

## **Press Release (January 27, 2025)**

### **Madison Pacific Properties Inc. announces Federal Court of Appeal judgement on tax reassessments appeal**

(Vancouver, B.C. January 27, 2025) Madison Pacific Properties Inc. (the Parent Company) (TSX: MPC and MPC.C), a Vancouver-based real estate company announces judgement issued by the Federal Court of Appeal (“FCA”) on its tax reassessments appeal.

As previously reported in the Parent Company’s Consolidated Financial Statements and MD&A, the Parent Company and certain subsidiaries had received from the Canada Revenue Agency (“CRA”) and Alberta Tax and Revenue Administration (“ATRA”) tax notices of reassessment for various taxation years. The reassessments denied the application and usage of certain non-capital losses, capital losses, deductions and investment tax credits arising from prior years. The Parent Company and its subsidiaries had 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 the Parent Company was heard in 2020, 2022 and in 2023 (the “Appeal”). The TCC released its judgement on the Appeal in December 2023 in favour of the CRA’s position, confirming the CRA’s reassessments. The decision denied the Parent Company’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 \$6.6 million and as at August 31, 2024, the Parent Company had paid \$6.1 million to the CRA for the taxes and estimated interest on the reassessments.

In January 2024, the Parent Company filed a notice of appeal to the FCA to appeal the decision issued by the TCC on the Appeal (the “TCC Appeal”). On January 22, 2025, the TCC Appeal was heard by the FCA and on January 23, 2025 the FCA released its judgement dismissing the TCC Appeal. The Parent Company and its counsel are currently assessing whether to appeal the decision issued by the FCA. The Parent Company has also filed interest relief applications with the CRA to apply to waive arrears interest paid on the reassessments.

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

For more information please contact:

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