 2025 focused on providing municipal and Indigenous partners with the technical expertise needed to balance economic ambition with community wellbeing.

Federation of Canadian Municipalities

Recognizing that tourism is a catalyst for prosperity in over 5,000 communities, Destination Canada deepened its partnership with the Federation of Canadian Municipalities (FCM) in 2025. As a presenting partner at the FCM Annual Conference, we engaged over 1,700 municipal leaders to demonstrate how aligning local infrastructure planning with tourism strategy can unlock new economic opportunities for their residents.

This partnership is vital because local governments oversee the infrastructure – from roads to parks – that underpins most tourist experiences. Our presence was focused on educating these leaders on the visitor economy as a tool for revenue generation and resident quality of life, moving tourism from the periphery of municipal planning to the center.



Destination Dialogues

Building on two years of capacity-building for the industry, the third season of our Destination Dialogues webinar series focused specifically on Indigenous tourism.

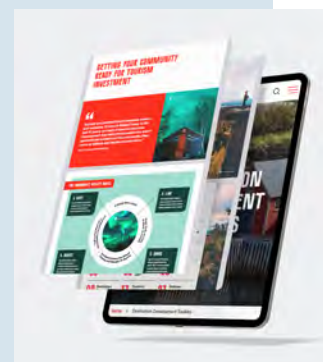
Delivered in collaboration with the Indigenous Tourism Association of Canada, these sessions provided a platform for Indigenous operators to share regenerative models that turn local knowledge into sustainable economic opportunities. By centering this year's dialogue on community-led design and export-readiness, we are helping ensure that Indigenous-led experiences remain a cornerstone of Canada's global value proposition.



Practical Tools for Regional Growth

A highlight of our partnership with FCM was the launch of two specialized Destination Development Toolkits designed for rural, remote, and northern communities. These resources provide practical, step-by-step guidance for local tourism planning and serve as a roadmap for integrating Indigenous partnerships and cultural preservation into planning, assessing investment readiness, and leveraging data for evidence-based infrastructure decisions.

These toolkits have already seen over 1,000 downloads, with a vast majority of users reporting the tools will directly assist their community's development.



Strategic Driver: Collective Intelligence

Powering a Future-Ready Sector

In a global marketplace increasingly defined by rapid technological shifts, Destination Canada is ensuring that the country's tourism sector does not just keep pace but leads. Our Collective Intelligence strategy is designed to transform fragmented data into a unified national asset that fuels long-term competitive advantage for Canada. By providing a centralized, AI-powered "central brain" for the visitor economy, we are empowering 265,000 small-and-medium-sized

businesses and 5,000+ communities, as well as regional, provincial, territorial and federal levels of government, with the sophisticated predictive capabilities required to navigate a rapidly changing global marketplace. Through advanced tools and high-value insights, we are providing every local operator and all levels of government with the insights needed to de-risk investments, spot new revenue streams, and compete with confidence on the world stage.

The Canadian Tourism Data Collective

The backbone of this strategy is the Canadian Tourism Data Collective, a world-class, national data infrastructure for sector empowerment. By organizing over 49 billion rows of data from 280 sources, the Data Collective acts as a near real-time, centralized knowledge core for the entire country.

More than just a database, the Data Collective is a scalable public-sector success story. Our technology now stands shoulder-to-shoulder with global innovators like Spotify, American Express, and Marriott, earning 13 national and global awards for AI excellence and transformation.

For government, this represents a strategic national asset that drives measurable efficiency:

- **Predictive agility:** Cuts time-to-insight from 18 months to near real-time.
- **Marketing impact:** Precision targeting can improve media efficiency by up to 40%.
- **Improved decision-making:** 93% of users report a direct impact on their marketing and investment planning.
- **Massive adoption:** Over 53,000 active users across Canada.



Aurora AI: Empowering Local Action through National Intelligence

While the Data Collective provides the foundation, Aurora AI serves as the intuitive interface that brings this vast intelligence to life for the entire sector. Designed to bridge the gap between complex data and daily business decisions, Aurora AI functions as a trusted, digital layer that distills intelligence from hundreds of diverse sources into clear, conversational insights.



By integrating enterprise-level generative AI with Destination Canada's validated datasets, we are equipping every community and small business with the same sophisticated foresight used by the world's largest travel brands. This capability ensures that Canada's hosting economy is not just reacting to global trends but actively leveraging them – moving from a position of data complexity to one of actionable foresight. Through Aurora AI, we are putting the "central brain" of the visitor economy to work, providing local operators with a direct line to the intelligence they need to compete and win on the global stage.

Aurora Search

Using natural language in English and French, users can ask complex questions like "What is the seasonal spending trend in my region?" and receive instant, data-backed answers without ever opening a spreadsheet. This tool eliminates the need for technical expertise, making high-level market research accessible to every user.

Traveller Twin

This first-of-its-kind tool allows businesses to "talk" to their ideal guests by simulating how specific audiences might react to a new product or campaign. By modeling these interactions, the AI agent provides an unparalleled look at how different visitors plan and decide, helping operators significantly de-risk new investments and align their offerings with real-world motivations.

SPOTLIGHT

Strategic Growth in the Bay of Fundy

On the shores of New Brunswick, Bay of Fundy Adventures – a twelve-person operation – demonstrated the power of national intelligence by using the Data Collective's Traveller Segmentation Program to identify "Outdoor Explorers" as their high-priority audience. By aligning their messaging with this specific segment and provincial campaigns, they moved from broad, reactive marketing to a precision strategy that reached the right travellers at the right time.

The results were transformative: with a marketing budget of under \$1,000, the company saw a 66% surge in summer bookings and a 32% increase in US visitors. This data-driven pivot moved the business from 50% occupancy to virtually sold-out tours through July and August, proving that access to sophisticated foresight allows even the smallest operators to compete effectively and drive significant regional economic growth.



North Vancouver British Columbia

The Generative AI Search Playbook

The rise of AI is fundamentally changing how the world discovers Canada. Search is moving away from lists of links toward direct, AI-generated answers. To ensure Canadian destinations and businesses remain visible in this new reality, we launched the Generative AI Search Playbook.

This strategic guide moves beyond data collection to provide the industry with a clear roadmap for Generative Engine Optimization. By establishing a common national standard for content structure, the Playbook provides plug-and-play checklists that get organizations "AI-ready" and future-proofed for the changing behaviour in travel research and planning among travellers. With over 1,500 downloads by the end of 2025, the Playbook contains technical best practices to ensure that Canadian offerings are accurately cited and prioritized by global AI assistants. This keeps Canada's story at the forefront of the global conversation as travel discovery evolves from direct interactions between businesses and consumers toward automated systems communicating and making recommendations on users' behalf.

Tourism Outlooks and Forecasting

To navigate a global landscape of macroeconomic uncertainty, the Data Collective has evolved into a dynamic early-warning system for the visitor economy. By integrating advanced spending and demand modeling, we now provide the sector with six-month predictive forecasts and near real-time spending patterns that eliminate the traditional 150-day data lag. These outlooks represent a fundamental shift from reactive reporting to proactive planning, allowing the sector to anticipate market shifts.

In 2025, this capability was reinforced through the introduction of *Market Signals*, delivered on a monthly cadence to provide timely intelligence on shifting demand patterns. As trade and tariff conditions evolved, these signals — combined with scenario planning and near real-time spending analysis — enabled rapid response and informed adjustments across priority markets. By providing partners with up-to-date insight into visitor behaviour and sentiment, we helped strengthen sector resilience during a period of heightened uncertainty and supported more informed, forward-looking investment and planning decisions.

Business Excellence

AI Academy: Empowering an AI-Fluent Workforce

To drive the ambitious goals of our 2030 Strategy and support a data-driven tourism sector, Destination Canada launched the AI Academy, a tailored internal learning program designed to elevate AI literacy across the organization. Developed in collaboration with industry experts, the Academy focuses on cultivating the principles, behaviors, and practical skills necessary to integrate artificial intelligence into our daily operations. By bridging the gap between theoretical knowledge and professional application, the program empowers our teams to identify and champion AI-driven solutions that enhance both institutional efficiency and the value we deliver to the broader tourism ecosystem.

The AI Academy serves as a critical enabler of our national intelligence strategy, ensuring that our workforce has the fluency to navigate and maximize the potential of tools like the Canadian Tourism Data Collective and Aurora AI. Through customized learning journeys and hands-on exercises, we are fostering a cultural transformation where AI is not just a technological tool, but a driving force for innovation. This investment in internal capability directly translates to better support for the sector; by modeling responsible AI adoption and sharing our expertise, we help equip Canadian tourism businesses to compete and win in a rapidly evolving global digital landscape. AI is transforming the global tourism industry, reshaping interactions with travellers, enabling personalized travel experiences, and intelligently automating aspects of customer service.



Driving Productivity

To optimize our internal resources and ensure we are operating at the speed of the global market, we have integrated sophisticated workflow and language management systems into our daily operations. By moving away from fragmented communication and manual tracking, we have established a centralized hub for project management that provides real-time visibility across all business units. This transition breaks down silos and eliminates the administrative "noise" of status updates and email chains, allowing our teams to shift their focus from managing processes to delivering high-impact strategic work. The result is a more connected organization where accountability and progress are clearly visible in a shared digital environment.

Furthering our commitment to modernization, we have also deployed an innovative, technology-enabled language management solution. This system streamlines our bilingual communications, significantly improving turnaround times and document accuracy while reducing reliance on external suppliers – a shift that realized an 18% savings in outsourced translation costs during the first year of implementation. By modernizing our linguistic workflows through advanced digital capabilities, we are not only optimizing costs but also building a scalable foundation for data-driven management of bilingual content. Together, these operational enhancements eliminate redundancies and empower our staff with the modern tools necessary to drive a more efficient, agile, and professionalized organization.



Climate Action Plan

In 2025, Destination Canada reached a significant milestone with the launch of our first-ever Climate Action Plan, a strategic roadmap designed to build a more resilient and regenerative tourism industry. This plan aligns Destination Canada with key federal priorities, including the Government of Canada's Net-Zero Challenge and the Glasgow Declaration on Climate Action in Tourism. By establishing a clear path toward carbon neutrality by 2030 and net-zero emissions by 2050, we are ensuring that the tourism sector actively contributes to the national climate agenda while protecting the natural and cultural assets that define the Canadian experience.

Throughout 2025, we focused on operationalizing this commitment by integrating sustainability into our core business functions, from updating travel and hospitality policies to enhancing emissions measurement and reporting. Our work is centered on five key pillars: climate accountability, sustainability reporting, operational integration, partner enablement, and employee education. By modeling these practices internally and providing the sector with the tools to adapt, we are fostering a "Team Canada" approach to sustainability that ensures our industry can thrive in a changing climate while supporting the long-term economic and environmental well-being of the communities we serve.

Modernizing Organizational Governance

In 2025, Destination Canada achieved a major milestone in operational excellence by completing a comprehensive modernization of our corporate policy framework. This project was driven by a commitment to improved governance and organizational efficiency, ensuring our internal guidance remains as agile as our national strategy. By streamlining our policy repository and establishing a centralized digital home for all corporate directives, we have provided our employees with a single, reliable source for governance that ensures consistent and transparent application across all business units.



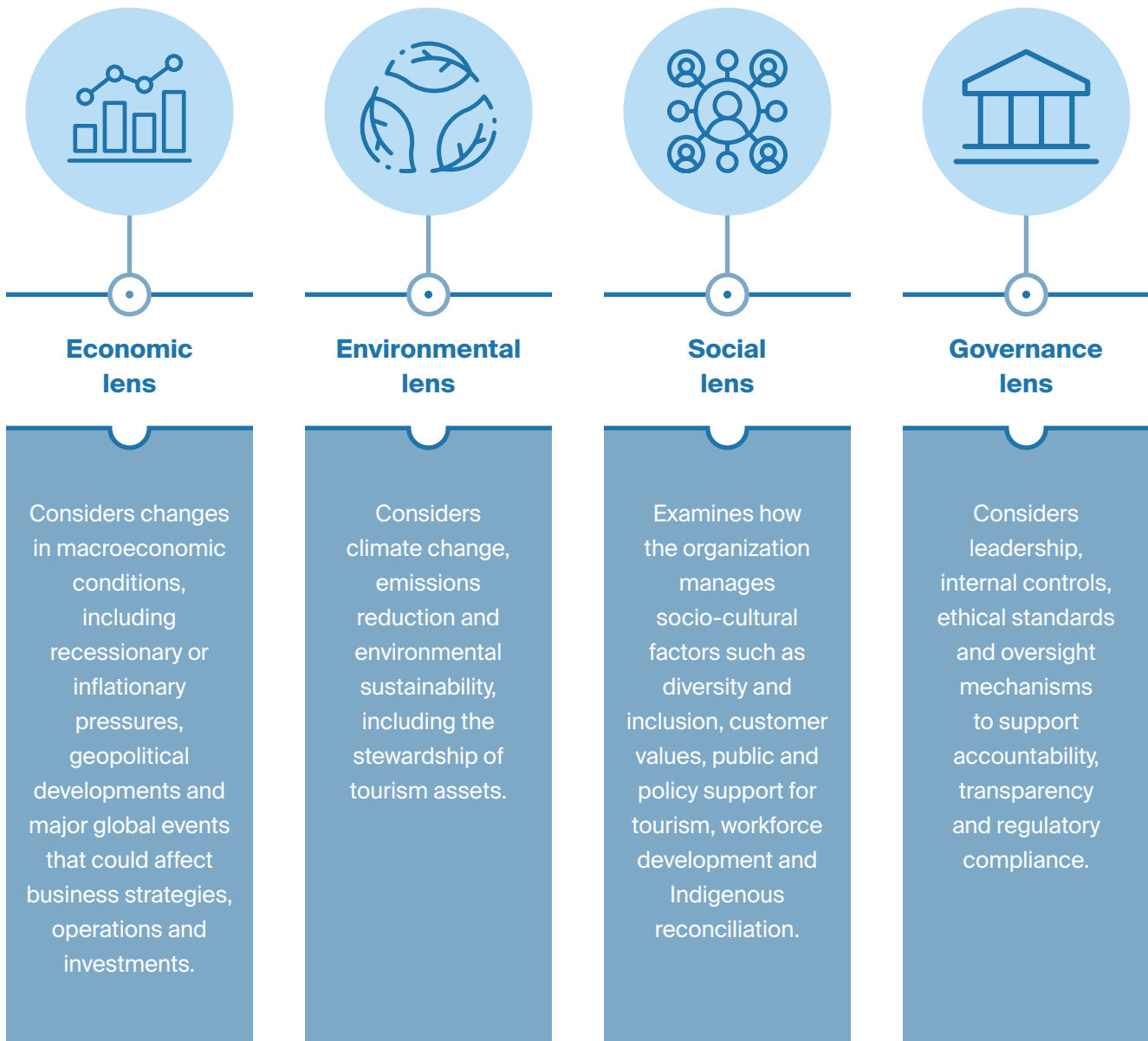
Remai Modern, Saskatoon Saskatchewan

To maintain this standard of excellence, we have integrated advanced technology into our policy management lifecycle. We deployed a custom GPT tool to assist in drafting policies according to established standards and implemented automated systems to manage review cycles on a consistent three-year basis. These digital enhancements significantly reduce administrative burden, allowing our teams to remain focused on strategic delivery while ensuring our internal governance remains current and fully aligned with federal accountability standards.

Risk Management

As a federal Crown corporation operating in a dynamic global tourism market, Destination Canada maintains an enterprise risk management framework to monitor emerging risks, assess potential impacts and support informed decision-making in pursuit of sustainable tourism growth.

Our risk framework goes beyond standard business and financial risks and begins with first understanding the macro risks facing the economy, followed by the industry risks uniquely impacting the tourism sector. Together, this knowledge provides a foundation for identifying the strategic risks facing our organization, categorized under the following four lenses:





Destination Canada's Tourism 2030: A World of Opportunity strategy advances long-term sustainable growth for Canada's tourism sector within a highly competitive and evolving global marketplace.

Overall Summary: There is a risk that global economic volatility, geopolitical instability, trade disruptions, inflationary or recessionary pressures and intensified international competition could adversely affect travel demand to Canada. Continued economic uncertainty and a shifting geopolitical and policy environment are contributing to sustained volatility that may reduce visitor numbers, result in economic losses for the sector and affect how Destination Canada operates. Domestic competition for labour and investment capital may further constrain growth. At the same time, rapid technological disruption, including the accelerated adoption of artificial intelligence, presents additional risk if the organization and the broader tourism sector do not adapt effectively, which could affect productivity, marketing effectiveness and overall competitiveness.

Mitigation Summary: Destination Canada continued to mitigate these risks through structured scenario planning, market diversification strategies and coordinated investment with provincial, territorial and municipal partners to align priorities and optimize return on public funds. In particular, throughout 2025, we increasingly leveraged advanced analytics, forecasting and AI-enabled tools to identify and target high-value opportunities and adjust programming in response to evolving economic and policy conditions, including trade measures. We've also continued to collaborate with technology partners and provide research, tools and market intelligence to the industry to support digital readiness and competitiveness across the tourism sector.



One of the key initiatives in our strategy is to support sector adoption of regenerative principles. This means balancing economic prosperity with environmental stewardship and social inclusivity. By promoting regenerative practices, Destination Canada supports visitor trust, protects local communities and preserves the natural and cultural assets that define tourism in Canada.

Overall Summary: There is a risk that climate change, environmental degradation or perceptions of insufficient sustainability practices within Destination Canada's operations or across the tourism ecosystem could negatively influence traveller sentiment, damage Canada's reputation and reduce visitation. Climate-related events may also affect perceptions of safety and destination readiness, with implications for sector performance.

Mitigation Summary: Destination Canada advances regenerative tourism principles that support economic growth while promoting environmental stewardship and social inclusivity. We have integrated climate risk considerations into destination development planning to enhance long-term resilience, and inter-agency coordination has been strengthened to monitor and respond to climate-related events and their impacts on traveller perceptions and sector outcomes. In 2025, we introduced an internal Climate Action Plan to reduce the environmental footprint of our internal operations, while also collaborating with domestic and international partners to improve the consistency and rigor of sustainability measurement across the sector.



Public confidence and social license are essential to ensuring tourism contributes positively to communities and supports broad-based economic and social benefits.

Overall Summary: There is a risk that tourism promotion and organizational practices may not fully reflect equitable and inclusive approaches or adequately consider the interests of local communities and stakeholders, which could affect public support and trust. Sustained workload pressures may also impact employee wellbeing and organizational resilience.

Mitigation Summary: Our evidence-based reporting on tourism’s contribution to employment, regional development and community wellbeing continues to reinforce public and policy confidence. We integrate diversity, equity and inclusion considerations into our marketing, recruitment and procurement practices, and we continue to advance Indigenous reconciliation through sector initiatives and employee training. We also maintained measures to support staff mental health in order to enhance employee wellbeing and organizational resilience.



As a federal Crown corporation, Destination Canada is committed to upholding high standards of governance and accountability in accordance with applicable legislative and regulatory requirements.

Overall Summary: There is a risk that governance structures, oversight mechanisms or internal controls may not sufficiently adapt to emerging risks in a rapidly changing global environment, which could affect effectiveness, compliance and accountability.

Mitigation Summary: Destination Canada actively monitors emerging risks and undertakes regular scenario planning to ensure governance and oversight mechanisms remain responsive in a rapidly evolving global environment. Industry intelligence is shared with advisory committees and sector partners to inform strategic decision-making. In 2025, we completed the modernization of our policy suite to strengthen internal governance frameworks, enhanced cybersecurity measures, and conducted business continuity plan testing to reinforce operational resilience and sound stewardship of public resources. In response to the accelerating adoption of AI globally and within the sector, we also launched targeted internal learning initiatives to strengthen staff capabilities and support the responsible use of AI. These measures are complemented by effective Board oversight.

FINANCIAL REVIEW



Overview

This financial overview provides supplementary discussion and analysis in support of the audited financial statements and accompanying notes for the year ended December 31, 2025. It should be read in conjunction with the enclosed Annual Report. The financial statements are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) and reflect our legal name, the Canadian Tourism Commission.

In 2025, Destination Canada continued to support the competitiveness and sustainability of Canada’s visitor economy in alignment with its legislative mandate and federal priorities. Activities focused on advancing the organization’s 2030 Strategy and delivering the International Convention Attraction Program (ICAP), with market diversification embedded across core programming as a deliberate approach to strengthening economic resilience.

ICAP, announced with \$50 million in Budget 2023 and reinforced through an additional \$10 million in the 2024 Fall Economic Statement, completed its first full year of delivery in 2025. The program supports the attraction of major international conventions and business events to Canada, generating visitor spending in host communities while contributing to broader federal objectives, including trade diversification, regional economic development, and international knowledge exchange. Delivery in 2025 focused on converting early momentum into confirmed events, reinforcing Canada’s competitiveness in priority sectors.

Throughout the year, Destination Canada allocated resources to markets and initiatives based on anticipated economic return and alignment with government direction – particularly in International Business Events. In parallel, 2025 saw explorations for avenues of market diversification to enhance economic resilience and long-term sustainability. While maintaining strong performance in established markets, efforts deepened in high-potential and emerging markets to broaden opportunity and reduce concentration risk over time. This approach also supports the Government of Canada’s broader trade diversification objectives by deepening Canada’s presence across a wider range of international markets.

In the context of fiscal restraint and evolving global conditions, investments were prioritized within existing authorities to ensure resources were directed to areas with the strongest expected economic return, while maintaining disciplined financial management and stewardship of public funds.



Statement of Financial Position

For the year ended December 31, 2025, Destination Canada reported an accumulated surplus of \$7.0 million, compared with \$9.2 million at December 31, 2024. The decrease reflects the planned use of accumulated surplus to support program delivery and strengthen resilience within existing strategic priorities, while preserving an overall sound financial position.

Cash and cash equivalents totaled \$14.1 million and remained relatively stable year-over-year. Net financial assets decreased to \$2.3 million from \$4.7 million in 2024, primarily due to increased expenditures associated with approved strategic activities, including deeper investment within existing markets and segments in response to global geopolitical shifts.

Tangible capital assets increased to \$2.4 million, reflecting continued investment in systems and platforms, including the Canadian Tourism Data Collective, to support data-driven decision-making and enhanced sector intelligence.

Statement of Operations

For the year ended December 31, 2025, Destination Canada recorded a deficit of \$2.0 million. This result reflects the planned drawdown of accumulated surplus to support program delivery within approved authorities and aligns with the financial projections set out in the 2025-2029 Corporate Plan Summary. The organization concluded the year with an accumulated operating surplus of \$7.0 million, maintaining a strong financial position.

Parliamentary Appropriations

Destination Canada is primarily funded through Government of Canada parliamentary appropriations. In 2025, base funding totaled \$93.3 million. Additional funding of \$33.7 million was received for ICAP, representing the second year of the three-year program and supporting a full year of delivery. These appropriations enabled the organization to deliver targeted, high-impact investments while maintaining financial discipline in support of federal priorities and long-term sustainability.

Partner Revenues

Partner revenues totaled \$12.1 million in 2025 and supported collaborative initiatives and co-investment in priority markets and programs. The decrease from 2024 reflects the completion of certain time-limited initiatives, partially offset by increased participation in the Canadian Tourism Data Collective.

Expenses

Total expenses for 2025 were \$142.5 million, an increase of \$21.6 million compared with 2024. The increase is primarily attributable to the first full year of ICAP delivery, following a partial year in 2024, alongside market diversification activities aligned with national priorities to support economic resilience, trade diversification, and reduced market concentration risk.

Expenditures supported the advancement of the 2030 Strategy across Brand Leadership, Sector Advancement, Destination Development, and Collective Intelligence. Throughout the year, Destination Canada continued to manage expenditures prudently and to seek operational efficiencies, consistent with government-wide expectations.



Looking Ahead

As the visitor economy enters a new phase of growth that is expected to vastly outpace the Canadian economy overall, and with international demand expected to strengthen and competition for high-value travellers intensifying, Canada remains well positioned to lead through diversified and values-driven growth that supports a resilient visitor economy.

Destination Canada will continue to operate within its approved authorities and funding levels while advancing its mandate in a changing global environment. The organization will focus on delivering ICAP, advancing market diversification to support trade and economic resilience, and managing public resources prudently. In the context of fiscal constraints arising from the Comprehensive Expenditure

Review and ongoing economic uncertainty, investments will be prioritized accordingly.

Through disciplined financial stewardship and prioritization, Destination Canada will continue to deploy resources strategically to maximize outcomes and long-term value for Canadians, while maintaining transparency and accountability to Parliament.

Management Responsibility Statement

The management of the Canadian Tourism Commission (the “Commission”) is responsible for the performance of the duties delegated to it by the Board of Directors. These include the preparation of an Annual Report together with audited financial statements. Management is responsible for preparation of these financial statements in accordance with Canadian public sector accounting standards. Other financial and operational information appearing elsewhere in the Annual Report is consistent with that contained in the financial statements.

Management is responsible for maintaining internal accounting control systems designed to provide reasonable assurance that relevant and reliable financial information is produced and that transactions comply with the relevant authorities.

Management is also responsible for maintaining financial and management control systems and practices designed to ensure the transactions are in accordance with Part X of the *Financial Administration Act* and regulations, the *Canadian Tourism Commission Act*, and by-laws of the Commission. These systems and practices are also designed to ensure that assets are safeguarded and controlled, and that the operations of the Commission are carried out effectively. In addition, the Audit and Risk Committee, appointed by the Board of Directors, oversees the internal audit activities of the Commission and performs other such functions as are assigned to it.

The Commission’s external auditor, the Auditor General of Canada, is responsible for auditing the financial statements and for issuing her report thereon.

March 18, 2026



Marsha Walden
*President & Chief Executive
Officer*



Meaghan Ferrigno
*Senior Vice President,
Chief Financial Officer and
Chief Data & Analytics Officer*



INDEPENDENT AUDITOR'S REPORT

To the Minister of Women and Gender Equality and Secretary of State (Small Business and Tourism)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Canadian Tourism Commission (the Commission), which comprise the statement of financial position as at 31 December 2025, and the statement of operations, statement of remeasurement gains and losses, statement of change in net financial assets (debt) and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at 31 December 2025, and the results of its operations, its remeasurement gains and losses, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a

material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the financial statements, we have audited transactions of the Canadian Tourism Commission coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are Part X of the *Financial Administration Act* and regulations, the *Canadian Tourism Commission Act*, the by-laws of the Canadian Tourism Commission, and the directives pursuant to section 89 of the *Financial Administration Act*.

In our opinion, the transactions of the Canadian Tourism Commission that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Financial Administration Act*, we report that, in our opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the Canadian Tourism Commission's compliance with the specified authorities named above and for such internal control as management determines is necessary to enable the Canadian Tourism Commission to comply with the specified authorities.

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

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



David Irving, CPA, CA
Principal
for the Auditor General of Canada

Edmonton, Canada
18 March 2026

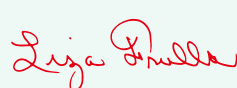
Statement of Financial Position

As at December 31, 2025
(in thousands of Canadian dollars)

	Note	Dec. 31, 2025	Dec. 31, 2024
Financial assets			
Cash and cash equivalents	3	14,087	14,892
Accounts receivable	12		
Government of Canada		1,331	709
Partner		407	703
Other		23	12
Accrued benefit asset	7	3,317	2,373
Portfolio investments	4	983	1,061
		20,148	19,750
Liabilities			
Accounts payable and accrued liabilities	12		
Trade		11,832	8,919
Employee compensation		2,778	2,351
Government of Canada		840	780
Accrued benefit liability	7	1,657	2,105
Unearned revenue	17	708	691
Deferred lease inducements		21	90
Asset retirement obligation	6	—	112
		17,836	15,048
Net financial assets		2,312	4,702
Non-financial assets			
Prepaid expenses	2	2,323	2,795
Tangible capital assets	6	2,392	1,655
		4,715	4,450
Accumulated surplus	9	7,027	9,152

Contractual Obligations, Contingencies, Contractual Rights (Notes 13, 14 and 16); the accompanying notes form an integral part of these financial statements.

Approved on behalf of the Board of Directors



Liza Frulla
Director



Randy Garfield
Director

Statement of Operations

For the year ended December 31
(in thousands of Canadian dollars)

	Note	Budget 2025	2025	2024
Revenues				
Partner revenues	17	12,000	12,127	12,805
Interest Income		600	621	873
Other		500	730	749
		13,100	13,478	14,427
Expenses				
Marketing and sales	10	107,600	113,657	92,791
Analytics		13,693	12,978	13,079
Corporate services		9,093	7,627	7,733
Sector advancement	19/20	4,522	5,079	4,317
Destination development		2,915	2,494	2,429
Amortization of tangible capital assets	6	260	693	530
	11	138,083	142,528	120,879
Net cost of operations before funding from the Government of Canada		(124,983)	(129,050)	(106,452)
Parliamentary appropriations	8	121,798	127,043	123,329
(Deficit) Surplus for the year		(3,185)	(2,007)	16,877
Accumulated operating surplus (deficit), beginning of year		6,551	9,033	(7,844)
Accumulated operating surplus, end of year	9	3,366	7,026	9,033

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

Statement of Remeasurement Gains and Losses

For the year ended December 31
(in thousands of Canadian dollars)

	Note	2025	2024
Accumulated remeasurement gain (loss), beginning of year		119	(43)
Unrealized gain attributable to foreign exchange		1	119
Amounts reclassified to the statement of operations		(119)	43
Net remeasurement (loss) gain for the year		(118)	162
Accumulated remeasurement gain, end of year	9	1	119

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

Statement of Change in Net Financial Assets (Debt)

For the year ended December 31
(in thousands of Canadian dollars)

	Note	Budget 2025	2025	2024
(Deficit) Surplus for the year		(3,185)	(2,007)	16,877
Acquisition of tangible capital assets	6	(212)	(1,461)	(1,254)
Amortization of tangible capital assets	6	260	693	530
Net disposition of tangible capital assets	6	–	31	–
		48	(737)	(724)
Effect of change in other non-financial assets				
Decrease (Increase) in prepaid expenses		–	472	(142)
		–	472	(142)
Net remeasurement (loss) gain		–	(118)	162
(Decrease) increase in net financial assets		(3,137)	(2,390)	16,173
Net financial assets (debt), beginning of year		4,186	4,702	(11,471)
Net financial assets, end of year		1,049	2,312	4,702

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

Statement of Cash Flows

For the year ended December 31
(in thousands of Canadian dollars)

	Note	2025	2024
Operating transactions:			
Cash received from:			
Parliamentary appropriations used to fund operating and capital transactions	8	127,043	123,329
Partners		12,429	12,909
Other		39	651
Interest		621	873
Cash paid for:			
Cash payments to suppliers		(118,682)	(107,477)
Cash payments to and on behalf of employees		(20,785)	(19,979)
Cash provided by operating transactions		665	10,306
Capital transactions:			
Acquisition of tangible capital assets	6	(1,461)	(1,254)
Disposition of tangible capital assets	6	31	–
Cash used in capital transactions		(1,430)	(1,254)
Investing transactions:			
Acquisition of portfolio investments		(146)	(204)
Redemption of portfolio investments		224	137
Cash used in investing transactions		78	(67)
Net remeasurement (loss) gain for the year		(118)	162
Net (decrease) increase in cash during the year		(805)	9,147
Cash and cash equivalents, beginning of year		14,892	5,745
Cash and cash equivalents, end of year		14,087	14,892

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

Notes to the Financial Statements

December 31, 2025

1. Authority, Objectives and Directives

The Canadian Tourism Commission (the “Commission”), operating as Destination Canada, was established on January 2, 2001 under the *Canadian Tourism Commission Act* (the “Act”) and is a Crown corporation named in Part I of Schedule III to the *Financial Administration Act*. The Commission is for all purposes an agent of his Majesty in right of Canada. As a result, all obligations of the Commission are obligations of Canada. The Commission is not subject to income taxes.

As stated in section 5 of the Act, the Commission’s mandate is to:

- sustain a vibrant and profitable Canadian tourism industry;
- market Canada as a desirable tourist destination;
- support a cooperative relationship between the private sector and the governments of Canada, the provinces and the territories with respect to Canadian tourism; and
- provide information about Canadian tourism to the private sector and the governments of Canada, the provinces and the territories.

In December 2014, the Commission was issued directive PC 2014-1378 pursuant to section 89 of the *Financial Administration Act* directing the Commission to implement pension plan reforms. These reforms are to ensure that pension plans of Crown corporations provide a 50:50 current service cost-sharing ratio between employee and employer for pension contributions by December 31, 2017. The 50:50 cost-sharing ratio was fully implemented as of December 31, 2017.

In July 2015, the Commission was issued directive PC 2015-1109 pursuant to section 89 of the *Financial Administration Act* to align its travel, hospitality, conference and event expenditures 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 Commission’s next corporate plan. The Commission implemented its new Travel, Hospitality, Conference and Event Expenditures Policy (“THCEE”) on August 21, 2015 which complied with the requirements of the directive. The Treasury Board issued revised directives and guidelines in 2017. On November 29, 2018, the Commission approved an updated THCEE policy to align with the new requirements.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards (“PSAS”). Significant accounting policies are as follows:

a) Parliamentary appropriations

The Commission is mainly financed by the Government of Canada through parliamentary appropriations. Parliamentary appropriations used to fund core operations and capital expenditures are considered unrestricted and are recognized as revenues when the appropriations are authorized and any eligibility criteria are met. Parliamentary appropriations used to fund one-time activities are considered restricted

when they have eligibility criteria and stipulations that give rise to an obligation that meets the definition of a liability. Restricted appropriations are recognized as deferred appropriations when the stipulation gives rise to a liability. Restricted appropriation revenue is recognized as the stipulation liabilities are settled.

As a result of the Commission's year-end date (December 31) being different than the Government of Canada's year-end date (March 31), the Commission is funded by portions of appropriations from two government fiscal years. *Refer to Note 8.*

The Commission will have a deferred parliamentary appropriations balance at year-end when the restricted funding received for the period exceeds the restricted appropriations recognized for the related fiscal period. When restricted appropriations recognized exceed the restricted funding received, the amount will be included in the parliamentary appropriations receivable balance.

The Commission does not have the authority to exceed approved appropriations.

b) Partner revenues

The Commission provides various goods and services to a diverse group of payors, including both Canadian and foreign organizations. Revenues from transactions with performance obligations occur when there is an enforceable promise to transfer goods or services directly to a payor in return for promised consideration. For each performance obligation, the Commission evaluates whether the performance obligations are satisfied over a period of time or at a point in time. Where a performance obligation is satisfied over time, the Commission measures its progress of satisfying the performance obligation considering the characteristics of the services being provided and the pattern of benefit to the payor. Where a performance obligation is satisfied at a point in time, the Commission recognizes revenue when the payor obtains control of the benefits associated with the promised service. Where consideration is received prior to the provision of services or delivery of goods, it is recorded as unearned revenue, provided the definition of a liability is met, and recognized as revenue as each performance obligation is completed.

The Commission does not have any revenue sources generated from non-recurring activities.

Revenue from exchange transactions

Leisure Consumer Marketing

The Commission performs leisure marketing services to promote demand for travel to Canada, targeting high-value guests in global markets through campaigns, content creation, and collaboration with provinces, destinations, and commercial partners to extend reach and convert interest into travel.

Revenue is typically recognized over a period of time as the services are provided over the term of the agreement. In certain scenarios where the payor must approve the content created before it is delivered, revenue is recognized at a point in time, specifically when the payor grants approval, thereby fulfilling the performance obligation associated with that content.

Business Events

Business event services consist of organizing and promoting events and activities that position Canada as a destination for conferences, meetings and incentive travel by engaging global decision-makers. This encompasses coordinating and promoting Canada at tourism-related conferences and events that involve various prominent media outlets. These efforts aim to highlight the diverse attractions and experiences available at Canadian destinations and to facilitate collaboration and networking opportunities.

Revenue is recognized over a period of time as the contracted services are rendered.

Leisure Travel Trade

Leisure travel trade includes services provided to travel trade partners and intermediaries, including cooperative marketing partnerships, participation in events and travel agent engagement to support the promotion and sale of travel to Canada.

Revenue is recognized over a period of time as the services are provided over the term of the agreement.

Analytics

The Commission provides subscription-based access to data and analytics services through the Canadian Tourism Data Collective, an AI-powered platform. This platform provides access to comprehensive tourism data, research, and insights in one location, reducing the need to consult multiple data sources and supporting collaboration and innovation.

Revenue is recognized proportionately over the term of the subscription.

Refer to Note 17.

c) Other revenues

Other revenues consist of cost recoveries from co-location partners, capital asset sales and other miscellaneous revenues. These items are recognized as revenue in the period in which the transaction or event occurred that gives rise to the revenue.

d) Foreign currency translation

Monetary assets and monetary liabilities denominated in foreign currencies are translated into Canadian dollars at the applicable year-end exchange rate. Non-monetary assets and non-monetary liabilities denominated in foreign currencies are translated into Canadian dollars at historical exchange rates. Revenue and expense items are translated during the year at the exchange rate in effect on the date of the transaction. Amortization expenses of tangible capital assets are translated at historical rates to which the assets relate. Realized gains and losses are considered operating expenses and are included in the Statement of Operations as Corporate services. Unrealized gains and losses are reported in the Statement of Remeasurement Gains and Losses and in the Statement of Change in Net Financial Assets (Debt). The Commission does not hedge against the risk of foreign currency fluctuations. *Refer to Note 5.*

e) Cash and cash equivalents

Cash and cash equivalents include cash in bank and money market funds redeemable on demand. These items are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. *Refer to Note 3.*

f) Portfolio investments

Portfolio investments are measured at amortized cost. Interest income related to these investments is calculated based on the effective interest method. *Refer to Note 4.*

g) Prepaid expenses

Payments made prior to the related services being rendered are recorded as a prepaid expense. Prepaid expenses are recognized as an expense as the related services are rendered. Prepaid expenses consist of program and operating expenses such as subscriptions, marketing activities with provincial and territorial marketing organizations and tradeshow expenditures.

h) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization and the amount of any write-downs or disposals. Tangible capital assets are written down when conditions indicate they no longer contribute to the ability to provide services and are accounted for as expenses in the Statement of Operations.

Tangible capital assets are amortized on a straight-line basis over the estimated useful life of the assets as follows:

Leasehold improvements	Remaining term of lease
Office furniture	5 years
Computer hardware	3 years
Computer software	5 years

Tangible capital assets under development are not subject to amortization. Upon being placed in service and becoming available for use, the associated costs are reclassified to the appropriate tangible capital asset category and amortized accordingly.

Refer to Note 6.

i) Unearned revenue

Unearned revenue consists of consideration from payors that do not yet qualify for revenue recognition. When revenues are received from payors in advance of the Commission fully satisfying a performance obligation in an exchange transaction, they are recognized as unearned revenue until the performance obligation has been satisfied by the Commission.

j) Deferred lease inducements

Deferred lease inducements consist of various office lease inducements including reimbursement of leasehold improvement costs and free rent periods. These inducements are deferred and recognized as a straight-line reduction to office lease expenses over the term of the lease.

k) Asset retirement obligation

Asset retirement obligation consists of costs to restore leasehold improvements for various office leases. The Commission recognizes asset retirement obligations as a result of legal obligations to restore leased office spaces back to their original states at the end of the lease term. Asset retirement obligations are measured using undiscounted future cash flows based on management's best estimates, with the resulting amount capitalized into the carrying amount of the related asset. The capitalized asset retirement cost is amortized on a straight-line basis over the term of the lease and is included as amortization expense in the Statement of Operations. *Refer to Note 6.*

I) Employee future benefits

The Commission offers a number of funded and unfunded defined benefit pension plans, other unfunded defined benefit plans (which include post-employment benefits, post-retirement benefits and non-vested sick leave), as well as defined contribution pension plans. The pension plans include a statutory plan, a supplemental plan and a plan to cover certain employees working outside of Canada. Other benefit plans include post-employment severance benefits and post-retirement health, dental and life insurance benefits and non-vested sick leave. The defined benefit pension plans provide benefits based on years of service and average pensionable earnings at retirement.

The defined benefit component of the statutory plan and the supplemental plan has been closed effective December 30, 2017 and benefits and service of plan participants were frozen as of that date. The Commission funds certain pension plans annually based on actuarially determined amounts needed to satisfy employee future benefit entitlements under current benefit regulations. Cost of living adjustments are automatically provided for retirees in accordance with Consumer Price Index increases.

The costs and obligations of the defined benefit plans are actuarially determined using the projected benefit method prorated on service that incorporates management's best estimates of the rate of employee turnover, the average retirement age, the average cost of claims per person, future salary and benefit levels, expected return on plan assets, future medical costs, and other actuarial factors. For the purpose of calculating the expected return on plan assets, those plan assets are based on the market value of plan assets.

Past service costs arising from plan amendments are recognized in the years in which the plan amendment occurred.

The unamortized actuarial gains and losses incurred prior to the plan settlement that relate to the obligation settled are recognized in the period of settlement. This amount is included as part of the gain or loss arising on settlement. Gains and losses determined upon a plan settlement are accounted for in the Statement of Operations in the period of settlement.

Actuarial gains and losses are amortized over expected average remaining service lifetime ("EARSL") of active employees. If no active employees are remaining, actuarial gains and losses are amortized fully in the next fiscal year. For 2025, EARSL has been determined to be 0 years (0 years – 2024) for the Supplementary Retirement Plan for certain employees of the Commission ("SRP"), 10 years (10 years – 2024) for the Pension Plan for Employees of the Commission in Japan and China ("WWP"), 0 years (0 years – 2024) for non-pension post-retirement benefits, 14 years (14 years – 2024) for severance benefits and 14 years (14 years – 2024) for sick leave benefits.

Employees working in the United Kingdom (UK) participate in the Global Affairs Canada defined benefit pension plans administered by the Government of Canada. The assets of these plans cannot be allocated among participating employers, and as such, these plans are deemed "multi-employer" plans and accounted for as defined contribution plans. The Commission's contributions to these plans reflect the full benefit cost of the employer. These amounts vary depending upon the plan and are based on a percentage of the employee's gross earnings. Contributions may change over time depending on the experience of the plans since the Commission is required under present legislation to make adjustments for the rate of contributions to cover any actuarial deficiencies of these plans. Contributions represent the total pension obligations of the Commission for these employees and are recognized in the Statement of Operations during the year in which the services are rendered.

Gains and losses determined upon a plan curtailment are accounted for in the period of curtailment.
Refer to Note 7.

m) Financial instruments

Financial assets consist of Cash and cash equivalents, Accounts receivable and Portfolio investments, while financial liabilities consist of Accounts payable and accrued liabilities. Financial assets and financial liabilities are measured at amortized cost, which approximates their fair value. *Refer to Note 12.*

n) Measurement uncertainty

The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expense during the reporting periods. Actual results could differ significantly from those estimates. The most significant estimates involve the determination of the employee future benefits liability and related accrued benefit asset, contingencies, accrued liabilities and partner revenues. There is uncertainty regarding partner revenue recognized as management may not be able to estimate if all performance obligations have been satisfied at the date of the financial statements.

The duration and economic severity of tariffs on the economy and trade between the US and Canada on the Commission's operations is currently unknown. As a result, an estimate of the financial impact of these developments on the Commission's future results of operations and financial position cannot be made at this time.

o) Related party transactions

Through common ownership, the Commission is related to all Government of Canada created departments, agencies and Crown corporations. The Commission's transactions with these entities are in the normal course of operations and are measured at the exchange amount. *Refer to Note 15.*

Related parties also include key management personnel (KMP) having authority for planning, controlling, and directing the activities of the Commission, as well as their close family members. The Commission has defined its KMP to be members of the Board of Directors and management employees at the Senior Vice-President level and above.

p) Inter-entity transactions

Inter-entity transactions are transactions between commonly controlled entities. The Commission records inter-entity transactions at the exchange amount except the following:

- Audit services received without charge between commonly controlled entities.
- In-kind contributions received from commonly controlled entities.

The value of the audit services is considered insignificant in the context of the financial statements as a whole and inter-entity in-kind contributions are not recognized in the financial statements.

3. Cash and Cash Equivalents

(in thousands of Canadian dollars)

	2025	2024
Cash in bank	14,073	14,892
Money market funds	14	—
Total cash and cash equivalents	14,087	14,892

4. Portfolio Investments

The Commission holds portfolio investments consisting of Canadian provincial governmental bonds with maturity dates staggered between 2028 and 2031 and guaranteed investment certificates with maturity dates staggered between 2026 and 2030. The carrying value at December 31, 2025 was \$983,000 (\$1,061,000 – 2024).

Issuer <i>(in thousands of Canadian dollars)</i>	Maturity date	Cost	Interest accrued to date	Carrying value	Market value	Maturity
Province of BC Bond	18-Dec-28	32	22	54	52	59
Province of Ontario Bond	02-Dec-31	33	27	60	55	70
Royal Trust Corp	02-Nov-26	100	1	101	101	120
Home Equity Bank	02-Nov-27	100	1	101	101	125
RBC Mortgage Corp	02-Nov-27	100	1	101	101	125
Versabank	24-Jan-28	100	4	104	104	122
Fairstone Bank	07-Dec-28	100	—	100	100	125
Canadian Tire Bank	08-Dec-28	100	—	100	100	124
Equitable Bank GIC	10-Dec-29	100	—	100	100	119
ICICI Bank Canada	10-Dec-29	61	—	61	61	73
Home Trust Company	12-Nov-30	100	1	101	101	117
		926	57	983	976	1,179

5. Foreign Currency Translation

The Commission is exposed to currency risk as a portion of its revenues and expenses are earned or incurred, and subsequently received or paid in currencies other than Canadian dollars. Currency risk arises due to fluctuations in foreign exchange rates, which could affect the Commission's financial results. The Commission does not hedge against fluctuations in foreign exchange rates and accepts the operational and financial risks associated with any such fluctuations.

The undernoted accounts excluding Canadian-denominated balances comprise the following currencies as at December 31, 2025:

Currency <i>(in thousands)</i>	Cash		Accounts receivable		Accounts payable and accrued liabilities	
	Currency units	Canadian equivalent	Currency units	Canadian equivalent	Currency units	Canadian equivalent
Australian Dollars	390	356	7	6	26	23
Chinese Yuan	736	144	–	–	1,365	267
Euros	493	793	–	–	15	24
Great Britain Pounds	163	300	–	–	106	196
Japanese Yen	–	–	4,316	38	10,996	96
United States Dollars	429	589	–	–	54	74
Total Canadian equivalent		2,182		44		680

At December 31, 2025, if the above foreign currencies had strengthened by 10% against the Canadian dollar, with all other variables held constant, the unrealized foreign exchange gain would have increased by approximately \$154,000 (\$25,000 – 2024). If the above foreign currencies had weakened by 10% against the Canadian dollar, with all other variables held constant, the unrealized foreign exchange gain would have decreased by approximately \$154,000 (\$25,000 – 2024). The amount of realized foreign exchange gain (loss) recorded under Corporate services on the Statement of Operations in 2025 is a gain of \$2,000 (loss of \$112,000 – 2024).

6. Tangible Capital Assets

<i>(in thousands of Canadian dollars)</i>	Computer hardware	Computer software	Leasehold improvements*	Office furniture	Assets under development	2025 Total
Cost of tangible capital assets, opening	1,076	1,096	1,858	691	–	4,721
Acquisitions	116	760	11	41	533	1,461
Disposals	(237)	–	(1,808)	(33)	–	(2,078)
Cost of tangible capital assets, closing	955	1,856	61	699	533	4,104
Accumulated amortization, opening	868	110	1,653	435	–	3,066
Amortization expense	143	295	180	75	–	693
Disposals	(224)	–	(1,808)	(15)	–	(2,047)
Accumulated amortization, closing	787	405	25	495	–	1,712
Net book value	168	1,451	36	204	533	2,392

<i>(in thousands of Canadian dollars)</i>	Computer hardware	Computer software	Leasehold improvements*	Office furniture	Assets under development	2024 Total
Cost of tangible capital assets, opening	1,000	–	1,824	654	–	3,478
Acquisitions	87	1,096	34	37	–	1,254
Disposals	(11)	–	–	–	–	(11)
Cost of tangible capital assets, closing	1,076	1,096	1,858	691	–	4,721
Accumulated amortization, opening	727	–	1,462	358	–	2,547
Amortization expense	152	110	191	77	–	530
Disposals	(11)	–	–	–	–	(11)
Accumulated amortization, closing	868	110	1,653	435	–	3,066
Net book value	208	986	205	256	–	1,655

* Asset retirement costs are included in the cost of tangible capital assets. The asset retirement costs were removed in 2025.

Most of the Commission's tangible capital assets are located in Canada.

In 2025, Leasehold Improvements decreased due to the derecognition of fully amortized assets upon relocation of office premises. Assets under development as at December 31, 2025 include \$533,000 of computer software, which were not yet being amortized.

7. Accrued Benefit Asset/Liability

The Commission offers a number of employee future benefit plans covering its employees in Canada and abroad. The following table summarizes these plans and the benefits they provide:

Employees covered	Name of the plan	Nature of the plan	Contributors	Accounting treatment
Canada	Registered Pension Plan for the Employees of the Commission – Defined Contribution component	Combination of Defined Contribution Plan and Group RRSP	The Commission and plan members	Defined Contribution Plan
	Supplementary Retirement Plan for Certain Employees of the Commission – Defined Benefit component	Funded, Defined Benefit Plan	The Commission and plan members	Defined Benefit Plan
	Supplementary Retirement Plan for Certain Employees of the Commission – Defined Contribution component	Defined Contribution Plan	The Commission	Defined Contribution Plan
	Non-Pension Post-Retirement Benefit Plan for Canadian Employees	Unfunded, Defined Benefit Plan	The Commission and plan members	Defined Benefit Plan
China and Japan	Pension Plan for Employees of the Commission in China and Japan	Unfunded, Defined Benefit Plan	The Commission	Defined Benefit Plan
US	Non-Pension Post-Retirement Benefit Plan for Certain US Employees	Unfunded, Defined Benefit Plan	The Commission and plan members	Defined Benefit Plan
UK	Canadian High Commission Locally Engaged Staff Pension Scheme	Funded Multi-employer Defined Benefit Plan	The Commission and plan members	Defined Contribution Plan
Canada, China, Japan, US, UK	Severance Benefits for certain Canadian and Locally Engaged Employees	Unfunded, Defined Benefit Plan	The Commission	Defined Benefit Plan
	Non-Vested Sick Leave Benefits for certain Canadian and Locally Engaged Employees	Unfunded, Defined Benefit Plan	The Commission	Defined Benefit Plan

Defined Contribution Plans

Canada

The Commission established a defined contribution pension plan for non-unionized employees in Canada, hired on or after August 1, 2005. On January 30, 2007, the Canadian unionized employees of the Commission agreed to participate in the defined contribution plan effective March 8, 2007. This decision impacted unionized employees hired on or after August 1, 2005.

The total cost for the Commission's defined contribution pension plans was \$962,000 in 2025 (\$897,000 – 2024).

In addition, the Commission provides a defined contribution supplemental plan to cover senior employees whose contributions under the defined contribution plan is impacted by the Income Tax Act. The benefits accrued are paid out each year and deemed immaterial for the Commission's financial statements.

UK

The Commission also participates in multi-employer defined benefit plans providing pension benefits to employees working in the UK. In 2025, the total cost was \$105,000 for the UK plan (\$134,000 – 2024). The plans are accounted for as defined contribution plans.

Defined Benefit Plans

Canada

The Commission has a number of defined benefit plans in Canada which provide post-retirement and post-employment benefits to its employees.

Effective January 2, 2004, pension arrangements include a registered pension plan as well as a supplemental arrangement which provides pension benefits in excess of statutory limits. The Commission provides pension benefits based on employees' years of service and average earnings at the time of retirement. The registered pension plan is funded by contributions from the Commission and from the members. In accordance with pension legislation, the Commission contributes amounts determined on an actuarial basis and has the ultimate responsibility for ensuring that the liabilities of the plan are adequately funded over time. The supplemental retirement plan liabilities arising on and after January 2, 2004 are funded annually on a hypothetical plan termination basis according to the valuation report prepared by the actuary.

In 2016, the Commission offered former members of the defined benefit component of the registered plan who were entitled to a deferred pension the option to transfer the value of the pension benefits out of the registered plan. There were no related settlements in 2019 or 2018. The defined benefit component of the registered plan and the supplemental agreement was closed effective December 30, 2017, and benefits for participants were frozen as of that date.

In May 2019, the Commission purchased a group annuity buy-out from a third-party insurer for the defined benefit component of the Registered Pension Plan ("RPP") for a premium of \$30,195,000 and transferred substantially all assets and obligations of all members of the defined benefit component of the RPP to the insurer. The insurer began making payments to the members in August 2019 and the transaction was finalized in October 2019, the date after which premium adjustments were no longer allowed. The form and

amount of the benefit payments for the members did not change and are fixed, subject to an annual increase that reflects the same terms and conditions that would have applied under the RPP. The transaction resulted in a plan settlement and a plan settlement cost of \$8,936,000 was recognized in the Statement of Operations in the period of settlement.

Amendments proposed to the *Pension Benefits Standard Act* (“PBSA”) 1985 under section 17.2 permit an administrative discharge on the purchase of a life annuity in lieu of providing a pension benefit. This proposed section of the PBSA received Royal Assent on June 21, 2019 but is not yet in force. The plan settlement is a significant transaction requiring the use of judgment in applying accounting policy. Key judgments made by management include the expectation that section 17.2 will come into force in the future and that the federal regulations, once developed, will provide a retroactive application to this transaction.

China and Japan

The Commission has a defined benefit pension plan for certain locally engaged staff in China and Japan. The Pension Scheme for Employees of the Government of Canada Locally Engaged Outside Canada, 1996 (known as the World Wide Plan, “WWP”), provides retirement benefits based on employees’ years of service and average earnings at the time of retirement. These liabilities are funded on a pay-as-you-go basis.

In March 2012, the Commission received \$1,000,000 from Treasury Board Secretariat (“TBS”) relating to locally engaged staff pension benefits under the WWP for service prior to January 2, 2001. Prior to this, TBS had been reimbursing the Commission for amounts related to the past service period. The funds are held by the Commission in bonds and a money market term deposit and are recorded as portfolio investments (*Note 4*) and Cash and cash equivalents (*Note 3*). The Commission continues to be responsible for the service accruing on and after January 2, 2001.

Severance and post-retirement benefits

Severance benefits are provided for certain current employees in Canada, China, Japan and the UK. The cost of the benefits is fully paid by the Commission. The severance benefit plans are unfunded.

Post-retirement benefits which may include health, dental and life insurance are provided for certain retired employees in Canada and the US. US employees hired prior to 2001 were eligible for post-retirement benefits. These plans are administered by Global Affairs Canada and provided by United Healthcare. The cost of these benefits is shared by the Commission and the retirees. The post-retirement benefit plans are unfunded.

Measurement date and date of actuarial valuation

The most recent actuarial valuation of plans accounted for as defined benefit plans was as at September 30, 2025, with extrapolation to December 31, 2025.

The Commission measures its accrued benefit obligations and the market value of plan assets of its pension plans and post-retirement non-pension benefits for accounting purposes at September 30th of each year.

Change in accrued benefit obligation

(in thousands of Canadian dollars)

	Pension		Other benefit plans	
	2025	2024	2025	2024
Accrued benefit obligation, beginning of year	2,830	3,013	1,337	1,748
Current period benefit cost (employer portion)	34	30	33	30
Interest cost on average accrued benefit obligation	89	87	39	66
Benefits paid	(143)	(140)	(134)	(165)
Actuarial loss (gain)	28	(160)	99	(342)
Accrued benefit obligation, end of year	2,838	2,830	1,374	1,337

Change in plan assets

(in thousands of Canadian dollars)

	Pension		Other benefit plans	
	2025	2024	2025	2024
Market value of plan assets, beginning of year	5,365	4,702	—	—
Actual return on plan assets net of actual investment expenses	673	755	—	—
Employer contributions	48	48	134	165
Benefits paid	(143)	(140)	(134)	(165)
Market value of plan assets, end of year	5,943	5,365	—	—

Reconciliation of funded status

Detailed pension plan information

(in thousands of Canadian dollars)

	2025	2024
Supplementary Retirement Plan for Certain Employees of the Commission		
Accrued benefit obligation	(2,167)	(2,155)
Plan assets	5,943	5,365
Surplus	3,776	3,210
Pension Plan for Employees of the Commission in China and Japan		
Accrued benefit obligation	(671)	(676)
Deficit	(671)	(676)

The accrued benefit obligation and market value of assets at year-end are the following amounts in respect of plans that are unfunded:

Funded Status <i>(in thousands of Canadian dollars)</i>	Pension		Other benefit plans	
	2025	2024	2025	2024
Accrued benefit obligation	(671)	(676)	(1,374)	(1,337)
Funded status – deficit at end of year	(671)	(676)	(1,374)	(1,337)

Reconciliation of funded status to accrued benefit asset (liability)

<i>(in thousands of Canadian dollars)</i>	Pension		Other benefit plans	
	2025	2024	2025	2024
Funded status – surplus (deficit), end of year	3,105	2,535	(1,374)	(1,337)
Unamortized actuarial losses (gains)	(474)	(843)	403	(87)
Accrued benefit asset (liability)	2,631	1,692	(971)	(1,424)

The cumulative excess of pension contributions on the Supplementary Retirement Plan over pension benefit cost is reported as an accrued benefit asset. The Pension Plan for Employees of the Commission in China, Japan, the post-retirement, post-employment benefits and sick leave are reported as an accrued benefit liability.

Accrued Benefit Asset (Liability)

<i>(in thousands of Canadian dollars)</i>	2025	2024
Defined benefit component of the Supplementary Retirement Plan for Certain Employees of the Commission	3,317	2,373
Pension Plan for the Employees of the Commission in China and Japan	(686)	(681)
Non-pension Post Retirement Benefit Plan	(581)	(951)
Post Employment Severance Plan	(169)	(263)
Non-Vested Sick Leave Plan	(221)	(210)
Total accrued benefit liability	(1,657)	(2,105)
Total net accrued benefit asset	1,660	268

The weighted-average asset allocation by asset category of the Commission's defined benefit pension plans is as follows:

Asset Allocation	2025	2024
Equity securities	68%	63%
Cash	–	1%
Receivable from Government of Canada	32%	36%
Total	100%	100%

Net benefit cost recognized in the period

(in thousands of Canadian dollars)

	Pension		Other benefit plans	
	2025	2024	2025	2024
Current period benefit cost	34	30	33	30
Interest cost	–	–	39	66
Amortization of net actuarial loss (gain)	(839)	(145)	(391)	(159)
Retirement benefits expense	(805)	(115)	(319)	(63)
Interest cost on average accrued benefit obligation	89	87	–	–
Expected return on average pension plan assets	(176)	(123)	–	–
Retirement benefits interest income	(87)	(36)	–	–
Total pension expense	(892)	(151)	(319)	(63)

Significant actuarial assumptions used are as follows (weighted average)

	Pension		Other benefit plans	
	2025	2024	2025	2024
Accrued benefit obligation				
Discount rate				
• Defined benefit component of the Supplementary Retirement Plan for Certain Employees of the Commission	3.10%	3.30%		
• Pension Plan for the Employees of the Commission in China and Japan	2.97%	2.84%		
• Non-pension post retirement			3.54%	3.11%
• Post employment severance			2.97%	2.84%
• Non-Vested Sick Leave Plan			2.97%	2.84%
Consumer price index				
• Defined benefit component of the Supplementary Retirement Plan for Certain Employees of the Commission	2.00%	2.00%		
• Pension Plan for the Employees of the Commission in China and Japan	1.50%	1.25%		
Rate of compensation increase				
• Canadian			5.00% <i>for 2026</i> 2.00% <i>thereafter</i>	2.50%
• Locally engaged	2.00%	2.75%	2.50%	3.40%
Pension expense				
Discount rate				
• Defined benefit component of the Supplementary Retirement Plan for Certain Employees of the Commission	3.30%	2.65%		
• Pension Plan for the Employees of the Commission in China and Japan	2.84%	4.08%		
• Non-pension post retirement			3.11%	3.88%
• Post employment severance			2.84%	4.08%
• Non-Vested Sick Leave Plan			2.84%	4.08%
Expected long-term rate of return on plan assets				
• Defined benefit component of the Supplementary Retirement Plan for Certain Employees of the Commission	3.30%	2.65%		
Rate of compensation increase				
• Locally engaged	2.75%	2.75%	3.40%	3.40%

Assumed health care cost trend rate for other benefit plans

Net benefit cost	Other benefit plans			
	2025		2024	
	CDN	US	CDN	US
Initial health care trend rate	6.25%	8.21%	6.24%	6.53%
Ultimate health care trend rate	4.00%	4.45%	4.00%	4.50%
Year ultimate rate reached	2040	2035	2040	2033

Accrued benefit obligation	Other benefit plans			
	2025		2024	
	CDN	US	CDN	US
Initial health care trend rate	5.83%	9.51%	6.25%	8.21%
Ultimate health care trend rate	4.00%	4.45%	4.00%	4.45%
Year ultimate rate reached	2040	2035	2040	2035

Total cash amounts

Total cash amounts for employee future benefits, consisting of cash contributed in the normal course of business by the Commission to its funded and unfunded defined benefit pension plans, cash payments directly to beneficiaries for its unfunded other benefit plans, cash contributed to its defined contribution plans and cash contributed to its multi-employer defined benefit plan, is \$1,314,000 (\$1,267,000 – 2024).

8. Parliamentary Appropriations

The schedule below reconciles the amount of funding available to the Commission during the year with the amount actually used in operations:

<i>(in thousands of Canadian dollars)</i>	2025	2024
Amounts provided for operating and capital expenditures		
Amounts voted:		
Main estimates 2024/25 (2023/24)	115,968	111,153
Supplementary estimates		11,509
Less: portion recognized in prior year	(72,443)	(71,776)
Amounts recognized in current year	43,525	50,886
Amounts voted:		
Main estimates 2025/26 (2024/25)	125,028	115,968
Supplementary estimates	8	–
Less: portion to be recognized in following year	(41,518)	(43,525)
Amounts recognized in the current year	83,518	72,443
Parliamentary appropriations used for operations and capital in the year	127,043	123,329

There were no deferred appropriations as at December 31, 2025.

The Commission used \$33,676,000 (\$10,851,000 – 2024) of the funding received towards the International Convention Attraction Program. *Refer to Note 18.*

9. Accumulated Surplus

The accumulated surplus comprises:

<i>(in thousands of Canadian dollars)</i>	2025	2024
Accumulated operating surplus	7,026	9,033
Accumulated remeasurement gain	1	119
Accumulated surplus	7,027	9,152

10. Marketing and Sales Expenses

The Commission carries out its activities in a variety of countries. These countries are supported by the Commission's Marketing and sales units, including Global Programs, located at headquarters. Program breakdown information is as follows:

<i>(in thousands of Canadian dollars)</i>	2025	2024
Business Events	40,023	19,756
North America	29,000	34,681
Global Programs	22,251	22,731
Asia Pacific	11,936	7,675
Europe	10,447	9,859
Domestic	—	3
	113,657	94,705

Business Events includes International Convention Attraction Program expenses of \$33,676,000 (2024 – \$10,851,000), contributing to the increase in program expenses in 2025. Refer to Note 18.

11. Expenditures by Object

The following is a summary of expenditures by object:

<i>(in thousands of Canadian dollars)</i>	2025	2024
Program expenses		
Leisure consumer marketing	52,218	54,430
Business events	37,459	16,987
Leisure travel trade	13,094	10,471
Analytics	9,259	9,247
Travel and hospitality	1,896	1,988
Sector advancement	1,469	947
Destination development	1,255	1,193
Total program expenses	116,650	95,263
Salaries and benefits	19,820	19,465
Operating expenses		
Professional services	1,579	1,691
Information technology	1,452	1,400
Rent	902	824
Office	708	591
Travel and hospitality	607	528
Other	119	475
Realized foreign exchange (gain) loss	(2)	112
Total operating expenses	5,365	5,621
Expenses before amortization	141,835	120,349
Amortization	693	530
Total expenses	142,528	120,879

Business Events includes International Convention Attraction Program expenses of \$33,676,000 (2024 - \$10,851,000), contributing to the increase in program expenses in 2025. Refer to Note 18.

Sector advancement as a function was transferred from Marketing and sales and Corporate services to its own function in 2025 to align with the organizational strategy to support Canada's commitment to tourism, advance sector competitiveness and expand sector knowledge. *Refer to Note 19.*

12. Financial Instruments

Credit risk

The Commission is exposed to credit risk resulting from the possibility that parties may default on their financial obligations and from concentrations of third-party financial obligations that have similar economic characteristics such that they could be similarly affected by changes in economic conditions. There is no concentration of credit risk with any one customer. Financial instruments that potentially expose the Commission to credit risk consist of Cash and cash equivalents, Portfolio investments and Accounts receivable.

At December 31, 2025, the exposure to credit risk for Cash and cash equivalents was \$14,087,000 (\$14,892,000 – 2024) (Note 3) and for Portfolio investments was \$983,000 (\$1,061,000 – 2024) (Note 4).

The Commission minimizes credit risk on Cash and cash equivalents and Portfolio investments by dealing only with reputable and credit-worthy financial institutions. At December 31, 2025, the Commission held \$12,412,000 in Cash and cash equivalents and Portfolio investments with federally regulated chartered banks and \$2,658,000 in cash at foreign institutions.

The federally regulated chartered banks and foreign institutions with which the Commission holds Cash and cash equivalents and Portfolio investments have the following long-term bank deposit credit and financial strength ratings:

Credit Ratings

	Aa3	A1	Aa2
Moody's			
Standard & Poor's	A+	A	A+

In March 2012, the Commission received \$1,000,000 from Treasury Board Secretariat relating to locally engaged staff pension benefits under the WWP (Note 7). The Commission's policy is to invest these funds with well-established financial institutions in investments composed of low-risk assets. Currently the Commission has invested these funds in Canadian provincial governmental bonds, guaranteed investment certificates and mutual funds (Note 3 and Note 4). All investments are monitored by management on a monthly basis.

Accounts receivable credit risk is minimized by the fact that many of the partners that work with the Commission are federally, provincially or municipally funded. The Commission measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the Commission's historical experience regarding collections.

At December 31, 2025, there is no impairment allowance (\$0 – 2024). The amounts past due at year-end are as follows:

Accounts receivable

(in thousands of Canadian dollars)	Total	Current	Days 1 – 30	31 – 60	61 – 90	91 – 120	> 120
Government of Canada	1,331	613	112	(2)	19	86	503
Partner	407	292	(1)	103	12	1	–
Other	23	12	11	–	–	–	–
Total	1,761	917	122	101	31	87	503

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the credit risk.

Liquidity risk

Liquidity risk is the risk that the Commission will not be able to meet all cash outflow obligations as they come due. To mitigate this risk, the Commission monitors cash activities and expected outflows through monthly and quarterly budget and forecast analysis. In addition, investments are maintained in assets that may be converted to cash in the near term if unexpected cash outflows arise. The amounts of financial liabilities past due at year-end are as follows:

Accounts payable and accrued liabilities

<i>(in thousands of Canadian dollars)</i>	Total	Current	Days 1 - 30	31 - 60	61 - 90	91 - 120	> 120
Trade	11,832	5,114	5,901	731	65	6	15
Employee compensation	2,778	2,778	–	–	–	–	–
Government of Canada	840	829	11	–	–	–	–
Total	15,450	8,721	5,912	731	65	6	15

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the liquidity risk.

Currency risk

Currency risk arises because the Commission operates in several different currencies and translates non-Canadian revenue and expenses to Canadian dollars at different points in time. The Commission does not hedge against fluctuations in foreign exchange rates and accepts the operational and financial risks associated with any such fluctuations. At December 31, 2025, the exposure to currency risk based on the year-end monetary balances denominated in a foreign currency for financial assets was \$2,226,000 (\$1,712,000 – 2024) and for financial liabilities was \$680,000 (\$1,465,000 – 2024) (Note 5). The impact of a 10% change in foreign exchange rates would not have a material impact on net operations.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the currency risk.

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The Commission is exposed to this risk through its interest-bearing portfolio investment balances. The Commission does not hedge against fluctuations in market interest rates and accepts the operational and financial risks associated with any such fluctuations. A variation of 1% in the interest rate would not have a material impact on the financial statements. At December 31, 2025, the exposure to interest rate risk for portfolio investments was \$983,000 (\$1,061,000 – 2024).

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the interest rate risk.

13. Contractual Obligations

The Commission has entered into various agreements for marketing and consulting services and leases for office premises and equipment in Canada and abroad. The total contractual obligations of the Commission as at December 31, 2025 were \$44,797,000 (\$78,332,000 – 2024). Also included in the contractual obligation amount are purchase orders issued for which the Commission has not yet received the goods or services.

<i>(in thousands of Canadian dollars)</i>	2026	2027	2028	2029	2030	Total
Contractual Obligations	41,325	1,313	850	682	627	44,797

14. Contingencies

In the normal course of business, various legal claims and lawsuits have been brought against the Commission. Where in the opinion of management, losses, which may result from the settlement of the matters, are determinable within a reasonable range and such losses are considered by management as likely to be incurred, they are charged to expenses. In the event management concludes that potential losses are indeterminable, no provision is recognized in the accounts of the Commission. There are no significant legal claims against the Commission.

15. Related Party Transactions

The Commission enters into transactions with all Government of Canada created departments, agencies, and Crown corporations in the normal course of business. Details of these transactions are provided in *Note 8 and Note 12*.

There were no significant transactions with KMP and their close family members, nor were there any transactions that have occurred at a value different from which would have been arrived at if the parties were unrelated.

16. Contractual Rights

The nature of the Commission's activities can result in some multi-year contracts and agreements that result in the Commission having rights to both assets and revenue in the future. These arrangements typically relate to marketing services. Where the terms of contracts and agreements allow for reasonable estimates, the major contractual rights are summarized in the table presented below.

<i>(in thousands of Canadian dollars)</i>	2026	2027	2028	Total
Partner Revenue	708	–	–	708
Other Revenue	577	–	–	577
	1,285	–	–	1,285

17. Partner Revenues

The following is a breakdown of revenue recorded in the Statement of Operations by type:

	2025	2024
Leisure Consumer Marketing	7,746	9,608
Business Events	1,562	1,274
Leisure Travel Trade	1,239	1,040
Analytics	1,530	883
Destination Development	50	—
Total Revenue	12,127	12,805

Unearned revenue

The Commission recognized a corresponding liability for unsatisfied or partially satisfied performance obligations within Unearned Revenue. The Commission expects to fully satisfy its remaining performance obligations (unsatisfied or partially satisfied) within one year. The transaction price allocated to the remaining performance obligations at year-end are as follows:

	2025	2024
Within one year:		
Leisure Consumer Marketing	50	397
Leisure Travel Trade	231	—
Analytics	427	294
Total	708	691

Revenue deemed uncollectable

The Commission has not recorded revenue for the year ended December 31, 2025, for which the Commission does not expect to collect payment.

18. International Convention Attraction Program

Building on its inaugural year in 2024, the International Convention Attraction Program (ICAP) was in its first full year of delivery in 2025 and continued to operate through an integrated program model to support the pipeline and conversion of international business events. The integrated program operates through three reinforcing areas: strategic marketing to support Canada's brand; engagement with international decision-makers through participation in global trade shows; and the securing of major international business events by supporting destination marketing organizations (DMOs) through the bid process, with subvention funding acting as a catalyst at the final decision-making stage.

The provision of subvention funding under the program is subject to specific eligibility and authorization criteria, which govern the timing of expense recognition:

1. The DMO must meet the eligibility criteria established by the Commission to receive the fund; and
2. The transfer to the DMO must be authorized by the Commission by the financial statement date.

During the year, the Commission recognized \$33,676,000 (\$10,851,000 – 2024) in combined program expenditures under Business Events, which are presented in Marketing and sales in the Statement of Operations.

19. Sector Advancement

In 2025, Destination Canada established Sector Advancement as a separate function on the Statement of Operations to align with its 2030 organizational strategy. Sector Advancement was created to strengthen industry engagement, advance sector competitiveness, and expand sector knowledge of regenerative practices in sustainability and Indigenous tourism opportunities through our connection with our industry, sector associations, and small and medium-sized enterprises who deliver visitor experiences and the destinations across Canada. Sector Advancement was formed through the transfer of certain staff and budgets from Marketing and Sales and Corporate Services.

During the year, the Commission recognized \$5,079,000 (\$4,317,000 – 2024) in expenditures under Sector Advancement in the Statement of Operations. See Note 20. These expenditures relate to the Sector Advancement mandate and are presented across multiple expense objects, including \$1,646,000 (\$1,095,000 – 2024) in program expenditures (comprising \$1,469,000 (\$947,000 – 2024) specific to Sector Advancement and \$177,000 (\$148,000 – 2024) for activities classified within travel and hospitality), \$2,556,000 (\$2,330,000 – 2024) in salaries and benefits, and \$877,000 (\$892,000 – 2024) in operating expenses.

20. Comparative Figures

The comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

	Previously reported 2024	Reclassification	After reclassification 2024
Statement of Operations			
Marketing and sales	94,705	(1,914)	92,791
Corporate services	10,136	(2,403)	7,733
Sector Advancement (Note 19)	–	4,317	4,317
Note 11 Expenditures by Object			
Leisure consumer marketing	54,935	(505)	54,430
Leisure travel trade	10,913	(442)	10,471
Sector Advancement	–	947	947

GOVERNANCE



Legislative Framework

As an agent of the Crown, we are a federal Crown corporation wholly owned by the Government of Canada. We are provided with overarching public policy priorities, broad strategic goals and expectations.

The *Canadian Tourism Commission Act* and various regulations provide the legislative

basis for our establishment and our activities. Through the Minister of Women and Gender Equality and Secretary of State (Small Business and Tourism), we are accountable to Canada's Parliament through the submissions of an Annual Report, a five-year Corporate Plan and an Operating and Capital Budget annually to Parliament.



Board of Directors

Our Board of Directors consists of up to 12 members who oversee the management of the organization and provide strategic guidance and effective fiduciary oversight. The Board ensures that appropriate systems of governance, leadership and stewardship are in place while at the same time empowering management to deliver on its mandate.

Board membership comprises the Chair and the President and CEO of Destination Canada which are Governor-in-Council appointments, and the Deputy Minister of Economic Development (ex officio). Further, up to nine additional directors, appointed by the Minister with Governor-in-Council approval, make up the remainder of the Board. Directors are appointed based on the full range of skills, experience and competencies required to add value to our decisions on strategic opportunities and risks and that reflects the diversity of Canadian regions.

Members with expired terms continue to serve on the Board until replacements have been appointed.

Over the course of 2025, the Board met seven times and average attendance at meetings was 95%.

Membership

As at December 31, 2025



**The Honourable
Liza Frulla,
P.C., C.M., O.Q.**

Chair of the Board of Directors



Marsha Walden

*President & CEO,
Destination Canada*



Sony Perron (ex officio)

*Deputy Minister of Economic
Development and Deputy
Minister/President of Canada
Economic Development for
Quebec Regions*



Julie Canning

*Cowgirl & Operating Partner,
Banff Trail Riders*



Stan Cook

*Founder and President,
Rock + Water Stan Cook Travel*



Randy Garfield

*Former President,
Walt Disney Travel*



Benjamin Ryan

*Chief Commercial Officer,
Air North*



Natalie Thiesen

*Vice President,
Tourism, Economic Development
Winnipeg (Tourism Winnipeg)*



Andrew Torriani

*President, CEO and General
Manager, Ritz-Carlton
Montréal*

Committees of the Board

The *Human Resources and Governance Committee* advises and supports directors in applying our corporate governance principles, assists in evaluating potential board candidates and develops recommendations to the Minister on board appointments (excluding the Chair, the President and CEO and the ex officio director). Additionally, the committee reviews and advises on the President and CEO's annual objectives and our human resources policies, plans and processes, including succession, compensation and benefits plans.

The committee met four times in 2025 and the average meeting attendance was 100%.

In addition to the duties and functions mandated by the *Financial Administration Act*, the *Audit and Risk Committee* reviews and recommends to the Board processes for identifying and managing risk, internal control systems and processes for complying with related laws and regulations. The committee also oversees the administration, investment activities and financial reporting of our pension plans.

The committee met four times in 2025 and the average meeting attendance was 89%.



Tatshenshini-Alsek Provincial Park British Columbia

Executive Team

As at December 31, 2025

The President and CEO is accountable to the Board and has responsibility for the day-to-day operations. Senior Management plays a vital role in strategic leadership, working closely with the Board to set objectives, develop strategies, implement actions, and manage performance. Senior management also recommends to the Board major changes, identifies business risks, and manages the complex intellectual, capital, and technical resources of Destination Canada.



Marsha Walden
President & CEO



Gracen Chungath
*Senior Vice President,
Destination Development*



Meaghan Ferrigno
*Senior Vice President,
Chief Financial Officer and
Chief Data & Analytics Officer*



Richard Gagnon
*Senior Vice President,
Talent, Culture & Corporate
Services*



Gloria Loree
*Senior Vice President,
Marketing Strategy and
Chief Marketing Officer*



Caroline Séguin
*Senior Vice President,
Industry Advancement and
Corporate Secretary*



Maureen Riley
*Vice President,
Industry Engagement*

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