

Press Release (January 4, 2024)

Madison Pacific Properties Inc. announces Tax Court of Canada judgement on tax court case

(Vancouver, B.C. January 4, 2024) Madison Pacific Properties Inc. (the Company) (TSX: MPC and MPC.C), a Vancouver-based real estate company announces judgement issued by the Tax Court of Canada (“TCC”) on its tax court case.

As previously reported in the Company’s Consolidated Financial Statements, the Company and certain subsidiaries have received from the Canada Revenue Agency (“CRA”) and Alberta Tax and Revenue Administration (“ATRA”) tax notices of reassessment for various taxation years. The reassessments deny the application and usage of certain non-capital losses, capital losses, deductions and investment tax credits arising from prior years. The Company and its subsidiaries have filed notices of objection and notices of appeal to the reassessments with the CRA and ATRA.

The appeal with the Tax Court of Canada (“TCC”) for one of the reassessed companies, Madison Pacific Properties Inc., was heard in March 2022 and in November 2023 (the “MPP Appeal”). The TCC released its judgement on the MPP Appeal on December 27, 2023 in favour of the CRA, confirming the CRA’s and ATRA’s reassessments. The decision denied Madison Pacific Properties Inc.’s ability to use certain carryforward losses for certain taxation years within its 2009 to 2017 taxation years. Additional taxes payable for the reassessed years plus estimated interest and awarded legal costs totals approximately \$6.2 million for the MPP Appeal. The Company had previously made deposits of \$2.3 million related to the MPP Appeal with the balance owing now payable.

The Company and its counsel are currently assessing whether to appeal the decision issued by the TCC. In addition, the Company and its counsel are also assessing the impact that this decision may have on its subsidiaries’ tax appeals. The Company is also assessing the impact the decision may have on any financial statement adjustments.

For a review of the risks and uncertainties to which the Company is subject, see its most recently filed annual and interim MD&A.

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