

2026-2030

Corporate Plan Summary

+ 2026 Capital Budget Summary



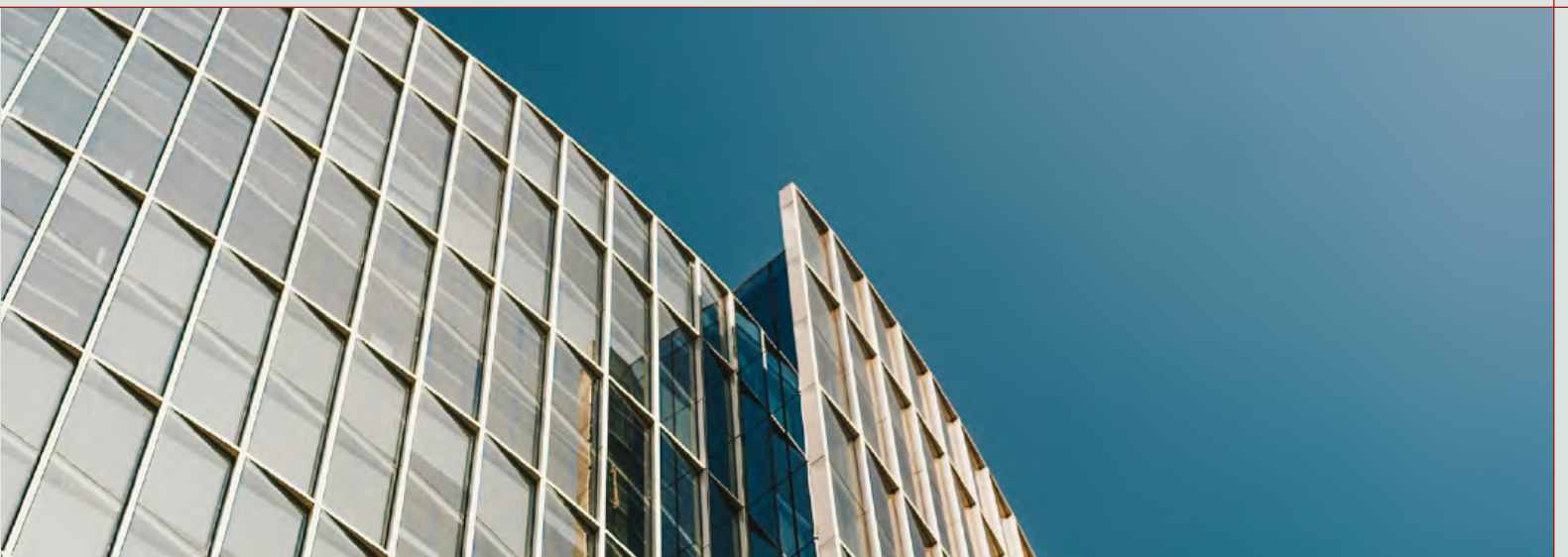
Moving Canada's national interests forward



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1.0

Executive Summary

1.0 Executive Summary

Canada Development Investment Corporation (CDEV) is playing an increasingly important role in the implementation of the Government of Canada's economic policy objectives, underscoring the impact and the unique value proposition that we provide. As a self-sustaining federal Crown corporation that serves as the centre of excellence for financial advisory to government, the expert financial advice and commercial perspectives that we bring result in delivering tangible, valuable outcomes for Canada.

We achieve our mission as a trusted financial advisor by drawing on deep private and public sector experience to provide leading commercial arm's length advice to government. With a long history of operations since being established in 1982, CDEV plays a unique role in providing impactful internal expertise and skills not found elsewhere in government; this enables us to execute on key government priorities at the speed of business and with a steady, solid and commercial perspective. We are focused on returning capital to Canada and had another successful year whereby we paid dividends back to our shareholder.

Our significant growth in mandates and expansion of our activities includes the launch of the first-of-its-kind \$10-billion Indigenous Loan Guarantee Program (ILGP) managed by the latest company within our portfolio, Canada Indigenous Loan Guarantee Corporation (CILGC), as well as the launch of the \$10-billion Large Enterprise Tariff Loan (LETL) facility managed by another of our subsidiaries, Canada Enterprise Emergency Funding Corporation (CEEFC). CDEV is now responsible for over \$75 billion worth of government mandates through the CDEV Group of Companies, consisting of eight diverse subsidiaries including Canada Growth Fund (CGF), Canada Hibernia Holding Corporation (CHHC), and Trans Mountain Corporation (TMC), in addition to the two already mentioned.

As a result of the significant demand for our unique commercial expertise and skill set, CDEV is focused on impactful outcomes and commercial insights. This 2026-2030 Corporate Plan, along with the 2024 Annual Report published in June 2025, documents this evolution and outlines how our operating environment is reshaping our priorities and strategic direction.

In this plan, we outline the elements of the corporation's strategic direction, building on its cultural transformation to a high-performing and outcome-oriented organization through its areas of expertise:

- 01** Managing government assets, including acquisition, value maximization, and divestment
- 02** Acting as a centre of excellence for delivering financial and commercial advice to government, with a private sector lens
- 03** Advising on and providing creative capital and funding solutions
- 04** Enabling Indigenous economic participation

CDEV continues to be ready to respond to government priorities and to bring a critical commercial lens and deep expertise to complex financial situations.

2.0

Mandate Overview

2.0 Mandate Overview

2.1 CDEV and the CDEV Group of Companies

CDEV was incorporated in 1982 under the provisions of the Canada Business Corporations Act and is wholly owned by His Majesty in Right of Canada. CDEV is an agent Crown corporation reporting to Parliament through the Minister of Finance.

While CDEV was initially created to manage a large portfolio of divestitures, it has evolved to undertake a broader range of activities, seeing its mandate expand to provide a breadth of financial advisory services and expertise to support the country's broader economic objectives. Acting as a bridge between government objectives and the private sector, CDEV brings a commercial discipline to the evaluation, management, and divestiture of assets as well as other initiatives it executes in partnership with the Government of Canada.

In addition to providing financial advisory on a range of mandates and projects, CDEV is responsible for acting as an active asset manager, providing oversight and responsibility for over \$75 billion of assets through the CDEV Group of Companies ("The Group of Companies") consisting of eight diverse subsidiaries:

- **CANADA ELDOR INC. (CEI)** manages the remaining obligations of the corporation relating to disposal of low-level nuclear wastes and decommissioning of a former mine site. It has no commercial operations. CDEV has implemented appropriate governance to ensure that CEI respects its obligations and liabilities under the agreement of purchase and sale with Cameco Inc. entered into in 1988.
- **CANADA ENTERPRISE EMERGENCY FUNDING CORPORATION (CEEFC)** currently manages the Large Employer Emergency Financing Facility (LEEFF); LEEFF stopped taking new applications in 2022. CEEFC also administers the Large Enterprise Tariff Loan (LETL) facility to support large Canadian enterprises affected by actual and potential new tariffs and countermeasures and which face challenges accessing traditional sources of market financing. CEEFC is led by a President and CEO. Employees of CDEV provide management services to CEEFC through a services agreement.
- **CANADA GROWTH FUND INC. (CGF)** has the mandate to build a financially prudent portfolio of investments that unlock private sector investment in Canadian businesses and projects to help grow Canada's economy at speed and scale on the path to emissions reductions, in the interest of remaining competitive globally over the longer term. CDEV and CGF entered into an Investment Management Agreement (IMA) with the Public Sector Pension Investment Board (PSP Investments) and its wholly owned subsidiary, Canada Growth Fund Investment Management Inc. (CGFIM), formalizing the structure whereby CGFIM provides investment management services to CGF and its CGF Board. CGF was incorporated in December 2022 and CGFIM began investment activities in June 2023.
- **CANADA HIBERNIA HOLDING CORPORATION (CHHC)** holds and manages the federal government's minority ownership interests of 8.5% and 5.67% in the Hibernia Development Project ("HDP") and Hibernia Southern Extension Unit ("HSE Unit") respectively (together "Hibernia"), which is an oilfield offshore Newfoundland and Labrador. Hibernia is operated by Hibernia Management and Development Company Ltd. Incorporated in 1993, CHHC has a management team, led by a President based in Calgary, which is experienced in the oil industry and provides expertise in technical operations, marketing, transportation, and finance.
- **CANADA INDIGENOUS LOAN GUARANTEE CORPORATION (CILGC)** facilitates equity investments by Indigenous groups in major projects. More specifically, CILGC is mandated to deliver the Indigenous Loan Guarantee Program (ILGP), as announced in Budget 2024. Incorporated in December 2024, CILGC undertakes financial and commercial due diligence of eligible ILGP applications and will administer the portfolio of loan guarantees over the long term. CDEV is working to recruit the CILGC leadership team. CILGC is currently operational with support from CDEV and has issued its first loan guarantee of \$400 million which helped 38 First Nations in British Columbia make an investment of \$736 million for a 12.5% stake in Enbridge's Westcoast pipeline system.
- **CANADA INNOVATION CORPORATION (CIC)** is mandated to help to maximize business investment in research and development across all sectors and in all regions of Canada to promote innovation-driven economic growth. Incorporated in February 2023, it will be fully implemented no later than 2026–2027, according to an announcement of the Government of Canada in December 2023.
- **CANADA TMP FINANCE LTD. (TMP Finance)** primary responsibility is to provide financing to its subsidiary, Trans Mountain Corporation (TMC). TMC has a mandate to operate the Trans Mountain Pipeline. TMC has more than 700 employees led by a seasoned executive team. CDEV fulfills its supervisory role as owner of TMC through an MOU which lays out areas of responsibility and accountability, including the responsibility for appointing the TMC Board. CDEV management is deeply involved in ensuring the financial health of TMC for the long-term goal of a successful monetization in due course. TMP Finance was incorporated in 2018.
- **16342451 CANADA INC.** was established in September 2024. Currently the subsidiary oversees and manages the Government of Canada's \$2.14 billion loan for the Telesat Lightspeed project. The subsidiary could be used in the future to manage other loans or hold assets on behalf of the government.

2.2 Board of Directors and Management

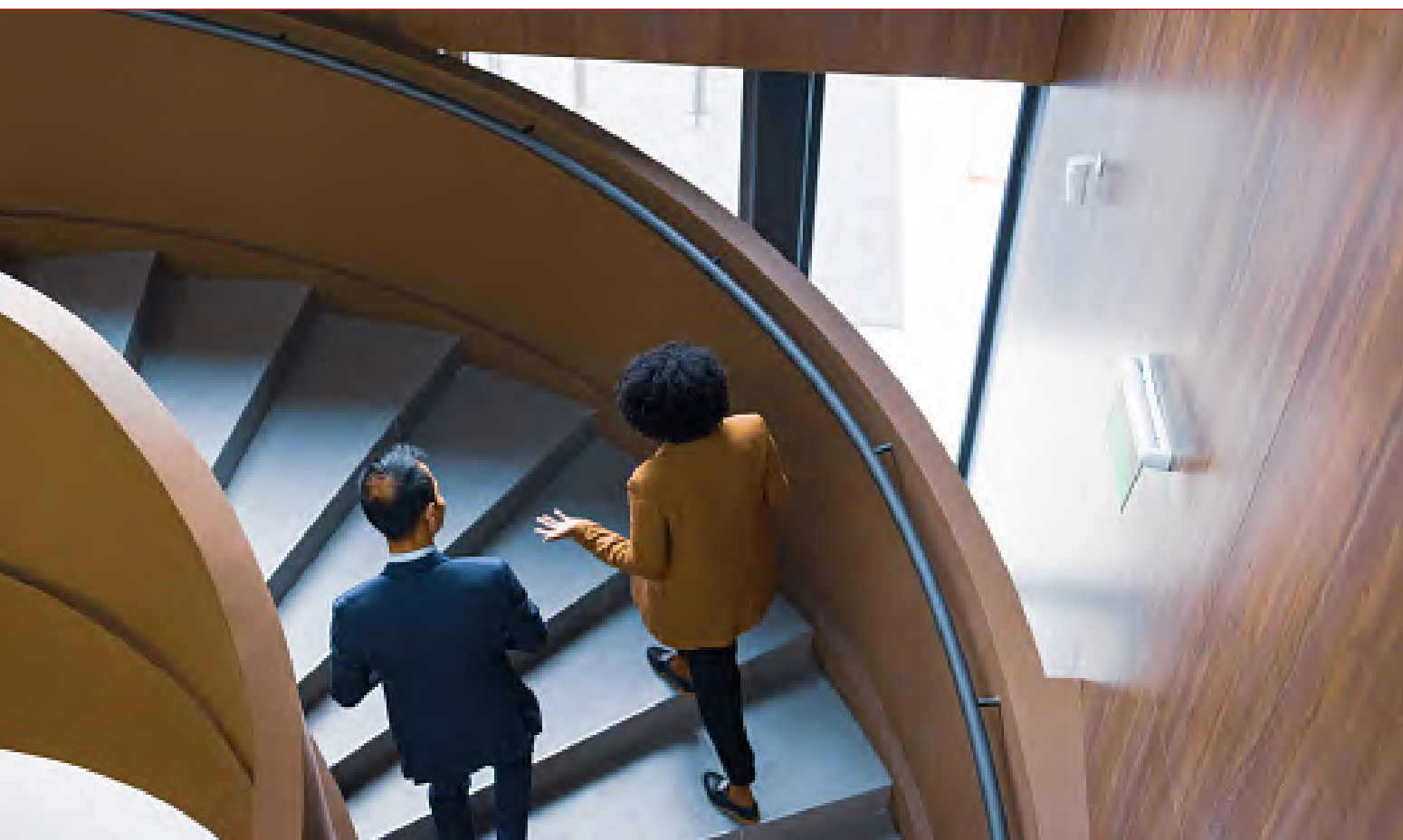
As an arm's length commercial, self-sustaining Crown corporation, oversight is provided by an independent Board of Directors currently comprised of four members plus the Chair and the President and Chief Executive Officer. The Board is responsible for the stewardship of CDEV and oversees its affairs, including ensuring that its assets, liabilities and subsidiaries are managed in a cost-effective manner. This includes approving CDEV's financial statements and corporate reports, all available on CDEV's website.

The CDEV Board has three committees: the Audit Committee, providing oversight of CDEV's finances, the Nominating and Governance Committee, responsible for corporate governance matters, and the Human Resources and Compensation Committee, responsible for compensation practices and other relevant policies.

The CDEV management team is led by a Governor-in-Council-appointed President and Chief Executive Officer and works closely with the management team of its subsidiaries to ensure the effective functioning of CDEV and its Group of Companies. CDEV's head office is in Toronto, with a secondary office in Ottawa.

As an expert in leading governance practices, CDEV provides value-added oversight of its subsidiary companies and facilitates government accountability while maintaining its arm's length relationship. CDEV appoints the boards of its subsidiaries to provide proper oversight, which then report up to the CDEV Board on a quarterly basis.

See Appendix A-1 for CDEV's organization chart and current listing of its directors and officers as well as committees of the CDEV Board and each subsidiary. The CDEV Board receives regular reports from the Boards and management of its key subsidiaries.



3.0

Operating Environment & Strategic Direction of CDEV

3.0 Operating Environment and Strategic Direction of CDEV

3.1 2025 Corporate Performance

CDEV delivered three major outcomes in December 2024, just before the corporation’s fiscal year 2025 started:

- The divestment of \$544 million of Air Canada shares, realizing \$44 million of profit on the sale.
- The launch of Canada Indigenous Loan Guarantee Corporation, mandated to deliver the high-priority Indigenous Loan Guarantee Program initially announced in Budget 2024.
- The execution of TMC’s refinancing of \$18 billion of debt, one of the largest refinancings in Canadian history, saving \$3.5 billion over 6 years for the benefit of Canada. We are especially proud of TMC, our most visible subsidiary, whose expansion project was completed in May 2024, nearly tripling its capacity and creating opportunities to export Canada’s oil to international markets, including Asia, which is critical amid current tensions in global trade.

CDEV continues to be focused on using its financial and commercial capabilities to support economic growth and drive fiscal efficiency in support of the Government of Canada’s priorities. Our actual performance in 2025 as compared to the objectives outlined in our 2024-2028 Corporate Plan is as follows:

2025 OBJECTIVES		2025 RESULTS
CDEV	Manage CDEV’s operations efficiently	<ul style="list-style-type: none"> ➤ Continued advancement of CDEV’s strategic direction. ➤ Leveraged technology, including AI, cloud infrastructure, CRM tool, Moody’s EDF-X, to enhance operational efficiency and decision-making. ➤ Conducted Cyber Maturity Assessment and implemented various monitoring and detection tools leading to enhanced technology security. ➤ Developed a comprehensive Human Resources plan to ensure proper capacity to deliver on emerging mandates and provide adequate oversight. ➤ Earned a Great Place To Work® certification once again this year. ➤ Increased internalization of consulting activity, which is forecasted to result in a 35%+ reduction in those costs. ➤ Began implementation of an Expected Loss Tool to reduce reliance on external consultants to monitor and build credit models across several portfolios – this will result in avoidance of future monitoring costs as our portfolios grow.
	Assist the government with other mandates (asset reviews, new subsidiaries, etc.)	<ul style="list-style-type: none"> ➤ For other active mandates, see Section 4.9 “Other mandates” for details.
As it relates to Canada Indigenous Loan Guarantee Corporation	Launch the Indigenous Loan Guarantee Program	<ul style="list-style-type: none"> ➤ Appointed inaugural Board Chair and hired staff, including CFO. ➤ Conducted search for the CEO role, other key positions and Board members. ➤ Presented at 15 conferences as either panelists or keynote speakers. ➤ Engaged with potential applicants (across all Indigenous distinctions and regions) and their partners in over 200 meetings. ➤ Established partnerships with several provincial loan guarantee agencies and identified opportunities for stacking as well as legislative and contractual mechanisms that would allow for stacking. ➤ Conducted due diligence on several loan guarantee applications. ➤ Issued first loan guarantee.

2025 OBJECTIVES		2025 RESULTS
As it relates to Canada Enterprise Emergency Funding Corporation	Launch the Large Enterprise Tariff Loan (LETL) facility through CEEFC	<ul style="list-style-type: none"> Finalized terms and conditions and necessary documentation to launch the new program, four weeks after approval by Treasury Board. First loan announced in September 2025.
	Assist CEEFC with the management of its LEEFF loan portfolio	<ul style="list-style-type: none"> Returned capital via redemption of preferred shares. Supported CEEFC regarding the restructuring of Transat debt. Provided ongoing functional support and expertise to CEEFC operations, as per the MOU.
As it relates to Trans Mountain Corporation	Oversee, monitor and provide strategic support to TMC, including preparing TMC for divestment at the appropriate time and assisting TMC in accessing the required financial resources to run effective operations	<ul style="list-style-type: none"> Continued preparatory work for IEP structuring, execution analysis, and monetization. Refined succession plan for Board.
As it relates to Canada Growth Fund	Maintain oversight of CGF	<ul style="list-style-type: none"> Appointed new Board Chair and renewed Board membership, including recommendation for the Audit Committee Chair position. Ensured proper execution of the IMA.
As it relates to Canada Hibernia Holding Corporation	Manage the working interest in Hibernia through CHHC and keep the asset ready for potential divestiture and maximize value where possible	<ul style="list-style-type: none"> Provided functional support and expertise to CHHC. Provided governance, HR, and policy support.
	Manage CDEV's NPI/INPI responsibilities.	<ul style="list-style-type: none"> See NPI updates in Section 4.9 "Other Mandates" for details.
As it relates to 16342451 Canada Inc.	Assist the subsidiary with the management of its loan portfolio.	<ul style="list-style-type: none"> Advanced funds based on project milestone completion, as per agreement. Completed appropriate due diligence. Ensured that a complex reorganization at the Telesat parent did not negatively impact Canada's interests and future warrant value.
As it relates to Canada Innovation Corporation	Support the full implementation of CIC by 2026-2027	<ul style="list-style-type: none"> Maintained accounting and operational functions.

3.2 Considerations regarding CDEV's Operating Environment

CDEV operates within a dynamic environment shaped by global economic conditions, federal policy priorities, and evolving expectations of Crown corporations. The period from 2026 to 2030 will present both challenges and opportunities for CDEV as it fulfills its mandate to manage key federal investments and provide advice and services in support of government priorities.

3.2.1 External Considerations

ECONOMIC AND FINANCIAL CONTEXT

The global and Canadian economies are expected to experience moderate but uneven growth over the planning horizon. Key macroeconomic trends, such as fluctuating interest rates, ongoing inflationary pressures, and the persistence of geopolitical uncertainty, especially as it concerns current tensions in global trade, will impact the value and performance of assets under CDEV's stewardship, including Canada Hibernia Holding Corporation (CHHC), Trans Mountain Corporation (TMC), and Canada Enterprise Emergency Funding Corporation (CEEFC).

In the case of TMC, this impact is already being felt. For decades, nearly all of Trans Mountain's crude oil was exported to the United States. Today, considering the trade tensions between Canada and the United States, the Trans Mountain pipeline, as the only Canadian-owned route to tidewater for producers in the Western Canada Sedimentary Basin, opens a new opportunity for long-term trade diversification, strengthening Canada's position on the global energy stage. Approximately 60 per cent of vessels transporting oil from Trans Mountain are now bound for Asian markets, connecting Canadian energy to growing economies and diverse opportunities. It is also the fastest and most efficient route to Pacific markets for Canadian oil, reducing transit time and costs while enabling producers to expand their customer base.

Canada's fiscal environment will continue to require prudent stewardship of Crown assets to maximize value for taxpayers and ensure that federal investments are managed responsibly. The current government set ambitious targets for spending reductions along with new investments in international trade partnerships, security and military support, energy infrastructure, and free trade and labour mobility in Canada.

Financial markets are undergoing continued transformation, with greater emphasis on transparency, risk management, and sustainable investment practices. For CDEV, these trends underscore the need to apply rigorous governance and portfolio management disciplines, particularly given the diversity of assets under its responsibility. This is particularly true of the investments made by the Canada Growth Fund (CGF), the loan portfolios managed by Canada Enterprise Emergency Funding Corporation (CEEFC), and the loan guarantees issued by Canada Indigenous Loan Guarantee Corporation (CILGC). For more details about the operating environments of the subsidiaries mentioned above, refer to their respective corporate plans.

POLICY AND GOVERNMENT PRIORITIES

CDEV operates at the intersection of federal policy and commercial considerations. With the creation of the Major Projects Office in September 2025, the Government of Canada placed a strong emphasis on nation-building projects that enhance long-term competitiveness, energy security, and environmental sustainability.

TMC, one of the most significant infrastructure undertakings in Canada, and CILGC, through its support of Indigenous equity participation in major projects, can play a critical role in this context, and CDEV will continue to ensure that it aligns its activities and the activities of its subsidiaries with these directions while preserving its operational independence and applying sound commercial judgement.

CDEV is also committed to aligning with the Minister of Finance's 2023 letter regarding the reduction of administrative expenses and the 2025 letter requesting that CDEV adheres to the spirit of the Comprehensive Expenditure Review exercise.

The government's ongoing commitment to reconciliation with Indigenous Peoples, as well as the integration of environmental, social, and governance (ESG) considerations, will continue to influence expectations for CDEV's operations. This includes managing federal investments in a way that reflects the Government of Canada's values while ensuring long-term economic sustainability.

SECTORAL AND TECHNOLOGICAL TRENDS

The sectors in which CDEV's subsidiaries and managed entities operate, including energy, infrastructure, and finance, are undergoing rapid change. The global shift toward low-carbon energy is reshaping the competitive landscape for energy-related assets, while infrastructure investments face rising costs, technological disruption, and increasing public scrutiny. CGF is a critical vehicle for supporting these trends.

Advances in digital technologies, including artificial intelligence, data analytics and cybersecurity, also present both opportunities for operational efficiency and challenges in ensuring resilience against emerging risks. CDEV takes a forward-looking approach, integrating scenario planning and risk analysis into its oversight of subsidiaries and investments. CDEV is also prioritizing the appropriate use of artificial intelligence in its operations to complement internal expertise and to seek efficiencies without compromising high-quality delivery.

RISK ENVIRONMENT

CDEV's activities are subject to financial, market, and operational risks. Volatility in commodity prices, interest rates, and foreign exchange can materially affect asset values. Policy shifts or evolving government priorities may require CDEV to adapt its role quickly. Additionally, heightened expectations for transparency, ESG performance, and stakeholder engagement require careful management of reputational risk.

CDEV will continue to strengthen its enterprise risk management framework to ensure it identifies, monitors, and mitigates risks in a manner consistent with Treasury Board Secretariat guidance and best practices in Crown corporation governance.

3.2.2 Organizational Considerations

INTERNAL OPERATING ENVIRONMENT

CDEV is operating in an environment of expanding mandates and increasing complexity. Recent years have seen heightened demand for financial advisory expertise and the establishment of new subsidiary Crown corporations, requiring a deliberate focus on scaling the workforce to meet delivery expectations. At the same time, the organization must maintain agility and responsiveness to rapidly evolving policy and market contexts. A defining feature of this environment is reliance on highly specialized skill sets, which places pressure on the Employee Value Proposition (EVP) to attract, engage, and retain top talent in a competitive labour market.

The plan forward is to be intentional in organizational design – implementing structures, processes, and technology that enable nimbleness, build capacity, and support a high-performance culture. We are aligning HR practices with the recently completed CDEV mission, vision, and values to reinforce a shared culture. Talent management processes will continue to evolve, with a focus on career development, leadership growth, and recognition programs that retain critical expertise while enabling employees to realize their professional potential.

STRATEGIC HUMAN RESOURCES ENVIRONMENT

As it delivers on a growing number of projects, CDEV faces a number of realities that must be proactively addressed. These include the need to foster Indigenous economic participation and ensure Indigenous representation within staffing; the challenge of competing with private-sector compensation; and the obligation to balance accountability, compliance, and transparency with the agility required to deliver on emerging mandates. Other key considerations include evolving hybrid work practices, succession planning for specialized leadership roles, and workforce well-being in high-demand, high-stakes advisory environments.

CDEV's Human Resources plan will therefore place emphasis on:

➤ Building an agile organization through broadband structures and flexible workforce models that allow the organization to scale rapidly without losing cohesion.

➤ Shaping a compelling employee value proposition (EVP), ensuring competitive compensation and benefits, strong learning and development pathways, and a culture grounded in purpose and impact.

➤ Embedding values in practice, so that accountability, integrity, collaboration, and innovation are reflected in everyday behaviours, recognition systems, and performance frameworks.

➤ Investing in talent management to enable professional growth, build future leaders, and mitigate risks related to skill shortages or turnover.

➤ Enhancing engagement and inclusion, with a particular focus on retention strategies, workforce diversity, and equity in opportunity.

➤ Leveraging secondment opportunities to support organizational agility, skill building, and corporate reputation through partnerships.

Taken together, these priorities ensure that CDEV not only meets its immediate staffing requirements but also builds and reinforces a resilient, engaged, and high-performing workforce aligned with its mandate. CDEV continuously evaluates government needs as new mandates arise, with the ability to scale internal, contingent and advisory capacity as required.

3.3 CDEV's Strategic Direction

In light of the above performance assessment, CDEV has been regularly asked to support on an increasing breadth and number of mandates in recent years. By the nature of the work CDEV undertakes, and as already described, its operating environment is broad and touches on any area where the government may have commercial interests. Over time, CDEV has transformed itself into a high-performing and impact-oriented organization by developing specific expertise in several areas that align with government priorities:

<p>01</p> <p>Managing government assets, including acquisition, value maximization, and divestment</p>	<p>02</p> <p>Acting as a centre of excellence for delivering strategic, financial and commercial advice to government, with a private sector lens</p>	<p>03</p> <p>Advising on and providing creative capital and funding solutions</p>	<p>04</p> <p>Enabling Indigenous economic participation</p>
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In 2025, we established Mission and Values statements for CDEV to set our North star and align and inspire the organization.

OUR MISSION

Advance economic prosperity for Canada through delivering financial and commercial expertise as the trusted advisor and active asset manager to government.

OUR VALUES

Integrity	We build trust by doing what is right, always.
Excellence	We push for the highest standards to deliver outstanding outcomes.
Accountability	We take ownership, hold each other to account, and are empowered to deliver on our commitments.
Agility	We adapt quickly, leveraging our diverse skills and capabilities to execute at the speed of business.
Collaboration	We work as one team, to achieve more together.
Growth Mindset	We stay curious, creative, and committed to continuous improvement.

OUR STRATEGIC PRIORITIES

For the 2026-2030 period, and consistent with our Mission and the strategic direction set in last year's corporate plan, the Statement of Priorities and Accountabilities, and the areas of expertise described above, CDEV will focus on the following strategic priorities:

Strategic Priority #1	Optimize government assets, leveraging best commercial and governance expertise as an active asset manager
Strategic Priority #2	Deliver specialized financial and commercial advice to government on complex economic priorities
Strategic Priority #3	Lead the advancement of Indigenous economic participation
Strategic Priority #4	Build a sustainable, agile, high-performing organization and destination for top talent at the intersection of public and private sectors

By building on its areas of expertise and leveraging its commercial expertise, CDEV will drive maximum impact for Canada by supporting economic growth and driving overall efficiencies, while adjusting to new government priorities as needed. For more details about the planned objectives and outcomes resulting from this strategic direction for the 2026-2030 period, see Appendix A-3.



4.0

Main Activities & Operating Environment of the CDEV Group of Companies

4.0 Main Activities and Operating Environment of the CDEV Group of Companies

The year 2025 began with the achievement of several major milestones: the launch of Canada Indigenous Loan Guarantee Corporation and the execution of TMC's refinancing of \$18 billion of debt, both occurring in December 2024, and the launch of the Large Enterprise Tariff Loan facility in April 2025. The subsidiaries below are listed in the order that reflects the time sensitivity of their main activities.

4.1 Canada Indigenous Loan Guarantee Corporation

Activity Summary

Launched in December 2024 as a wholly owned subsidiary of CDEV, CILGC's mission is to manage the Indigenous Loan Guarantee Program (ILGP) to unlock access to capital for Indigenous groups seeking ownership stakes in major projects and, in turn, fostering economic reconciliation, self-determination and the construction and development of major projects in Canada. Since the launch, CILGC has reached a significant number of milestones:

- **March 2025:** CILGC inaugural Board Chair Michael Bonshor was appointed.
- **March 2025:** The government announced the doubling of CILGC's envelope to \$10B and expanded scope to include major projects across all sectors of the economy (excluding gaming).
- **May 2025:** CILGC announced its first loan guarantee, covering \$400 million of a \$736-million investment by 38 First Nations in British Columbia for a 12.5% stake in Enbridge's Westcoast pipeline system.
- **July 2025:** CILGC announced the appointment of its inaugural CFO, Annie Sismanian.

CDEV has been active in supporting CILGC to advance the various elements of its operations. Key progress includes:

- **Recruitment:** Recruitment of the Chair is complete with recruitment of remaining Board members nearing completion. The search for a CEO is ongoing. The Minister of Finance has and will continue to be consulted on all senior appointments.
- **Subsidiary stand up:** CDEV is actively involved in stand-up activities on a range of fronts, including project management; policies; procedures; terms and conditions; Indigenous-specific lens; communications, information management, and IT.
- **Engagement with provincial agencies:** CDEV/CILGC is actively engaged with provincial loan guarantee programs to better identify high-potential opportunities to stack federal and provincial loan guarantees.
- **Conducting early engagement and due diligence:** CDEV/CILGC has been conducting outreach and early engagement with potential applicants and advancing due diligence on 8 projects to date.
- **Terms and Conditions:** CDEV has developed the terms and conditions of the program to inform some of the parameters of ILGP and its loan guarantees.

Planned Outcomes and Targets

CILGC will focus on five key strategic priorities to fulfill its mandate and maximize impact in its 2026 planning horizon:

- **Delivering the Indigenous Loan Guarantee Program (ILGP) at scale:** After an initial \$5 billion program was launched with a focus on natural resources and energy sectors, the Government doubled the program to \$10 billion and expanded its scope to major projects in all sectors of the economy (except gaming) in March 2025. CILGC's foremost priority is to fully operationalize this expanded program by engaging with Indigenous groups and various participants in industry to identify eligible projects and issue loan guarantees that promote Indigenous equity ownership.
- **Assumption of Responsibility for Screening for Section 35 Eligibility and Providing IADD Funding:** Starting in 2026, CILGC will take on the responsibility for two new activities that were previously led by Natural Resources Canada (NRCan): screening of Section 35 eligibility requirements and the management of a funding program dedicated to support due diligence ("IADD") by Indigenous applicants.
- **Building the foundation of the organization:** As a newly formed Crown corporation, CILGC will focus on solidifying its organizational foundations in 2026. Building on CDEV's support, CILGC will be focused on continuing to build out the organizational capability by hiring a dedicated executive team and program delivery team, ensuring robust internal representation across the organization in the long term. We will also continue to establish internal policies, systems, and accountability structures.
- **Development of outreach program with communities:** As awareness and understanding of ILGP grow, CILGC will continue its targeted outreach and communications efforts across key economic sectors and regions. By proactively engaging Indigenous groups and business leaders, CILGC will continue to build a strong pipeline of investment opportunities aligned with government priorities.
- **Rigorous Due Diligence and Risk Management:** As an agent Crown corporation issuing loan guarantees on behalf of Canada, CILGC is committed to robust reviews of applications to ILGP. In 2026, we will continue to conduct thorough financial and commercial due diligence on all prospective investments, including leveraging previous diligence conducted, where appropriate. All loan guarantee recommendations are reviewed by CILGC's senior management and its Investment Committee and approved by the CILGC Board of Directors before being submitted to the Minister. This process ensures that the projects that are recommended to the Minister are commercially viable. Maintaining prudent risk management safeguards is essential in ensuring that the CILGC builds a portfolio that is within the risk tolerances and fiscal impact that were defined by the Government.

Building on the successful announcement of the first federal loan guarantee in May 2025, CILGC's 2026 plan targets an expanded portfolio of projects that will provide revenue streams for Indigenous groups across Canada.

4.2 Trans Mountain Corporation and TMP Finance

Activity Summary

TMP Finance is the owner and financing entity for TMC.

See Appendix F for more details of TMC and its plan for the next five years. TMC owns Trans Mountain Pipeline Limited Partnership (the operator of the Trans Mountain Pipeline), Trans Mountain Pipeline ULC (the regulated entity and general partner of the pipeline), Trans Mountain Canada Inc. (the employer and service entity) and Trans Mountain Puget Inc. (which owns the US branch of the system).

Trans Mountain's Expanded System, including the original and newly constructed pipelines, began commercial operations on May 1, 2024. During the fourth quarter of 2024, the Expanded System had an average daily throughput on the mainline of approximately 721,000 bpd. For the three-month period ending March 31, 2025, 74 vessels were loaded at Westridge Marine Terminal, including 29 vessels in March marking a new monthly high for the Expanded System's operation. The annual throughput is forecast at approximately 732,000 bpd for 2025. In 2026, the TMPL system is expected to transport an annual average of approximately 782,000 bpd.

This is a pivotal moment for Trans Mountain since the Expanded System has strengthened Canada's ability to diversify its oil exports, increasing revenues and reducing reliance on a single market in the context of global trade tensions. This strategic investment is delivering on its promise, providing Canadian producers with greater access to global markets and improving the value of our energy resources.

CDEV successfully executed the refinancing of TMC's \$18 billion in third-party debt to materially lower interest costs. The transaction, completed in December 2024, is the largest Canadian bank debt refinancing transaction ever in the Canadian market and was underpinned by seamless stakeholder coordination, which ensured flawless execution. The immediate impact of this transaction is to reduce financing costs by approximately \$3.5 billion over six years.

CDEV continues to work closely with TMC and the government to drive value creation in the asset, which includes projects to increase the pipeline system's capacity and advancing the next steps of Indigenous Economic Participation in TMC through legal and financial advisory to the government.

Planned Outcomes and Targets

While Canada has indicated that it will not be a long-term owner of Trans Mountain, there are compelling reasons to retain ownership of TMC for a period in order to realize value from the optimization initiatives and resolve uncertainties that impact the company's overall valuation. These include:

01 Resolution of TMC's Canada Energy Regulator (CER) rate case

02 Establishment of Indigenous Economic Participation (IEP)

03 Demonstration of a safe and reliable operating track record

04 Completion of pipeline integrity baseline

05 Improved understanding of uncommitted volume expectations

06 Clarification of long-term supply outlook and potential pipeline competition to the west and/or south

Resolving these matters will support a more favourable monetization process for Canada. While these issues are being addressed, returning capital to Canada remains a key objective for TMC.

To enhance business value, TMC is exploring cost-effective system optimization programs. Its corporate plan includes \$45 million in funding to support the Vancouver Fraser Port Authority's marine optimization activities, which will be fully recovered from shippers. It also includes \$17 million for the decommissioning of Westridge facilities, which TMC intends to recover from abandonment funds held in trust. Additionally, its plan outlines an estimated \$104 million that would be required to advance further optimization opportunities.

Also, the Alberta Government announced on October 1st, 2025, that it is the proponent to get the Northwest Coast Oil Pipeline designation as a project of national significance. TMC Executives, management, employees and contractors may provide advisory and other related activities for this opportunity. These activities may include, among others, crude oil supply and demand analysis, assessing routing and expansion options, considering Indigenous consultation and evaluating regulatory requirements. TMC's 2026-2030 corporate plan includes funding of \$5 million, knowing that the Alberta Government is funding \$14 million for the project which will be used to reimburse participants (including TMC) that are contributing advisory and related activities. TMC is therefore expected to be reimbursed.

While the toll rate case is currently under examination with the CER and TMC is exploring cost effective system optimization programs for the pipeline system, CDEV is actively engaged and working with the government to build a successful framework for IEP in TMC.

CDEV is providing legal and financial advisory services to Canada and may also provide funding to eligible Indigenous groups for their due diligence and execution activities relating to this investment opportunity.

4.3 Canada Enterprise Emergency Funding Corporation

Activity Summary

CEEFC's original mandate was to provide financing to large Canadian companies unable to secure incremental financing in the financial markets due to the heightened credit risk environment during COVID through the Large Employer Emergency Financing Facility (LEEFF). CEEFC's mandate was expanded in March 2025 with the new authority to launch and manage the Large Enterprise Tariff Loan (LETL) facility to support large Canadian enterprises affected by actual and potential new tariffs and countermeasures and which face challenges accessing traditional sources of market financing.

Regarding LEEFF, CEEFC no longer accepts new applications since July 2022 and is now focused on managing its existing loan portfolio (See Appendix B). CEEFC has a portfolio made up of four borrowers, all Canadian airlines. CEEFC's most recent activities related to the administration of LEEFF include the full exit of its equity position in Air Canada in December 2024 and the restructuring of Transat's LEEFF debt in June 2025.

Regarding LETL, CEEFC launched the new program in April 2025 and has since then engaged with several applicants and potential applicants. In July 2025, CEEFC received instructions from the Department of Finance to review the program's terms and conditions to expand eligibility and provide lower cost financing specifically to firms in the steel industry. On September 5, 2025, the Government of Canada announced that flexibilities will be provided to the LETL facility so that terms announced to the steel industry will now apply to all industries.

The new terms and conditions of the facility are as follows:

- The minimum annual revenue requirement is reduced from \$300 million to \$150 million.
- The minimum loan size is reduced from \$60 million to \$30 million.
- The loan size, structured to support liquidity, extends from one to three years.
- The loan maturity is extended from 5 to 7 years.
- The initial interest rate is reduced.
- CEEFC has an ability to participate in equity, up to 20% of the loan value or 20% of the market cap.

On September 29, 2025, the Government of Canada announced CEEFC's first loan under the LETL facility, a \$400-million loan to Algoma Steel Inc., an integrated steel producer in Sault Ste. Marie, Ontario, employing about 2,500 workers. The Government of Ontario contributed an additional \$100 million under the same terms for a total support of \$500 million.

Given the requirements under IFRS, CEEFC's financial results are not consolidated into CDEV's and hence the attached financial schedules do not include CEEFC's.

Planned Outcomes and Targets

CEEFC's financial projections are provided in Appendix B and are not consolidated in CDEV's financial schedules.

4.4 Canada Growth Fund

Activity Summary

Significant progress has been made since the incorporation of CGF and the selection of PSP Investments as manager (acting through CGFIM) in 2023. In the past year, CGF accelerated its portfolio development and investment strategy, with a total of 15 transactions announced as of October 1st, 2025, including 5 in the first half of 2025, bringing CGF's total to over \$2.7 billion committed since inception.

CDEV continues to provide the necessary support and oversight to ensure CGF's success. To that effect, CDEV appointed Corinne Boone as CGF Board Chair in March 2025. CDEV Board Member, Sean Strickland, was also appointed as CGF director. Most notably, CDEV continues to work to secure the appointment of additional members to the CGF Board, including an Audit Committee Chair.

Planned Outcomes and Targets

CGF's financial projections are provided in Appendix C and are not consolidated in CDEV's financial schedules.

Through CGFIM, CGF remains focused on the Canadian investment ecosystem to attract private investment toward key projects, technologies, and companies that will enhance Canadian competitiveness and advance both economic and environmental outcomes. As per its statement of priorities and accountabilities mentioned above, CGF will continue to advance a portfolio aligned with Canada's economic plan, which includes: (i) accelerating efficient emission reduction projects, (ii) helping Canadian cleantech companies scale up successfully, and (iii) capitalizing on Canada's abundant natural resources and strengthening low-carbon supply chains.

See CGF's corporate plan for details about the investment manager's assumptions, operating environment, and projections.

CDEV will continue to oversee CGF activities through the CGF Board to ensure the effective application of the IMA signed with PSP Investments and overall to support CGF's success.

4.5 Canada Hibernia Holding Corporation

Activity Summary

CHHC's primary goal is to commercially manage its 8.5% and 5.67% ownership in the Hibernia Development Project and Hibernia Southern Extension (HSE) Unit, respectively, to maintain the asset in a state of readiness should Canada elect to divest.

CHHC's operating and capital budgets are funded by internally generated cash flow from operations; it does not receive public funds to operate. CHHC has no threshold leases requiring ministerial approval; accordingly, CHHC is not seeking such approval.

CHHC's primary source of income is crude oil sales revenue from its share of Hibernia oil production. Cash flow primarily fluctuates depending on Hibernia production volumes, crude oil prices, and capital expenditures. CHHC maintains an operating fund required to deliver on its mandate without further government funding, and surplus cash to the operating fund is returned to the shareholder, CDEV, by way of dividends.

Planned Outcomes and Targets

CHHC forecasts to have paid cumulative dividends of \$2.69 billion, \$375.3 million in federal Net Profits Interest (NPI), and \$803.8 million in federal income tax. Additionally, to the end of 2025, CHHC forecasts to have paid cumulative royalties of \$1.38 billion and \$509.7 million in provincial income tax to the Government of Newfoundland and Labrador, as well as various other local benefits to the province such as research and development funding.

A dividend forecast for 2025 and the Plan years 2026-2030 is as follows:

DIVIDEND DISTRIBUTION	ACTUALS 2024	FORECAST 2025	PLAN 2026	PLAN 2027	PLAN 2028	PLAN 2029	PLAN 2030
Annual dividends (\$millions)	67.0	55.0	30.0	71.0	64.0	67.0	61.0
Cumulative dividends (\$billions)	2.6	2.7	2.7	2.8	2.9	2.9	3.0

Gross daily production volumes in 2025 are forecasted to increase by 4% to 73,400 barrels of oil per day (bopd) from 70,439 bopd in 2024, due to new production from the drilling program and lower downtime which offset natural production declines from existing wells. CHHC's net share of production was relatively unchanged at 5,508 bopd in 2025 compared to 5,522 bopd in 2024, as the 2025 production growth came from the HSE Unit where CHHC has a lower working interest share.

The HSE Unit comprised 35% of total field production in 2025 compared to 23% in 2024. Sales volumes are forecast to increase by 6% to 2.09 million barrels of oil (MBO) in 2025 from 1.96 MBO in 2024, due to incremental sales from oil in inventory.

As a simplifying assumption, since lifting schedules cannot be accurately forecasted, it is assumed all oil produced in years 2026-2030 is sold in the same year it is produced.

During 2026-2030, gross daily production volumes generally increase, reflecting new wells brought onto production from a continuous drilling program during this period. Production levels in 2026 and 2030 reflect additional downtime associated with platform turnarounds in those years. During a turnaround, production is shutdown to perform major maintenance activities.

In 2026, capital expenditures are forecast to increase by 8% to \$36.4 million, due to increased project capital for Asset Life Extension activities and projects to enhance drilling and slot reclamation success, as described in CHHC's Corporate Plan (Section 8.0, Capital Expenditures).

Dividends are forecasted to decline in 2026 due to a combination of macroeconomic and Hibernia specific factors, including:

- Less favourable oil prices and exchange rates (USD/CAD), resulting in lower oil revenues,
- Less favourable interest rates, resulting in lower interest income,
- Higher Hibernia operating and transportation/transshipment expenses, due to increased maintenance associated with facility turnarounds, and
- Higher Hibernia capital expenditures, due to special projects associated with drilling and asset life extension.

As the shareholder, CDEV continues to ensure that CHHC is prepared for divestiture if directed to do so.

See Appendix E for further details in CHHC's corporate plan.

4.6 Lender to Telesat Lightspeed (16342451 Canada Inc.)

Activity Summary

CDEV developed a financing structure for a high-risk loan of \$2.14 billion from the Canada Account (via EDC) to support Telesat in its buildout of a low earth orbit (LEO) satellite constellation. This investment was publicly announced by the Prime Minister of Canada on September 13, 2024.

CDEV's role has expanded to also include funding and managing the 15-year construction and term loan to the Telesat LEO borrower, as well as holding and managing the warrant component of this complex package.

In this context, CDEV focused on the negotiation of documentation, alongside both the Department of Finance and Innovation, Science and Economic Development Canada, as well as preparatory work necessary to fund and manage the various financially and technically complex aspects of the loan to the Telesat LEO borrower, with future funding tranches tied to technical project milestones.

Planned Outcomes and Targets

CDEV incorporated a subsidiary, 16342451 Canada Inc. on September 5, 2024, to fund, manage and monitor the loan. The subsidiary's directors are comprised exclusively of members of CDEV's executive leadership team. It has no other employees, relying entirely on CDEV staff. The necessary delegations of authority are developed with Finance and ISED as well as within the CDEV subsidiary, which, among other things, allows it to flow funds from EDC's Canada Account and the CDEV subsidiary onwards to the Telesat LEO borrower.

Funds have been advanced during the first half of 2025 with further advances expected as per the latest schedule below. It is worth noting that the advance timing is dependent on the completion of the project's milestones as well as a maximum amount of cash on hand, beyond which advances are not made. The complexity of the program, along with timing variances on invoicing from vendors, can create material variances in the timing and amounts drawn at any one point. The Lightspeed project is funded based on achievement of 13 specific technical milestones, with two achieved to date and 45% of scheduled funding advanced, constituting a total of 13% of total project funding.

4.7 Canada Eldor Inc.

Activity Summary

CEI, through Cameco, the manager and licensee of the Beaverlodge mine site, continues to manage the properties for which it has been granted a license. CEI's goal has been to transfer the remaining properties to the Institutional Control (IC) program of the Government of Saskatchewan by 2025.

The timeline is largely on track. Following a public hearing held in person in Saskatoon on January 30, 2025, the Canadian Nuclear Safety Commission revoked the Beaverlodge licence, paving the way for the properties to be transferred to the IC Program.

Although there is still work to be done to get this project finalized, this milestone is critical and potentially the most difficult part to achieve.

The costs associated with transferring the Beaverlodge properties to the IC Program and determining what historical Beaverlodge data is needed for the transfer will be discussed with Saskatchewan's Ministry of Energy and Resources.

Planned Outcomes and Targets

CEI will continue to pay Cameco to finalize the process of transferring the land back to the Province of Saskatchewan and continue to administer and manage the payment of any regulatory fees and payment of the pension benefits to retired employees. With the above decision, our site restoration costs are expected to be significantly reduced in 2025 to approximately \$1.5 million in the current year, and a contingency of \$3.5 million for the entire plan period from 2026 to 2030. We are also expecting that any remaining costs past 2026 will be related to pension obligations rather than any restoration efforts. CEI is expected to have, on average, \$8 million in assets during the entire plan period to pay for all expected costs. We do not currently anticipate further material costs to occur after 2026.

CDEV's management will also be investigating the possibility of removing the pension obligations from CEI using a Structured Settlement with a life insurance company. This will significantly reduce potential future exposure to any pension asset or liability fluctuations, as well as the work required to administer the pension scheme. The pension assets today are considered more than sufficient to meet the liabilities, and as such, puts us in a good position to negotiate a favorable settlement. If one is not reached, we will continue to administer the pension until it is either wound up or a more favourable settlement can be reached at some point in the future.

4.8 Canada Innovation Corporation

Activity Summary

In December 2023, the Government of Canada announced that the full implementation of this new entity is scheduled for no later than 2026–2027. As a result, activities at the CIC have been paused and the team was dismantled.

Planned Outcomes and Targets

CDEV is on standby until further instructions are received to resume operations of the subsidiary.

4.9 Other Mandates

NPI & INPI Receipts from Hibernia Projects Owners

CDEV has direct responsibility pursuant to the Hibernia Development Project NPI and Hibernia Development Project INPI pursuant to an executed Memorandum of Understanding (MOU). The NPI arrangement provides that the government receives approximately 10% of all profits from the production of oil from the main Hibernia field (i.e., the NPI) as well as 10% of fees from Hibernia's incidental activities (i.e., the INPI), such as the Hibernia South Extension.

These arrangements were made in recognition of the substantial federal financial support for the Hibernia project in 1990 which allowed the project to proceed since the risk level was too large for commercial entities to undertake. Instead of fixed returns to capital, the owners agreed to share future economic upside, with payments dependent on oil prices, project profitability and cash constraints. It is important to note that these arrangements are distinct from Canada's equity participation in the Hibernia project through CHHC.

The INPI ceased in 2023 after its contracted twenty years since reaching a minimum oil production in 2003. Net profit is defined as specific revenue, less certain operating expenses and cash capital expenditures incurred by owners, less royalty payments.

To fulfill its responsibilities under the agreement, CDEV retained an accounting firm to audit the NPI submissions by the Hibernia owners. CDEV will retain funds from the NPI reserve at the appropriate time to ensure it has the financial resources to fund any obligations or refunds related to the cost of abandonment at the end of the Hibernia field's project life which is currently 2047. CDEV is also working with legal and other advisors to defend its interests during any existing or future arbitration procedures.

Additional Mandates

With the launch of the MPO on September 5, 2025, and the appointment of Dawn Farrell, former CEO and Board Chair of TMC, as its inaugural CEO, CDEV is committed to supporting this new office in its mission to identify projects of national interest and attract domestic and global capital to support them. CDEV itself and two of its group companies, CGF and CILGC are expected to be leveraged to provide advice and coordinate financing alongside other federal initiatives.

CDEV continues to be positioned as the entity of choice for the federal government for financial and commercial advisory in the best interest of Canada. CDEV stands ready to take on additional mandates, with the always-on goal of bringing the commercial lens needed to help the government reach its policy objectives.

Advancing **economic prosperity** for Canada through financial and commercial expertise.



5.0

Financial Section

5.0 Financial Section

5.1 Financial Overview for 2025

CDEV's Consolidated Financial Results and Projections

Note that TMC prepares its financial statements in accordance with United States Generally Accepted Accounting Principles (US GAAP) and that all TMC financial figures have been converted to International Financial Reporting Standards (IFRS) in the CDEV Consolidated Corporate Plan

Without including the financial results of CEEFC, CGF or CIC, CDEV's consolidated net loss is forecast for 2025 at \$218 million which is primarily comprised of a loss in TMP Finance of \$283 million (largely driven by interest expenses). CHHC had a slight offset against the overall losses as they generated an income of about \$56 million.

See Appendix A-2 for the pro-forma financial projections (amounts may not add due to rounding):

Schedule 1 – Consolidated Statements of Comprehensive Income

Schedule 2 – Consolidated Statements of Financial Position

Schedule 3 – Consolidated Statements of Changes in Shareholder's Equity

Schedule 4 – Consolidated Statements of Cash Flows

CEEFC, CGF, and CILGC's Financial Results and Projections

For accounting purposes, CDEV's management conducted an assessment of CEEFC, CGF, and most recently in 2025 CILGC as well as CEEFC's LETL facility, to determine if the financial results of these subsidiaries should be consolidated based on criteria outlined in IFRS 10. It concluded that there is not sufficient control, as defined under IFRS 10, by CDEV over CEEFC, CGF, or CILGC's ability to influence their economic returns. For these reasons, CDEV has not consolidated the financial information of CEEFC, CGF, or CILGC within CDEV's consolidated financial projections for this plan. The results of these entities are provided in Appendix B through Appendix D.

CEEFC will be managing its LEEFF asset portfolio as well as growing its LETL portfolio throughout the plan period.

On September 29, 2025, the Government of Canada reported CEEFC's initial loan through the LETL facility, amounting to \$400 million for Algoma Steel Inc. The Government of Ontario provided an additional \$100 million under the same terms, resulting in total amount of \$500 million.

For both facilities, any loan repayments and asset sales, resulting in surplus funds, will be returned to the government.

As indicated in CGF's corporate plan, CGFIM estimates that CGF will make approximately \$3 billion in total commitments for the year ending December 31, 2025, after committing to \$2.1 billion in 2023 and 2024. In terms of funding, CGF is expected to have received a total cumulative \$7.4 billion in net proceeds from the issuance of Preferred Shares funding from 2023 to 2025, and \$7.6 billion from 2026 to 2028, for a cumulative total of \$15 billion.

Dividends and Surplus Cash Management

After receiving CHHC dividends and NPI receipts, CDEV assesses its upcoming cash requirements. Consistent with its dividends and surplus cash management practice, CDEV retains cash levels to ensure it can continue to operate and fulfil any government mandates and fund potential contingencies. The remaining surplus cash is paid as a dividend to the government. The NPI receipts are usually paid out, net of any expected costs to administer the program (such as legal and arbitration fees), at the end of the year.

Currently, CDEV is in the process of developing a dividend policy in coordination with the Department of Finance. Progress has been made, and there is ongoing collaboration, with an anticipated implementation timeframe of late 2025 or early 2026. Approval from CDEV's Board of Directors will be required before any new material policy is adopted. The Board has been informed of the ongoing efforts but has not yet reviewed any drafts, as certain formulaic elements remain under consideration. Although this policy has not been finalized, our intent remains to return any funds exceeding projected requirements to the Government of Canada, while retaining a safety margin amount upon agreement with the Department of Finance.

5.2 Quarterly Financial Reporting

We issue quarterly financial statements, which we post in both English and French on our website (www.cdev.gc.ca) within 60 days of a quarter end. CEEFC and CGF also post their quarterly and annual financial statements in both official languages on their respective websites, www.ceefc-cfuec.ca and www.cgf-fcc.ca. For 2025 and beyond, CILGC is also expected to post its quarterly and annual financial statements in both official languages on its website, www.cilgc-cgpac.ca.

5.3 Commentary, Highlights and Key Assumptions in Financial Projections

The table below provides some key highlights of the current baseline projections. Before delving into some of the results it is worthwhile noting that some key items are still outstanding.

5.3.1 Outstanding Items

The decision surrounding the ultimate accounting for CILGC is currently thought to be PSAS and we have received unofficial assurances from the external auditors; however, an official determination has not yet been reached despite the level of confidence we have in our conclusion. Additionally, it is critical that any changes to program authorities be carefully reviewed as it could have a detrimental impact on the reporting requirements and may make the program difficult to administer. This work will be completed prior to the end of 2025.

5.3.2 Assumptions

- Given the above outstanding items, certain assumptions had to be made, and the financial projections are completed based on current reasonable assumptions and potential outcomes of ongoing discussions.
- For TMP Finance, dividends and share redemptions received from TMC are allocated to repay government loans from EDC's Canada Account. A portion of the proceeds is also placed in short-term investments and cash reserves to address risks of any potential six-month interest shortfalls from TMC.
- During the plan period, TMP Finance is expecting to pay approximately \$7.3 billion of the outstanding balance, starting in 2026.

- No sale of TMC is assumed, and economic Indigenous participation is not reflected in the 2026 Corporate Plan, as the details of the transaction remain unknown at this time to be able to model the accounting implications. There is a small \$8m capacity optimization project planned for 2026, as shown on the Capital Budget in Section 5.4 of this document.
- For 16342451 Canada, all draws are presumed to follow the most recent drawdown table. All repayments from Telesat LEO are used to repay the loan to 16342451 Canada.
- Each individual entity's cashflow is drawn down to a level that provides a margin of safety and ensures the organization (particularly CDEV) can continue to meet future mandates or unexpected expenses that it may be required to undertake.

5.3.3 Highlights and Discussion

TABLE 1

CONSOLIDATED FINANCIAL HIGHLIGHTS millions of Canadian dollars (Dec. 31)	ACTUALS 2024	PLAN 2025	FORECAST 2025	PLAN 2026	PLAN 2027	PLAN 2028	PLAN 2029	PLAN 2030
Revenue	2,152.7	3,124.0	3,124.7	3,289.9	3,467.7	3,621.0	3,710.0	3,780.9
YoY Charges			45%	5%	5%	4%	2%	2%
Income (loss) Before Tax	(291.2)	(487.5)	16.4	227.1	559.5	781.4	934.4	1,055.3
Cash and Cash Equivalents	815.5	534.5	966.0	471.2	463.8	527.6	637.1	751.5

TABLE 2

SELECTED SUBSIDIARY FINANCIAL INFORMATION millions of Canadian dollars (Dec. 31)	ACTUALS 2024	PLAN 2025	FORECAST 2025	PLAN 2026	PLAN 2027	PLAN 2028	PLAN 2029	PLAN 2030
Revenue								
TMC Transportation revenue	1,903.0	2,886.6	2,902.3	3,073.9	3,462.0	3,377.9	3,462.0	3,542.3
TMC Lease revenue	62.8	55.9	56.1	56.3	51.5	51.8	51.9	52.0
CHHC Net crude oil revenue	155.6	143.7	142.8	134.1	153.6	170.6	175.0	167.4
Net Income/(Loss) Before Tax								
TMC	(140.7)	559.1	583.0	438.9	639.9	729.7	774.6	814.8
CHHC	76.8	60.7	55.8	47.6	58.9	68.6	69.2	64.1
TMP Finance	(174.6)	(770.8)	(283.3)	(74.3)	149.5	299.6	416.7	536.2
16342451 Canada	7.4	-	(39.6)	43.5	71.9	101.6	121.4	122.8
CDEV	(98.9)	(753.8)	(7.9)	(5.9)	(12.3)	(14.6)	(15.3)	(16.0)
Cash End of Year								
TMC	490.9	181.9	136.9	46.3	50.9	78.4	72.4	71.3
CHHC	82.4	71.8	72.8	73.0	72.8	73.0	72.4	72.2
TMP Finance	3.6	201.2	439.3	36.4	1.6	32.3	59.5	75.4
16342451 Canada	-	-	-	-	-	-	84.1	206.9
CDEV	235.8	74.6	286.0	296.3	304.5	311.8	317.6	301.8
Others	3.0	0.0	1.0	1.0	0.9	0.9	0.9	0.9

5.4 Capital Budget

CAPITAL EXPENSES millions of Canadian dollars	FORECAST 2025	PLAN 2026	PLAN 2027	PLAN 2028	PLAN 2029	PLAN 2030
TMEP and PAN	526	293				
Optimization projects		8				
Decommissioning projects		17				
Sustaining capital	141	171	164	107	93	93
CDEV - Leases	3					
CHHC – Drilling program	34	36	37	42	41	40
Total	704	525	201	149	134	133

CEEFC, TMP Finance and CEI are not involved in capital intensive activities and do not require any capital funding for equipment or other acquisitions for the 2026 fiscal year. In 2023, CDEV entered one office lease in Toronto and one in Ottawa for seven years for a total commitment of \$3 million. At the end of 2025, the remaining lease liability is expected to be \$2.5 million.

Capital spending for 2025 of approximately \$130 million includes costs for completion of a contiguous fiber optic network for the pipeline system, natural hazard remediation projects, technology related projects, and projects to maintain the pipeline system in a safe and reliable operating condition.

As at March 31, 2025, the As-Built Costs and Expenses for the expansion were \$33.7 billion with \$0.6 million in spend forecast for the remainder of 2025. The 2025 spending was for the restoration of lands and rights of way post-construction, permanent road access network and other activities associated with the project's completion. The final cost of the expansion will not be known with certainty until project close out activities are complete including the settlement of any claims, however, the current forecast of \$34.3 billion continues to be in the range of expectations presented in the prior Plans of \$34.2 billion to \$34.5 billion.

With the establishment of CILGC there will be further investment in additional office space to house the staff of this new subsidiary. As we look to streamline facility usage among the various entities, facility charges relating to CILGC will be cross-charged to that subsidiary (the same is true of CEEFC). The 5-year lease term is expected to be approximately \$3 million.

CHHC self-funds its capital expenditures and has limited ability to influence the capital commitments it must make as an 8.5% owner of the Hibernia oil project. Projects are undertaken on a commercial return basis as decided by a majority of owner interests. Some of the capital expenditures are in the form of leases. The lessee is HMDC, which is not a wholly owned subsidiary of CDEV or CHHC.

We therefore do not request approval to enter these leases. Given that CHHC has no right-of-use of the leased equipment, it is not required to seek the Minister of Finance's borrowing approval. Nonetheless, we are showing these amounts in the table above for completeness. The capital expenditures for CHHC are forecast to increase marginally to \$33.8 million in 2025 from \$33.6 million in 2024 due to higher expenditures associated with the drilling program.

In 2026, capital expenditures are forecast to increase by 8% to \$36.4 million, due to increased project capital for Asset Life Extension activities and projects to enhance drilling and slot reclamation success.

During the 2027-2030 Plan period, capital expenditures fluctuate between \$37.1 million and \$41.5 million. Approximately 80%-90% of the capital budget is allocated to drilling capital with the remainder allocated to facilities and project capital including seismic, equipment upgrades, flowlines, and other projects.

CGF plans for \$3.0 billion in commitments in 2025 and 2026, \$3.5 billion in 2027, \$3.4 billion in 2028, and is proposing to commit an additional \$1.3 billion in 2029 and \$1.8 billion in 2030 derived from anticipated revenues based on a set of assumptions (see CGF 2026-2030 Corporate Plan Summary in Appendix C). The financial results of CGF are not consolidated into CDEV.

Starting May 1st, 2024, the Trans Mountain Expanded System began operation. As a result, TMC has stopped capitalizing interest costs on TMEP and has begun depreciating the asset – these changes will have a material impact on operating expenses.

5.5 Operating Budget

Please see Appendices B, C, D, E and F for details of the operating budgets of CEEFC, CGF, CILGC, CHHC and TMC respectively.

Chief Financial Officer attestation

In my capacity as Chief Financial Officer of CDEV, accountable to the Board of Directors of CDEV through the President and CEO, I have reviewed the corporate plan and budgets and the supporting information that I considered necessary, as of the date indicated below. Based on this due diligence review, I have drawn the following conclusions:

1. The nature and extent of the financial and related information is reasonably described, and assumptions having a significant bearing on the associated financial requirements have been identified and are supported with the following observations:
 - A. The CER has not made a final determination on TMC's tolls, as such we have assumed that the existing toll rate will continue, and the CER will rule favorably. Should this not be the case, the ability for TMC to provide expected cashflows could be compromised and/or the asset impaired.
 - B. TMC's ability to distribute funds to TMPF to repay loans is subject to significant variation in the potential changes above mentioned but also impacted (to a lesser extent) by the non-contracted volumes of pipeline throughput.
 - C. Significant uncertainty remains with respect to the timing and amount of loans made under CEEFC's LETL facility.
 - D. Significant uncertainty remains with respect to the timing and amount of loans made under CILGC's ILGP.
2. Significant risks having a bearing on the financial requirements, the sensitivity of the financial requirements to changes in key assumptions, and the related risk-mitigation strategies have been disclosed, with the following observations:
 - A. Significant risk remains with respect to the timing, amount, and pricing made under CEEFC's LETL facility.
 - B. Significant uncertainty and risks remain with respect to the size and financial performance of the CEEFC loans within the LEEFF and LETL facilities.
 - C. The financial projections in the attached indicate that TMC generates sufficient cash flow to address the financial requirement for the expected duration of the corporate plan.
 - D. The preferred shares issued to the government by CEEFC will not be fully redeemed in the plan period based on the financial projections of CEEFC and might not be redeemed in full due to the potential loan losses incurred by CEEFC.
3. Financial resource requirements have been disclosed and are consistent with the stated assumptions, and options to contain costs have been considered, with the following observations: This plan was prepared using best available internal estimates based on assumptions which are subject to risk as noted in point 1 and 2 above and point 4 below.
4. Funding has been identified and is sufficient to address the financial requirements for the expected duration of the corporate plan, with the following observations, including observations about future funding sources from the government:
 - A. Any potential monetization of TMC assets may affect the value of the TMC investment.
 - B. Funding for the CEEFC loans and operations is assumed to follow CEEFC's funding agreements executed with the government.
5. The corporate plan and budget(s) are compliant with relevant financial management legislation and policies, and the proper financial management authorities are in place (or are being sought as described in the corporate plan).
6. Key financial controls are in place to support the implementation of proposed activities and ongoing operation of the parent Crown corporation and its wholly owned subsidiaries.

In my opinion, the corporate plan and budgets have substantial financial and risk issues, as noted above.



Carlos Gallardo
CHIEF FINANCIAL OFFICER

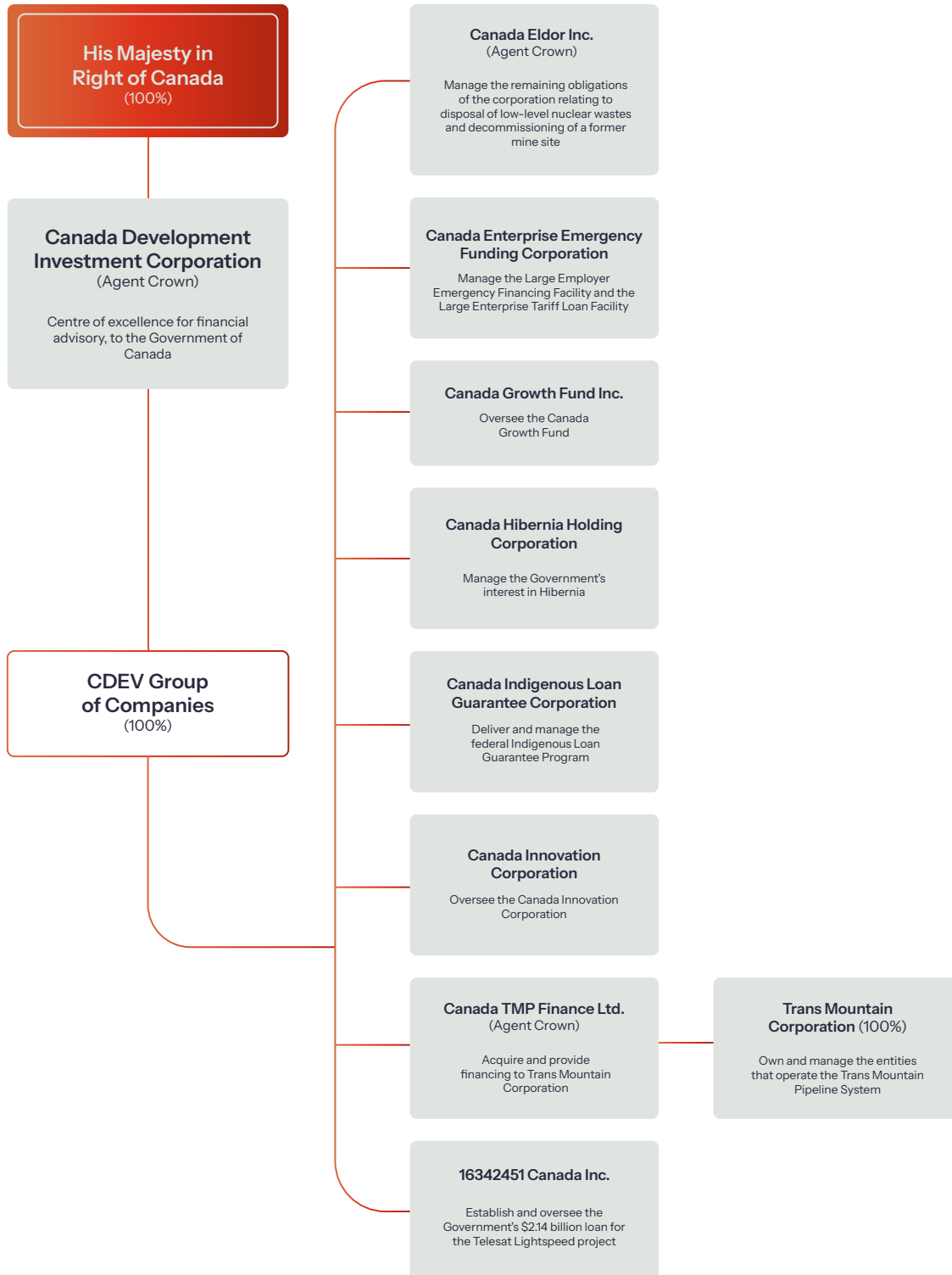
Canada Development Investment Corporation
October 3, 2025

APPENDIX A-1:

Organization Chart: Board & Management

APPENDIX A-1: Organization Chart: Board & Management

Canada Development Investment Corporation



Board of Directors



Dwight Ball ⁽³⁾

CHAIR OF THE CDEV BOARD

Deer Lake, Newfoundland and Labrador



Jennifer Reynolds, MBA ⁽³⁾

DIRECTOR

Toronto, Ontario



Alicia Damley, CFA, CPA, CA ^{(1) (2)}

DIRECTOR

Mississauga, Ontario



Sandra Rosch, MBA ^{(1) (2)}

DIRECTOR

Toronto, Ontario



Sean Strickland, BA ^{(1) (2) (3)}

DIRECTOR

Waterloo, Ontario



Elizabeth Wademan, CFA, ICD.D

DIRECTOR

Toronto, Ontario

(1) Audit Committee chaired by A. Damley

(2) Nominating and Governance Committee chaired by S. Rosch

(3) Human Resources Committee chaired by J. Reynolds

NAME OF DIRECTOR	ORIGINAL DATE OF APPOINTMENT	END OF TERM
Dwight Ball (Chair)	November 5, 2025	November 4, 2029
Jennifer Reynolds	July 1, 2015	June 30, 2026
Sandra Rosch	July 1, 2015	June 30, 2026
Sean Strickland	December 16, 2022	December 15, 2026
Alicia Damley	December 15, 2023	December 14, 2027

DIRECTOR MEMBERSHIPS OF CDEV, ITS SUBSIDIARIES AND ITS COMMITTEES

Members	CDEV				Canada Eldor	CEEFC		CGF	CHHC		CHHC Oil Ltd.	CILGC	CIC	TMP Finance	16342451 Canada Inc.
	Board of Directors	Audit Committee	Human Resources and Compensation Committee	Nominating and Governance Committee	Board of Directors	Board of Directors	Audit Committee	Board of Directors	Board of Directors	Audit Committee	Board of Directors	Board of Directors	Board of Directors	Board of Directors	Board of Directors
Sandra Rosch	x	x		Chair		Chair	x								
Jennifer Reynolds	Lead		Chair			x			x	x					
Alicia Damley	x	Chair		x				x ¹	x	Chair					
Sean Strickland	x	x	x	x				x	x						
Dwight Ball	x		x						Chair	x		x			
Elizabeth Wademan	x							x				x			
Jim McArdle						x									
Nathalie Bernier						x	Chair								
Barry Pollock						x	x								
Carlos Gallardo					x								x	x	x
Anita Tonn									x		x				
Bruno Lemay						x									
Michael Bonshor												Chair			
Corinne Boone								Chair							
Tess Lofsky					x										x
Gerry Goobie											x				
Russ Wenman														x	
Sebastien Labelle														x	

¹ Observer

Members	Trans Mountain Corporation			
	Board of Directors	Audit and Finance Committee	Environmental, Health, Safety, and Sustainability Committee	Human Resources, Compensation, Nominating and Governance Committee
Patricia Koval	Interim Chair	x	x	Chair
Harold Calla	x	Chair		
Carol Anne Hilton	x		x	
Mark Maki	x			
Stanley Marshall	x		x	
Chris Forbes (Ex-Officio - DM Finance)	x	x		
Sandra Stash	x		Chair	x
Elizabeth Wademan	x			x
Sippy Chhina	x	x		
Corey Bieber	x	x	x	

From the Board Committee Charters, we note the following:

STATEMENT OF PURPOSE – CDEV AUDIT COMMITTEE

The purpose of the Audit Committee of the Board of Directors (the “Audit Committee”) of the Company is to assist the Board of Directors in fulfilling its oversight responsibilities in relation to the integrity of the Company’s financial statements, the Company’s compliance with all applicable legal and regulatory requirements, the qualifications, independence and performance of the Company’s external auditor(s), the Company’s internal controls, the Company’s standards of integrity and behaviour, and to perform the additional duties set out in its Charter or otherwise delegated to the Audit Committee by the Board of Directors.

STATEMENT OF PURPOSE – CDEV NOMINATING AND GOVERNANCE COMMITTEE

The purpose of the Nominating and Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of the Company is to assist the Board by (a) recommending governance policy, guidelines and procedures, making recommendations to facilitate the Board’s effectiveness, (b) recommending the composition and structure of the committees of the Board and of the boards of directors of the Company’s subsidiaries, and (c) performing additional duties set out in its Charter or otherwise delegated to the Committee by the Board. The Committee shall provide assistance to the Boards of Directors of subsidiaries of the Company on similar matters if requested by such boards.

STATEMENT OF PURPOSE – CDEV HUMAN RESOURCES AND COMPENSATION COMMITTEE

The purpose of the Human Resources and Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of the Company is to assist the Board by (a) advising with respect to the succession of the President and Chief Executive Officer and senior management, (b) advising with respect to the human resources and compensation strategy, policies and practices of the Company, and (c) performing the additional duties set out in its Charter or otherwise delegated to the Committee by the Board. The Committee shall provide assistance to the Boards of Directors of subsidiaries of the Company on similar matters if requested by such boards.

MEETINGS

There are four main CDEV Board meetings during the year when directors meet for Board and committee meetings of CDEV and CHHC. CDEV also holds three Board meetings to approve quarterly financial statements. Other meetings may be held on an ad hoc basis as required. Attendance at meetings is extremely high with only handful of absences due to alternate commitments. TMC holds separate Board meetings and has three committees: Audit and Finance; Environmental, Health, Safety, and Sustainability; and Human Resources, Compensation, Nominating and Governance. The directors of TMC are elected for one-year terms but there is no limit on their re-election. CEEFC holds Board meetings in support of CDEV’s meeting schedule and also holds ad hoc meetings to discuss issues related to its portfolio.









RISK MANAGEMENT

Each of the Boards of CDEV and its subsidiaries is responsible for enterprise risk management. On an annual basis, and as required based on a change in risks, management reports to each Board on the risks of each company and any mitigating actions taken to reduce risk impacts. The CDEV Board receives risk report summaries for each subsidiary.

SUBSIDIARY BOARD COMPOSITION

The CHHC Board is composed exclusively of CDEV directors. TMP Finance and CEI are composed exclusively of CDEV management. The chair is appointed by the respective boards. The directors of TMC are appointed by the CDEV Board. The directors of TMC are appointed by the CDEV Board upon recommendation of the TMC board in consultation with the government. The CEEFC Board is made up of two CDEV directors, three independent directors, and the CEEFC President and CEO. The CGF Board is currently made up of one independent director, one CDEV director, and the President and CEO of CDEV; Alicia Damley serves as an Advisor to the CGF Board. Two new Chairs were appointed in March 2025: Corinne Boone to the CGF Board on March 1st, 2025, and Michael Bonshor to the CILGC Board on March 10th, 2025.

CDEV EXECUTIVE TEAM

 <p>Elizabeth Wademan President and Chief Executive Officer</p>	 <p>Tess Lofsky Executive Vice President, General Counsel and Corporate Secretary</p>
 <p>Russ Wenman Executive Vice President & Head of Execution and Advisory</p>	 <p>Andrew Akers Chief Administrative Officer</p>
 <p>Carlos Gallardo Chief Financial Officer</p>	 <p>Thomas Chanzy Vice President & Head of Communications and Public Affairs</p>
 <p>Sébastien Labelle Vice President</p>	 <p>Louise Youdale Vice President, People and Culture</p>

APPENDIX A-2:

Consolidated Pro-forma Financial Statements

APPENDIX A-2:

CDEV Consolidated Pro-forma Financial Statements

SCHEDULE 1

STATEMENT OF PROFIT OR LOSS \$ millions (Dec 31)	ACTUALS 2024	PLAN 2025	FORECAST 2025	PLAN 2026	PLAN 2027	PLAN 2028	PLAN 2029	PLAN 2030
Revenue	2,152.7	3,124.0	3,124.7	3,289.9	3,467.7	3,621.0	3,710.0	3,780.9
Transportation revenue	1,903.0	2,886.6	2,902.3	3,073.9	3,241.4	3,377.9	3,462.0	3,542.3
Net crude oil revenue	169.4	177.6	155.0	142.1	164.0	182.1	186.9	177.4
Lease revenue	62.8	55.9	56.1	56.3	51.5	51.8	51.9	52.0
Other revenue	17.6	3.9	11.3	17.7	10.8	9.3	9.2	9.2
Expenses	1,225.1	1,733.0	1,674.3	2,090.3	2,004.8	2,034.7	2,063.5	2,087.0
Depletion and depreciation	626.2	892.2	886.2	1,140.0	1,158.6	1,161.2	1,166.8	1,171.2
Pipeline operating expenses	322.2	388.7	371.7	388.4	374.8	381.4	388.8	396.1
Crude oil operating, transportation and marketing	28.5	29.4	28.4	34.2	29.6	29.2	29.8	34.7
Salaries and benefits	177.2	191.4	212.7	223.5	231.1	240.0	249.6	259.2
Professional fees	25.2	58.4	8.0	8.5	8.4	8.4	8.8	8.8
Loss on derecognition	34.8	-	-	-	-	-	-	-
Other expenses	11.2	172.9	167.5	295.8	202.3	214.6	219.6	217.0
Finance expenses	1,218.8	1,878.5	1,434.0	972.6	903.4	804.9	712.2	638.6
Interest expense	1,232.8	1,885.5	1,414.0	1,115.8	1,105.0	1,052.4	982.7	899.1
Interest income	(35.1)	(18.5)	11.9	(151.1)	(211.4)	(257.6)	(281.0)	(271.2)
Unwind of discounts	21.0	11.6	8.2	7.9	9.8	10.1	10.4	10.7
Net income (loss) before income taxes	(291.2)	(487.5)	16.4	227.1	559.5	781.4	934.4	1,055.3
Income taxes:	(18.1)	210.3	234.1	163.1	236.1	269.5	285.6	293.2
Current	34.7	31.3	30.3	20.3	27.9	32.1	33.5	28.0
Deferred	(52.7)	179.0	203.8	142.8	208.2	237.4	252.0	265.1
Net income (loss)	(273.2)	(697.7)	(217.7)	63.9	323.4	511.8	648.8	762.1
Other comprehensive income (loss):	33.5	0.5	-	-	-	-	-	-
Currency translation adjustment	25.0	-	-	-	-	-	-	-
Remeasurement of defined benefit obligations	8.5	0.5	-	-	-	-	-	-
Comprehensive income (loss)	(239.6)	(697.2)	(217.7)	63.9	323.4	511.8	648.8	762.1

SCHEDULE 2

STATEMENT OF FINANCIAL POSITION \$ millions (Dec 31)	ACTUALS 2024	PLAN 2025	FORECAST 2025	PLAN 2026	PLAN 2027	PLAN 2028	PLAN 2029	PLAN 2030
Assets								
Currents assets:	1,278.0	936.2	1,747.6	1,396.6	1,381.9	1,457.1	1,573.7	1,694.7
Cash and cash equivalents	815.5	534.5	966.0	471.2	463.8	527.6	637.1	751.5
Short-term investments	147.9	105.9	398.0	518.0	518.0	518.0	518.0	518.0
Trade and other receivables	191.7	265.4	261.0	284.8	277.5	289.0	296.0	302.7
Other current assets	122.9	30.4	122.6	122.6	122.6	122.6	122.6	122.5
Non current assets:	36,221.1	36,022.1	36,407.8	36,548.8	36,202.1	35,393.3	34,350.9	33,029.0
Property, plant and equipment	35,247.9	35,415.4	35,028.2	34,412.4	33,453.5	32,440.2	31,406.0	30,371.7
Investments held for future obligations	168.8	179.1	181.5	186.2	191.0	195.9	200.9	206.0
Restricted cash	11.6	15.5	11.6	11.6	11.6	11.6	11.6	11.6
Restricted investments	128.4	158.9	155.4	183.1	211.4	240.3	270.0	300.3
Other assets	664.4	253.3	1,031.1	1,755.6	2,334.7	2,505.3	2,462.5	2,139.5
Total Assets	37,499.1	36,958.3	38,155.3	37,945.4	37,584.1	36,850.4	35,924.6	34,723.7
Liabilities and Shareholder's Equity								
Current liabilities	922.3	503.4	495.4	270.1	201.2	193.2	191.7	193.8
Trade and other payables	641.6	389.8	329.6	159.9	90.7	82.8	81.9	83.5
Current portion of lease liabilities	10.7	0.6	1.2	1.2	1.2	1.2	0.8	1.2
Income tax payable	3.2	-	3.0	3.0	2.8	2.6	2.3	2.2
Other current liabilities	266.8	113.0	161.6	106.0	106.5	106.6	106.7	106.9
Non-current liabilities	37,410.7	38,336.4	38,743.9	38,729.2	38,159.7	36,977.8	35,463.4	33,576.4
Loans payable to third parties	35,627.4	36,612.8	36,630.8	36,366.7	35,562.6	34,199.4	32,508.2	30,423.0
Deferred income taxes	646.0	821.4	836.8	979.7	1,187.9	1,425.3	1,677.3	1,942.5
Provision for decommissioning obligation	497.2	656.7	466.7	476.2	486.0	496.0	506.4	517.2
Lease liabilities	66.2	-	22.9	18.7	14.5	10.7	6.8	7.7
Defined benefit obligation	61.0	58.2	61.0	61.0	61.0	61.0	61.0	61.0
Other non-current liabilities	512.9	187.3	725.8	827.0	847.8	785.4	703.7	625.1
Shareholder's equity	(833.9)	(1,881.5)	(1,084.0)	(1,053.9)	(776.8)	(320.6)	269.4	953.5
Contributed surplus	603.3	603.3	603.3	603.3	603.3	603.3	603.3	603.3
NPI reserve	182.5	28.3	317.1	324.9	334.8	345.0	354.3	344.3
Accumulated deficit	(1,684.2)	(2,545.1)	(2,068.8)	(2,046.5)	(1,779.3)	(1,333.3)	(752.6)	(58.5)
Accumulated other comprehensive income	64.4	32.0	64.4	64.4	64.4	64.4	64.4	64.4
Total Liabilities and Shareholder's Equity	37,499.1	36,958.3	38,155.3	37,945.4	37,584.1	36,850.4	35,924.6	34,723.7

SCHEDULE 3

STATEMENT OF CHANGES IN EQUITY \$ millions (Dec 31)	ACTUALS 2024	PLAN 2025	FORECAST 2025	PLAN 2026	PLAN 2027	PLAN 2028	PLAN 2029	PLAN 2030
Share Capital								
Balance, beginning and end of year	-	-	-	-	-	-	-	-
Contributed Surplus								
Balance, beginning and end of year	603.3	603.3	603.3	603.3	603.3	603.3	603.3	603.3
NPI Reserve								
NPI Balance, beginning of year	27.7	28.3	182.5	317.1	324.9	334.8	345.1	354.3
NPI received	154.8	178.6	134.5	161.8	208.0	223.0	215.0	(10.0)
Dividends paid	-	(178.6)	-	(154.0)	(198.1)	(212.8)	(205.7)	-
Balance, end of year	182.5	28.3	317.1	324.9	334.8	345.1	354.3	344.3
Accumulated deficit								
Balance, beginning of year	(1,411.0)	(1,838.2)	(1,684.0)	(2,068.8)	(2,046.5)	(1,779.3)	(1,333.3)	(752.6)
Net income (loss)	(273.2)	(696.9)	(217.7)	63.9	323.4	511.8	648.8	762.1
Dividends	-	(10.0)	(167.0)	(41.7)	(56.2)	(65.9)	(68.1)	(68.0)
Balance, end of year	(1,684.2)	(2,545.1)	(2,068.8)	(2,046.5)	(1,779.3)	(1,333.3)	(752.6)	(58.5)
Accumulated other comprehensive income								
AOCI Balance, beginning of year	30.9	31.4	64.4	64.4	64.4	64.4	64.4	64.4
Other comprehensive income (loss)	33.5	0.5	-	-	-	-	-	-
Balance, end of year	64.4	32.0	64.4	64.4	64.4	64.4	64.4	64.4
Total shareholder's equity	(833.9)	(1,881.5)	(1,084.0)	(1,053.9)	(776.8)	(320.5)	269.4	953.6

SCHEDULE 4

STATEMENT OF CASH FLOW \$ millions (Dec 31)	ACTUALS 2024	PLAN 2025	FORECAST 2025	PLAN 2026	PLAN 2027	PLAN 2028	PLAN 2029	PLAN 2030
Cash provided by (used in):								
Operating activities:	1,112.9	1,157.6	1,949.8	2,127.3	2,706.3	2,879.2	3,011.7	3,105.4
Net income (loss)	(273.2)	(697.2)	(217.7)	63.9	323.4	511.8	648.8	762.1
Adjustments for:								
Depletion and depreciation	626.2	892.2	886.2	1,140.0	1,158.6	1,161.2	1,166.8	1,171.2
Loss on derecognition	11.2	-	-	-	-	-	-	-
Loss (gain) on warrants	(7.4)	-	(43.9)	-	-	-	-	-
Income tax expense	(18.1)	31.3	234.1	163.1	236.1	269.5	285.6	293.2
Interest income	(35.1)	(10.8)	42.7	(112.1)	(177.4)	(225.6)	(248.0)	(235.3)
Non-capitalized unpaid interest	552.0	1,353.7	-	-	-	-	-	-
Finance Interest	-	-	9.4	33.2	50.4	60.3	61.9	56.7
Unwind of discount on provisions	21.0	12.6	9.3	9.5	9.8	10.1	10.4	10.7
Net change in defined benefits	4.5	(0.0)	-	-	-	-	-	-
Lease interest expense	-	-	0.1	0.2	0.1	0.1	0.1	0.2
Change in provision for site restoration	0.2	-	-	-	-	-	-	-
Deferred income taxes	-	179.0	-	-	-	-	-	-
Interest on CRF (abandonment)	-	-	(7.9)	(6.1)	(5.7)	(5.8)	(5.9)	(6.0)
Payment of lease liabilities	(19.1)	(3.1)	(4.7)	(5.0)	(5.1)	(5.1)	(5.2)	(5.2)
Decommissioning activities incurred	(4.4)	-	-	-	-	-	-	-
Interest received	34.3	10.8	8.6	6.8	6.4	6.5	107.5	143.1
Provisions settled	(1.4)	(2.0)	(2.1)	-	-	-	-	-
Income taxes paid	(28.1)	(29.6)	(30.6)	(20.3)	(28.1)	(32.3)	(33.8)	(28.1)
Change in non-cash working capital	250.1	(579.1)	1,066.2	854.0	1,137.6	1,128.3	1,023.5	943.0
Financing activities:	2,103.8	(10.0)	(881.2)	(1,944.4)	(2,479.8)	(2,632.9)	(2,734.0)	(2,823.3)
Proceeds from 3rd party loan issuance	20,028.0	-	682.4	737.2	631.9	88.5	-	-
Repayment of debt	(18,065.0)	-	(300.0)	(837.6)	(1,379.4)	(1,561.9)	(1,678.1)	(1,773.8)
Interest paid	-	-	(548.7)	(1,073.0)	(1,054.1)	(1,015.4)	(997.1)	(971.5)
Issuance of debt	-	-	(682.4)	(737.2)	(631.9)	(88.5)	-	-
Debt issuance costs	(14.7)	-	-	-	-	-	-	-
Dividends paid	-	(10.0)	(167.0)	(41.7)	(56.2)	(65.9)	(68.1)	(68.0)
NPI Received	162.0	178.6	134.5	161.8	208.0	223.0	215.0	(10.0)
NPI Dividend	-	(178.6)	-	(154.0)	(198.1)	(212.8)	(205.7)	-
NPI refund paid	(6.5)	-	0.0	-	-	-	-	-

Investing activities:	(2,729.9)	(746.5)	(918.2)	(677.7)	(233.9)	(182.5)	(168.2)	(167.7)
Withdrawal from CRF	-	-	-	-	-	-	-	0.1
Purchase of property, plant and equipment	(2,626.6)	(712.1)	(628.8)	(525.5)	(201.0)	(148.8)	(133.8)	(132.6)
Insurance proceeds	34.8	-	-	-	-	-	-	-
Purchase of short term investments	(237.7)	-	(360.9)	(120.0)	-	-	-	-
Purchase of restricted investment	(21.9)	(27.0)	(27.0)	(27.7)	(28.3)	(29.0)	(29.6)	(30.3)
Sale of short term investments	154.4	-	110.8	-	-	-	-	-
Other changes	(32.9)	(7.4)	(12.2)	(4.5)	(4.6)	(4.7)	(4.8)	(4.9)
Incidence des fluctuations de change sur la trésorerie	7.4	-	-	-	-	-	-	-
Increase (decrease) in cash & cash equivalents	494.2	396.9	150.4	(494.7)	(7.5)	63.8	109.5	114.4
Cash and cash equivalents, beginning of year	321.3	137.6	815.5	966.0	471.2	463.8	527.6	637.1
Cash and cash equivalents, end of year	815.5	534.5	966.0	471.2	463.8	527.6	637.1	751.5

APPENDIX A-3:

Corporate Objectives for 2026 & Beyond

APPENDIX A-3: Corporate Objectives for 2026 & Beyond

The corporate objectives are aligned to CDEV's strategic priorities as described in Section 3.3

STRATEGIC PRIORITY #1:

Optimize government assets, leveraging best commercial and governance expertise as an active asset manager

Objective	Short-term outcomes (FY2026)	Medium-Term outcomes (FY2027-30)
Provide TMC oversight and advisory services	<ul style="list-style-type: none"> ➤ Service a minimum of \$1.1B in TMPF interest annually ➤ Continuously improve reporting, analytics and oversight to ensure adherence to plan ➤ Monitor and support growth capital projects ➤ Prepare for tolls settlement 	<ul style="list-style-type: none"> ➤ Provide financing to allow TMC to operate and support future capital projects ➤ Ensure TMC is prepared for possible divestiture / monetization (driven by Government policy decisions) ➤ If required, divest TMC on optimal commercial terms given market conditions ➤ Begin to pay down TMPF loan principal
Provide CHHC oversight and advisory services	<ul style="list-style-type: none"> ➤ Maximize return on investment as a shareholder of HMDC ➤ Provide meaningful and consistent dividends to Canada ➤ Lead strategic review of CHHC to identify opportunities to reduce costs and improve efficiency 	<ul style="list-style-type: none"> ➤ Continue to oversee CHHC to maximize return on investment ➤ Implement findings of strategic review ➤ Ensure CHHC is prepared for divestiture if required
Provide CEEFC oversight and advisory services and support the administration of the LEEFF and LETL programs	<ul style="list-style-type: none"> ➤ Ensure administration by CEEFC of LEEFF and LETL facilities, including engagement with applicants and issuance of loans, management of repayments and adjustments, and collection of interest as required ➤ Maximize recovery of loans under both programs 	<ul style="list-style-type: none"> ➤ Continue to manage portfolio of LETL and LEEFF loans per mandate, maintaining effective governance and oversight
Provide CGF oversight	<ul style="list-style-type: none"> ➤ Ensure that CGF and its investment manager CGFIM act in accordance with the Investment Management Agreement and Statement of Investment Principles 	<ul style="list-style-type: none"> ➤ Continue to govern CGF and ensure investments are issued per mandate
Oversee 16342451 Canada and manage Telesat LEO loan	<ul style="list-style-type: none"> ➤ Successfully manage loan, including validation of project milestones, enabling Telesat to progress construction of the Telesat Lightspeed project ➤ Continuously monitor financial and project status to mitigate negative implications to loan repayment or collateral value 	<ul style="list-style-type: none"> ➤ Continue to manage loan, enabling Telesat to complete and operate the Lightspeed project and ensure value to Canada is safeguarded ➤ Begin collection of debt repayment from Telesat and repay Canada account loan ➤ Mitigate lender's risks associated with loan terms and conditions, while allowing Telesat the ability to enhance the overall project benefits and base business case
Provide CEI oversight and manage remaining properties	<ul style="list-style-type: none"> ➤ Transfer 27 remaining Beaverlodge Properties to IC by 2026 	<ul style="list-style-type: none"> ➤ Continue to manage pension obligations or remove via structured settlement
Optimize and enhance overall CDEV Portfolio oversight and governance	<ul style="list-style-type: none"> ➤ Recommend appropriate board composition and oversight for all subsidiaries ➤ Ensure subsidiaries take ownership of and appropriately scale teams and capabilities to operate effectively ➤ Regularly review subset of subsidiary companies with a view to value enhancement opportunities and optimize oversight and governance of operations 	<ul style="list-style-type: none"> ➤ Continue to review subsidiary companies on a regular basis ➤ Standardize a programmatic approach to Group of Companies oversight, reviews and reporting

Note: for CILGC subsidiary, see Strategic Priority #3

STRATEGIC PRIORITY #2:

Deliver specialized financial and commercial advice to government on complex economic priorities

Objective	Short-term outcomes (FY2026)	Medium-Term outcomes (FY2027-30)
Create value as the centre of excellence for financial advisory and commercial advice	<ul style="list-style-type: none"> ➤ Execute additional mandate and project assignments, providing strategic advisory, financial and commercial expertise to the government as required with success measured by stakeholder feedback and demand ➤ Play a central role in commercial optimization, government monetization activity in coordination with Finance, and support package negotiations with key companies and sectors of the economy ➤ Realize advisory cost savings by leveraging internal expertise ➤ Fully implement cost recovery and fee for service ➤ Progress towards an efficient source of funding through legislation or other means ➤ Provide advisory support to the Major Projects Office ➤ Further develop Crown asset knowledge base to support strategic reviews 	<ul style="list-style-type: none"> ➤ Continue to develop capacity to provide requisite financial and commercial advisory services
Manage NPI on behalf of the government	<ul style="list-style-type: none"> ➤ Safeguard ROI for Province of Newfoundland and Labrador ➤ Defend province's interests in arbitration hearing 	<ul style="list-style-type: none"> ➤ Continue to manage NPI

STRATEGIC PRIORITY #3:

Lead the advancement of Indigenous economic participation

Objective	Short-term outcomes (FY2026)	Medium-Term outcomes (FY2027-30)
Scale up and operate CILGC	<ul style="list-style-type: none"> ➤ Complete scale up and operationalization of CILGC as a stand-alone entity 	<ul style="list-style-type: none"> ➤ Ensure CILGC manages ILGP portfolio per mandate and monitor and support deployment targets, maintaining effective governance and oversight
Manage Indigenous economic participation in TMC	<ul style="list-style-type: none"> ➤ If directed by government in 2026, work to allow for Indigenous ownership or other participation in TMC 	<ul style="list-style-type: none"> ➤ Continue work on Indigenous ownership (as required)
Act as the leader in Indigenous economic participation and reconciliation	<ul style="list-style-type: none"> ➤ Leverage experience in structuring Indigenous economic participation to play a greater role in comparable access to capital initiatives 	<ul style="list-style-type: none"> ➤ Continue to leverage experience to act as a leader in the advancement of Indigenous economic participation

STRATEGIC PRIORITY #4:

Build a sustainable, agile, high-performing organization and destination for top talent at the intersection of public and private sectors

Objective	Short-term outcomes (FY2026)	Medium-Term outcomes (FY2027-30)
Build an agile and sustainable operating model	<ul style="list-style-type: none"> ➤ Undertake organizational assessment and design ➤ Implement structures, processes and technology that enable nimbleness, scalability, and efficiency while reinforcing accountability and collaboration 	<ul style="list-style-type: none"> ➤ Conduct formative assessment and refinement of processes and technology to enable nimbleness, scalability and efficiency
Achieve talent management excellence	<ul style="list-style-type: none"> ➤ Introduce and evolve processes that support professional growth, leadership development, and high performance (i.e. targeted recruitment and succession planning, development of a career development framework, secondments in/out, 360 feedback and training for leaders) 	<ul style="list-style-type: none"> ➤ Develop self-assessment tools and training modules to support career development and leadership excellence
Reinforce a values-driven culture	<ul style="list-style-type: none"> ➤ Embed mission, vision, and values into HR practices to reinforce integrity, excellence, shared accountability, collaboration and a growth mindset 	<ul style="list-style-type: none"> ➤ Design and implement culture shaping initiatives
Sustain workforce engagement and inclusion	<ul style="list-style-type: none"> ➤ Advance strategies to build a diverse, inclusive workforce with a particular emphasis on Indigenous recruitment and retention, as well as overall employee well-being and engagement 	<ul style="list-style-type: none"> ➤ Evaluate and continue to implement diversity, engagement and inclusion strategies
Deliver on CDEV’s strategic direction	<ul style="list-style-type: none"> ➤ Execute against CDEV’s new statement of priorities and accountabilities ➤ Secure approval of 2026 Corporate Plan and agree upon dividend policy with the Department of Finance 	<ul style="list-style-type: none"> ➤ Continue to review and refresh strategic direction in alignment with government priorities ➤ Continue to successfully fulfil CDEV’s mandate

APPENDIX A-4:

Government Priorities & Compliance with Legislative and Policy Requirements

APPENDIX A-4:

Government Priorities & Compliance With Legislative and Policy Requirements

Expenditure & Efficiency Efforts to Align to the Comprehensive Expenditure Review

Expenditure Reduction Summary Budget 2023 announced government-wide spending reductions in planned administrative expenses and more recently, the Comprehensive Expenditure Review (CER) letter issued by the Minister, which tasked CDEV to align and implement measures that reduce administration, travel and professional services costs.

To achieve cost savings, CDEV conducted a comprehensive review of priorities, resources, and reallocation opportunities, despite the large increase in new mandates. CDEV has a unique structure and operating model given its involvement in managing, standing up, and overseeing numerous and diverse subsidiaries and programs. As a result, CDEV management worked closely with the Department of Finance in determining the level of costs involved across various areas to obtain greater visibility to our cost drivers, including costs that should not be directly borne by CDEV parent. For those costs that are part of Shared Services, CDEV will be obtaining reimbursement from other entities. This is particularly important for those entities that have their own funding and do not consolidate, such as CEEFC and CILGC, otherwise CDEV would be incurring costs that belong to a separately funded program.

Additionally, a regular reporting cadence to the Board and management on Professional Fees has been implemented across all active subsidiaries to ensure the judicious use of consultants and other professionals to provide greater visibility and oversight of those expenses at the subsidiary level. At the same time, many of our deals include cost-recovery for external consultants whenever possible and we have been successful in implementing these in the majority of cases, resulting in a net reduction in consulting fees borne by CDEV.

Environmental, Social and Governance “ESG” Reporting

ENVIRONMENT

As a federal Crown corporation whose mandate includes managing critical assets for the Government of Canada, CDEV recognizes that the way that it approaches climate change factors has a direct link to its success as it supports Canada’s commitment to transition to the low-carbon economy while delivering sustainable growth and prosperity for all Canadians. In July 2023, CDEV released its inaugural climate-related disclosure report, based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), for CDEV and its Group of Companies. CDEV released its third TCFD report in July 2025.

Through these annual reports, CDEV shares its strategy, progress, and ambition in addressing climate-related risks and opportunities—both at the corporate level and within its subsidiaries. As part of this work, CDEV conducted a qualitative climate scenario analysis to identify, assess, and prioritize its climate-related risks and opportunities. CDEV is also committed to conducting a refreshed climate change materiality assessment in the spirit of continuously improving the integration of climate change in its business model.

CDEV is also part of the Crown Corporation Greening Community of Practices and the Crown Corporations Working Group on sustainability and climate-related risks and disclosures to better collaborate and share good practices among peer Crown corporations to align with the Greening Government Strategy.

As noted in CDEV’s TCFD report, climate-related financial disclosures as reported by CDEV mostly cover CDEV itself, CEEFC and CHHC. It does not cover 16342451 Canada Inc. and Canada Indigenous Loan Guarantee Corporation as these two most recent subsidiaries have not yet had a full year of operations.

Trans Mountain Corporation (TMC) and Canada Growth Fund (CGF) produce their own comprehensive climate-related reporting.

Regarding CGF, CDEV takes pride in having established this unique \$15-billion arm's length public investment vehicle that helps attract private capital in building Canada's clean economy and that has already announced a series of significant transactions to that end. As reported in CGF's 2024 Annual Report, CGF investments have supported over 1,100 jobs and 315 patents at portfolio companies, as well as crowded-in nearly one billion dollars of private funding towards Canadian projects and companies. Additionally, these investments are anticipated to avoid up to 15.9 million tCO₂e emissions by 2030.

CEEFC's approach to GHG emissions quantification considers the unique nature of our business.

As part of the terms and conditions of LEEFF loans, LEEFF borrowers are required to publish an annual climate-related financial disclosure report, highlighting how corporate governance, strategies, policies, and practices will help manage climate-related risks and opportunities, and contribute to achieving Canada's commitments under the Paris Agreement and goal of net zero by 2050. By requiring this TCFD disclosure for borrowers with a non-voucher LEEFF loan (Transat and Porter Airlines), CEEFC is able to track the climate performance of those borrowers. CEEFC is also able to track the climate performance of voucher-only borrowers (Air Canada and Sunwing) through their public reporting. For more details, please consult CDEV's latest TCFD report.

Regarding CHHC, it is tracking its direct GHG emissions as well as its proportionate share of the Hibernia platform GHG emissions. CHHC has been working with Hibernia owners to identify, support and advance GHG reduction initiatives at Hibernia as well as its ESG approach at large. CHHC has adopted the principles of the TCFD framework to develop reporting of climate change risks, opportunities, and measurements of its GHG emissions, and its disclosures are included in CDEV's TCFD report.

SOCIAL

Accessibility

CDEV and its Group of Companies have approved and publicly posted plans to make their operations accessible to employees and to the public. CDEV has retained the service of a professional firm to assist with validation and reporting. CDEV released its second progress report in December 2024 and will refresh its accessibility plan before the end of 2025, as required.

Diversity, Equity, and Inclusion

CDEV engages in proactive employment practices notwithstanding its small team. There is strong gender diversity within its Board of Directors with 67% female representation (4/6) and Executive Leadership Team with 38% female representation (3/8), including its President and CEO.

CDEV has invested in professionalizing and modernizing the way human resources are managed, including the recruitment of an in-house human resources leader, knowledge management and professional growth through Lunch & Learn sessions, and increased awareness of diversity and inclusion issues and opportunities.

CDEV is focused on advancing Indigenous reconciliation, and all staff have been formally marking key dates, such as National Indigenous Peoples Day (June 21), International Day of the World's Indigenous Peoples (August 9) and National Day for Truth and Reconciliation (September 30), raising our collective awareness of Indigenous issues. In 2024, all staff participated in an Indigenous training session hosted by a professional trainer, who is a Hereditary Chief of a First Nation in the Pacific Northwest Coast.

CDEV will continue to build a diverse and inclusive work environment as we believe that the diversity of backgrounds, skills, experiences, and perspectives of our workforce is key to CDEV's success and its ability to attract and retain top talent. CDEV is particularly proud of having earned the Great Place To Work™ certification, which is the global authority on workplace culture and employee experience and is the sole official recognition earned by the real-time feedback of employees regarding company culture.

CDEV's subsidiaries have similar processes, and details can be found in their respective corporate plans. In the case of TMC, more information is available in its ESG report.

In 2025, CDEV continued to work with its subsidiaries to ensure that its business operates in accordance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act, where relevant, with CHHC releasing its second report on the matter in May 2025.

Anti-Harassment

CDEV is committed to a healthy, harassment-free, and violence-free environment for all of its employees and has developed a company-wide policy intended to prevent and respond to workplace harassment and violence of any type and effectively address any incident that might occur.

Transparency and Open Government

Effective communication between CDEV and the public is conducted through various publications, such as the board-approved Corporate Plan, Corporate Plan Summary, interim financial reports, the Annual Report, and the Climate-related Financial Disclosure report, as well as through the corporate website, LinkedIn, and an annual public meeting.

Additional disclosures include reports on special examinations and audits, executive and director travel and hospitality expenses and Access to Information Act inquiries. CDEV responds to public and media requests in a timely manner and also completes numerous surveys as part of its obligations as a Crown corporation, such as the annual survey on Official Languages, the annual report on the operation of the Canadian Multiculturalism Act, and the annual survey of Environmental Goods and Services.

Buy Canadian Policy

CDEV takes note of the government's new Buy Canadian policy. While the government is still developing details about the implementation of this policy, which should be fully in effect by Spring 2026. CDEV is committed to reviewing new obligations under this policy and assessing appropriate implementation in respect of our mandate. These obligations include prioritizing Canadian suppliers, applying new local content requirements, and restricting procurement access for companies from non-reciprocating countries.

GOVERNANCE

By the nature of its mandate, CDEV has always had a strong focus on governance which is led by an independent Board of Directors, as well as independent boards at the subsidiary level. As noted in Appendix A-1, the CDEV Board supervises and oversees the conduct of the business and affairs of CDEV, while exercising independent judgement to strengthen management and accountability.

The CDEV Board has an effective working relationship with CDEV's management. The allocation of responsibilities between the Board and management is reviewed on a regular basis. A Board of Directors' Charter has been adopted which denotes roles and responsibilities, primarily in terms of Board stewardship. The Board reviews and approves the policies of the Corporation.

Compliance

In addition to complying with the FAA through its reporting and operating processes, CDEV has procedures to ensure compliance with all relevant laws. The most relevant compliance matters for CDEV, including TMC, were as follows.

IT PROCESSES AND SECURITY

CDEV retains a third-party service provider to manage its IT infrastructure and requirements including hardware and software procurement, functionality, maintenance, as well as file server and email system management. The service provider manages CDEV's computer systems and ensures antivirus, security patching and managed detection and response tools are monitored and updated as required. New security measures are installed as they become available, and users are required to update to the latest version of software to avoid any security vulnerabilities that could potentially be exploited.

The corporate network is protected by active and monitored password policies implemented and controlled centrally on all corporate computers. Microsoft Office 365 services allow for real time back up of the SharePoint file management system, Outlook email system, and the corporate virtual servers.

All backups are stored in a secure cloud location that can

only be accessed by a privileged user. Office 365 Platform is protected by user multifactor authentication process (MFA) that requires users to verify their sign-in request before any of their details can be accessed.

CDEV is committed to continuously improving its day-to-day internal and external working efficiencies, including rigorous cost/benefit analysis of key spend categories, optimization of travel, and use of advisors. In addition to the recent implementation of the online HR management system that improved the IT processes within the HR area, CDEV enhanced internal security infrastructure and IT incident reporting and monitoring, further strengthening the security posture of the organization.

The organization also continuously looks to enhance and harden its technological environment to counter the ever-increasing risk of cybercrime. To this end there have been several tools and network assessments that have been conducted to ensure the resilience and security of the platform. These reviews have included end-user behaviour and awareness as these tend to be vulnerable and often-exploited entry points. CDEV is actively addressing any identified recommendations received from the consultants.

A major upgrade over the past year was completed with the full migration of CDEV's server structure to the cloud, which reduces server costs and drives working efficiency and more collaborative work through use of SharePoint. This modernization also increased the security of CDEV's IT environment as there are no physical servers that could be tampered with, as all the information is saved on Microsoft's servers and stored on the cloud.

CDEV continues to conduct analysis of technology platforms and to identify opportunities to streamline or automate processes in certain operational areas, such as IT and Finance, which includes bill coding, expense processing and the use of Artificial Intelligence (AI). Recently, CDEV introduced select low-risk AI tools with the aim of assisting users in their workflow.

CDEV provides the required IT services to its subsidiaries CILGC, CEEFC, TMP Finance and CEI, and has established an IT policy with user guidelines that govern its IT environment. The policy is provided to all employees to ensure compliance and is revisited every 3 years.

PAY EQUITY ACT AND ACCESSIBILITY ACT

At TMC pay decisions are based on job performance, review of internal equity and a market analysis of employee salaries in similar jobs. We are assessing gaps with the Pay Equity Act and working with external consultants to determine next steps including developing a pay equity plan and developing a pay equity committee. We will file statements and update our pay equity plan in accordance with the Pay Equity Act.

Other CDEV subsidiaries monitor the legislation and will adhere to all regulations relevant to their size.

ACCESS TO INFORMATION ACT

CDEV has an experienced individual who works as a part-time Access to Information and Privacy (“ATIP”) coordinator and who is supported by a part-time ATIP Analyst. Training sessions and sessions with other ATIP offices are attended. We also retain the services of a professional with extensive ATIP expertise to provide strategic and other advice regarding complex requests to ensure that CDEV remains in compliance with the act. TMC has also retained an employee to manage ATIP requests and reporting requirements. This is a resource intensive corporate function. Between April 1st, 2024, and March 31st, 2025, 10,931 pages were reviewed and processed for the purpose of responding to ATIP requests, which represents a 41% increase compared with the same period the year before (7,750 pages between April 1st, 2023, and March 31st, 2024). As requests increase, we will resource accordingly. Given the commercial nature of TMC’s and CEEFC’s businesses, it is difficult to release many documents without extensive redactions.

CONFLICT OF INTERESTS ACT

CDEV (including CHHC, CEEFC, TMP Finance and CEI) have a code of conduct for their employees and directors.

TMC developed a new code that is relevant to its size and operation. These codes encompass compliance with conflict-of-interest conditions which reflect the Act.

OFFICIAL LANGUAGES ACT

All CDEV and TMC public posting of information is made in both official languages. TMC has also updated its processes to ensure improved access to information in French on its website and elsewhere.

CDEV’s switchboard can receive messages in French, and we have staff that can respond and converse in French as appropriate. Given its growing size, CDEV is committed to conducting an audit to ensure the full application of the Official Languages Act, not only through its external communications but in its internal operations.

DIRECTIVE ON TRAVEL HOSPITALITY, CONFERENCE AND EVENT EXPENDITURES

CDEV’s Travel Policy is in compliance. Its small size allows a few key individuals to observe continued diligence. In line with the ATIP legislation, expenses are posted monthly.

OTHER REQUIREMENTS

Senior CHHC management participate in regular meetings with the operator of Hibernia, the C-NLOPB regulator, other JV owners and industry participants. This allows CHHC to be aware of changes in compliance requirements.

Cameco, which has large organizational support, is able to monitor relevant requirements to remain in compliance with laws and the requirements of the regulator CNSC.

TMC is a regulated pipeline operator and is required by the Canada Energy Regulator to be in compliance in many matters. TMC has several individuals dedicated to CER compliance issues. See the TMC Plan for more details.

CEEFC receives private information from LEEFF borrowers and has discussed the required measures to ensure it is in compliance with the Privacy Act.

CDEV’s legal counsel has extensive expertise in Crown and private enterprise compliance requirements. As well, our General Counsel and Corporate Secretary and CFO attend Crown corporation working peer groups where compliance issues and upcoming issues are discussed with suggested implementation.

The CDEV Board has the opportunity at regular Board and Committee meetings to observe and probe senior management on its compliance with laws. Annual certification for senior management is provided on compliance matters.

APPENDIX B:

CEEFC 2026-2030 CORPORATE PLAN SUMMARY

Canada Enterprise Emergency Funding Corporation

A wholly-owned subsidiary of Canada Development Investment Corporation, a federal Crown corporation.

2026–2030 CORPORATE PLAN SUMMARY

and

2026 CAPITAL BUDGET SUMMARY

October 2025

CEEFC CORPORATE PLAN SUMMARY
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1.0 EXECUTIVE SUMMARY AND CORPORATE PROFILE

Canada Enterprise Emergency Funding Corporation (CEEFC), a wholly owned subsidiary of Canada Development Investment Corporation (CDEV), was incorporated in May of 2020 to implement the Large Employer Emergency Financing Facility (LEEFF) mandated by the Government of Canada (“the Government”). In 2025, CEEFC received an expanded mandate to implement the Large Enterprise Tariff Loan (LETL) facility.

CEEFC’s primary activities since its incorporation in 2020 have been the negotiation and issuance of loans to applicants and the administration of those loans once issued. LEEFF and LETL loans are made based on prescribed terms documented in term sheets authorized by the Minister of Finance. In 2026, CEEFC expects its primary focus to be the negotiation and issuance of new LETL loans, and the administration, monitoring and restructuring of remaining LEEFF loans and new LETL loans.

In 2021, CEEFC’s mandate expanded to include LEEFF loans to airlines for reimbursement of cancelled flights (voucher loans) and LEEFF loans to large airlines under a specialized term sheet.

In July 2022, the Minister directed CEEFC to no longer accept or process new LEEFF loan applications.

In March 2025, CEEFC’s mandate expanded to include the LETL facility, a \$10-billion program, to provide support to companies impacted by actual and potential tariffs and countermeasures that as a consequence are facing challenges in accessing traditional sources of market financing.

In July 2025, the Government announced the terms of LETL would be revised to enable CEEFC to provide targeted support to the steel industry. On September 5, 2025, the Government announced that flexibilities would be provided to the LETL facility so that terms announced to the steel industry would now apply to all industries.

CEEFC has made seven LEEFF liquidity loans, four voucher loans, and one “large airline” loan, with total commitments of \$7.6 billion. A total of \$3.1 billion was drawn on these loans, with \$4.5 billion in commitments expiring. As at June 30, 2025, \$0.8 billion in loans have been repaid, \$0.7 billion have been provisioned, and \$4.5 billion in loan commitments have been cancelled or expired. At June 30, 2025, CEEFC holds \$1.7 billion in loans outstanding.

Following a restructuring that culminated July 10, 2025, \$0.9 billion in loans have been repaid, \$0.4 billion have been written down, \$0.2 billion have been provisioned, \$0.02 billion has been converted to equity, and \$4.5 billion in loan commitments have been cancelled or expired.

To date, one LETL loan was approved and announced in September 2025: a \$400-million loan to an integrated steel producer in Ontario, employing about 2,500 workers. CEEFC continues to review applications.

The financial projections provided in this plan assume no further LEEFF loan agreements are signed, other than an additional \$40M loan to an existing borrower, and existing LEEFF loans are repaid by 2035, with assumptions for loan losses depending on the characteristics of the loans. Given the recent and ongoing restructuring of the airline portfolio, further loan losses are limited to maturity assumptions beyond Q3 for the balance of the portfolio. The assumptions on size, timing and financial results in this document are only for planning purposes.

2.0 MANDATE AND BUSINESS OVERVIEW

2.1 Mandate

CEEFC is a federal non-agent Crown corporation, incorporated in May 2020 and wholly owned by its parent, CDEV. CEEFC is responsible for administering LEEFF and LETL.

The objectives of LEEFF are to help protect Canadian jobs, help Canadian businesses weather the economic downturn brought on by the COVID-19 pandemic, and avoid bankruptcies of otherwise viable firms where possible. Pursuant to a directive issued to CEEFC on May 10, 2020 (order in council P.C. 2020-307, or “the Directive”), LEEFF loans are made in accordance with terms and conditions approved by the Minister of Finance.

The objectives of LETL are to help protect Canadian jobs, business operations, and investment activities in the face of actual and potential tariffs and countermeasures. This will be accomplished by providing otherwise viable large Canadian businesses, with access to short-term liquidity until they can return to more traditional market financing. Pursuant to a directive issued to CEEFC on March 23, 2025 (order in council P.C. 2025-0455) LETL loans are made in accordance with the terms and conditions approved by the Minister of Finance.

Until recently, the focus of the CEEFC board and management team was to evaluate loan applications in accordance with the LEEFF terms and conditions approved by the Minister and to administer loans issued. The focus has now shifted to evaluation of LETL applications and negotiation of loan terms and conditions.

Terms under LEEFF and LETL can be periodically amended or supplemented by the Minister. Initial terms of LEEFF loans were provided by the Minister to CEEFC in May 2020. In April 2021, the Minister authorized two new sets of LEEFF terms applicable to borrowers that are air carriers. In February 2022, the Minister authorized amendments to CEEFC’s loan agreements with mid-sized air carriers to mitigate the effects of the Omicron COVID-19 wave at that time. Initial terms of LETL loans were provided by the

Minister to CEEFC in April 2025. In July 2025, the Minister authorized broader terms for the steel sector. In September 2025, these terms were extended to all sectors.

In July 2022, the Minister directed that CEEFC accept no new applications to LEEFF after July 29, 2022. This decision was publicly announced on July 29. CEEFC's overarching objective is to manage LEEFF and LETL. With the closing of LEEFF to new applications, CEEFC is focused on LETL with respect to new applications and loans and on LEEFF with respect to administration.

The approval of loans under the LEEFF May 2020 term sheet was based on an assessment of the eligibility and the need for liquidity of the applicant. If an applicant was able to meet the eligibility requirements and the prescribed terms, the applicant qualified for a LEEFF loan, provided that the loan formed part of projections indicating a return to financial stability.

The approval of loans under the LETL term sheet will be based on an assessment of the eligibility and the need for 36 months of liquidity of the applicant. Should an applicant meet the eligibility requirements and the prescribed terms, an applicant will qualify for a LETL loan.

The LETL facility was revised September 5, 2025, and includes revisions to the term sheet which is under development. It includes a number of modifications:

Area	LETL 1.0	LETL 2.0
Revenue	~C\$300m in annual revenue from CAD operations	~C\$150m in annual revenue from CAD operations
Loan size	Minimum \$60m	Minimum \$30m
Loan facility	25% secured / 75% unsecured	25% secured / 75% unsecured
Loan term (unsecured)	Five years	Seven years
Liquidity period	12-months	36-months
Interest rate	3M CORRA + 400bps for one year, increasing by 200bps annually	3M CORRA + 200bps for two years, increasing by 200bps annually capped at +10%
Interest features	PIK option for two years	PIK option for two years
Availability	Quarterly for 12 months	Interval Agreed by Lender for 36 months
Equity	No	Yes, capped at 20% of value of the Loans and 19.9% of shares O/S and issued at a 10% discount to the market price
Taxpayer Protection	Private Co: Fees of 6.25% of Unsecured advances earned at issuance and 6.25% if still outstanding after 2 years, both due on maturity Or Public Co: Warrants of 18.75% of Unsecured Loan Facility, vest in line with Unsecured draws, expire if repaid in 12 months	Private Co: Fees of 6.67% Or Public Co: Warrants of 20% of Unsecured Loan Facility, expire if repaid in 36 months
Use of Proceeds	Normal course operating costs and business obligations	Normal course operating costs and business obligations and capex associated with 36-month cash flow forecast
Domestic Sales and Supplies	n/a	The Borrower commits to making commercially reasonable efforts to increase sales to Canadian markets

CEEFC is currently working through several active applications to LETL and expects more to follow.

Adjusted from the 2025-2029 Corporate Plan Amendment in March 2025, the budgetary envelope dedicated to the new LETL facility is \$10 billion.

2.2 Business Overview

Historically, CEEFC has been responsible for receiving LEEFF applications, assessing the requests against the eligibility criteria and terms approved by the Minister of Finance, negotiating and entering into transactions in accordance with such terms, and funding these transactions. After loans are funded, CEEFC is responsible for the administration of those loans and the management of any related equity instruments obtained.

As stated above, CEEFC is now responsible for administering LETL. With the September 5 modifications, LETL is expected to generate increased demand. CEEFC is currently working through several active applications and expects more to follow.

CEEFC has executed funding agreements with His Majesty in Right of Canada as represented by the Minister of Finance that outline how CEEFC is capitalized. CEEFC is funded through the issuance of preferred shares to the Government.

2.3 Loan Application and Approval Process

Applications to LEEFF opened on May 20, 2020, and are now closed.

As of July 29, 2022, by direction of the Minister of Finance, CEEFC no longer accepts new LEEFF applications. As there are no outstanding active applications, CEEFC does not expect to process or approve any further LEEFF applications unless further direction to that effect is received from the Minister. One can refer to previous corporate plans to learn more about the application and approval process for a LEEFF loan.

Applications to LETL opened on April 15, 2025, under the original LETL terms and conditions approved by the Minister of Finance.

The revised LETL term sheet includes the follow high-level terms:

Facility Amount	Amount required to fund 36 months of negative cash flow, including transition plans to return to financial stability (minimum \$30 million)
Type of Facility	Two loan facilities: Unsecured - 75%, and Secured - 25%
Interest	Secured: To mirror terms of existing secured lenders Unsecured: 3-month CORRA plus 2% for two years, inflating by 2% per year thereafter up to a maximum spread of 10%
PIK	Borrower right to pay in kind ("PIK") for two years
Availability	Secured and Unsecured drawn together in proportion to facility size. Available for drawdown over the course of 36 months from loan agreement execution.
Maturity / Term	7 years
Use of Proceeds	Must be in line with approved business plan. Other restrictions on the use of proceeds, in particular restrictions on the repayment of other debt, dividends and share re-purchases

Information	Climate reporting obligations
Taxpayer Protection	Private Companies: 6.67% issuance fee due on maturity. 6.67% fee for staying outstanding beyond 3 years due on maturity Public Companies: Warrants granted with an aggregate exercise price (using a 5-day VWAP prior to announcement) of 20% of total principal of the Unsecured facility
Equity Investment	Total advance amount may be used to purchase equity in the applicant, up to 19.9% of outstanding voting common shares, issued at a 10% discount to 5-day VWAP prior to announcement

High Level LETL Loan Terms

			Secured	Unsecured
Minimum Revenue	(\$000)	\$150,000	25.0%	75.0%
Minimum Size	(\$000)	\$30,000		6.67%
Term	(yrs)	7.0		
Liquidity Support	(months)	36.0		
Equity Investment Size	(% Market Cap)	≤19.9%		
Equity Investment Size	(% Principal)	≤20.0%		
Type of Facility				
Fees (% Unsecured)				
Aggregate Exercise Price of Warrants (%)				20%
Unsecured)				
Initial Interest Rate		Match Secured Facility		3-month CORRA +2.0%
Fixed Spread Term		Match Secured Facility		2 Years
Annual Rate Escalation		Match Secured Facility		2.0%
Max Spread		Match Secured Facility		10.0%
PIK Option				24 Months

2.4 Loan Administration

With the closing of LEEFF to new applications, CEEFC administers existing LEEFF loans – both ordinary course loan management and dealing with defaults and special situations presented by borrowers, if any.

CEEFC intends to leverage its existing policies for the administration of the LEEFF and LETL facilities.

2.5 Equity Holdings

In December 2024, CEEFC fully divested its Air Canada common shares for proceeds of \$544 million.

CEEFC holds 13M borrower warrants which were obtained as part of Transat's LEEFF loan. These may be exercised at maturity or at an earlier date, divested at an appropriate time, or called by the borrower. As of August 14, CEEFC also holds 3.7M Preferred Shares.

In the context of the expanded LETL facility, CEEFC may hold equity in both private or public companies.

3.0 CORPORATE GOVERNANCE AND OPERATING ENVIRONMENT

CEEFC's board of directors consists of two directors of CDEV, three independent directors of CEEFC, and the President and CEO of CEEFC. The President was appointed as the President and CEO of CEEFC in May 2024. The CFO was appointed as the Chief Financial Officer of CEEFC in July 2025.

CEEFC shares staff, office space, and administrative resources with its parent, CDEV. A services agreement was agreed between CDEV and CEEFC outlining the services that CDEV shall provide to CEEFC to help it implement and administer LEEFF and LETL.

A Memorandum of Understanding was developed between CDEV and CEEFC outlining the responsibilities of each party to help ensure that CEEFC can provide the appropriate level of governance and reporting to allow CDEV to meet its obligations as a parent Crown corporation.

An Organization Chart is provided in Appendix A-1.

3.1 Cash Management and Dividend Policy

As LEEFF loans are repaid, CEEFC may accumulate surplus cash. CEEFC intends to retain sufficient funds to meet its expected obligations, with an additional cushion to allow for further funding of existing LEEFF borrowers if needed (e.g., in a restructuring). Funds above this amount will be returned to the government through the redemption of preferred shares. When CEEFC holds excess funds allowing the return of capital of \$100 million or more, redemptions will be made once per year. In 2024 CEEFC redeemed preferred shares for \$873 million. CEEFC does not expect to declare or pay any dividend during the plan period.

Preferred shares Class B will be issued to fund LETL obligation as they arise.

4.0 CORPORATE PERFORMANCE

CEEFC's actual performance in 2025 as compared to the objectives outlined in the 2025-2029 Corporate Plan is as follows:

2025 Objectives	2025 Results
Consider requests for consents or amendments from LEEFF borrowers and execute where appropriate.	CEEFC received numerous requests for consents and amendments in 2025. All requests were given due consideration and where appropriate, consents and amendments were given.
Monitor loans and deal with borrower defaults if any occur.	CEEFC continuously monitors its loans under its loan monitoring process. CEEFC monitors for events that may increase the risk of default.
Contain costs at a reasonable level given level of activity of the corporation.	CEEFC has enacted cost-containment measures for 2025, bringing in-house certain loan monitoring work that was previously performed by external consultants. Excluding provision for credit loss, costs in 2025 are above 2024 and below the 2025 plan. The YoY increase has been driven primarily by advisor activity.
Prepare the company to handle restructuring needs of borrowers should that become necessary.	In 2025, CEEFC hired restructuring advisors to prepare and manage a restructuring. A dedicated CFO was hired in 2025 to provide resources to restructure existing and outstanding debt.
Address restructuring and refinancing requests and needs of borrowers as appropriate.	A borrower was restructured in July 2025.
Evaluate the status of loans on a regular basis.	In 2025, CEEFC followed its framework to assess the status of the loans in its portfolio. Reviews were performed and summaries are provided to the CEEFC board of directors at least quarterly. In Q3 a borrower successfully restructured, resulting in an increased face

	value of the loan vs the previously-reduced carrying value on the balance sheet. No gain or loss was recognized as a result of the transaction.
Enforce compliance with legal and policy requirements of LEEFF loans where appropriate.	All LEEFF loans have been compliant in 2025. No enforcement actions were needed.
Manage equity instruments, including divestiture where appropriate.	As part of the LEEFF debt restructuring, CEEFC obtained preferred shares.
Return excess capital to the Government of Canada through the redemption of preferred shares.	In 2024, CEEFC returned \$873 million via redemption of Class A preferred shares. CEEFC does not expect to redeem additional shares in 2025.
Exercise rights associated with equity instruments as appropriate.	N/A
Satisfy climate reporting requirements in accordance with adopted TCFD framework.	CEEFC's climate disclosures were incorporated within CDEV's 2024 Climate Disclosure report which was released in July 2025. All companies were in compliance with reporting and disclosure requirements.
Manage surplus cash within short-term investment policy.	Cash balances were kept in accordance with CEEFC's cash management policy and invested in accordance with CEEFC's short-term investment policy.

Current estimates are that CEEFC's portfolio will consist of \$2.3 billion in loans and \$24 million in equity and equity instruments at the end of 2025.

5.0 CEEFC - OBJECTIVES AND STRATEGIES FOR THE PERIOD 2026 TO 2030

CEEFC's overarching objective is to manage LEEFF and LETL. With the closing of LEEFF to new applications, CEEFC is focused on LETL with respect to new applications and loans and on LEEFF with respect to administration and renegotiation.

CEEFC seeks to ensure the prudent and responsible monitoring and administration of its loans in keeping with its stated approach (see 2.3 and 2.4 above). Objectives include:

- Consider applications for new loans from LETL borrowers and execute if eligible and diligence is satisfied;

- Consider requests for consents or amendments from LEEFF borrowers and execute where appropriate;
- Monitor loans and deal with borrower defaults if any occur;
- Contain costs at a reasonable level given level of activity of the corporation;
- Prepare the company to handle restructuring needs of borrowers should that become necessary;
- Address restructuring and refinancing requests and needs of borrowers as appropriate;
- Evaluate the status of loans on a regular basis;
- Enforce compliance with legal and policy requirements of LEEFF loans where appropriate;
- Manage equity instruments, including divestiture where appropriate;
- Return excess capital to the Government of Canada through the redemption of preferred shares;
- Exercise rights associated with equity instruments as appropriate;
- Satisfy climate reporting requirements in accordance with adopted TCFD framework;
- Manage surplus cash within short-term investment policy; and
- Fund LETL facility through the issuance of preferred shares.

Risks and risk mitigation summary

CEEFC has developed a risk assessment and reporting framework used for managing risks and board reporting. In the context of this framework, CEEFC identified one primary risk that warrants the greatest attention given its impact on the company. Other risks continue to be evaluated and mitigated.

The primary and dominant risk faced by CEEFC is Portfolio Credit Risk, which is the risk to CEEFC of significant portfolio losses resulting from weak borrower credit profiles, general credit deterioration and CEEFC's unsecured collateral position.

CEEFC continuously monitors its portfolio and engages regularly with borrowers. CEEFC has undertaken planning and preparation for dealing with defaults and restructuring scenarios. Advisors are in place and high-level action plans have been reviewed with the CEEFC board.

6.0 FINANCIAL SECTION

6.1 Financial Overview for 2025

As at June 30, 2025, CEEFC holds \$1.7 billion in loans outstanding, and has no undrawn loan commitments. In 2025, \$42.6 million in loan principal was repaid by June 2025, in addition to the \$18 million repaid in 2024.

Of the loans outstanding, \$247 million are regular LEEFF loans (secured and unsecured) issued under the May 2020 Term Sheet, as amended. \$1.5 billion are voucher reimbursement loans with 7-year terms maturing in 2028.

CEEFC holds warrants. Those warrants, including unvested warrants, were valued at \$13 million at June 30, 2025. CEEFC holds 3,691,591 Preferred Shares which it acquired in the context of the July 2025 LEEFF debt restructuring transaction.

For CEEFC's operations in 2025, forecast operating costs are estimated at \$2.7 million. Forecast interest and fee revenues are estimated at \$106 million. Total loans outstanding in 2025 by December 31, 2025, are estimated to be \$2.3 billion.

Outstanding at December 31, 2025		
<i>LETL</i>	<i>LEEFF</i>	<i>Total</i>
\$598,058	\$1,712,363	\$2,310,420

Revenue booked under Public Sector Accounting Standards (PSAS) will vary from billed interest and fees due to effective interest rate method (EIRM) accounting which factors in all loan fees and interest through the life of the loan and recognizes all revenue over the life of the loan. In the attached schedules, the expected cash interest and fees are calculated using the EIRM and the expected loan losses are recognized at the expected time of impairment and write-off.

See Appendix A-2 for the pro forma financial projections (December year-end):

- Schedule 1 - Statements of Financial Position
- Schedule 2 - Statements of Cash Flows
- Schedule 3 - Statements of Operations
- Schedule 4 - Statement of Remeasurement Gains and Losses

Key assumptions for the above schedules are outlined below in Section 6.3.

6.2 Financial and other reporting

In 2021, CEEFC's parent CDEV undertook an analysis to determine if CDEV controlled CEEFC under IFRS 10 criteria for accounting purposes and concluded that it does not. CEEFC then determined that it will prepare its financial statements under PSAS.

Since 2022, in accordance with Public Sector Accounting Standard PS3450, CEEFC fair values financial instruments. The resulting gain or loss is recognized in the Statement of Remeasurements Gains and Losses for each period in CEEFC's financial statements.

6.3 Commentary, Highlights and Key Assumptions in Financial Projections

The financial projections attached assume that no further LEEFF loans will be issued, such that the financials are driven by the existing loan portfolio.

Assumptions made regarding loan losses are difficult to estimate due to the unpredictable nature of economic conditions, market dynamics, and individual company actions. For LEEFF, the estimate for loan losses is reflective of the CEEFC Management Team's expectations of future performance of individual loans. For LETL, the estimate for loan losses is reflective of performance of a portfolio of loans made to borrowers in financial distress that were unable to obtain financing in commercial markets. The actual financial performance of the loan portfolio will vary significantly based on the financial performance of the borrowers and general economic and financial market performance.

Since inception, CEEFC granted loans to seven borrowers with total commitments made of \$7.6 billion. A total of \$3.1 billion has been drawn on these loans, including \$0.855 billion that has been repaid.

Repayments totalling \$42.5 million were made on one LEEFF loan in 2025 (as at June 30, 2025). All voucher loan facilities are now closed, and no further funds may be drawn. At June 30, 2025, CEEFC does not have any undrawn commitments.

6.4 Capital Budget

CEEFC is not a capital-intensive business. Currently it has no plans for major capital investments or commitments.

Chief Financial Officer attestation

In my capacity as Chief Financial Officer of CEEFF, accountable to the Board of Directors of CEEFC through the Chief Executive Officer, I have reviewed the corporate plan and budgets and the supporting information that I considered necessary, as of the date indicated below.

Based on this due diligence review, I make the following conclusions:

1. The nature and extent of the financial and related information is reasonably described, and assumptions having a significant bearing on the associated financial requirements have been identified and are supported with the following observations:
 - Assumptions around the loan portfolio size and composition are subject to significant variation due to refinancing requests from borrowers, their credit situations, and the expected timing of loan repayments.
 - Assumptions around operating costs are highly dependent on the size of the loan program and the composition of loans and the need for advisory services and staff.
2. Significant risks having a bearing on the financial requirements, the sensitivity of the financial requirements to changes in key assumptions, and the related risk-mitigation strategies have been disclosed, with the following observations: Significant risk remains with respect to the size of potential loan losses and write-offs as well as the collection of interest and fee revenue from some borrowers and repayments. The financial projections attached indicate that there is sufficient cash flow generated by CEEFC during the plan period to redeem some of the preferred shares issued to the government. No income from the financial instruments is forecast due to the speculative nature of future equity values of publicly traded shares.
3. Financial resource requirements have been disclosed and are consistent with the stated assumptions, and options to contain costs have been considered, with the following observations: *This plan was prepared using best available internal estimates based on assumptions which are subject to risk as noted in point 1 and 2 above and point 4 below.*
4. Funding has been identified and is sufficient to address the financial requirements for the expected duration of the corporate plan, with the following observations, including observations with regard to future funding sources from the government: *That the Funding Agreement remains in effect.*
5. The corporate plan and budget(s) are compliant with relevant financial management legislation and policies, and the proper financial management authorities are in place (or are being sought as described in the corporate plan).

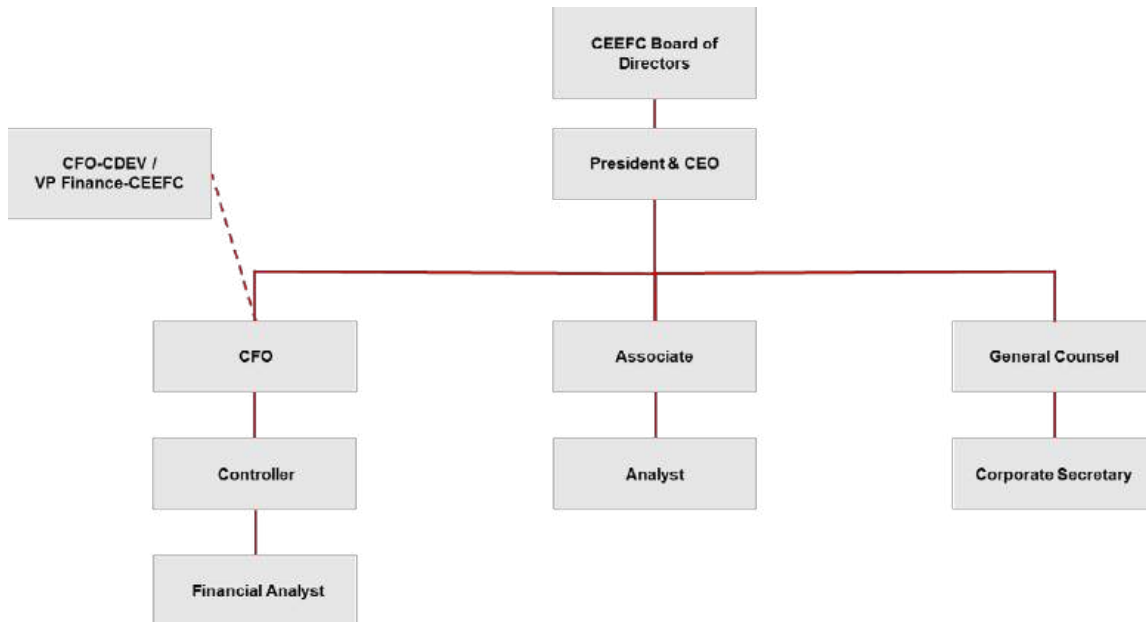
6. Key financial controls are in place to support the implementation of proposed activities and ongoing operation of CEEFC, with the following observations: if loan volumes materially exceed planned volumes, CEEFC may need to implement a loan management system and hire significantly more staff to manage and enact suitable financial controls.

In my opinion, the corporate plan and budgets have substantial uncertainty, financial and/or other risk issues, as noted above.



Michael Woodward
Chief Financial Officer
Canada Enterprise Emergency Funding Corporation
October 29, 2025

Appendix A-1 – Organization Chart and Board of Directors



All CEEFC employees, apart from the President and CEO, are CDEV employees seconded to CEEFC. The President and CEO has overall responsibility for execution of the strategic direction of the company set by the board of directors, the administration of LEEFF and LETL, as well as day-to-day responsibility for loan management and monitoring. The CEO is supported in this by a CFO, an Associate, an Analyst, and an external accounting/consulting firm engaged for this purpose. For the Vice President Finance, the General Counsel and Corporate Secretary, CEEFC tasks constitute a minority of their responsibilities.

Directors	Experience	Date of Appointment
Sandra Rosch	<ul style="list-style-type: none"> • Chair of CEEFC • EVP and Director, Labrador Iron Ore Royalty Corporation • Former President of Stonecrest Capital Inc. • CDEV Director 	May 12, 2020
Jennifer Reynolds	<ul style="list-style-type: none"> • Former President & CEO of Women Corporate Directors Foundation • CDEV Director 	May 12, 2020
Jim McArdle	<ul style="list-style-type: none"> • Former Senior Executive at Export Development Canada 	May 18, 2020
Nathalie Bernier	<ul style="list-style-type: none"> • Former CFO and SVP Strategy for PSP Investments • Former Regional Managing Partner of KPMG - Quebec 	June 25, 2020
Bruno Lemay	<ul style="list-style-type: none"> • President and CEO of CEEFC 	May 22, 2024
Barry Pollock	<ul style="list-style-type: none"> • Former Global Head of Corporate Banking at BMO 	March 11, 2021

The CEEFC Board currently has one committee, the Audit Committee, chaired by Ms. Bernier. The other members of the Audit Committee are Ms. Rosch and Mr. Pollock.

Appendix A-2 – CEEFC Pro-Forma Financial Statements 2026 - 2030

CANADA ENTERPRISE EMERGENCY FUNDING CORPORATION
Proforma Statement of Financial Position
Years ended December 31, 2024 to 2030
Cdn\$ '000

Schedule 1
PSAS

	2024 Actual	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Financial Assets							
Current Assets							
Cash and Cash Equivalents	\$250,915	\$344,401	\$376,052	\$435,584	\$567,447	\$671,339	\$828,543
Total Current Assets	\$250,915	\$344,401	\$376,052	\$435,584	\$567,447	\$671,339	\$828,543
Other Assets:							
Loans Receivable	\$1,955,153	\$2,310,420	\$5,990,848	\$7,581,998	\$6,628,978	\$6,920,461	\$6,802,884
Equities	–	\$9,377	\$9,377	\$9,377	\$9,377	\$9,377	\$9,377
Warrants	\$7,861	\$14,611	\$14,611	\$14,611	\$14,611	\$14,611	\$14,611
Interest and Other Receivables	\$1,346	\$971	\$971	\$971	\$971	\$971	\$971
Total Other Assets	\$1,964,360	\$2,335,379	\$6,015,806	\$7,606,956	\$6,653,937	\$6,945,419	\$6,827,842
Total Assets	\$2,215,275	\$2,679,780	\$6,391,858	\$8,042,540	\$7,221,383	\$7,616,759	\$7,656,385
Financial Liabilities							
Current Liabilities							
Accounts Payable and Accrued Liabilities	\$933	\$1,089	\$1,089	\$1,089	\$1,089	\$1,089	\$1,089
Total Current Liabilities	\$933	\$1,089	\$1,089	\$1,089	\$1,089	\$1,089	\$1,089
Net Financial Assets and Accumulated Surplus	\$2,214,342	\$2,678,691	\$6,390,769	\$8,041,451	\$7,220,294	\$7,615,670	\$7,655,296
Accumulated Surplus is Comprised of:							
Accumulated Operation Surplus (Deficit)	\$2,235,811	\$2,694,008	\$6,406,086	\$8,056,768	\$7,235,611	\$7,630,987	\$7,670,613
Accumulated Remeasurement Gain (Loss)	(\$21,469)	(\$15,317)	(\$15,317)	(\$15,317)	(\$15,317)	(\$15,317)	(\$15,317)
Total	\$2,214,342	\$2,678,691	\$6,390,769	\$8,041,451	\$7,220,294	\$7,615,670	\$7,655,296

Canada Enterprise Emergency Funding Corporation
2026-2030 Corporate Plan Summary

October 2025

CANADA ENTERPRISE EMERGENCY FUNDING CORPORATION
 Proforma Statement of Cash Flow
 Years ended December 31, 2025 to 2030
 Cdn\$ '000

Schedule 2
 PSAS

	2024 Actual	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Operating Activities:							
Net Income (Loss) for Year	(\$1,199,084)	\$458,197	\$3,712,079	\$1,650,682	(\$821,157)	\$395,375	\$39,626
Adj. for non-cash items	(\$73,178)	(\$54,802)	(\$320,427)	(\$541,150)	(\$422,728)	(\$291,483)	(\$171,258)
Gain on Sale of Equity	(\$44,008)	—	—	—	—	—	—
Provision for Credit Loss	\$485,000	\$235,000	—	—	\$344	—	\$217,058
Change in Non-cash Working Capital							
Due from Shareholder & Interest Receivable	\$2,073	\$375	—	—	—	—	—
Trade and Other Payables	\$160	\$156	—	—	—	—	—
Cash from Operating Activities	(\$829,037)	\$638,926	\$3,391,651	\$1,109,531	(\$1,243,540)	\$103,892	\$85,426
Investing Activities:							
Loans Issued	—	(\$901,011)	(\$3,360,000)	(\$1,050,000)	—	—	—
Repayment of Loans- Received	\$18,443	\$338,703	—	—	\$1,375,403	—	\$71,778
Sale of investment	\$544,008	—	—	—	—	—	—
Cash from Investing Activities	\$562,451	(\$545,440)	(\$3,360,000)	(\$1,050,000)	\$1,375,403	—	\$71,778
Net Increase (decrease) in Cash	(\$266,586)	\$93,486	\$31,651	\$59,531	\$131,863	\$103,892	\$157,204
Cash and Cash Equivalents, Beginning of Period	\$517,501	\$250,915	\$344,401	\$376,052	\$435,584	\$567,447	\$671,339
Cash and Cash Equivalents, End of Period	\$250,915	\$344,401	\$376,052	\$435,584	\$567,447	\$671,339	\$828,543

Canada Enterprise Emergency Funding Corporation
2026-2030 Corporate Plan Summary

October 2025

CANADA ENTERPRISE EMERGENCY FUNDING CORPORATION
 Proforma Statement of Operations
 Years ended December 31, 2025 to 2030
 Cdn\$ '000

Schedule 3
 PSAS

	2024 Actual	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Revenue:							
Interest income from Bank	\$117,354	\$7,864	\$8,208	\$9,322	\$11,013	\$12,389	\$14,432
Interest income from Loans	—	\$98,658	\$347,589	\$595,132	\$660,800	\$665,666	\$654,987
Gain (Loss) on modification of Loan	\$44,008	—	—	—	—	—	—
Realized Gain on Equity Sale	—	(\$603)	—	—	—	—	—
Total Revenue	\$161,362	\$105,919	\$355,798	\$604,454	\$671,812	\$678,054	\$669,419
Expenses							
Professional Fees	\$1,293	\$1,448	\$1,995	\$2,034	\$874	\$917	\$961
Management Fees	\$904	\$1,040	\$1,175	\$1,175	\$1,175	\$1,175	\$1,175
Salaries and Benefits	\$246	\$233	\$544	\$555	\$566	\$577	\$589
Provision for Credit Loss	\$485,000	\$235,000	—	—	\$344	—	\$217,058
Other Expenses	\$3	\$2	\$5	\$9	\$10	\$10	\$10
Total Expenses	\$487,446	\$237,722	\$3,719	\$3,772	\$2,969	\$2,679	\$219,793
Surplus / (Deficit) Before Government Contribution	(\$326,084)	(\$131,803)	\$352,079	\$600,682	\$668,843	\$675,375	\$449,626
Government Contribution/Repayment							
Government Contribution	—	\$590,000	\$3,360,000	\$1,050,000	—	—	—
Government Repayment	(\$873,000)	—	—	—	(\$1,490,000)	(\$280,000)	(\$410,000)
Surplus/(Deficit) for the Year	(\$873,000)	\$590,000	\$3,360,000	\$1,050,000	(\$1,490,000)	(\$280,000)	(\$410,000)
Net Operating Profit	(\$1,199,084)	\$458,197	\$3,712,079	\$1,650,682	(\$821,157)	\$395,375	\$39,626
Accumulated Surplus							
Beginning of Period	\$3,434,895	\$2,235,811	\$2,694,008	\$6,406,086	\$8,056,768	\$7,235,611	\$7,630,987
End of Period	\$2,235,811	\$2,694,008	\$6,406,086	\$8,056,768	\$7,235,611	\$7,630,987	\$7,670,613

CANADA ENTERPRISE EMERGENCY FUNDING CORPORATION
 Proforma Statement of Remeasurement Gains and Losses
 Years ended December 31, 2025 to 2030
 Cdn\$ '000

Schedule 4
 PSAS

	2024 Actual	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Accumulated Remeasurement Gains/(Losses), Beginning of Period	(\$104,230)	(\$21,469)	(\$15,317)	(\$15,317)	(\$15,317)	(\$15,317)	(\$15,317)
Remeasurement Gains/(Losses) Arising During the Period							
Unrealized Gains/(Losses) on Equity Investments	\$140,847	\$977	—	—	—	—	—
Unrealized Gains/(Losses) on Warrants	(\$14,078)	\$5,175	—	—	—	—	—
Amount Reclassified to the Statement of Operations and Accumulated Surplus/(Deficit)							
Realized Loss/(Gains) on Sale of Warrants	(\$44,008)	—	—	—	—	—	—
Net Remeasurement Gains/(Losses) for the Period	\$82,761	\$6,152	—	—	—	—	—
Accumulated Remeasurement Gains/(Losses), End of Period	(\$21,469)	(\$15,317)	(\$15,317)	(\$15,317)	(\$15,317)	(\$15,317)	(\$15,317)

Appendix A-3 – Planned results for 2026

Expected Outcomes	Performance Indicators or Targets
Monitor all loans	<p>Ensure quarterly reporting and regular evaluation of all loans is up to date. Quarterly reporting to be completed within 10 days of receipt of reporting requirements.</p> <p>The CEEFC Management Team reports to CEEFC’s Board on a semi-quarterly basis using a standard template.</p>
Consider applications for LETL borrowers and execute where appropriate	<p>Multiple formal applications have been received.</p> <p>CEEFC received direction to implement a revised and expanded LETL facility which lowers the minimum revenue threshold, the minimum loan value, and provides lower interest rates and more flexible terms</p>
Manage loans to minimize losses, and manage defaults and restructurings where required	<p>Indicators are LEEFF borrower survival, preservation of related jobs and avoidance of bankruptcy where possible, as well as maximization of recovery to CEEFC in conjunction with LEEFF objectives.</p> <p>Ensure CEEFC is aware of and prepared to handle any restructuring needs of borrowers or to deal with borrower defaults if any occur.</p> <p>Management of LETL loans will be consistent with LEEFF administration once LETL loans are funded.</p>
Cash Management	Manage cash in compliance with CEEFC policy.

Appendix A-4 - Government Priorities and Compliance with legislative and policy requirements

Government Priorities

Transparency and Open Government

With the use of communications tools, CEEFC is well positioned to deliver its mandate in a fully open and transparent manner. CEEFC's website provides details of LEEFF and LETL and announcements of new loans. The website also lists loans and loan commitments for any completed loan transactions. Within the prescribed timeframes, CEEFC will include its financial results with CDEV's annual and quarterly reports, corporate plan summaries, executive and director travel and hospitality expenses and *Access to Information Act* inquiries.

Gender-Based Analysis / Diversity and Employment Equity

CEEFC's staff volume (consisting entirely of CDEV employees) is too low for a statistically significant analysis of any of its employment parameters. The current Chair of CEEFC is a woman, as are 50% of its directors. CEEFC's hiring process ensures that all suitable candidates are considered based on merit and without prejudice. LEEFF prohibits loans to companies that discriminate on the basis of sex, gender, sexual orientation, race, ethnicity, religion, culture, region, education, age or mental or physical disability.

Environmental, Social and Governance (ESG)

ESG is integral to CEEFC's role as overseer of LEEFF and of LETL. CEEFC mandated objectives are grounded in public policy priorities, with a focus on supporting Canadian businesses and jobs. CEEFC is overseen by a highly-qualified, diverse and independent board of directors that adheres to strict standards of governance.

Through LEEFF and LETL, CEEFC is supporting the transition to climate-related disclosure in financial reporting. All LEEFF and LETL borrowers are required to publish an annual climate-related financial disclosure report, highlighting how corporate governance, strategies, policies and practices will help manage climate-related risks and opportunities, and contribute to achieving Canada's commitments under the Paris Agreement and goal of net zero by 2050. Such reporting must be consistent with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD).

Since calendar year 2022, CEEFC has been using the TCFD framework for its own climate reporting in coordination with CDEV and its other subsidiaries.

IT Processes and Security

CEEFC shares information technology (IT) resources with its parent CDEV, which manages IT processes and security.

CDEV retains a third-party organization to manage its IT requirements and specifically computer functionality, file server and email system. This organization ensures antivirus, security patching and managed detection and response tools are monitored and updated as required. The corporate network is protected by active and monitored password policies implemented and controlled centrally on all PCs and laptops as well as security protocols for mobile phones.

The file server is housed in a Toronto data center with redundant power back up. The server is backed up every hour by a Business Continuity & Disaster Recovery system that will allow CDEV and CEEFC to restore their entire infrastructure using advanced virtualisation tools in the event of failure and or ransomware attack. The server has an annual back up for posterity. The email system uses Microsoft Office 365 services which include real time back up. CDEV also makes copies of emails for back-up purposes and these are stored in a secure location. The Office 365 Platform is protected by corporate user Multifactor Authentication processes.

Harassment and Violence Prevention

In June 2021, CDEV adopted a Harassment and Violence Prevention Policy, which applies to CEEFC. The policy was revised in December 2022. CEEFC directors, executives and staff underwent workplace harassment and violence prevention training in September and October 2021, and CEEFC personnel underwent training again in December 2022.

Compliance

In addition to complying with the *Financial Administration Act* through its reporting and operating processes, CEEFC will provide CDEV with information for it to report on compliance with all relevant laws. See the CDEV Corporate Plan.

CEEFC and CDEV were issued a directive (P.C. 2020-307) to implement LEEFF. CEEFC remains in compliance with the Directive. CEEFC and CDEV were issued a directive (P.C. 2025-0455) to implement LETL. CEEFC remains in compliance with the Directive.

Appendix A-5 – Mandate Letter

May 20, 2020

Ms. Sandra Rosch
Chair
Canada Enterprise Emergency Funding Corporation

Mr. Stephen Swaffield
Chair
Canada Development Investment Corporation

1240 Bay Street, Suite 302
Toronto, ON M5R 2A7

Dear Ms. Rosch and Mr. Swaffield:

The Canadian economy is facing substantial challenges due to the global drop in demand for goods and services caused by the COVID-19 emergency. Companies' ability to access credit has also been constrained due to uncertainty in the financial markets. Without continued access to credit, Canadian businesses may face retrenchment, which could slow prospects for longer-term economic growth.

In order to promote the stability and maintain the efficiency of Canada's financial system in the wake of the COVID-19 emergency, on May 11, 2020, the Government of Canada announced the Large Employer Emergency Financing Facility (LEEFF) to provide bridge financing to Canada's largest employers, whose needs during the pandemic are not being met through other financing sources, in order to keep their operations going. The LEEFF program will be open to large, non-financial for-profit businesses, as well as certain not-for-profit businesses, such as airports, seeking financing of \$60 million or more, that have substantial operations in Canada and that are not involved in active insolvency proceedings.

I understand that the Canada Development Investment Corporation (CDEV) has established, pursuant to and consistent with Orders in Council P.C. 2020-305 and P.C. 2020-306, a subsidiary, the Canada Enterprise Emergency Funding Corporation (CEEFC), in order to administer LEEFF.

- 2 -

The specific eligibility criteria for LEEFF are set out in the term sheet that I have approved as required by and pursuant to Order in Council P.C. 2020-307 (the Term Sheet). The Term Sheet is attached to this letter.

As a supplement to Order in Council P.C. 2020-307, and pursuant to direction under *Open and Accountable Government* (2015), which recognizes my role, as the Minister responsible for CDEV, in providing guidance to the Board on the corporation's objectives and in conveying to the Board the Government's expectations concerning the corporation's public policy objectives, I am outlining additional Government expectations for CDEV and CEEFC in relation to the administration and governance of LEEFF. The expectations outlined in this letter supplement any requirements already established by the Governor in Council and the Term Sheet.

Objective

The Government's objective for LEEFF is to help protect Canadian jobs, help Canadian businesses weather the current economic downturn and avoid bankruptcies of otherwise viable firms where possible. The additional liquidity provided by LEEFF will allow Canada's largest businesses and their suppliers to remain active during this difficult time, and position them for a rapid economic recovery. This support will not be used to resolve insolvencies or restructure firms' capital structures.

Operations

It is the Government's expectation that CEEFC will administer LEEFF. Specifically, CEEFC will receive and review applications to LEEFF, perform financial analysis and due diligence, approve funding in accordance with the Term Sheet, and provide funding in accordance with the Term Sheet and agreements reached with Borrowers. Funding for these activities will be provided through a separate funding agreement to be entered into by CEEFC and Her Majesty in Right of Canada.

CEEFC will conduct a preliminary assessment of each application to LEEFF in terms whether that application satisfies LEEFF's eligibility criteria as outlined in the Term Sheet. CEEFC will transmit each application that meets those eligibility criteria to Finance Canada. Shortly thereafter, CEEFC, with the support of its advisors, will provide initial credit market information on and preliminary financial analysis of each such LEEFF applicant to Finance Canada. Finance Canada, working with Innovation, Science and Economic Development Canada, will support the Minister of Finance and the Minister of Innovation, Science and Industry in determining whether each such application to LEEFF is able to be further considered by CEEFC. The Ministers' decision will be communicated to CEEFC by Finance Canada.

- 3 -

When the Ministers opt for further consideration by CEEFC, CEEFC will evaluate the applications in accordance with the Term Sheet. When CEEFC approves an application, CEEFC will ensure that any program financing is provided to Borrowers in accordance with the Term Sheet and on a timely basis in light of current economic conditions.

I understand that, for select applicants, certain terms in the Term Sheet may need to be adapted to the particular circumstance of the applicant, while still protecting taxpayers' interests and aligning with the objectives of the LEEFF program. In such cases, the Board of CEEFC will advise me if it determines that a request for financing from a company cannot be accommodated within the scope of the corporation's mandate as per this letter of expectation.

CEEFC will adopt a prudent treasury management policy for any unused funds.

CEEFC will also be responsible for monitoring the loans once made and managing and disposing of any assets it acquires through the administration of LEEFF, including warrants or shares, in a commercial manner.

CEEFC will provide, regularly and also upon request, information and reports to Finance Canada on the status of LEEFF, such as applications, loan volumes, sectoral uptakes, risk exposures and compliance. This will be particularly important in relation to ensuring appropriate reporting to Parliament on the use of public funds.

In addition to the foregoing expectations, CEEFC will comply with applicable laws and Government policies.

Supervision

It is the Government's expectation that CDEV will establish a qualified Board of Directors of CEEFC to oversee CEEFC's administration of LEEFF. It is further expected that CDEV will ensure that the CEEFC Board and, through the CEEFC Board, the CEEFC staff are subject to CDEV's policies and procedures for the management of conflicts of interest.

In its role as CEEFC's parent Crown corporation, CDEV should monitor the performance of CEEFC and transparently report plans and results as part of its annual reports to Parliament and fulfill its other oversight obligations pursuant to the *Financial Administration Act*.

Conclusion

The Government has entrusted CEEFC to provide liquidity support to Canada's large employers to preserve economic capacity in response to the COVID-19 emergency. The Boards of both CDEV and CEEFC have my full confidence that you will meet the highest standards of good governance and, in so doing, serve the best interests of Canada.

Yours sincerely,

The Honourable Bill Morneau, P.C., M.P.
Enclosure

APPENDIX C:

CGF 2026–2030 CORPORATE PLAN SUMMARY



Canada Growth Fund Corporate Plan Summary*

2026 – 2030

*The information set out herein is current as of October 23, 2025

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1. Executive Summary

The Canada Growth Fund (**CGF**)¹ is a \$15 billion independent investment fund operating at arm's length from the Government of Canada. To keep Canada competitive on the global stage and to ensure it continues to be a leading destination for investment, CGF was established to drive innovation across new and traditional sectors of Canada's industrial base and to unlock new investment into the Canadian economy over time. Its investment mandate (the **CGF Mandate** or **Mandate**) is focused on accelerating efficient emission reduction projects, helping Canadian clean technology (**cleantech**) companies scale up successfully, while capitalizing on Canada's abundant natural resources and strengthening low-carbon supply chains. CGF expects to deliver on its Strategic Objectives while recovering its capital on a portfolio basis and recycling its capital base over the long term.

CGF is managed by the Canada Growth Fund Investment Management Inc. (**CGFIM**), a wholly-owned subsidiary of PSP Investments, which acts as the exclusive, arm's length, and independent investment manager of CGF.²

The CGFIM team has full discretionary authority over all aspects of investment management and transactions. Individual investment decisions are made by CGFIM's investment committee based on investment acumen and fit with the CGF Mandate. All investment decisions are made in strict independence from the Government of Canada.

Since the announcement of PSP as the manager in the 2023 Budget, significant progress has been made in formally establishing and ramping up CGF's activities.

CGF has announced 16 transactions as of October 2025, across its areas of focus including decarbonization projects, clean technology, and low-carbon supply chains.

This 2026-2030 Corporate Plan provides an update on the progress made, as well as CGF's plan for the next five years. The plan also provides an overview of CGF, its operating environment, its activities, and projected financials for its next five years of operations.

¹ Canada Growth Fund Inc. was incorporated as a subsidiary of Canada Development Investment Corporation (CDEV) in December 2022.

² Pursuant to the terms of the Investment Management Agreement (IMA) which was entered into among PSP Investments, CGFIM, CGF, and Canada Development Investment Corporation (CDEV) on March 11, 2024.



2. Overview of the Canada Growth Fund

2.1. Purpose and Rationale

CGF was established to support the growth of Canada's economy and to unlock private sector investment in Canadian businesses and projects to help grow Canada's economy at speed and scale on the path to emissions reductions in the interest of remaining competitive globally over the longer term. In light of the significant economic and investment opportunities associated with the low-carbon economy, many countries around the world have launched innovative financing initiatives to reduce emissions while promoting economic growth. To remain competitive on the global stage and to ensure it continues to be a leading destination for private investment, Canada has established similar initiatives, including CGF, to drive innovation across new and traditional sectors of Canada's industrial base.

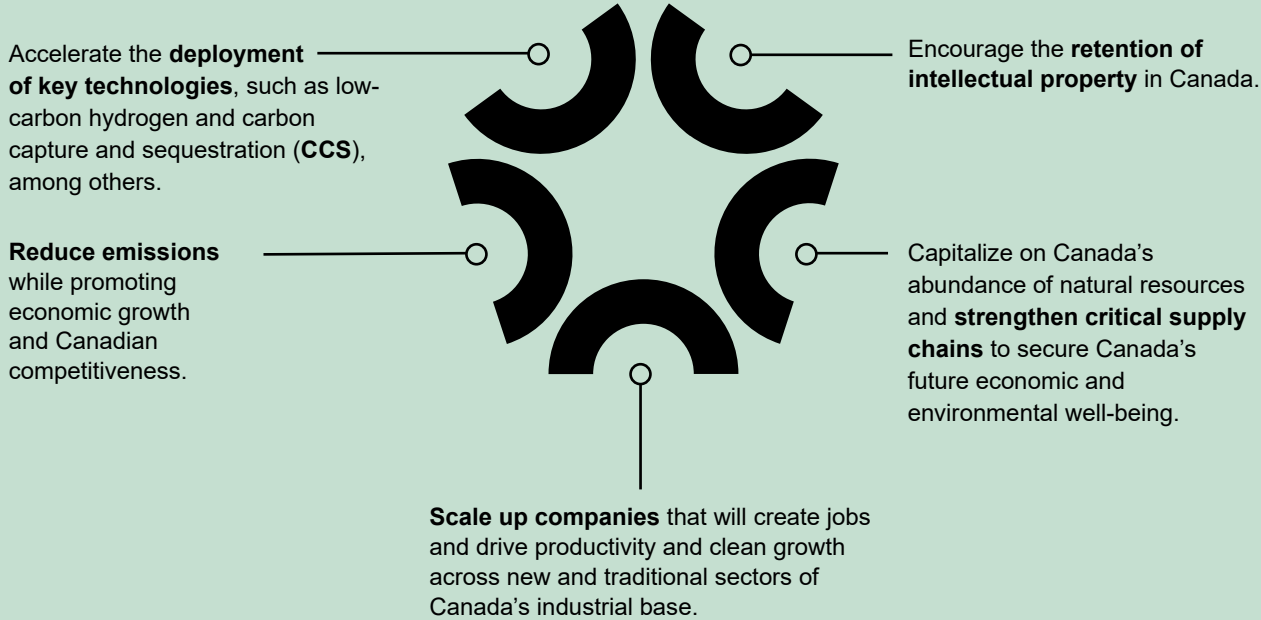
CGF takes a unique value-add role in the investor ecosystem by deploying innovative financial structures—including through equity, debt, and hybrid instruments—to unlock new investment in an efficient and effective Canadian energy transition. It takes on carefully considered risks that help attract private

capital and ultimately accelerate investment in Canadian projects and technologies. It aims to improve the risk profile of investment opportunities and attract additional private capital to projects, technologies, businesses, and supply chains aligned with the CGF Mandate and purpose.

In addition to equity debt and hybrid investment instruments, these structures include Contracts for Difference (**CfD**) and Offtakes (together referred to hereafter as **Contracts**) for carbon pricing. CGF aims to mitigate certain risks associated with investing in novel decarbonization projects and technologies, such as demand and pricing uncertainty, execution risk, and uncertainties associated with an evolving policy and regulatory landscape. By doing so, CGF aims to improve the risk profile of Canadian investment opportunities and attract additional private capital to Canadian projects, technologies, businesses, and supply chains.

2.2. CGF Mandate

CGF's Mandate is to build a financially prudent portfolio of investments that unlock private sector investment in Canadian businesses and projects to help grow Canada's economy at speed and scale on the path to emissions reductions in the interest of remaining competitive globally over the longer term. CGF is intended to help Canada meet the following national economic and environmental goals (hereafter, the **Strategic Objectives**):



2.3. Scope of Investment Activities

To achieve its Mandate, CGF focuses its investing activities on three key areas:



Projects

Projects: projects that use technologies and processes (that have been proven in pilots but not yet widely adopted) to efficiently reduce emissions across the Canadian economy, including but not limited to CCS, electrification, and low-carbon electricity, as well as hydrogen and biofuels.

CGF will take direct minority or control positions through a mix of debt, equity, hybrid instruments, and Contracts.



Clean technology

Clean technology: clean technology companies, including small and medium enterprises (SMEs), which are scaling less mature but proven technologies that are in the demonstration or commercialization stages of development.

CGF will invest through i) direct investments focusing on minority growth equity positions and ii) select commitments to third party fund managers and/or co-investment opportunities, where the strategy and objectives align with those of CGF.



Low-carbon supply chains

Low-carbon supply chains: projects, companies, and technologies across low-carbon supply chains, including critical minerals, that will allow Canada to leverage its abundance of natural resources, help secure Canada's supply chains, and improve Canada's domestic and global competitiveness.

CGF will invest through i) direct investments in projects and companies; ii) funds, whereby it commits to, and, where applicable, co-invests alongside, mining-focused specialist investment managers; and iii) co-investment alongside corporates, developing strategic partnerships with builders, operators, processing/refining partners, and manufacturers.

Where applicable, to deliver on the Mandate, CGF may also provide risk assurances for investments through Contracts. Contracts are financial instruments used to address demand or price risk related to market volatility as well as regulatory and policy risks.

Details of investment instruments are discussed in [Section 4.1.4](#).



2.3.1. Balancing Returns, Risk Mitigation, and Concessionality

The CGFIM team is comprised of investment professionals with extensive experience across a range of sectors and strategies, as well as expertise in structuring and executing complex investments. Considering the nature of the CGF Mandate, CGF has unique considerations to balance compared to market returns-focused investors. In seeking to create a portfolio of investments that fulfills the CGF Mandate, including the Investment Criteria and Strategic Objectives, CGFIM considers and aims to balance three key elements with respect to any particular investment: (i) financial returns, (ii) risks mitigation, and (iii) concessionality.

Financial Returns: CGF does not provide grants or subsidies and will avoid investing where it does not have a reasonable expectation of a return of capital. Making individual investment decisions on this basis reflects CGF's aim to preserve its invested capital on a portfolio basis in the long run. Any distributions of capital in respect of CGF investments are intended to cover its operating expenses and be reinvested in additional investments.

Risk Mitigation: CGF uses investment instruments that absorb certain risks to reduce uncertainty and encourage private sector investment in efficient low-carbon projects, technologies, businesses, and supply chains. Each CGF investment is expected to address one or more of the following key risk factors that create uncertainty with respect to an investment's long-term financial profile:

- (i) Demand risk associated with uncertainty around end-market demand and pricing;
- (ii) Policy risk related to perceived uncertainty around climate regulations;
- (iii) Regulatory risk with respect to project assessments and permitting approvals for construction projects;
- (iv) Execution risk from building first-of-a-kind commercialized products and companies;
- (v) Liquidity risk from investing in projects without abundant debt financing or visible secondary markets for equity; and
- (vi) Other risks that limit investor interest.

Concessionality: It is expected that CGF's investments will generally have some level of concessionality (i.e., below market expected risk-adjusted returns) to fully serve the purpose of unlocking private capital. Such concessional investing may take different forms and is guided by the following principles:

- (i) CGF will always aim to minimize the level of investment concessionality to the level necessary to attract private capital or otherwise make the project viable; and
- (ii) CGF will participate, to an appropriate degree, alongside private sector investors in both the downside risk and upside potential of an investment.



2.3.2. Catalyzing Private Sector Investment

Financial additionality refers to “unlocking” private sector investment into the Canadian economy that likely would not have occurred without CGF’s involvement. CGFIM aims for each CGF investment to lead to outcomes that would not likely have materialized without CGF intervention, initially and over time. The participation of other private sector investors may not always be concurrent with CGF’s investments. Given its mandate to absorb risks that the private sector is not willing to take on, CGF also measures “deferred additionality”. At times, external private capital unlocked by CGF investment may not appear on the same timeline as CGF’s own investment. For example, CGF capital may de-risk a company or project, allowing it to reach a critical milestone that positions it for successful fundraises in the future.

CGFIM also seeks to avoid CGF “crowding out” private sector investors, where disproportionate CGF investment could reduce, replace, or eliminate private sector participation. CGFIM aims to direct CGF investments toward areas requiring mitigation of specific risks to attract private financing, which the CGF Mandate is uniquely designed to mitigate.





3. Operating Environment

3.1. Internal Environment

3.1.1. Progress to date

Since its inception, CGFIM has closed 16 transactions across 5 provinces, committing more than \$4.7 billion. As of March 2025, CGF investments have supported over 1,100 jobs and 315 patents at portfolio companies, as well as crowded in nearly one billion dollars of private funding towards Canadian projects and companies. Additionally, these investments are anticipated to avoid up to 15.9 million tCO₂e emissions by 2030.³

Key Milestones Achieved

2022	<p>April: The Government of Canada announces its intention to create CGF in its 2022 Budget.</p>
2023	<p>March: The Government of Canada announces that it has selected PSP Investments to manage the assets of CGF and deliver its mandate as part of its 2023 Budget.</p> <p>June: A dedicated team of investment professionals seconded by PSP Investments, including senior leaders, starts reviewing potential investment opportunities on behalf of CGF under an interim arrangement.</p> <p>The Public Sector Pension Investment Board Act is amended to allow a subsidiary of PSP Investments to act as the investment manager of CGF.</p> <p>October: CGF announces its inaugural investment in Eavor Technologies Inc. via a direct commitment of \$90 million of Series B preferred equity.</p> <p>December: CGF announces a \$200 million strategic investment in Entropy Inc. and a large-scale carbon credit offtake commitment, with CGF committing to purchase up to one million tonnes per annum of carbon credits for 15 years.</p>
2024	<p>March: Execution of the IMA between PSP Investments, CGFIM, CGF, and CDEV, formalizing the investment management services provided to CGF by CGFIM.</p> <p>CGF announces a first cleantech fund commitment of \$50 million in the Idealist Climate Impact Fund.</p> <p>June: CGF, Gibson Energy, and Varme Energy announce a strategic partnership to advance a Canadian waste-to-energy project.</p> <p>CGF announces Canada's first carbon policy contracts for difference in Markham, Ontario.</p>

³ Canada Growth Fund 2024 Annual Report, March 2025.

**July:**

CGF commits \$500 million in CCS project funding to Strathcona Resources as part of a broader strategic partnership.

August:

CGF announces a two-tranche commitment of US\$100 million to advance Svante's carbon capture technologies.

CGF announces a \$50 million commitment to MKB Partner Fund III, along with other institutional investors, focused on accelerating the energy transition.

December:

CGF announces its first investment in a critical mineral project with an approximately \$35 million private placement in the form of common shares in Nouveau Monde Graphite, a Quebec-based integrated graphite mining and processing company.

2025**February:**

CGF announces a \$50 million commitment to Longbow Energy Transition Fund II LP, a technology and services fund that helps lower carbon emissions through efficient and cost-effective solutions.

CGF participates alongside strategic investors in a \$150 million funding round for Hydrostor, a global long-duration energy storage developer. CGF also provides a US\$50 million convertible loan to support the development of Hydrostor's Canadian projects.

March:

CGF leads a US\$55 million financing round in dcbel to accelerate the commercialization of bidirectional EV charger technology.

May:

CGF agrees to commit approximately \$156 million alongside strategic co-investors in a \$350 million non-brokered private placement by Foran Mining Corporation, a Western Canadian-based critical minerals mining company.

June:

CGF announces an additional financing commitment up to approximately \$138 million to accelerate the development and commercial deployment of Eavor's geothermal technology.

October:

CGF announced its first co-investment with a partnering GP, a strategy designed to crowd-in high-quality concurrent additional capital by enabling our partner to lead a large transaction in alignment with CGF's mandate, with a \$30M commitment in Cascadia Windows and Doors.

CGF announced a \$2B equity commitment agreement to finance the construction of the G7's first Small Modular Reactors (SMR) project to be constructed at the Darlington New Nuclear Project, alongside Canada's preeminent nuclear champion, OPG.

3.1.2. Looking Ahead

CGFIM's priority is to continue unlocking innovative and value-added investment opportunities. CGFIM remains focused on the Canadian investment ecosystem to attract private investment toward key projects, technologies, and companies that will enhance Canadian competitiveness and advance both economic and environmental outcomes.



3.1.3. Staffing and Resources

CGF does not have employees as all services are provided by CGFIM, a subsidiary of PSP Investments. CGFIM proactively manages its resources to ensure the successful delivery of the CGF Mandate. To do so, CGFIM closely monitors the volume of investment activity and ensures that resources are hired as required to meet its current and future business needs.

CGFIM has a place of business in Montreal and one in Calgary. As CGFIM grows its team of world-class, seasoned investment professionals, it aims to do so by drawing on a diverse pool of talent and perspectives from across Canada. This commitment to fostering diversity across the CGFIM organization includes efforts, in accordance with CGF's Statement of Priorities and Accountabilities (**SPA**), to broaden the range of voices and views within the governance and decision-making bodies of CGFIM, taking into consideration Canada's gender, linguistic, cultural, and regional diversity, including the unique perspectives of Indigenous Peoples.

CGFIM recognizes the risks associated with attracting and retaining key personnel, given its Mandate requires specialized skills, knowledge, and expertise. CGFIM is leveraging PSP Investments' experience and human resources policies and processes (including with respect to equity, diversity, and inclusion in the workplace) to effectively attract and retain the talent required to successfully deliver the CGF Mandate.

3.1.4. Conflicts of Interest

PSP Investments' and CGF's assets are not commingled in any way and the investment management activities of CGFIM are distinct from PSP Investments' pension investment management mandate. For example, CGF's transactions are discussed at, and submitted for approval to, the Impact, Risk & Investment Committee (**IRIC**), which acts independently from PSP Investments' Investment and Risk Committee.

PSP Investments has also adopted a policy to address any real, potential, or perceived conflicts of interest between PSP Investments and/or CGFIM, on the one hand, and CGF, on the other hand, which may be found at this [link](#). Disclosures are made publicly with respect to transactions where there could be a real, potential, or perceived conflict of interest.



3.2. External Environment

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Emissions Reductions Initiatives Around the world

Despite record-breaking global temperatures and increasingly frequent extreme weather events, overall global policy progress remains insufficient to meet global climate targets. Although major emitting countries continue to implement measures to reduce their emissions, these efforts remain insufficient to meet Nationally Determined Contributions.⁴ The geopolitical landscape has grown more volatile, with competition and political shifts diverting some attention away from climate priorities. Economic uncertainty and inflation further complicate international coordination.⁵

Spotlight on blended finance: an efficient method to accelerate decarbonization investments

Blended finance is a strategy that combines public and private capital to finance projects with social or environmental impacts. In the context of decarbonization, many governments have established blended finance investment funds to support the transition to a low-carbon economy. Notable global examples, in addition to the Canada Growth Fund, include:

Australian Clean Energy Finance Corporation (CEFC)

The purpose of the CEFC is to facilitate increased flows of finance into the clean energy sector and to facilitate the achievement of Australia's greenhouse gas emissions reduction targets. The CEFC is a specialist investor in Australia's transition to net zero emissions by 2050, with access to more than \$30 billion from the Australian government.

European Union InvestEU Programme

This program provides the European Union with crucial long-term funding by leveraging private and public funds. It helps to mobilize private investments for the EU's top policy priorities, such as the green and digital transition, innovation, and social investments and skills. The €26.2 billion EU budget guarantee backs the investments of financial partners (the **implementing partners**), increasing their risk-bearing capacity and thus making it possible to mobilize at least €372 billion in additional investment.

United Kingdom National Wealth Fund (NWF)

In July 2024, the UK government committed £7.3 billion of public capital with the goal of mobilizing private capital to fund the UK's transition to a low-carbon economy. The investment catalyzed by the NWF is anticipated to create green jobs and drive growth across the UK. CGFIM is pleased to have been consulted by the UK government regarding the establishment of the NWF.

⁴ [Climate policy in 2023 | Nature Reviews Earth & Environment](#)

⁵ [Trends in climate and geopolitics for 2025 - E3G](#)



In light of the renewed focus on global defence and security, critical minerals have emerged as a near-term focus for many governments. Several examples are included below:

<h2 style="text-align: center;">Spotlight on Critical Minerals: The Backbone of Canada's Future Economy</h2>		
<p>Critical minerals are increasingly vital for governments due to their role in technology, national security, economic growth, environmental sustainability, and supply chain resilience. Ensuring a stable supply of these minerals supports the development of key technologies, reduces reliance on foreign imports, and can strengthen economic and security interests. In recent years, governments have established investment funds to support research, development, and exploration of critical mineral deposits. Notable global examples, in addition to the Canada Growth Fund, include:</p>		
<p>Critical Metals Fund - InfraVia Investment Fund (France)</p> <p>In May 2023, the French government and InfraVia announced the launch of a €2B investment fund aimed at investing in critical metals to support the energy transition and secure supplies for French and European industry. The Critical Metals Fund is a public-private partnership model where public capital is used to de-risk and catalyze private investment. An initial closing of €1 billion was planned for the end of 2023. Through the France 2030 initiative, the French government invested €500M. This public contribution helps attract institutional investors by reducing perceived risk and aligning the fund's objectives with national industrial policy. The fund targets upstream and midstream investments in the critical minerals value chain essential for battery production, renewable energy technologies, and electric vehicles.</p>	<p>German Raw Materials Fund - KfW Development Bank (Germany)</p> <p>In October 2024, the German Federal Government created a €1B German Raw Materials Fund to secure a sustainable supply of critical minerals essential for the economic and digital transformation and climate goals. Managed by KfW, the fund invests in mining, processing, and recycling projects, both in Germany and abroad, with financing between €50M and €150M. The fund uses a mix of equity, quasi-equity, and debt instruments, allowing KfW to tailor its support to the specific needs and risk profiles of each project.</p> <p>The fund aims to reduce dependency on other countries and strengthen the domestic economy through long-term procurement agreements.</p>	<p>Defense Production Act - United States Department of Defense (United States of America)</p> <p>The Defense Production Act (DPA) allows the U.S. Department of Defense (DoD) to invest in critical mineral projects both domestically and internationally to secure supply chains. The U.S. has invested more than US\$50 million in four Canadian critical minerals projects under the DPA. These investments aim to strengthen the North American supply chain security and reduce reliance on foreign sources. On July 2025, MP Materials, a U.S. producer of rare earth materials, entered into a public-private partnership under the DPA to build a fully domestic rare earth magnet supply chain. The agreement includes a multibillion-dollar package supporting the construction of a second magnet manufacturing facility and the expansion of existing processing capabilities. As part of the deal, the DoD committed \$400 million in preferred equity, positioning itself as MP Material's largest shareholder.</p>
<p>In June 2025, G7 leaders launched the Critical Minerals Action Plan to strengthen resilient, responsible, and diversified supply chains through standards-based markets, increased investment, global partnerships, and innovation, recognizing the strategic importance of critical minerals for economic and national security.⁶</p>		

In January 2025, all federal agencies were instructed to immediately pause the disbursement of funds allocated through the Inflation Reduction Act (IRA) of 2022. A new bill introduced by the Trump administration aims to replace certain IRA measures and redirect support toward emerging technologies such as CCS. This change is expected to boost investment in CCS technologies, particularly in the oil and gas sector, by making EOR-based projects more financially attractive. While the bill maintains support for CCS, it reflects a broader shift toward favouring fossil fuel-linked applications over purely climate-driven initiatives.⁷

⁶ G7 Critical Minerals Action Plan
⁷ Carbon Capture Coalition, 2025



Government finance has played a key role in catalyzing the remaining investments in emerging clean technologies and mobilizing additional capital to the space. Building on blended finance initiatives globally, new instruments to support the de-risking of policies and projects, such as carbon pricing assurance mechanisms and credit offtake agreements, have been highlighted as vital tools to increase viability and lower the cost of capital of decarbonization projects, reducing the overall cost of the energy transition.⁸

Sustainable Finance and Carbon Markets

With respect to CGF's unique mandate on carbon price assurance mechanisms, including carbon contracts for difference (**CCfDs**), CGFIM has been tracking developments globally to inform its strategy and approach. Various mechanisms have been adopted across the world to de-risk various sectors, markets, and decarbonization-related commodities. Notable global examples of areas in which contracts for difference and similar price assurance mechanisms have been used in relation to the energy transition include:

- The EU Emissions Trading Scheme is the world's largest carbon market and has implemented several measures to stabilize this market, including the Market Stability Reserve (MSR), and, as announced on April 2025, is exploring additional mechanisms to further support price stability and investment in low-carbon technologies.⁹
- In March 2024, the German government unveiled a CCfD program modelled on private-sector hedging contracts with the objective of accelerating industrial decarbonization and supporting the transition to climate-neutral production methods, particularly in energy-intensive sectors like steel, chemicals, and cement.¹⁰ Companies are guaranteed a fixed price for energy sources, as well as for carbon emission allowances.¹¹ The level of this funding depends on the actual market price and the additional cost of equipping and operating the low carbon project and/or technology, compared with the conventional option. The program, which allows companies to benefit from CCfDs for a period of 15 years, helps them offset expenditures associated with transitioning to lower carbon production technologies. In October 2024, the government awarded the first 15 contracts worth €2.8 billion. The government claims this will prevent up to 17 million tonnes of CO₂ emissions over the next 15 years.¹²

CGF continues to leverage its capacity as Canada's principal issuer of carbon offtakes and CfDs. See Section 4.1.4 for additional information on these activities.

In addition to government-led carbon offtake initiatives, private market solutions have also begun to emerge, such as Frontier Climate, which leverages commercial offtake agreements to stimulate the development of carbon removal technologies.¹³ These examples provide excellent case studies to CGFIM, which is seeking to understand and adapt these tools, where appropriate, to the Canadian context.

3.2.2. Key Risks mitigated by CGF

CGF helps Canada keep pace with a growing list of jurisdictions that are using innovative public funding tools to attract the significant private capital needed to accelerate the deployment of technologies required to decarbonize and grow their economies.

⁸ [Financing the Green Energy Transition: A US\\$50 trillion catch](#)

⁹ [Commission launches public consultation on the EU Emissions Trading System and the Market Stability Reserve - European Commission](#)

¹⁰ [BMWV - First round of carbon contracts for difference launched](#)

¹¹ [BMWV Newsletter Energiewende - Starting signal for carbon contracts for difference](#)

¹² [BMWV - Habeck presents first carbon contracts for difference: 15 transformation projects can now launch](#)

¹³ [Frontier](#)



While companies and investors are aware of opportunities to commercialize and deploy emissions-reduction technologies, they are often restrained due to the risks associated with these investment opportunities. CGF is designed to invest its capital in a manner that helps mitigate these risks and unlock the domestic and foreign capital that Canada will need to support the growth of its economy as it seeks to reduce emissions over time.

CGF may use investment instruments that absorb certain risks to reduce uncertainty and encourage private sector investment in low-carbon projects, technologies, businesses, and low-carbon supply chains. Each CGF investment is expected to address one or more risk factors that create uncertainty in respect of an investment's long-term financial profile. As outlined in the Investment Criteria (defined under [Section 4.1.3](#)), some of the risks CGF aims to mitigate include demand risk, policy risk, regulatory risk, execution risk, and liquidity risk. To do so, CGF may invest in a manner that reduces some or a portion of these risks, with the aim of bridging the private market funding gap and drawing in additional capital to low-carbon projects, technologies, businesses, and supply chains across Canada.

3.2.3. CGF Positioning Relative to Existing Government Initiatives

3.2.3.1. Federal initiatives

CGF is complementary to multiple federal initiatives, including, for example, the Canada Indigenous Loan Guarantee program launched in December 2024. As government policies, strategies, and investment programs shape the environment in which CGF operates, a strong understanding of relevant federal, provincial, and territorial initiatives is required for CGFIM to pursue effective strategic prioritization, including with respect to portfolio construction, investment opportunity origination and execution, and stakeholder engagement.

For example, some of the federal strategies and initiatives relevant to CGF include:

Federal Tax Credits

Investment Tax Credits (ITCs): To achieve the goals set out in Canada's climate plans and targets, the federal government has ITCs to accelerate greenhouse gas (**GHG**) emissions reductions. This fiscal instrument provides refundable tax incentives for capital investments in key areas like clean electricity, clean hydrogen production, carbon capture, utilization, and storage (**CCUS**), and clean technology manufacturing, including critical minerals processing. These ITCs are designed to de-risk private capital, stimulate domestic supply chains, and ensure Canada remains competitive in the global clean economy transition.

Federal Sector Strategies

Critical Minerals Strategy: This strategy focuses on the sustainable exploration, extraction, processing, and downstream manufacturing and recycling of 34 critical minerals that are essential for Canada's competitiveness. Among these, six are considered priorities due to their strategic importance for Canada's economic growth and energy transition: lithium, graphite, nickel, cobalt, copper, and rare earth elements. It emphasizes the importance of innovation and exploration and aims to accelerate project development and building of infrastructure, while advancing reconciliation with Indigenous Peoples and potentially impacted communities.

Hydrogen Strategy: A comprehensive plan that aims to establish Canada as a global leader in low-carbon hydrogen production, usage, and export. The strategy is built around 8 pillars, including advancing strategic partnerships, de-risking investments, and developing regional blueprints and hubs to link hydrogen production and end use.

Carbon Management Strategy: A strategy to guide the expansion of approaches to capture carbon dioxide from point sources or the atmosphere to be reused and durably stored, focused on accelerating innovation and R&D, creating a supportive policy and regulatory environment, and supporting the proliferation of projects and infrastructure.



Federal Funding Programs

Critical Minerals Infrastructure Fund (CMIF): This federal program provides up to \$1.5 billion in federal funding through 2030 to support clean energy and transportation infrastructure projects that enable the sustainable development of critical minerals in Canada. It offers two main funding streams: grants for Indigenous engagement and capacity building and contribution funding for pre-construction and shovel-ready infrastructure projects.

Clean Fuels Fund: Running through March 2030, this \$1.5 billion program supports the development and expansion of clean fuel production in Canada, including biofuels, hydrogen, and other low-carbon technologies. It provides funding for capital projects, feasibility and engineering studies, and the development of biomass supply chains, with a focus on reducing emissions in hard-to-abate sectors and aligning codes and standards for clean fuel use.

Strategic Innovation Fund (SIF): SIF is a Canadian federal program that provides large-scale funding to accelerate business investments in innovation, with a dedicated stream for net zero, clean technologies, and industrial decarbonization projects. It supports projects that reduce greenhouse gas emissions, improve energy efficiency, and scale up breakthrough clean technologies in sectors like renewable energy, critical minerals, and sustainable manufacturing.

The Industrial Research Assistance Program (IRAP): By providing funding and expert advice, IRAP supports Canadian clean tech SMEs. Through the program, companies can access non-repayable contributions to advance R&D projects that reduce environmental impact and support Canada's transition to a low-carbon economy. In June 2024, the Government of Canada transitioned Sustainable Development Technology Canada (SDTC) programming to the National Research Council of Canada (NRC). SDTC's programming has transitioned to NRC's IRAP, which has established a successor program to SDTC called NRC IRAP Clean Technology.

3.2.3.2.1 Complementarity of the CGF Mandate with existing Federal Government initiatives

CGF's Mandate complements the existing suite of federal government initiatives supporting Canada's clean economy, while also distinguishing itself in a number of ways.

Investment Stage: CGF generally targets projects and companies at the scale-up stage of development. This distinguishes CGF's investments from:

- (i) Research and development, demonstration, and pilot projects, which are funded through grants and contributions programs;
- (ii) Start-up companies, which are funded through venture capital funds; and
- (iii) Mature companies and/or companies deploying mature technologies, which can typically attract private sector investment on their own and at market terms.

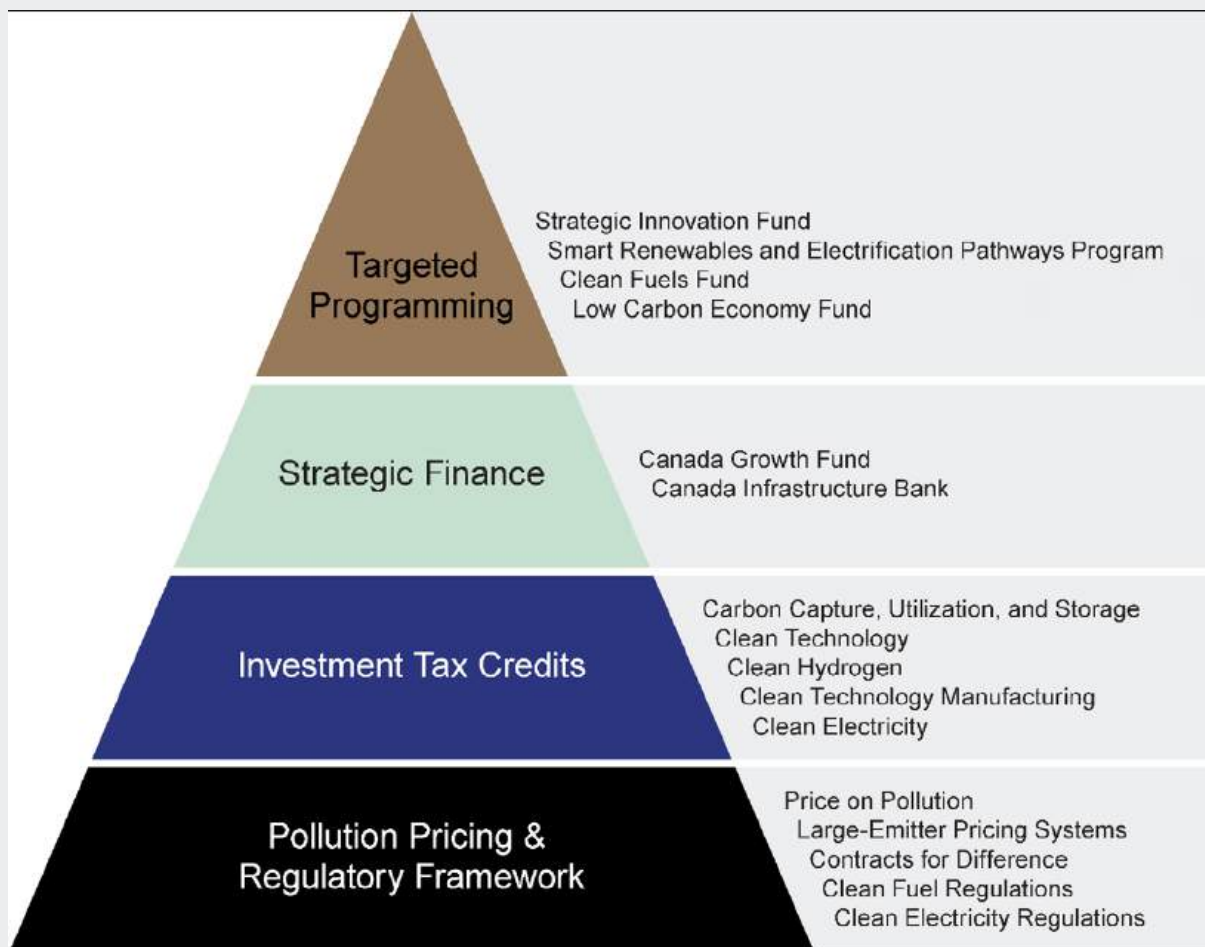
Financing Tools: CGF has access to a broad range of investment and financial tools allowing it to offer innovative forms of investment, including instruments where CGF may take on above-market risks to catalyze private sector investment. This distinguishes CGF from:

- (i) Grants and contributions programs that provide funding to proponents; and,
- (ii) Private sector investors that provide financing to companies at market terms.

Canada's climate strategy combines targeted programs, strategic financing, tax incentives, and regulations to support clean growth. Key tools include funds like CGF and tax credits for clean technologies. CGF, while working in close coordination with other federal instruments, complements existing programs by providing a unique strategic finance role, deploying a diverse set of financial tools that no other initiative currently provides. Carbon pricing and regulatory frameworks reinforce the transition to a low-carbon economy, as summarized in Canada's 2023 Fall Economic Statement (see Figure 1):



Figure 1 – Government of Canada’s Financial and Policy Strategy and Main Tools (FES 2023)¹⁴



Delivery Expertise: CGF Mandate is delivered by a team of independent and diverse investment professionals from PSP Investments with extensive experience across a range of sectors and strategies, as well as expertise in structuring and executing complex direct investments. The delivery of the CGF Mandate is done on an arm’s length basis from the Government of Canada.

Project Types: CGF generally focuses on private projects and companies.

For greater certainty, CGF generally does not focus on (i) research and development or demonstration projects, (ii) technology pilot projects, (iii) mature technologies or mature companies that can attract sufficient private sector investment, (iv) venture capital-style investments, (v) government-owned projects, or (vi) other types of investments otherwise covered by other government policies and programs (including those funded through grants and contribution programs).

¹⁴ Building an Economy That Works for All Canadians | 2023 FES

Table 1 – Key initiatives by province and territory as at October 1, 2025 (Note to Finance and CDEV – Needs to be reviewed and updated pending provincial policy announcements)

Province or Territory	Key Initiatives
Alberta	<ul style="list-style-type: none"> - Industrial Carbon Pricing: In September 2025 Alberta confirmed it will indefinitely freeze the TIER fund price at \$95 per tonne. A new direct investment pathway will be introduced in 2026, allowing facilities to meet up to 90% of their compliance obligations through direct investments in emissions-reducing technologies. Additionally, smaller facilities will be allowed to opt out of the TIER system starting in 2025. - Critical Minerals: Launched in November 2023, Alberta’s Critical Minerals Strategy aims to deliver more minerals-focused public geoscience information, build an inventory of mineral resources, and enhance the fiscal and regulatory environment. The plan also promotes responsible development, supports Indigenous participation, fosters innovation and industrial development, and invests in workforce training. - Electricity Generation: Alberta’s deregulated electricity market began in 1996, when the Electric Utilities Act came into effect. In December 2024, the Alberta government launched a road map to attract investment by leveraging the province’s competitive electricity market and cold climate for sustainable cooling to build out large-scale AI data centres under three strategic pillars: power capacity, sustainable cooling, and economic growth. The Alberta government has announced a public consultation process led by the Alberta Electric System Operator (AESO) to explore potential changes to the province’s electricity mix. - Clean Technology: Alberta is advancing a range of clean energy technologies (including CCS, ammonia, and geothermal) through initiatives supported by Emissions Reduction Alberta (ERA) to lower the environmental impact of energy production. ERA’s strategy focuses on funding and scaling innovative technologies that reduce emissions, improve environmental performance, and strengthen the competitiveness of Alberta’s energy sector.
British Columbia	<ul style="list-style-type: none"> - Industrial Carbon Pricing: In April 2024, British Columbia launched a new Output Based Pricing System (OBPS) for large industrial emitters, replacing the CleanBC Industrial Incentive Program (CIIP) and aligning with the federal carbon pricing benchmark. - Critical Minerals: British Columbia’s Critical Minerals Strategy led to the development of 11 Phase 1 strategy actions currently being implemented, including setting up a Critical Minerals Project Advancement Office. The British Columbia government announced a landmark partnership with five First Nations to unlock nearly \$50 billion in economic potential through land-use planning, conservation, and accelerated critical mineral development in northwestern British Columbia. - Clean Technology: Since 2019, the CleanBC Industry Fund (CIF) has invested more than \$244 million into supporting industry projects that directly reduce industrial emissions, accelerate new emissions reduction technologies, and study potential decarbonization opportunities. British Columbia passed Bill 37 in 2022, establishing the British Columbia Energy Regulator and advancing a province-wide approach to CCS, including regulator responsibilities expanded to include hydrogen, ammonia, methanol, and carbon storage reservoirs in addition to oil, gas, and geothermal activities. British Columbia has also created a Hydrogen Office to attract energy investors.
Manitoba	<ul style="list-style-type: none"> - Industrial Carbon Pricing: The federal pollution pricing system for industrial emissions is implemented in Manitoba. - Critical Minerals: In November 2024, Manitoba launched its critical minerals strategy. Manitoba’s strategy aims to accelerate critical mineral development by launching a single-desk Critical Minerals Office to streamline permitting and support project timelines. It emphasizes strong Indigenous partnerships, economic reconciliation, and responsible mining practices. Manitoba highlights its rich deposits of lithium, nickel, and cesium, positioning itself as a trusted supplier for clean energy and national security needs. The strategy also includes plans for infrastructure investment and a revenue-sharing model with Indigenous nations. - Electricity Generation: Manitoba issued a directive to Manitoba Hydro to redirect some of its electricity exports to help infrastructure projects in Manitoba and Canada. - Clean Technology: Manitoba’s Climate and Green Plan positions clean technology as a key pillar of its low-carbon economic strategy. The plan supports innovation through green

	<p>infrastructure, financing tools, and workforce development to grow clean tech jobs and attract investment. It emphasizes technologies such as energy-efficient building systems, clean transportation, and sustainable agriculture solutions.</p>
New Brunswick	<ul style="list-style-type: none"> - Industrial Carbon Pricing: New Brunswick continues to implement its OBPS to regulate greenhouse gas emissions from large industrial emitters. - Critical Minerals: While New Brunswick currently lacks a specific strategy for critical minerals, it is committed to exploring their potential within a wider economic framework. - Electricity Generation: New Brunswick is working to strengthen its position in clean energy solutions and diversify its energy portfolio. In December 2023, New Brunswick unveiled its 2035 energy transition roadmap, highlighting four key strategic initiatives: affordability, energy security, regulatory reform, and economic growth. SMRs are high on New Brunswick's agenda. The province aims to develop a local nuclear industry to stimulate job growth and economic development. - Clean Technology: As part of its clean energy strategy, New Brunswick introduced its Hydrogen Roadmap on January 30, 2024. The roadmap anticipates a substantial decrease in GHG emissions from the industrial sector through hydrogen use.
Newfoundland and Labrador	<ul style="list-style-type: none"> - Industrial Carbon Pricing: Newfoundland and Labrador continues to operate its own OBPS for large industrial emitters, designed to align with federal standards while supporting competitiveness. - Critical Minerals: Newfoundland and Labrador's Critical Minerals Plan was released in November 2023 to de-risk and attract private investment for exploration to identify potential viable projects. - Electricity Generation: The Gull Island hydroelectric project is moving forward under a Memorandum of Understanding (MOU) signed in December 2024 between Hydro-Québec (HQ) and Newfoundland and Labrador Hydro (NL Hydro). This agreement lays the groundwork for a major renewable energy development on the Lower Churchill River, with Gull Island expected to generate up to 2,000 MW of clean electricity. - Clean Technology: Newfoundland and Labrador's clean tech strategy is anchored in its Renewable Energy Plan and broader efforts to support environmental industries. The province is investing in clean technologies that reduce emissions, improve efficiency, and support sustainable resource use, with a focus on hydrogen, electrification, and innovation. The Government of Newfoundland and Labrador is introducing clean technology initiatives that support the province's businesses in the local, national, and international green economies, including The Green Transition Fund Program, a program launched in March 2025 that provides financial support to businesses, organizations, post-secondary institutions, and industry associations to assist with the province's transition to a green economy.
Northwest Territories	<ul style="list-style-type: none"> - Industrial Carbon Pricing: Northwest Territories has implemented a territorial industrial carbon pricing that meets federal benchmark stringency requirements. - Critical Minerals: Northwest Territories has six critical minerals projects currently in early mining or advanced exploration stages. These include rare earths, lithium, and other strategic minerals essential for clean energy and digital technologies. - Electricity Generation: The 2022-2025 Energy Action Plan includes measures to reduce GHG emissions in electricity generation, increase renewable energy usage in space heating, and improve building energy efficiency. This is complemented by the 2030 Energy Strategy, which aims to achieve a more secure, affordable, and sustainable energy system by the year 2030. - Clean Technology: The Northwest Territories' clean technology strategy is embedded within its broader energy and climate change planning, focusing on reducing diesel reliance and modernizing energy systems. It prioritizes investments in renewable energy, energy storage, and grid innovation to support remote communities and industrial development.
Nova Scotia	<ul style="list-style-type: none"> - Industrial Carbon Pricing: Nova Scotia maintains a provincial OBPS for large emitters. - Critical Minerals: In May 2025, Nova Scotia updated its Critical Minerals Strategy by adding four new minerals—high-purity silica, silver, tellurium, and uranium—to its official critical list. The province also introduced a new category of strategic minerals, which includes aggregate, gold, gypsum, and potash, to support economic development and clean energy goals. - Electricity Generation: Nova Scotia has proposed five offshore wind energy areas. This marks a step toward Nova Scotia's goal of issuing licenses for up to 5 gigawatts of offshore wind energy by 2030. - Clean Technology: Nova Scotia has had a Climate Change Plan for Clean Growth since 2023. As part of this plan, the Nova Scotia government announced investment in seven

clean fuel innovation projects to support the province's transition to a low-carbon economy. The projects include the development of green hydrogen hubs, mobile hydrogen production, and regional clean fuel strategies.

Nunavut

- **Industrial Carbon Pricing:** The federal pollution pricing system is implemented in Nunavut.
 - **Critical Minerals:** The Nunavut Exploration Support Program (NESP), updated in 2025, provides targeted financial assistance to promote sustainable mineral exploration in Nunavut. It includes two funding streams: the DIG Program, which supports exploration activities like drilling and sampling, and the Critical Exploration Support Program (CESP), which funds community engagement during early project stages. The policy emphasizes transparency, Inuit societal values, and alignment with Nunavut's broader mineral development strategy.
 - **Electricity Generation:** In 2025, Nunavut advanced two major clean energy projects. The Kivalliq Hydro-Fibre Link could, for example, deliver hydroelectricity and broadband from Manitoba to five Kivalliq communities, reducing diesel use. The Iqaluit Hydroelectric Project is being developed to power the capital with renewable energy. Both projects could support Nunavut's clean energy and infrastructure goals.
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Ontario

- **Industrial Carbon Pricing:** Ontario maintains a provincial OBPS called the Emissions Performance Standards (EPS) for industrial emitters.
 - **Critical Minerals:** Ontario introduced the Protect Ontario by Unleashing Our Economy Act, which allows the creation of Special Economic Zones (**SEZs**) to fast-track critical mineral and resource projects. The legislation aims to cut red tape and reduce approval times and officially became law upon receiving Royal Assent on June 5, 2025.
 - **Electricity Generation:** In 2025, Ontario approved the construction of Darlington New Nuclear Project (DNNP), which includes the world's first SMR engineering and service centre. This centre will support Ontario's broader SMR strategy, creating over 300 jobs and training 2,000 workers annually, while positioning the province as a global hub for clean nuclear technology. The Darlington SMRs, the first of its kind in the G7, are expected to generate 1,200 MW of emissions-free electricity, enough to power 1.2 million homes. In September 2025, the DNNP was officially added to Canada's list of nationally significant projects.
 - **Clean Technology:** Invest Ontario's cleantech practice was established to bolster Ontario's major advances in cleantech innovation in key areas of interest for the province, including in energy storage, water technologies, renewable energy, nuclear power generation, hydrogen, greener buildings, industrial biotechnology, smart grids, waste recovery, and environmental engineering services. Moreover, Ontario announced new actions to expand its cleantech and hydrogen energy strategy. Key measures include a proposed Hydrogen Interruptible Rate Pilot to offer discounted electricity rates to hydrogen producers and plans to regulate hydrogen pipelines to support infrastructure growth. The province also doubled its Hydrogen Innovation Fund to \$30 million, supporting projects that integrate hydrogen into the electricity grid and industrial sectors.
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Prince Edward Island

- **Industrial Carbon Pricing:** The federal pollution pricing system is implemented in Prince Edward Island.
 - **Electricity Generation:** In 2025, the Prince Edward Island government, in collaboration with the federal government, updated the Regional Energy and Resource Table Framework for Collaboration. This renewed strategy focuses on advancing clean electricity and energy storage, clean fuels, and clean technology innovation to support PEI's goal of becoming Canada's first net-zero province by 2040.
 - **Clean Technology:** Prince Edward Island has launched the Emerging Concepts and Technologies (ECT-PEI) Clean Technology Challenge. This initiative offers grants of up to \$100,000 per project to support researchers and entrepreneurs developing innovations.
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Quebec

- **Industrial Carbon Pricing:** Quebec has maintained a provincial cap-and-trade program since 2013 as part of the Western Climate Initiative, sharing an internationally linked emissions trading market with California. Quebec is seeking to achieve emissions reductions of 37.5% below 1990 levels by 2030, and to reach carbon neutrality by 2050. These targets are enforced through Quebec's cap-and-trade system.
 - **Critical Minerals:** Quebec possesses numerous critical and strategic minerals across its territory. In the 2023–2025 phase of its Critical and Strategic Minerals Action Plan, the Quebec government expanded its official list of critical minerals from 22 to 28, adding materials such as manganese, aluminum, germanium, and high-grade iron. In 2025, Quebec also launched a pilot project on the traceability of critical and strategic minerals, using blockchain-based technology to ensure responsible sourcing and alignment with international environmental and social standards.
 - **Electricity Generation:** Hydro-Québec has announced a plan to double its electricity production by 2050 to meet rising demand from electrification and industrial growth. The utility will invest up to \$185 billion over 12 years to expand capacity, including tripling wind power, renovating existing dams, and studying new hydroelectric facility projects.
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- **Clean Technology:** Investissement Québec has launched a program to stimulate business investment and accelerate the shift toward sustainable innovation and productivity. This includes targeted support for companies integrating clean technologies into their operations.
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Saskatchewan

- **Industrial Carbon Pricing:** The Saskatchewan government has announced it would pause the industrial carbon tax under its OBPS program, effective April 1, 2025, through a new regulation that suspended compliance obligations for large industrial emitters.
 - **Critical Minerals:** Saskatchewan has announced an expansion of its Targeted Mineral Exploration Incentive (TMEI) to include more early-stage exploration activities, such as geophysical surveys and core logging. This move aims to help smaller companies attract private investment and accelerate the discovery of critical minerals. The expansion supports Saskatchewan's goal to double its critical minerals production and capture 15% of Canada's exploration spending by 2030.
 - **Electricity Generation:** The province continues to work with Ontario, Alberta, and New Brunswick under the Interprovincial SMR Memorandum of Understanding (MOU), aiming to deploy its first SMR by the mid-2030s.
 - **Other:** Saskatchewan has expanded its Petroleum Innovation Incentive (SPII) by increasing the funding cap to \$100 million and extending the program to 2029. The updated program now supports a broader range of early-stage oil and gas innovations, including new well drilling configurations and emissions-reducing technologies. It offers 25% tax credits on eligible project costs to encourage private investment and technological advancement in the energy sector.
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Yukon

- **Industrial Carbon Pricing:** The federal pollution pricing system is implemented in Yukon.
 - **Critical Minerals:** Yukon is seeking to play a growing role in Canada's critical mineral supply chain, supported by advanced exploration techniques and strong geological potential. The Yukon government is currently conducting consultations on new minerals legislation aimed at modernizing the territory's mining laws. The objective is to develop a legal framework that supports responsible resource development, strengthens environmental protections, and respects Indigenous rights and interests.
 - **Electricity Generation:** Yukon continues to implement its 10-year renewable electricity plan, supporting projects in solar, wind, geothermal, and biomass energy. The territory met its target of 7 MW of installed renewable capacity by 2022 and is now focusing on community-based renewable energy projects.
 - **Clean Technology:** Yukon's Our Clean Future strategy addresses climate change, the transition to renewable energy, and building a green economy. It includes over 40 actions aimed at reducing greenhouse gas emissions, improving energy efficiency, and supporting clean technology and innovation across sectors. The strategy also emphasizes collaboration with Indigenous governments and communities, ensuring that climate solutions are inclusive, locally driven, and resilient.
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3.2.4. Overview of CGF's Focus Sectors

As per CGF's SPA, CGF is expected to advance a portfolio aligned with Canada's economic plan. In particular, CGF is focused on (i) accelerating efficient emission reduction projects, (ii) helping Canadian cleantech companies scale up successfully, and (iii) capitalizing on Canada's abundant natural resources and strengthening low-carbon supply chains.

1. Projects: CGF invests in projects that use technologies and processes that have been proven in pilots but not yet widely adopted to efficiently reduce emissions across the Canadian economy, including but not limited to CCS, electrification and low-carbon electricity, hydrogen and ammonia, and biofuels. CGF will take minority or control equity positions and/or invest with a mix of debt, equity, hybrid instruments, and Contracts.

Each of these sectors has a unique set of challenges and opportunities, which are considered when structuring and pursuing investments. It is also important to note that various risks exist with respect to these sectors, which may impact the availability as well as the financial viability of investment opportunities falling within the CGF Mandate. External factors such as, but not limited to, technology costs, demand and pricing uncertainty, supply chain constraints, and a constantly evolving regulatory landscape may impact the delivery of the CGF Mandate.

(i) CCS

CCS is the process of capturing CO₂ from carbon-intensive industrial processes and compressing it for transportation and storage in underground geological formations. CCS represents a transformative solution to decarbonize hard-to-abate sectors such as energy production, heavy manufacturing, and other industrial processes.

In 2023, Heavy Industry and Oil & Gas respectively accounted for 11% and 30% of Canadian's total emissions,¹⁵ consistent with recent years. These sectors often have point-source emissions that are well suited for carbon capture and sequestration. CGFIM is of the view that CCS will play a pivotal role in decarbonizing Canada's point-source emissions in hard-to-abate industries.

Capture is typically done by constructing a facility that treats flue gas streams from industrial processes. The primary capture methods for gas streams involve the use of solvents and sorbents, membranes, or cryogenics. CO₂ can be captured either before or after a combustion process, with pre-combustion capture projects generally being the most economical today. Another alternative is to capture CO₂ using Direct Air Capture (**DAC**) technology, which extracts CO₂ from ambient air as opposed to the flue gas stream of an industrial process. Following capture, CO₂ generally must be transported to its sequestration location.

Transportation involves compressing CO₂ to reduce its volume for efficient transportation. CO₂ can be shipped via heavy vehicles, freight trains, or shipping vessels. Most CO₂ is transported via pipeline, which is more capital intensive but has greater benefits when implemented at scale.

Sequestration involves using injection wells to pump supercritical CO₂, a dense, fluid-like state achieved under high pressure, into suitable subsurface reservoirs such as depleted oil and gas fields or deep saline aquifers. The main activities of carbon sequestration operations include injection, monitoring, and decommissioning. Upon sequestration projects reaching the end of their useful life, storage site owners will be required to decommission all above-ground facilities and infrastructure, including the sealing and securing of injection wells before they can be abandoned. Storage site monitoring is required for several years after site decommissioning to ensure that CO₂ remains safely contained underground.

¹⁵ Greenhouse gas sources and sinks in Canada: executive summary 2025, Environment and Climate Change Canada, 2025.



Potential Role for CGF: CGF aims to invest across the CCS supply chains by providing investment solutions to CCS projects that will help minimize their cost of capital while de-risking certain elements that have historically deterred private sector investment. CGF anticipates it will be able to do so by deploying innovative financing structures, using combinations of equity, debt, Contracts, or other bespoke financial instruments.

CGF's carbon capture strategy is three-fold: (i) support the build-out of lowest-cost large capture projects and of critical infrastructure (hubs and pipeline), (ii) contribute to the selective advancement of first-of-a-kind (**FOAK**) projects with the potential to increase CCS use cases, and (iii) accelerate technology by supporting the growth of Canada's CCS intellectual property and the commercialization of new technologies.

To date, CGF has announced four transactions in the CCS sector in a wide spectrum of applications, ranging from a waste-to-energy project for the production of new clean power to the decarbonization of Canada's oil sands.¹⁶

Notably, CGF has announced a novel CCS Partnership with Strathcona Resources Ltd., which represents a first-of-its-kind approach to CCS risk sharing. Under this partnership, CGF and Strathcona will build CCS infrastructure on Strathcona's steam-assisted gravity drainage (SAGD) oil sands facilities across Saskatchewan and Alberta. Through the SAGD CCS Partnership, Strathcona will seek to capture and permanently store up to two million tonnes of carbon dioxide annually, with CGF and Strathcona each contributing up to \$1.0 billion in project funding. Through the CCS partnership model, the emitter retains carbon pricing risk and CGF shares in the risk for the project's cost and capture efficiency. CGF intends to scale this model to other emitters and other sectors over time and views this transaction structure as a fiscally prudent and highly replicable approach to capital intensive decarbonization investment.

CGFIM is also evaluating capital deployment opportunities in bioenergy with carbon capture and storage (**BECCS**) projects. BECCS is a technology that captures and permanently stores CO₂ emitted from the combustion or processing of biogenic sources such as agricultural residues, forestry byproducts, or organic waste. Because the CO₂ originates from biomass that absorbed carbon during growth, capturing and storing it results in net-negative emissions, making BECCS a vital tool for achieving global net-zero targets. BECCS projects have gained strong interest from major technology companies, which are committed to net-zero corporate strategies and are looking at purchasing BECCS credits on a long-term offtake basis.

(ii) Hydrogen and Ammonia

Hydrogen: Hydrogen is a clean fuel alternative, emitting zero GHGs when combusted to produce energy (the combustion of hydrogen with oxygen creates water). Hydrogen is a fuel source or feedstock for many existing industrial applications, including refineries, chemicals, methanol, ammonia, and fertilizer production. In addition to those industrial uses, hydrogen may have potential to become a viable alternative in emerging markets such as steel manufacturing, industrial heat, heavy transport, power generation, and aviation and marine fuels.

Today, approximately 85% of global hydrogen production relies on fossil fuels, particularly natural gas, with nearly two-thirds of production produced primarily via a steam methane reforming process and approximately 20% produced from coal.¹⁷ The hydrogen produced via steam methane reforming is known as Grey Hydrogen due to the high CO₂ emissions associated with its production. Hydrogen can also be produced via alternative low carbon methods, such as steam methane reforming combined with carbon capture and sequestration (**Blue Hydrogen**) or electrolysis power by renewable energy (**Green Hydrogen**). These cleaner methods of production aim to reduce the carbon intensity (**CI**) of the final product. In 2023, total global hydrogen production reached approximately 97 million tonnes with less than 1% classified as low-emissions hydrogen¹⁸ due to its high levelized cost compared to carbon intensive alternatives.

¹⁶ Entropy, Varne, Strathcona Resources, and Svante – see section 4.1.1 for details.

¹⁷ International Energy Agency (IEA) Global Hydrogen Review 2024.

¹⁸ International Energy Agency (IEA) Global Hydrogen Review 2024, October 2024.



The most common methods of producing hydrogen are:

- (i) Grey Hydrogen: producing hydrogen via steam methane reforming;
- (ii) Blue Hydrogen: producing hydrogen via steam methane reforming, while also utilizing CCS to capture and reduce (but not fully eliminate) CO₂ emissions; and
- (iii) Green Hydrogen: using clean electricity to break down water molecules (via electrolysis), creating hydrogen and oxygen as the only byproduct.

CGF is also monitoring two additional hydrogen pathways that are an earlier stage of commercialization:

- (i) Turquoise Hydrogen: producing hydrogen via methane pyrolysis. This method generates low-carbon hydrogen along with solid carbon as a by-product; and
- (ii) White Hydrogen: refers to naturally occurring hydrogen found in geological formations, and is also known as natural hydrogen. This pathway is gaining interest due to its potential as a low-emission, naturally sourced hydrogen option.

Ammonia: Ammonia (NH₃), traditionally produced for use in fertilizers, has been touted as a key enabler of the hydrogen economy and a zero-carbon fuel alternative. Low-carbon ammonia is essential to decarbonizing fertilizer production as it replaces the fossil fuel-intensive process of conventional ammonia synthesis, which is one of the largest industrial sources of greenhouse gas emissions in agriculture. As a hydrogen carrier, ammonia offers a more energy-dense and cost-effective option for storing and transporting hydrogen, especially over long distances and across global supply chains. It can be “cracked” back into hydrogen at the point of use or combusted directly in power generation and maritime applications, releasing only nitrogen and water when burned in a clean system.

Potential Role for CGF: The development of commercially viable low carbon hydrogen and ammonia facilities across Canada will require significant capital investment. Not only will new hydrogen production facilities need to be built, but more low carbon electricity projects will also be required to enable the build-out of green hydrogen infrastructure. CGF expects that the growth of Canada’s clean hydrogen and ammonia industry will result in new job creation across the clean hydrogen, ammonia, and renewable energy sectors. Major hydrogen and ammonia projects in Canada are largely meant for international markets as a result of: i) strong global demand, ii) Canada’s abundance of renewable energy resources providing a competitive advantage, iii) access to export-oriented infrastructure, and iv) a favourable geopolitical and regulatory environment.

To support the growth of Canada’s clean hydrogen and ammonia industry, CGF is actively engaging with a diverse range of commercially viable project stakeholders and innovative clean technology companies to better understand their challenges. Blue hydrogen/ammonia has a promising value proposition as it leverages low-cost Canadian natural gas for production and, thus, CGF expects Canada’s production to be cost-competitive globally. CGF will consider partnering with high-quality developers to accelerate the deployment of viable projects across Canada, as well as making equity investments in companies to help commercialize those emerging clean technologies. Through these efforts, CGF aims to enhance Canada’s attractiveness to both project developers and capital providers over the long term.

(iii) Biofuels

Bioenergy is energy that is derived from organic materials known as biomass which can be used to produce biofuels, heat, electricity, and other products. Biofuel is a fuel that is produced from biomass (typically waste, plants, or animal matter), rather than the slow natural processes involved in the formation of fossil fuels. The resulting biofuel can be blended with conventional fuel or, in some cases, can be a fully fungible drop-in alternative to fossil fuel. Biofuels come in several forms including biogas (e.g., renewable natural gas) and liquid biofuels (e.g., renewable diesel, sustainable aviation fuel).



Renewable Natural Gas (RNG) is a type of biogas which is indistinguishable from conventional natural gas and can be used without any changes to transmission or end-user equipment. RNG is typically produced via three primary processes:

- (i) **Landfill Gas:** considered one of the oldest methods of producing biogas, landfill gas is a natural byproduct of the decomposition of organic material in landfills that creates large amounts of methane.
- (ii) **Anaerobic Digestion:** use of bacteria to break down feedstock, such as animal manure or wastewater, releasing biogas. The biogas is then upgraded and treated to remove contaminants, yielding RNG.
- (iii) **Thermal Gasification:** use of heat to break down feedstock, such as agricultural and forest residue, releasing biogas. The biogas is then upgraded and treated to remove contaminants, yielding RNG.

Subject to verifications related to lifecycle emissions, RNG can be considered a “carbon negative” source of energy and provides a solution to methane gas emissions. Methane is a significant contributor to the atmospheric greenhouse effect, being 28 to 30 times more potent over a 100-year time horizon than CO₂ at trapping heat in the atmosphere.¹⁹ Some examples of methane-producing activities include agriculture, wastewater treatment, landfills, coal mining, and certain industrial processes. By producing RNG, methane that would otherwise have been released in the atmosphere is instead captured and transformed into biogas. After treating the biogas, the resulting RNG can be used as a renewable fuel to displace the consumption of fossil fuels in hard-to-electrify sectors, such as the heating of buildings, as well as in various industrial processes. Capturing and burning methane has a much lower greenhouse effect than allowing the methane to enter the atmosphere directly.²⁰

Liquid Biofuels include biodiesel, renewable diesel, (**RD**) and sustainable aviation fuel (**SAF**). Liquid biofuels can be produced by a variety of different processes. This includes processing biomass via transesterification of lipids, or hydroprocessing lipids, as well as other production routes such as Fischer-Tropsch synthesis. They are mainly used as an alternative to conventional fuels across various transportation sectors, such as aviation (SAF) and trucking (biodiesel, RD), as well as in other heavy-duty applications such as construction, mining, and agricultural equipment.

Potential Role for CGF: Biofuels (RNG, RD, and SAF) are a growing source of renewable energy and are a critical part of decarbonizing traditional fossil fuels used in transportation and heating. However, a number of project characteristics that are inherent to the industry result in financing hurdles for many of these projects. These include high upfront capital costs, potential delays, and a lack of long-term feedstock and offtake agreements. Additionally, fluctuating feedstock mixes and downstream users’ reluctance to pay a premium or commit to long-term contracts make these projects risky for private investors. CGF is actively engaging with a diverse range of project developers and corporates with the aim of catalyzing growth in the Canadian RNG sector and is pursuing strategic partnerships with leading RNG producers to support the build-out of multiple projects across the country. For liquid biofuels, CGF will focus on providing capital to the lowest-cost projects that have meaningfully advanced key development milestones such as securing feedstock supply, offtake agreements, permitting, and site control. This targeted approach is intended to de-risk investments and attract additional capital from private sector investors.

(iv) Electrification & Energy Efficiency^{21, 22, 23}

Electrification can be broadly defined as the replacement of fossil fuel-powered processes with electric alternatives. According to the International Energy Agency (**IEA**), global demand for electricity in final energy consumption is set to increase by approximately 4.0% per annum between 2022 and 2030 and will need to further accelerate to remain on track with its Net Zero Scenario. As global demand for electricity continues to grow, it will need to be met with incremental low-carbon energy generation capacity as well as supporting infrastructure.

¹⁹ United States Environmental Protection Agency, “Importance of Methane” Revisions of Global Warming Potential Values for the Greenhouse Gas Reporting Program, July 2024.

²⁰ Nature, “Control methane to slow global warming — fast”, August 25, 2021.

²¹ International Energy Agency, “World Energy Outlook 2024”, October 2024.

²² International Energy Agency, “Perspectives for the Energy Transition: The Role of Energy Efficiency”, April 2018.

²³ Canada Energy Regulator, “Canada’s Energy Future 2023”, June 2023.



Energy Efficiency in energy transition refers to the strategic reduction of energy consumption through improved technologies, processes, and behaviours while maintaining or enhancing service levels. The IEA has long recognized Energy Efficiency as “the first fuel” of a sustainable global energy system, meaning it is the most immediate and cost-effective way to reduce greenhouse gas emissions, improve energy security, and support economic growth. In 2021, Canada’s buildings sector was the third-largest source of GHG emissions in Canada, responsible for 13% of direct GHG emissions²⁴. To date, CGF has announced one transaction in the energy efficiency of building, Cascadia Window & Doors²⁵.

While there is overlap between both concepts, improved Energy Efficiency and rising rates of Electrification are key factors in reducing the share of fossil fuels in final consumption. While the impact of each differs by sector and implementation method, CGF will focus on the following themes, deemed actionable in Canada.

Abated and clean power includes renewable power, nuclear power, and power generated from fossil fuels such as natural gas or from bioenergy combined with CCS to reduce CO₂ emissions. While institutional investors and financiers are readily available sources of finance for conventional renewable power such as wind and solar power, there is a dearth of capital available for unconventional or riskier types of renewable power in Canada such as offshore wind, geothermal, floating solar, and other emerging renewable power technologies.

Grid modernization and integration of renewable energy refers to the strategic transformation of the electric power grid to enhance its resilience, flexibility, efficiency, and security. Significant investment is required to build new electricity transmission corridors and refurbish and modernize distribution networks to support Electrification as the Canada Energy Regulator estimates that under net zero scenarios, electricity usage will more than double from 2021 to 2050.²⁶

Electrification of industrial processes refers to replacing fossil fuel-based energy sources (e.g., coal, natural gas) with electric technologies to power manufacturing and processing activities essential for decarbonizing hard-to-abate sectors such as steel, cement, chemicals, and food processing. Key components include electric arc furnaces (steel production), inert anodes (aluminium production), electric boilers and heat pumps (process heat), and electrochemical processes (hydrogen production via electrolysis).

Energy storage and demand management refers to the delayed usage of captured energy, enabling greater flexibility, reliability, and efficiency in energy systems. The flexibility further enables the integration of intermittent renewable energy by lowering peak demand and improving grid stability. Energy storage types include:

- (i) Mechanical storage, or energy stored in physical forms like gravitational potential or kinetic energy: pumped hydro, compressed air energy storage;
- (ii) Electrochemical storage, or energy stored through chemical reactions, commonly used for grid and EV applications: lithium-ion batteries, flow batteries;
- (iii) Thermal storage, or heat stored for later use in power generation or heating: molten salt, phase change materials, refractory brick.

Such assets can be deployed at utility scale but also as distributed energy resources that allow large energy consumers to reduce demand during peak hours, lowering costs and emissions.

Decarbonization of industrial and district heat can be largely achieved by the electrification of industrial processes, but the shift from fossil fuels to low-carbon technologies for generating process heat in manufacturing and heavy industry also includes the utilization of biomass/biogas as well as building waste heat recovery capacity. Industrial heat accounts for a large share of global energy use and emissions, especially in sectors like steel, cement, and chemicals.²⁷ Transitioning centralized heating networks from fossil fuels (e.g., coal, gas) to low-carbon sources not only involves increased reliance upon renewable power, but also relies upon sourcing heat directly from geothermal and biomass resources, and can be accelerated by improving system efficiency, incorporating thermal storage, and deploying smart grid technologies.

²⁴ Natural Resources Canada, Building energy benchmarking and transparency, August 2025

²⁵ Cascadia Windows & Doors - see section 4.1.1 for details

²⁶ *Idem*

²⁷ Energy + Environmental Economics, “Decarbonizing Industrial Heat: Measuring Economic Potential and Policy Mechanisms”, October 2024.



Potential Role for CGF: Across these themes, CGF is actively pursuing partnership opportunities with utility companies, project developers, and corporations. CGF aims to provide innovative investment solutions for Electrification and Energy Efficiency projects that will help minimize the cost of capital and seek to underwrite risks linked to technologies and processes that are uncommon in Canada.

Since CGF's inception, engagement with domestic and international project developers has been positive and has led to a significant number of investment opportunities. A particular focus will be for CGF to develop investment solutions that appeal to corporations seeking to electrify industrial processes and manage demand.

Canadian utility companies, ranging from privately owned to vertically integrated government-owned regulated utilities, are key stakeholders across all themes. While CGF views measures such as those proposed in the 2024 Fall Economic Statement, which explores lowering the 90 per cent threshold that currently limits municipal-owned utility corporations from attracting more than 10 per cent pension fund ownership, as a positive step forward to unlocking long-term investment capital, CGF will continue pursuing, in the interim, innovative ways to support the business plans of Canadian utility companies that are undertaking programs for grid modernization and the integration of renewable power.

To fully realize the emission reduction potential of energy, Canada will need to ensure that the increasing demand for electricity is met with abated and clean power generation. In the medium term, CGF expects to focus on the development and building of small modular nuclear reactors, offshore wind, and bioenergy with carbon capture and storage.

To date, CGF has announced one transaction in this sector.²⁸ In this transaction, involving a novel project relating to an energy-efficiency project in the district heating sector, CGF deployed the first carbon policy contract for difference in Canada, providing the certainty required for the project to reach its final investment decision and unlocking the deployment of new sustainable technologies.

2. Clean technology (Cleantech): CGF invests in cleantech companies, including SMEs, which are scaling less mature but proven technologies that are in the demonstration or commercialization stages of development and are built around a defendable intellectual property. CGF focuses on investments during a company's critical growth and scale-up phase through i) direct investments focusing on minority equity positions, and ii) select commitments to third party fund managers and/or co-investment opportunities where the strategy and objectives align with those of CGF.

The Cleantech sector encompasses a wide range of companies that develop products and technologies or offer services contributing to global decarbonization efforts. These companies operate across a wide range of sectors including, but not limited to, energy and power, materials, mining, chemicals, transportation and logistics, buildings, food, agriculture, and industrials. Cleantech companies may vary in size, stage, and level of capital intensiveness (asset-light or asset-heavy business models).

The Canadian Cleantech sector has expanded significantly in recent years, with total transaction values growing at a compound annual growth rate of approximately 20% over the last decade²⁹ and continuing to grow in 2024. The Canadian Cleantech market generated revenues of approximately \$21.25 billion in 2024 and is projected to reach \$44.95 billion by 2030, reflecting a CAGR of 13.6% from 2025 to 2030.³⁰ Despite this growth, the sector remains in its early stages of development and is primarily composed of small and medium-sized enterprises.

The Cleantech sector is expected to play an important role in the decarbonization of the global economy, as well as supporting Canada in achieving its long-term climate goals. According to the International Energy Agency,³¹ approximately 50% of the total emission reductions required to achieve net zero globally by 2050 are expected to be

²⁸ Varme Energy and Eavor Technologies – see section 4.1.1 for details.

²⁹ Pitchbook database, March 2024.

³⁰ Canada Clean Technology Market Size & Outlook, 2024-2030, Horizon Grand View Research.

³¹ International Energy Agency, "Energy Technology Perspectives", January 2023.



attributable to technologies that are in early stages of development or not yet commercially available. Accelerating the development, commercialization, and deployment of these growth-stage technologies is therefore critical to supporting the decarbonization of Canada's economy, particularly in hard-to-abate sectors (such as energy, transport, agriculture, industrials, and buildings), as well as positioning Canada as a key player in the global decarbonization market.

In addition to playing a pivotal role in the decarbonization of Canada's economy, the growth of the Cleantech sector is also expected to provide significant economic benefits. According to Statistics Canada, the Cleantech and environment sectors contributed to 1.0% of Canada's GDP in 2023, a decline from 3.0% in 2022 primarily due to reduced hydroelectric generation caused by dry weather conditions in provinces like Quebec, Manitoba, and British Columbia. The sector also provided over 354,000 jobs, accounting for 1.7% of all Canadian jobs.³² With global energy investment projected to surpass US\$3 trillion in 2024, and with US\$2 trillion allocated towards clean energy technologies and related infrastructure,³³ there are significant opportunities for Canada's clean tech companies to grow not only domestically but also participate in a large and growing international market and establish themselves as global leaders.

Potential Role for CGF: Subject to due diligence, CGF will seek to provide financing to scale up companies beyond the technology demonstration stage where they have outgrown their early-stage venture capital backers but still face certain risks, namely commercialization and scale-up risk, that prevent them from attracting investments from later-stage investors managing larger capital pools. By doing so, CGF will aim to bridge the funding gap in the Canadian Cleantech ecosystem and support the ongoing development of Canadian clean technology companies.

In addition, CGF will aim to play a meaningful role in developing Canada's clean tech investor ecosystem. CGF has supported private market investment managers in their fundraising efforts by making strategic commitments to three like-minded managers. By doing so, CGF will aim to attract additional private capital to Canada's Cleantech investor ecosystem, expanding the pool of capital available to finance Canadian Cleantech companies.

To date, CGF has announced eight direct transactions in the Cleantech sector:³⁴ One relating to a company developing next-generation geothermal energy projects, two deploying unique carbon capture technologies, one related to a Canadian leader in energy storage, one related to bidirectional EV charging technology, one related to energy efficiency of buildings and three fund commitments.³⁵

3. Low-carbon supply chains: CGF invests in projects, companies, and technologies across low-carbon supply chains, including critical minerals, that will allow Canada to leverage its abundance of natural resources, help secure Canada's supply chains, and improve Canada's domestic and global competitiveness. CGF will invest through i) direct investments in projects and companies; and ii) co-investment alongside corporates, funds, developing strategic partnerships with builders, operators, processing/refining partners, and manufacturers.

The low-carbon supply chain is a broad sector, encompassing projects and companies involved in developing new or existing supply chains for materials that enable the growth of Canada's clean economy. This includes the development of Canada's critical minerals industry, which provides key inputs for several clean technologies essential to Canada's long-term decarbonization goals.

Critical minerals are defined as minerals that have few or no substitutes, are limited in availability, and have strategic value to the development of essential products or technologies.³⁶ While Canada and other countries have defined their own lists of critical minerals (reflecting the realities of each of their economies), these may change over time as technological and economic developments impact the global supply and demand for various commodities.

³² Statistics Canada "Environmental and Clean Technology Products Economic Account", May 2025.

³³ Export Development Canada, "EDC CleanTech Report: Rapid growth in AI-enabled cleantech unlocking opportunities for Canada", October 2024.

³⁴ Eavor, Svante, Hydrostor, dcbel, Cascadia and fund investments - see section 4.1.1 for details.

³⁵ Idealist Capital, MKB, and Longbow Capital - see section 4.1.1 for details.

³⁶ Government of Canada, "Releases Updated Critical Minerals List", June 2024.



In Canada, 34 minerals are currently considered critical minerals. To be deemed critical, minerals must meet both of the following criteria:

- (i) There is a threat to the mineral's supply chain, and
- (ii) There is a reasonable chance of the mineral being produced in Canada.

It must also meet one of the following criteria:

- Be essential to Canada's economic or national security, or
- Be required for the national transition to a sustainable low-carbon and digital economy, or
- Position Canada as a sustainable and strategic partner within global supply chains.

Canadian critical minerals are important to global decarbonization goals, as they serve as key inputs to various clean technologies and advanced manufacturing applications, such as solar panels, wind turbines, electric vehicles, and battery components, among others. According to the International Energy Agency, global demand for critical minerals is set to nearly triple by 2030 and increase to over 3.5 times current levels by 2050, reaching nearly 40 million tonnes.³⁷ As countries around the world focus on electrification and the energy transition, renewables capture an increasingly large share of global energy generation. This highlights the importance of developing a resilient supply of critical minerals, as demand growth may lead to future supply and demand imbalances, which could cause volatility in global commodity markets. Potential supply constraints for critical minerals would impact Canada's ability to successfully transition to a low-carbon economy and meet its long-term decarbonization goals.

In addition to developing a resilient supply of critical minerals, investing across the entirety of the supply chain, including upstream, midstream, and downstream activities, will be of strategic importance for Canada and its trading partners. Today, the processing activities for several critical minerals are geographically concentrated, exposing their global supply to various economic and geopolitical risks. According to the International Energy Agency,³⁸ China controlled a large proportion of the existing global processing capacity for several critical minerals in 2024, including cobalt, lithium, graphite, and rare earth elements. This level of concentration highlights the strategic importance for Canada to invest in and develop its domestic capabilities across all levels of the critical minerals supply chain.

Overall market and geopolitical volatility continues to impact critical mineral prices, while higher inflation has increased capital and operating costs across the mining space. This has created a situation where critical mineral developers have generally underperformed underlying spot prices, with only the most liquid names trading at higher valuation multiples. Retail investors and hedge funds are providing much of the liquidity to the sector given long-only funds are less active. Lagging institutional interest in the critical mineral sector has made access to capital challenging, with developers turning to alternatives to finance projects. Through its investment activities, CGF has a unique opportunity to unlock critical minerals projects against the backdrop of the current capital markets environment.

Overview of the Critical Minerals Supply Chain

- (i) Exploration (upstream): the search for critical mineral deposits that meet minimum volume and concentration thresholds.
- (ii) Mining (upstream): activities related to the extraction of critical minerals from the earth, primarily through surface or underground mining.
- (iii) Processing (midstream): activities focused on transforming minerals into a form suitable for manufacturing via processing, chemical extraction, and refining.
- (iv) Manufacturing (downstream): activities focused on the manufacturing of components used in clean technologies.
- (v) Recycling: activities focused on extracting and recycling materials from end-of-life products, such as lithium-ion batteries.

³⁷ International Energy Agency, "Critical Minerals Market Outlook 2025", May 2025.

³⁸ International Energy Agency, "World Energy Outlook 2024", October 2024.



Potential Role for CGF: CGF's investments in critical minerals will serve to advance Canada's G7 critical minerals strategy. CGF will seek to invest in projects and companies that advance the development of new or existing supply chains of critical minerals as well as other materials that will support Canada's long-term decarbonization goals. CGF may invest at various levels of the supply chain, with a focus on upstream, midstream, and recycling opportunities including funding mining activities and related infrastructure and critical minerals processing. When investing in upstream mining assets, CGF primarily focuses on assets that have a line of sight to FID. CGF will also consider expansion projects at existing mines or processing facilities. In doing so, CGF will strive to attract private sector capital by investing alongside partners to fuel economic growth and job creation, while also strengthening the supply chain of critical minerals and other key materials for Canada as well as its allies and trading partners.

Ultimately, CGF's investments towards strengthening Canada's critical supply chain drive economic growth, fuel job creation, and strengthen the supply chain for Canada, its allies, and its trading partners.



4. Activities, Risks, Expected Results, and Performance

4.1. Activities of CGF

4.1.1. Primary Activities

Table 2 - Transactions announced to date

Investments: CGFIM executes all the investment activities of CGF. These investment activities are part of a broader and comprehensive set of investment management services provided to CGF pursuant to the terms of the IMA.

<p>Darlington New Nuclear Project</p> <p>\$2B equity commitment agreement alongside Building Ontario Fund (BOF) to finance the construction of the G7's first SMR project to be constructed at the Darlington New Nuclear Project, which will be majority owned and operated by Canadian nuclear champion, OPG.</p> <p>October 2025, Press release</p>	<p>Cascadia Windows & Doors</p> <p>\$30 million commitment alongside two private co-investors to further expand its manufacturing capacity and market footprint, scaling operations and accelerating the deployment of its advanced technologies that support buildings sector decarbonization across North America.</p> <p>October 2025, Press release</p>
<p>Eavor Technologies</p> <p>Up to approximately \$138 million to further accelerate the development and commercial deployment of Eavor's geothermal technology. Since CGF's initial investment of \$90 million, Eavor has made progress on the construction of its first commercial-scale facility in Geretsried and achieved major milestones.</p> <p>June 2025, Press release</p>	<p>Foran Mining</p> <p>\$156 million commitment to Foran Mining Corporation. Foran's flagship asset is the 100%-owned McIlvenna Bay Project, a polymetallic deposit along the Flin Flon Greenstone Belt and Canada's only copper and zinc deposit currently under construction.</p> <p>May 2025, Press release</p>
<p>dcbel Inc.</p> <p>Investment of US\$40 million in dcbel Inc., a Montreal-based smart home energy platform company which has developed unique bidirectional electric vehicle (EV) charging hardware integrated with a home energy management system.</p> <p>March 2025, Press release</p>	<p>Hydrostor</p> <p>US\$200 million investment from Canada Growth Fund Inc. (CGF), Goldman Sachs Alternatives, and Canada Pension Plan Investment Board (CPP Investments). The transaction will support Hydrostor's continued investment in Advanced Compressed Air Energy Storage (A-CAES) projects in Canada and around the world.</p> <p>February 2025, Press release</p>



<p>Longbow Capital</p> <p>Commitment of up to \$50 million to Longbow Energy Transition Fund II LP. Longbow Energy Transition Fund II invests in businesses that are expected to benefit from the momentum behind the energy transition, with a focus on technologies and services that help lower carbon emissions through efficient and cost-effective solutions.</p> <p>February 2025, Press release</p>	<p>NMG</p> <p>Approximately \$35.6 million private placement with Nouveau Monde Graphite Inc. (NMG), a Quebec-based integrated graphite mining and processing company. With operations in Saint-Michel-des-Saints and Bécancour, NMG is developing an integrated value chain to transform natural graphite into active anode material, a critical component of lithium-ion batteries.</p> <p>December 2024, Press release</p>
<p>MKB</p> <p>\$50 million commitment to MKB Partner Fund III, contributing to scale the impact of the firm's strategy focused on accelerating the energy transition and fostering growth and innovation in the Canadian clean technology sector.</p> <p>August 2024, Press release</p>	<p>Svante</p> <p>US\$100 million financing commitment to Svante, a global carbon capture and removal solutions provider. The initial \$50 million tranche is to be used to accelerate and de-risk first-of-a-kind commercial projects currently underway, with a second tranche available to fund the development and construction of projects, with a focus on Canadian projects.</p> <p>August 2024, Press release</p>
<p>Strathcona Resources</p> <p>Strategic partnership totalling up to \$2 billion to build CCS infrastructure on oil sands facilities in Alberta and Saskatchewan, a first in the Canadian heavy oil sector. This partnership represents an innovative approach to CCS risk-sharing.</p> <p>July 2024, Press release</p>	<p>Markham District Energy</p> <p>Two-way CfD to enable the investment needed to replace natural gas boilers with an efficient heat recovery system from wastewater in order to provide residents with reliable and cost-competitive low carbon energy services.</p> <p>June 2024, Press release</p>
<p>Varme Energy</p> <p>Strategic partnership to facilitate the development of Canada's first waste-to-energy facility with integrated CCS. The project seeks to produce clean power while reducing landfill waste and promotes a circular economy. In December 2024, Gibson disclosed that it no longer intended to pursue the project. Subsequent to Gibson's decision, Varne launched a process to solicit new investment interest in the project and to obtain a replacement partner. CGF remains committed to the project and continues to see it as well aligned with its Mandate, including in relation to carbon contracts.</p> <p>June 2024, Press release</p>	<p>Idealist Climate Impact Fund</p> <p>Commitment of \$50 million to a Canada-focused fund aimed at commercializing, scaling, and accelerating the decarbonization of power supplies and industrials, the electrification of transportation, and the circular economy.</p> <p>March 2024, Press release</p>
<p>Entropy</p> <p>Investment of up to \$200 million in Entropy, coupled with a global first long-term fixed price carbon credit offtake of up to 1 million tonnes per annum, to invest in Canadian CCS projects that could significantly reduce emissions in Canada and worldwide.</p> <p>December 2023, Press release</p>	<p>Eavor Technologies</p> <p>\$90 million preferred equity commitment to close the funding gap and scale geothermal technology solutions while retaining intellectual property and creating Canadian jobs.</p> <p>October 2023, Press release</p>



4.1.2. Opportunity Sourcing

To ensure a fair approach to the sourcing of investment opportunities, CGFIM employs a dual-track strategy consisting of (i) an active outreach strategy and (ii) a publicly available electronic mailing address to receive and evaluate inbound investment proposals while the public sourcing strategy is fully developed.

Active Outreach Strategy: The active outreach strategy allows CGFIM to proactively identify and directly engage with industry stakeholders through three main approaches:

- (i) Direct outreach to companies and projects to structure and propose potential investments;
- (ii) Partnering with third-party investors to leverage their sourcing capabilities and increase the breadth of investment opportunities available to CGF; and
- (iii) Building multi-investor coalitions to develop and deliver large, complex projects.

Public Sourcing Strategy: CGFIM also reviews inbound investment proposals received through its publicly available electronic mailing address (infocgf@cgf-fcc.ca). With the launch of its revamped website, CGFIM developed a publicly available submission portal allowing Canadian businesses to submit investment opportunities and information on projects or companies aligned with CGF's Mandate. The improved website provides visitors with all the information they may need to familiarize themselves with the role and purpose of CGF, all in one place, ensuring an open and transparent investment review process.

4.1.3. Investment Selection

When evaluating investment opportunities on behalf of CGF, CGFIM uses a set of Investment Criteria that supports a rigorous, fair, and consistent evaluation while assessing the alignment of opportunities with relevant aspects of the CGF Mandate. Notably, any one individual investment may not fully satisfy all the Investment Criteria and Strategic Objectives of the CGF Mandate.

Table 3 – Investment Criteria

Investment Criteria	
1	Consistency with goals: The investment will advance the CGF Mandate and Strategic Objectives.
2	<p>Long-term benefits for Canada: The investment has a reasonable chance to strengthen the development of Canadian workers and generate knowledge that will produce long-term benefits for the Canadian economy. For example:</p> <ul style="list-style-type: none"> a) Canadian presence: activities related to the project or company are performed in Canada and/or may generate widely shared economic benefits in Canada. b) Intellectual property: the activity will enable the development, utilization, or commercialization of Canadian IP, or maintain Canadian ownership. c) Value chain creation: the investment will develop or strengthen Canadian competitiveness by participating in a new or existing value chain.
3	Additionality: The investment will attract private sector investment, immediately or in the future, that would likely not have been secured without the participation of CGF.
4	Financial soundness: The investment will fit within a portfolio that will target the preservation of capital.
5	Consistency with public disclosure sustainability-related principles: The investment will fit within a portfolio that will assist CGF in meeting internationally recognized standards of sustainability-related measurement, disclosure, and performance.



To help assess the alignment of a given potential investment with the screening criteria, CGFIM has translated each of the Investment Criteria into standard dimensions and key performance indicators as a part of the Impact Measurement and Management Framework (see Section 4.1.7). This summary framework provides the basis for investment diligence and selection, asset management, and portfolio monitoring. Please see Appendix C for a detailed list of relevant metrics.

4.1.4. Investment Instruments

CGF may invest in projects, companies, and investment funds managed by external investment managers. In doing so, CGF has the flexibility to employ a variety of investment instruments, including:

Table 4 – Investment instruments

Investment Instruments	
1	Equity, debt, and hybrid instruments: CGF may invest in equity (e.g., common shares, preferred shares, trust interests, or partnership interests), debt, or hybrid instruments.
2	<p>Contracts: CGF may enter into contracts and other forms of price assurances to address demand and policy risk and improve project viability. There are three main types of contracts:</p> <ul style="list-style-type: none"> a) Offtake contracts: CGF may enter into offtake contracts to address demand risk and improve project viability by providing revenue for a volume of production where sufficient demand from prospective private buyers is still developing. b) Contract for Difference³⁹ – Market Price: CfD that absorbs carbon credit market risk. If the market price is below the contract strike price, CGF pays the difference to the credit holder, and vice-versa. c) Contract for difference – Policy price: CfD that absorbs carbon policy risk. If the policy price falls below the contract strike price, CGF pays the difference to the credit holder, and vice-versa.

4.1.4.1. CGF's Carbon Contracts Strategy

Contracts, including both offtake contracts and CfDs, are financial instruments used to address demand or price risk related to market volatility as well as regulatory and policy risks. This reduces uncertainty and unlocks investment decision-making by emitters. While offtake contracts and CfDs may be used as a financial tool to absorb certain risks in relation to carbon markets in the context of specific investments and projects, they are not a replacement for well designed policy and well functioning market mechanisms.

Offtake contracts are a conceptually simple commercial agreement to purchase an established quantity of a commodity at a known price, reducing price risk. Common forms of offtake contracts include power purchase agreements, often used in the renewable energy sector, whereby a power plant sells its generated power at a known price to an offtaker such as a utility. In CGF's offtake contracts, CGF will buy carbon credits from a credit holder at a fixed volume, price, and term, providing revenue certainty.

³⁹ Contracts for difference will be structured as "two-way" contracts. Two-way contracts are the same as one-way contracts, with the exception that whenever the reference price is *greater* than the strike price, the credit holder must pay CGF the difference between the reference price and the strike price (allowing CGF to participate in upside).



In comparison, a CfD provides price assurance through the exchange of the price difference between the market price and the contract's strike price, rather than the purchase or sale of the commodity itself. If the carbon market or policy price is lower than the contract strike price, CGF pays the difference to the credit holder, and vice versa.

Figure 2 - Types of carbon contracts

	Risk Mitigated			Considerations		
	Policy	Market	Sale of Credits	Emitter Risk	Finance-ability	Best Suited For
① Offtake	✓	✓	✓	Lowest (counterparty retains zero basis risk to market index)	High (enables project financing and lowers cost of capital)	Situations where CGF can buy and sell credits in a liquid market
② CfD – Market Price	✓	✓	–	Medium (counterparty retains limited basis risk to market index)	Project Dependent (remains to be proven)	Situations where a robust carbon price index exists
③ CfD – Policy Price	✓	–	–	Highest (counterparty retains full basis risk to policy)	Low (unlikely to sufficiently de-risk projects for project finance providers)	Situations where a robust carbon price index does not exist

CGF is the principal federal entity issuing carbon Contracts in Canada⁴⁰, allocating, on a priority basis, up to \$7 billion in funding for their issuance. In this context, CGF has developed an initial Carbon Contracts Strategy to provide an expanded range of these tools to the market. This initial go-to-market strategy has been informed by extensive market and industry engagement with stakeholders from across Canada.

CGF has adopted six principles guiding the execution of its strategy in alignment with its Mandate. These principles are to:

- (i) **Unlock Projects:** Make projects investable through the reduction of policy and/or market risk;
- (ii) **Strengthen Carbon Markets:** Support the development of efficient, liquid carbon markets;
- (iii) **Respect Regional Differences:** Design regionally tailored solutions;
- (iv) **Prioritize Efficient Projects:** Promote competitive industry through cost and capital efficiency;
- (v) **Accelerate Technologies:** Accelerate the deployment of key technologies;
- (vi) **Deliver value for money:** Maximize the impact of CGF capital through project selection, investment structure, and partnerships with the private sector.

CGF's strategy will be tailored to emitters in various jurisdictions and with differing scale of decarbonization projects. To guide this approach, CGF has developed a deployment framework which helps classify potential projects into one of three categories:

- (i) **Scale:** Continue to scale the deployment of carbon contracts with large projects that have lower cost and risk profiles;
- (ii) **Scope:** Expand scope to include first-of-a-kind projects that are higher up the risk spectrum while advancing decarbonization in new regions and/or industries;

⁴⁰ As announced in the 2023 Fall Economic Statement.



- (iii) **Accessibility:** Develop standardized instruments for certain jurisdictions/sectors to promote rapid and efficient deployment and ensure widespread accessibility.

Additional details on the approach to deployment within this three-pronged framework can be found in the table below.

Figure 3 - Carbon contracts deployment strategy

		① Scale	② Scope	② Accessibility
Offtake	Project Type	Larger Emitters	“First-of-a-kind” Projects	Smaller Emitters
	Capital Commitment	Larger	Varies	Smaller
CGF Approach	Investment Structure	Customized (typically includes contracts and requires equity investment and/or upside participation)		Standardized (focus on replicability to accelerate wide adoption)
	Governance Rights	Customized (governance commensurate with equity participation, including information rights)		Limited (typically limited to information rights and commitments to operate)
	Due Diligence	Higher (in line with equity investor due diligence standards)		Medium (demonstration of technical and commercial soundness and creditworthiness)

4.1.5. Investment Process

CGFIM’s investment process includes two phases (as shown on Figure 4) and is designed to allow the CGFIM team to engage quickly when new opportunities arise.

As part of its investment process, CGFIM conducts comprehensive due diligence in line with the best practices of private market investors. Due diligence is led by the CGFIM team, and key focus areas include, but are not limited to, financials, operations, governance, intellectual property, commercial studies, technical assessments, environmental risks and liability, legal matters, tax matters, human resources, Indigenous Peoples’ rights, sustainability practices and policies, and IT and cybersecurity assessments.

In addition, for each investment opportunity, CGFIM conducts a systematic assessment of the opportunity against the CGF Investment Criteria (acknowledging that individual investments may not always satisfy all of the CGF Investment Criteria). In doing so, CGFIM also considers the opportunity’s financial returns, risk mitigation, level of concessionality, and how the opportunity will fit within CGF’s broader portfolio of investments. For all of its prospective investments, CGFIM also assesses potential reputational risks as well as any potential conflicts of interest.



4.1.6. Asset Management

CGFIM actively monitors the performance of the CGF investments, ensuring responsiveness to changing market conditions and accountability for results against the CGF Mandate. This monitoring includes:

Table 5 – Asset Management

1	Operational Oversight: execution of projects and implementation of initiatives to achieve economic and impact benefits.
2	Financial Oversight: responsible management of financial risks and realization of expected returns.
3	Strategic Oversight: ongoing relationship with investment partners and industry stakeholders to ensure sustained commitment to projects and corporate growth.

Following an investment, CGFIM engages with the company in accordance with its negotiated information and governance rights. These vary from one investment to another but may include, for example, acting as a board member at a company, participating in annual sustainability and ESG meetings, or receiving ongoing data and reporting with respect to the Performance Criteria of CGF. CGFIM remains engaged with CGF's portfolio companies to ensure their growth and their performance are in alignment with the CGF Mandate.

4.1.7. Impact Measurement and Management

Measuring the non-financial performance of CGF investments is one of CGFIM's key deliverables pursuant to the IMA. To reflect this central importance and ensure that impact and sustainability factors are considered at every stage of the investment process, CGFIM has developed a bespoke Impact Measurement and Management (**IM+M**) framework, approach, and tools. This IM+M approach is embedded directly into CGFIM's investment activities, and all investment team members are responsible for integrating these considerations directly into the underwriting process and ensuring that impact considerations are harmonized with financial and transaction soundness.

IM+M in the Investment Process

To operationalize the CGF Mandate, CGFIM has developed frameworks and tools to translate each of the Strategic Objectives into pillars and key performance indicators complementing CGF's statutory financial reporting. The CGF investment evaluation includes both a more conventional financial evaluation aligned with best investment practices and an impact-focused assessment in alignment with the CGF Mandate. As discussed in the previous section, all investments must demonstrate financial soundness and CGFIM's investment process ensures that the investment will fit within a portfolio that will target the preservation of capital. The subsequent section will focus on outlining details related to the impact evaluation.

CGFIM defines "impact" as the collection of indicators which CGF aims to deliver on a portfolio level over time. The resulting pillars and performance criteria make up CGF's Impact IM+M framework (Table 6), which is integrated across the investment lifecycle, providing the basis for investment diligence and selection, asset management, and portfolio monitoring. CGF investments are expected to address one or more aspects of the IM+M framework, but it is noteworthy that any one individual investment may not align with all aspects.



Table 6: CGF Impact Measurement and Management (IM+M) Framework

Pillar	Link to CGF Mandate	Performance criteria ⁴¹
Decarbonize Canada	Reduce emissions while promoting economic growth and Canadian competitiveness	<ul style="list-style-type: none"> Financed emissions (including Scope 1 and 2 emissions, Scope 3 where possible) Anticipated avoided emissions
Drive Canadian Clean Growth	Scale technologies and companies that will drive productivity, competitiveness, growth, and jobs across new and traditional sectors of Canada's industrial base	<ul style="list-style-type: none"> Estimated permanent jobs created or supported by CGF investments Number of technologies and/or patents created, supported, or maintained due to CGF investments Annual export revenue from major projects, clean technology, and/or low-carbon supply chains
	Capitalize on Canada's resource endowment and strengthen critical supply chains	
	Provide long-term benefits for Canada	
Additionality	Prioritize investments that unlock additional financial resources (crowding in capital) or advance economic and environmental outcomes that would not otherwise have been achieved	<ul style="list-style-type: none"> Ratio of private investment (equity and debt) catalyzed due to CGF investments Amount of new capital leveraged or unlocked that invests in alignment with the CGF Mandate (including qualitative evidence)

The Fund's IM+M framework supports evaluating all investments against each pillar and aligns the overall investment strategy, decisions, and management toward common objectives. Each investment may not support every standard dimension of impact but should significantly contribute to at least one of the key objectives, such that CGFIM can deliver on the CGF Mandate on a portfolio basis. These objectives are then integrated across the investment process, as outlined further in the next section. Total performance against objectives is evaluated, on aggregate, at the portfolio level.

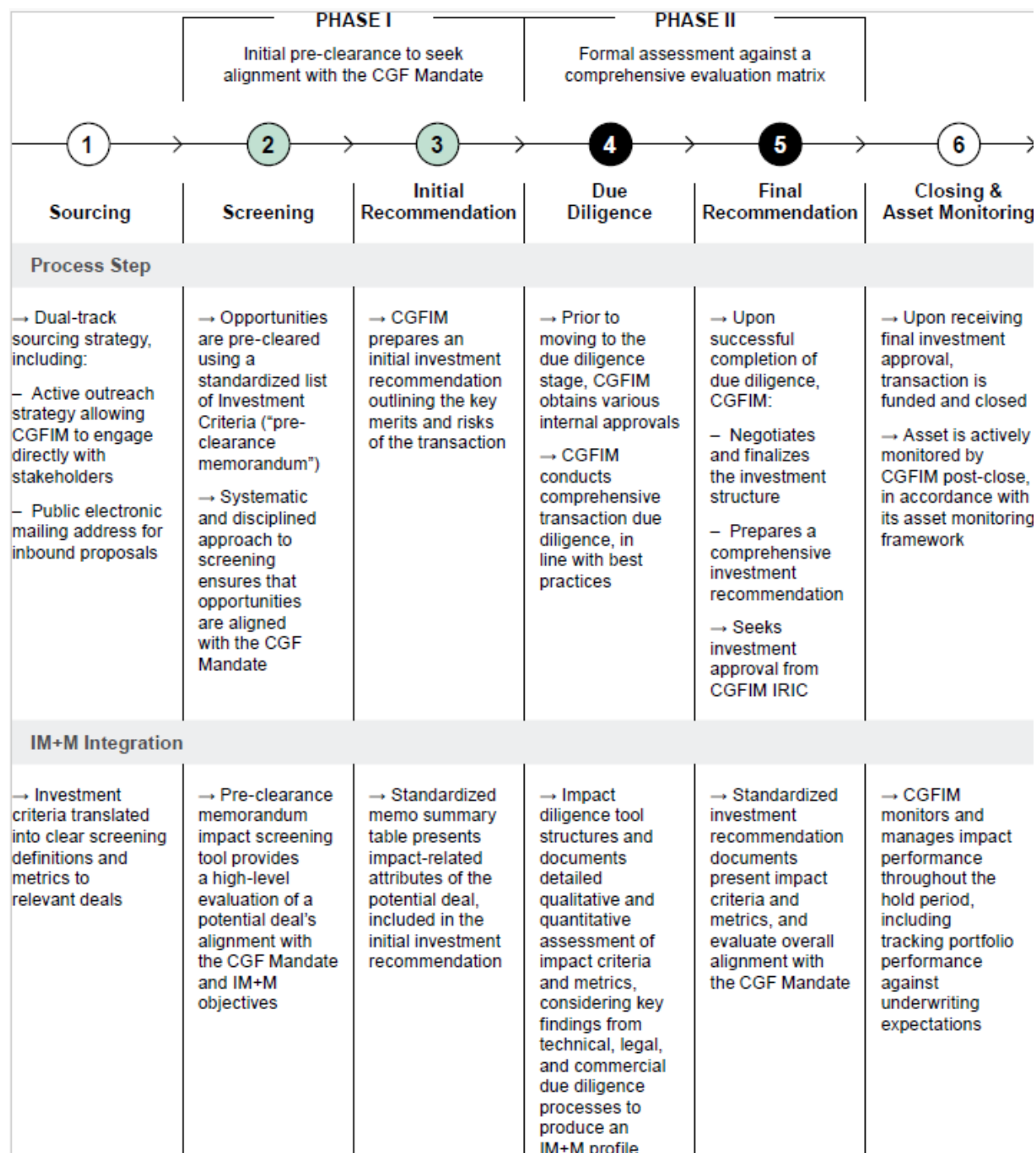
Integrating Impact into Investment Lifecycle

CGF's IM+M framework outlines a process to integrate impact management at every step of the investment lifecycle by defining specific steps to assess impact during investment screening, diligence and selection, asset management, and portfolio monitoring.

⁴¹ To be reported by CGFIM on an annual basis, to the extent possible and appropriate, at the portfolio-level.



Figure 4 - CGF investment process





The Fund seeks to sustain the impacts created through its investments, including after divestiture. CGFIM seeks to evaluate and monitor the performance of each investment against the Fund's Strategic Objectives at the following stages of the investment process:

- **Sourcing, Screening and Due Diligence:** During Phase I (**screening**) and Phase II (**diligence**), the IM+M framework guides users to evaluate an investment opportunity against a consistent and comprehensive set of impact metrics that align with the Fund's impact objectives. Screening focuses on demonstrating alignment with the CGF Mandate. Diligence focuses on evaluating each impact metric to measure the potential performance of the deal in alignment with the CGF Mandate. CGFIM has developed tools to support the evaluation of deals during the screening and diligence of the investment process. These tools allow CGFIM to construct a comprehensive assessment of each potential CGF investment, which is used, among other things, to inform the final investment recommendation and decision.
- **Closing and Asset Monitoring:** CGFIM monitors and manages impact performance throughout the holding period, including through:
 - **Contractual Terms and Governance:** CGFIM seeks to embed impact-focused metrics and requirements into the investment contract to ensure impacts aligned with the CGF Mandate are created and maintained throughout the investment hold. Examples include leveraging CGF's role within governance structures (e.g., boards, committees) to influence decision making and strategies that will improve investment performance, supporting investees in building capacity, systems, and tools to collect and manage impact data, and quantifying impact and sustainability performance.
 - **Data Collection:** During the post-investment process, CGFIM monitors the performance of CGF investments to measure and report on the impacts created throughout the hold period. CGFIM collects impact data from investees annually. CGFIM seeks to standardize this data collection, providing additional information related to definitions and units, sources, guidance, and frameworks to support consistent reporting of each metric. The data provided from each investment is reviewed and quality-checked to clarify and limit any information gaps.
 - **Asset Management & Engagement:** The impact data collected allows CGFIM to monitor impact progress over the investment hold and against the initial underwriting expectations, informing its governance and portfolio company engagement activities.
 - **Reporting and Monitoring:** As required in its governance documents, such as the IMA, CGF reports on aggregated portfolio-level impact data annually, monitoring performance against the CGF Mandate and Strategic Objectives. Financial and impact-related data are aggregated into a central data management system that is used to monitor the Fund's overall impact performance and CGF Mandate achievement. Insights from this analysis can then be fed back into the investment strategy to support impact management at the portfolio level.
 - **Exit:** CGFIM also considers CGF's exit scenarios and related impact outcomes (e.g., projected avoided emissions, asset viability, potential to scale) to understand how impacts aligned with the CGF Mandate would be sustained. As of the date of this report, the Fund has not yet exited any of its investments.



4.2. Overview of Risks and Mitigation Strategies

CGFIM leverages PSP Investments' expertise in identifying, evaluating, managing, mitigating, and monitoring risks while adapting its processes to meet CGFIM's specific needs. A Risk Management Policy, which defines the guiding principles and framework to prudently and proactively manage investment and non-investment risks, was recently finalized. The table below highlights the investment risks of CGF, defined as the risk of loss inherent in achieving investment objectives.

Table 7 – Risks and Mitigation Strategies

Risk	Definition	Mitigation Strategies
Market	Risk that the value of an investment will fluctuate as a result of an adverse financial outcome due to changes in the factors that drive that value. Key market risks for CGF include demand, policy, regulatory, execution, interest rate, and foreign currency risks.	Ensuring compliance with the following SIP Limit: "aggregate net exposure through CFD and offtake contracts, in a tail risk scenario, will be no more than \$7 billion". Independently ⁴² assessing an investment's expectation of return of capital at the time of approval and on an ongoing basis thereafter, as well as ongoing monitoring via internal covenants, a watch list, etc. Producing sensitivity analyses on key market risk areas on a quarterly basis (or more often if deemed relevant).
Liquidity	Risk that CGF will not be able to meet its financial obligations on a timely basis, with sufficient and readily available cash resources.	Ensuring there is sufficient liquidity to cover unfunded commitments at any given time.
Credit and counterparty	Risk of non-performance of an obligor on which CGF relies to fulfill contractual or financial obligations.	Independently ⁴³ conducting a credit risk assessment at the time of approval and on an ongoing basis thereafter for each counterparty and, when relevant, for portfolio investments.
Concentration	Risk arising from unwarranted exposure due to a lack of diversification or concentrated exposure.	Monitoring concentration metrics to ensure appropriate reporting and providing insight-driven information. Metrics include area of focus, private sector, type of investments, region, single name, and manager and partner. Nevertheless, as indicated herein, the implementation of the Mandate is likely to result in a concentrated portfolio of investments, especially during this ramp-up period.
Strategic and impact-related	Risk that portfolio companies do not achieve expected impact and performance outcomes and the strategic objectives of their mandate.	Refer to Section 4.1.7 for a description of the Impact Measurement and Management Framework developed by CGFIM, which is embedded in the investment process.

Non-investment risks (defined as the direct or indirect risk of loss not derived from investment risks and include legal, compliance, technology, operational, and people-related risks) are embedded within PSP Investments' procedures, given that PSP Investments supports CGFIM in providing investment management services to CGF in accordance with the IMA.

Beyond conventional financial portfolio risks, in pursuing opportunities in accordance with the CGF Mandate while seeking to unlock private investment, CGF may absorb certain investment risks beyond a conventional risk/return ratio. On this basis, CGF's portfolio may develop increased exposure to certain risks inherent to investing in emerging low-carbon technologies, as well as sector and geographic concentration.

^{42,43} Performed by PSP Investments Risk Management Group.



4.3. Expected Results and Performance

Building on the successes of the first full year of operations, CGF is poised for significant impact in the years ahead. CGF is well-positioned to deliver on its Mandate and continue to make a meaningful contribution to Canada.

To support alignment with the objectives and investment principles of the CGF Mandate, initial Performance Criteria have been established (see Table 8). In winter 2025, CGFIM undertook an inaugural portfolio data collection exercise, which formed the basis of CGF’s first impact-related disclosure in the [2024 Annual Report](#). The results of this exercise are included below:

Table 8 – Performance Criteria

Selection Criteria, Strategic Objectives and Investment Principles	Performance Criteria	Results as at December 31, 2024 ⁴⁴
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Consistency with CGF Mandate</p> <p>Quickly and significantly reduce emissions and contribute to achieving Canada’s climate targets</p> <p>Scale up technologies and companies that will drive productivity, competitiveness, clean growth, and jobs across new and traditional sectors of Canada’s industrial base</p>	<ol style="list-style-type: none"> CGF Portfolio Carbon Footprint and Financed Emissions (i.e., portfolio-level Scope 3 (Category 15) emissions). Calculated in accordance with the Greenhouse Gas Protocol and the Partnership for Carbon Accounting Financials Standard or equivalent methodology. Portfolio-level Annual Average Avoided Emissions. In-house methodology to be adopted in accordance with leading standards such as the Mission Innovation Avoided Emissions Framework. Ratio of private investment (equity and debt) catalyzed due to CGF investments. Methodology under development and may include consideration of prospective and/or retrospective values. Metric will be assessed on an ongoing basis. Where possible and appropriate, amount of new capital leveraged or unlocked that invests in alignment with the CGF Mandate. Methodology under development and may include consideration of prospective and/or retrospective values. Metric will be assessed on an ongoing basis. Where possible and appropriate, estimated total jobs created or supported (e.g., temporary, permanent, direct, and indirect) by CGF investments, over a period of time as may be determined by the Manager. Methodology under development; reporting timeframe may vary depending on the investment context, timing, and stage of development. 	<ol style="list-style-type: none"> Financed emissions – PCAF informed (tCO₂e): 1,088 <ul style="list-style-type: none"> Adjusted PCAF AUM in-scope (\$ million invested): 259 Coverage of in-scope AUM: 90% PCAF data quality score, weighted by investment size: 1.88 2024 Carbon footprint (Tonnes CO₂e/\$ million invested): 4.2 Cumulative anticipated direct avoided emissions by CGF portfolio companies, 2024 to 2030⁴⁵: <ul style="list-style-type: none"> Worldwide: Up to 15.9 million tCO₂e In Canada: Up to 4.1 million tCO₂e Ratio of private investment (equity and debt) catalyzed due to CGF investments, per dollar of CGF capital committed (less derivatives) since Fund inception: Up to 0.84:1 Amount of new private capital leveraged or unlocked that invests in alignment with the CGF Mandate since Fund inception: Up to \$892 million Direct, permanent Canadian jobs at CGF portfolio companies (full time equivalents): 1,192

⁴⁴ Refer to CGF 2024 Annual Report for a statement on our Performance Indicators and the applied methodology.

⁴⁵ CGF’s portfolio—comprising development-stage assets and early-stage companies—is expected to follow an exponential ramp-up in avoided emissions through to 2030. In light of this, reporting a cumulative avoided emissions figure to 2030 was the most prudent and transparent approach at this stage. If and when a representative annual average figure is observable, CGFIM intends to publicly report this figure.



	<p>Capitalize on Canada's resource endowment and strengthen critical supply chains in order to secure Canada's future economic prosperity</p> <p>Long-term benefits for Canada</p>	<p>6. CGF capital committed to major projects, clean technology, and/or low carbon supply chain activities. Measurement of CGF capital includes equity, debt, contracts for difference, and offtake contracts.</p> <p>7. Where possible and appropriate, annual export revenue from major projects, clean technology, and/or low-carbon supply chains. Methodology under development; the manager will endeavor to develop indicators that will demonstrate trade benefits and supply chain benefits for Canada.</p> <p>8. Where possible and appropriate, number of technologies and/or patents created, supported, or maintained due to CGF investments.</p>	<p>6. Total capital committed by CGF: \$2.1 billion</p> <p>7. Omitted this year</p>
Additionality		<p>9. (identical to 3 above) Ratio of private investment (equity and debt) catalyzed due to CGF investments. Methodology under development and may include consideration of prospective and/or retrospective values. Metric will be assessed on an ongoing basis.</p> <p>10. (identical to 4 above) Where possible and appropriate, amount of new capital leveraged or unlocked that invests in alignment with the CGF Mandate. Methodology under development and may include consideration of prospective and/or retrospective values. Metric will be assessed on an ongoing basis.</p> <p>11. Where possible and appropriate, qualitative evidence.</p>	<p>9. Ratio of private investment (equity and debt) catalyzed due to CGF investments, per dollar of CGF capital committed (less derivatives) since Fund inception: Up to 0.84:1</p> <p>10. Amount of new private capital leveraged or unlocked that invests in alignment with the CGF Mandate since Fund inception: Up to \$892 million</p> <p>11. Omitted this year</p>
Financial Soundness		<p>12. Discussion and analysis of CGF annual financial statements, in alignment with Section 6b of the IMA.</p> <p>13. Annual reporting in alignment with the Task Force on Climate-Related Financial Disclosures framework.</p>	<p>12. Included in the CGF 2024 Annual Report</p> <p>13. Included in the CGF 2024 Annual Report</p> <p>14. Omitted this year</p>
Consistency with Environmental, Social, and Governance (ESG) Principles		<p>14. Where possible and appropriate, Fund-level reporting on select ESG KPIs. Precise ESG KPIs will depend on the composition of the CGF investment portfolio. The ESG KPI framework will be structured in alignment with the Sustainability Accounting Standards Board guidance and with frameworks established under the ESG Data Convergence Initiative.</p>	

Now that a baseline of portfolio performance has been established, more in-depth portfolio analysis is underway, allowing CGFIM to improve strategic planning and the establishment of corporate objectives through time.

In addition to establishing quantitative portfolio monitoring, CGF has established financial and operational objectives for the coming fiscal year, as presented in Appendix C.

Statement on Performance Indicators

In preparing the results of the performance criteria, CGFIM has made a number of key judgements, estimations and assumptions. The processes, methodologies and issues involved are complex. The data, models and methodologies used are often relatively new, may rapidly evolve and may not be of the same standard as those available in the



context of financial and other information, nor are they subject to the same or equivalent disclosure standards, historical reference points, benchmarks or globally accepted accounting principles.

It is often not possible to rely on historical data as a strong indicator of future trajectories. Outputs of models, processed data, and methodologies are likely to be affected by underlying data quality, which can be hard to confirm, and we expect industry guidance, standards, market practice and regulations in this field to continue to evolve. CGFIM is also faced by challenges in relation to its ability to receive data on a timely basis and the lack of consistency and comparability between data that is available. This means the forward-looking statements and information discussed carry an additional degree of inherent risk and uncertainty. In light of uncertainty as to the nature of any future policy and/or market responses to the energy transition and other issues relevant to the CGF Mandate, including between regions, as well as the effectiveness of any such responses, and as market practice and data quality and availability develop, CGFIM may update the models and/ or methodologies it uses, or alter its approach to analyses. On this basis, CGFIM may amend, update and recalculate its disclosures and assessments. Revisions to impact-related data may render it irreconcilable or incomparable on a year-on-year basis. The information in this report includes non-financial metrics, estimates or other information or data that are subject to significant uncertainties, which may include the methodology, collection and verification of data, various estimates and assumptions, and underlying data that are obtained from third parties. The impact-related information contained within this report has not been independently verified or assured. Non-financial portfolio level metrics include data pertaining to companies to which CGF has already disbursed capital, or otherwise has legal commitments (conditional or otherwise) to do so, as at December 31, 2024, and reflects best available information as of the date of the [2024 Annual Report](#). These figures will be updated annually as part of the Annual Report process.

Please see the [2024 Annual Report](#), Appendix A, for more information about CGF's methodologies.



5. Financial Overview⁴⁶

5.1. Context and Definitions

Unless otherwise noted, all dollar amounts presented in Section 5 are in Canadian dollars.

Projection Period

The financial projections presented herein (the **Financial Projections**) outline the expected financial condition and operations of CGF for the 2026–2030 period (the **Projection Period**), as well as preliminary estimates for the year ending December 31, 2025 (the **2025 Estimates**).⁴⁷

CGF has a December 31 year-end. Unless otherwise specified, all year references made in Section 5 assume a January 1 to December 31 calendar year.

Use of Assumptions

The Financial Projections rely on the use of a number of assumptions, including assumptions regarding the anticipated market conditions under which CGF will operate over the Projection Period. CGFIM used its best judgement in developing the assumptions underlying the Financial Projections. However, it is acknowledged that given CGF's limited operating history, the limited availability of historical information, and CGF's unique role in the Canadian investor ecosystem, actual results may vary significantly from the Financial Projections.

Commitments vs. Deployments

Over the Projection Period, CGF will make a number of investment commitments to projects, companies, and external fund managers (**Commitments**). These Commitments may not always result in immediate capital deployments, as some Commitments may be deployed over time.

Throughout Section 5, Commitments refer to agreements entered into by CGF to make investments (immediate or future), while capital deployments (**Deployments**) refer to the funding of prior (or concurrent) Commitments.

⁴⁶ For completeness, we note that CGF's Annual Reports and Interim Reports are publicly available on CGF's website: <http://www.cgf-fcc.ca/en/>.

⁴⁷ Financial projections and the 2025 Estimates were developed in or around August/September 2025.



5.2. Funding

Over the course of the execution of its Mandate, CGF will obtain its funding through the issuance of preferred shares to His Majesty in Right of Canada, as represented by the Minister of Finance (the **Preferred Shares**).

The funding schedule presented below represents the funding amount that is targeted to be drawn each year, in addition to the amounts that were called (including amounts expected to be called) from 2023 to 2025 (total of \$7.4 billion), for a cumulative total of \$15 billion.

Table 9 - Funding schedule

Government Funding (in \$ billions)	2026	2027	2028	2029	2030
Net proceeds from the issuance of Preferred Shares	\$3.0	\$3.0	\$1.6	-	-

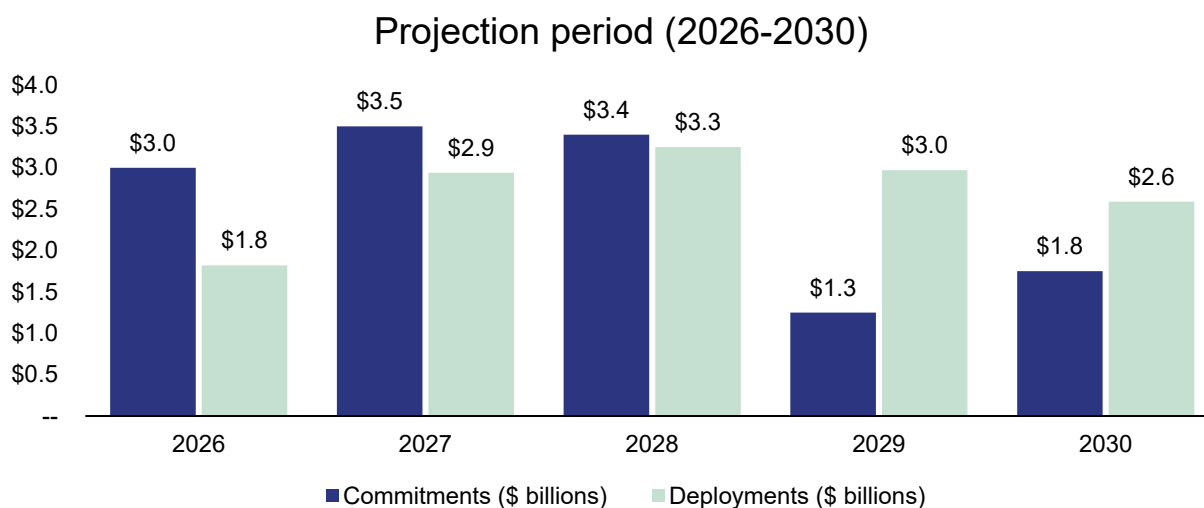
5.3. Commitments and Deployments

2025 Estimates

After committing to \$2.1 billion in 2023 and 2024, CGFIM estimates that CGF will make approximately \$3 billion in total Commitments and \$0.6 billion in total Deployments for the year ending December 31, 2025.

Projection period (2026 – 2030)

Figure 5 – Investment activities





Key Assumptions for the Projection Period

From the funded \$15 billion, CGFIM assumes conservative revenues based on the following assumptions:

- (i) Interest income from liquidity;
- (ii) Proceeds from divestitures of assets;
- (iii) While CGFIM expects CGF to achieve a return of capital on a portfolio basis over a period of 15 years, the Financial Projections do not assume mark-to-market or investment income (through dividends, distributions, or interest) being generated from CGF's portfolio of investments; and
- (iv) CGFIM also assumes released funds from commitments under contracts allowing us to reinvest the available capital.

CGFIM estimates that there may be timing differences between Commitments entered into by CGF and the associated Deployments. For example, Commitments made with respect to large projects may be funded over periods exceeding 12 months. As such, in any given year, CGFIM anticipates that yearly Deployments may differ from yearly Commitments and that Deployments will increase over time.

5.4. Costs and Assumptions

CGF costs consist of:

- Staffing and resource requirements of CGFIM and advisory and other costs, together the "Costs to operate CGF"; and
- Transaction costs paid to third-party advisors in connection with new Commitments and external fees paid to external fund managers and (**External Investment-Related Costs**),

which together represent the total costs incurred by CGF (the **Total Costs**).

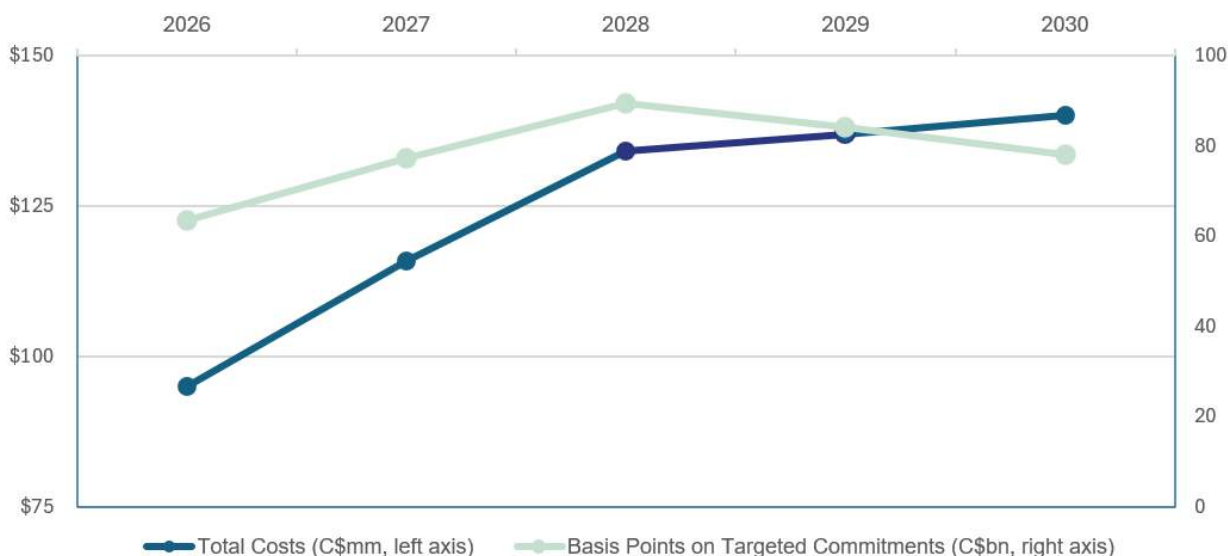
It should be noted that CGF has no capital budget allocated over the planning period.

The Total Costs and Commitments are intended to be paid out of CGF's total funding of \$15 billion.



Projection Period (2026–2030)

- (i) The projected Commitments and Deployments outlined in Section 5.3 impact the Costs to operate CGF as well as the External Investment-Related Costs.
- (ii) The Total Costs presented include CGF’s accrued liabilities, arising at the time costs are incurred.



Key drivers of Costs to Operate CGF:

A key driver of Costs to Operate CGF is “compensation and overhead” necessary to support the delivery of the CGF Mandate. The driver reflects (i) the compensation of the PSP Investments’ professionals who support the activities of CGF and CGFIM, as well as (ii) overhead costs in connection with the use of various PSP Investments’ corporate functions (e.g. technology costs) and rent.

5.5. Pro Forma Financial Statements

CGF is not presenting pro forma financial statements for the following reasons: (i) As a Government Business Enterprise (GBE), CGF prepares its financial statements under IFRS and qualifies as an Investment Entity. It therefore measures its investments at fair value through the Statement of Profit and Loss.; (ii) CGF’s Mandate calls for it to operate in illiquid markets, without regular past or current trading activity and where it often needs to act as a market maker; (iii) Given this context, forecasting fair value in pro forma financial statements is unlikely to lead to financial information that meet the basic qualitative characteristics of useful financial information as outlined in the IFRS Conceptual Framework including having predictive value. CGFIM is of the view that this would render such information effectively misleading.



Appendices

Appendix A - Direction from Responsible Minister

The Statement of Priorities and Accountabilities is appended as [Exhibit 1](#).

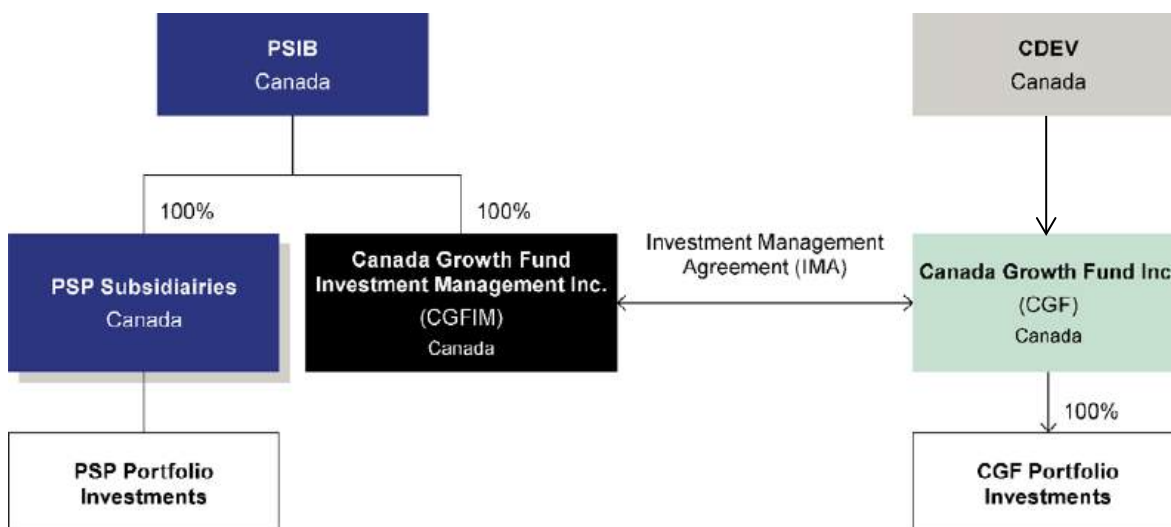


Appendix B - Corporate Governance Structure

PSP Investments, CGFIM, CGF, and CDEV executed the IMA on March 11, 2024, pursuant to which CGFIM provides a full suite of investment management services to CGF, independently of, and at arm’s length from, the Government of Canada. Pursuant to the IMA, all decisions relating to CGF’s assets and activities, including all investment decisions, are made by CGFIM in alignment with CGF’s Mandate and strategic goals, without direction or influence from the Government.

Moreover, the assets and liabilities of CGF are kept separate from, and are managed independently of, the pension assets of PSP Investments.

Figure 6 - Corporate chart



CGF Governance

CGF is governed by a Board of Directors appointed by CDEV in consultation with the Government of Canada’s Minister of Finance (the **CGF Board**). In 2025, two new Board members joined the CGF Board. It is anticipated that the CGF Board will consist of four members, including two CDEV representatives, as well as an external board chair and an audit committee chair. The responsibilities of the CGF Board include overseeing the compliance of CGFIM with the IMA, ensuring that CGF is compliant with the governance framework for Crown Corporations as outlined in the *Financial Administration Act*, and the approval of CGF’s financial statements.

CGF Board

-
- Corinne Boone, Board Chair
 - Sean Strickland, Director
 - Elizabeth Wademan, Director



CGFIM Governance

CGFIM has a Board of Directors (the **CGFIM Board**). The CGFIM Board has established the IRIC, to which it has delegated all duties and responsibilities in respect of investment evaluations and approvals. All investments including, without limitation, new investment opportunities, follow-on investments, fund commitments, and dispositions require IRIC's approval.

CGFIM Senior Executives

The day-to-day activities of CGFIM are led by a team of senior investment professionals who have extensive experience across a range of sectors. To date, CGFIM has appointed the following individuals to senior leadership positions, and may add to this team going forward on an as-needed basis.

- **Yannick Beaudoin**, President and Chief Executive Officer: Yannick Beaudoin is the President and Chief Executive Officer of CGFIM since February 2025. In this capacity, he is responsible for setting the \$15 billion Fund's overall direction and ensuring that CGFIM's resources and activities are aligned with CGF's Mandate and strategic goals.

Yannick joined PSP Investments' Natural Resources team in Montreal in 2012. Throughout this tenure, he has demonstrated exceptional leadership in building investment portfolios from the ground up and in cultivating strong stakeholder relationships. As Head of Asia Pacific and Europe, Yannick oversaw a growing Natural Resources portfolio of over \$8 billion and global transaction opportunities that included controlling direct investments alongside local operating partners. Yannick led a diverse team of investment professionals and has significant experience in asset management and investment oversight, having participated on multiple Boards of Directors since 2013.

- **Stephan Rupert**, Chief Investment Officer: Stephan Rupert is the Chief Investment Officer of CGFIM. In this capacity, he is responsible for CGFIM's portfolio construction strategy and investment execution activities.

Stephan has over 20 years of experience in infrastructure investment, asset management, and operations. Prior to joining CGFIM, Stephan was Managing Director, Head of Americas, Infrastructure Investments at PSP Investments. In this role, he oversaw capital investment and asset management for the Americas and took a leading role in PSP Investments' approach to the energy sector globally. Prior to joining PSP Investments in 2013, Stephan spent over a decade leading M&A activities in the transportation sector, and from 1997 to 2001 he worked as an engineer on several highway, railroad, and water infrastructure construction projects in North America and Africa. Stephan holds a Bachelor of Civil Engineering and an MBA, both from McGill University. He is a Chartered Financial Analyst.

- **Selin Bastin**, Chief Legal Officer: Selin Bastin is the Chief Legal Officer of CGFIM. She is part of the leadership team of CGFIM and is responsible for legal and regulatory affairs as well as governance matters. Selin also plays a key role in the structuring and execution of investment transactions.

With over 25 years' experience as a corporate lawyer, Selin has extensive expertise in mergers and acquisitions, securities law, and corporate governance. Prior to joining CGFIM, Selin was Managing Director and Divisional General Counsel at PSP Investments. Since joining PSP Investments in 2006, Selin has played an important role in PSP Investments' growth as a global pension fund investor, and in ensuring continued effectiveness in structuring and executing complex transactions. Prior to joining PSP Investments, Selin worked as a corporate lawyer at Stikeman Elliott, where she specialized in M&A. Selin holds a BCL and an LLB from McGill Law School and a Bachelor of Commerce from Concordia University.



Appendix C - Planned Results

Planned results for 2025 and Performance Criteria

Table 10 - Summary of planned results (2026)

Objectives	Measures of Success
Invest with focus and foresight: Execute on CGF's capital plan	<ul style="list-style-type: none"> - 8-12 transactions aligned with CGF's Mandate - Commitment of \$2-4 billion
Operate with excellence: Continue improving effectiveness and efficiency across CGFIM	<ul style="list-style-type: none"> - Continue developing the CGFIM team - Continue developing and formalizing: <ul style="list-style-type: none"> o Impact measurement framework o Public reporting framework, including annual reporting - Further evolve asset management strategy
Inspired by our missions: Proactively manage CGF's external presence	<ul style="list-style-type: none"> - Implement communications protocol on all CGF investments - Improved public tools on CGF's website

Table 11 - Performance criteria

Selection Criteria, Strategic Objectives, and Investment Principles		Performance Criteria
Consistency with CGF Mandate	Quickly and significantly reduce emissions and contribute to achieving Canada's climate targets	<ol style="list-style-type: none"> 1. CGF Portfolio Carbon Footprint and Financed Emissions (i.e., Portfolio-level Scope 3 (Category 15) emissions). Calculated in accordance with the Greenhouse Gas Protocol and the Partnership for Carbon Accounting Financials Standard or equivalent methodology. 2. Portfolio-level Annual Average Avoided Emissions. In-house methodology to be adopted in accordance with leading standards such as the Mission Innovation Avoided Emissions Framework.
	Scale up technologies and companies that will drive productivity, competitiveness, clean growth, and jobs across new and traditional sectors of Canada's industrial base	<ol style="list-style-type: none"> 3. Ratio of private investment (equity and debt) catalyzed due to CGF investments. Methodology under development and may include consideration of prospective and/or retrospective values. Metric will be assessed on an ongoing basis. 4. Where possible and appropriate, amount of new capital leveraged or unlocked that invests in alignment with the CGF Mandate. Methodology under development and may include consideration of prospective and/or retrospective values. Metric will be assessed on an ongoing basis. 5. Where possible and appropriate, estimated total jobs created or supported (e.g., temporary, permanent, direct, and indirect) by CGF investments, over a period of time as may be determined by the Manager. Methodology under development; reporting timeframe may vary depending on the investment context, timing, and stage of development.



<p>Capitalize on Canada's resource endowment and strengthen critical supply chains in order to secure Canada's future economic prosperity</p>	<p>6. CGF capital committed to major projects, clean technology, and/or low carbon supply chain activities. Measurement of CGF capital includes equity, debt, contracts for difference, and offtake contracts.</p> <p>7. Where possible and appropriate, annual export revenue from major projects, clean technology, and/or low-carbon supply chains. Methodology under development; CGFIM will endeavor to develop indicators that will demonstrate trade benefits and supply chain benefits for Canada.</p>
<p>Long-term benefits for Canada</p>	<p>8. Where possible and appropriate, number of technologies and/or patents created, supported, or maintained due to CGF investments.</p>
<p>Additionality</p>	<p>9. (identical to 3 above) Ratio of private investment (equity and debt) catalyzed due to CGF investments. Methodology under development and may include consideration of prospective and/or retrospective values. Metric will be assessed on an ongoing basis.</p> <p>10. (identical to 4 above) Where possible and appropriate, amount of new capital leveraged or unlocked that invests in alignment with the CGF Mandate. Methodology under development and may include consideration of prospective and/or retrospective values. Metric will be assessed on an ongoing basis.</p> <p>11. Where possible and appropriate, qualitative evidence.</p>
<p>Financial Soundness</p>	<p>12. Discussion and analysis of CGF annual financial statements, in alignment with Section 6b of the IMA.</p>
<p>Consistency with Environmental, Social, and Governance (ESG) Principles</p>	<p>13. Annual reporting in alignment with the Task Force on Climate-Related Financial Disclosures framework.</p> <p>14. Where possible and appropriate, Fund-level reporting on select ESG KPIs. Precise ESG KPIs will depend on the composition of the CGF investment portfolio. The ESG KPI framework will be structured in alignment with the Sustainability Accounting Standards Board guidance and with frameworks established under the ESG Data Convergence Initiative.</p>



Appendix D - Chief Financial Officer Attestation

In my capacity as Chief Financial Officer of Canada Growth Fund Investment Management Inc. (**CGFIM**), CGFIM acting as the independent and exclusive investment manager of Canada Growth Fund Inc. (**CGF**), I have reviewed the corporate plan and budget and the supporting information that I considered necessary, as of the date indicated below. Based on this due diligence review, I make the following conclusions:

1. The nature and extent of the financial and related information is reasonably described, and assumptions having a significant bearing on the associated financial requirements have been identified and are supported, with the following observations: Assumptions concerning CGF's business activity and the composition of its portfolio of investments are subject to significant variation due to market conditions. In turn, assumptions around total costs to operate CGF are dependent on the composition of the CGF portfolio and are, therefore, subject to variations.
2. Significant risks having a bearing on the financial requirements, the sensitivity of the financial requirements to changes in key assumptions, and the related risk-mitigation strategies have been disclosed, with the following observations: Assumptions with respect to CGF's business activity and its portfolio of investments are relying on the best available information, however the nature of the markets in which CGF operates to meet its mandate, and potential portfolio concentration, entail significant uncertainties. Notably, the nature of certain derivative instruments in which CGF invests to fulfil its mandate, carry significant market risk.
3. Financial resource requirements have been disclosed and are consistent with the stated assumptions, and options to contain costs have been considered, with the following observations: Resource requirements are based on the assumed business activity of CGF and composition of the CGF portfolio which are subject to variation as indicated in paragraphs 1 and 2 above.
4. Funding has been identified and is sufficient to address the financial requirements for the expected duration of the corporate plan, with the following observations: Assumptions regarding CGF's funding are dependent on the performance of CGF's investments, the assumed business activity of CGF, related costs which are each subject to variation as indicated in paragraphs 1 and 3. These will impact CGF's annual funding requirements within its total approved funding of \$15 billion.
5. The corporate plan and budget are compliant with relevant financial management legislation and policies, and the proper financial management authorities are in place (or are being sought as described in the corporate plan).
6. Key financial controls are in place to support the ongoing investment activities conducted on behalf of CGF.

In my opinion, the financial information contained in this corporate plan and budget is sufficient overall to support decision making.

Caroline Vermette, Chief Financial Officer of Canada Growth Fund Investment Management Inc., acting as manager for Canada Growth Fund Inc.

Month, Day, Year



Appendix E - Borrowing Plan

CGF and its wholly-owned subsidiaries may provide guarantees and enter into loan commitments in support of investment commitments that CGF or its wholly-owned subsidiaries may enter into and as may be required by lenders, fund managers, and investors with whom CGF and its wholly-owned subsidiaries may transact from time to time, in respect of (i) a note, bond, or debenture, (ii) term preferred shares, (iii) a loan, (iv) a banker's acceptance, (v) a capital lease, or (vi) a supplier credit arrangement, with an annual aggregate guarantee and loan commitments not exceeding the annual commitment amount outlined in Section 5 for a term of up to 25 years.



Appendix F - Government Priorities and Directions

Transparency and Open Government

To ensure an open and transparent approach to sourcing investment opportunities, CGF employs a dual-track approach:

- (i) **Active Outreach:** CGFIM proactively identifies and directly engages with industry stakeholders through three main approaches:
 - a. Direct outreach to companies and projects to structure and propose potential investments;
 - b. Partnering with third-party investors to leverage their sourcing capabilities and increase the breadth of opportunities available to CGF;
 - c. Building multi-investor coalitions to develop and deliver large, complex projects.

- (ii) **Public Process:**
 - a. CGFIM maintains a public inbox (infocgf@cgf-fcc.ca) to receive and review information directly from market participants:
 - i. The CGFIM team closely monitors the public inbox to ensure that the public maintains direct access to CGF;
 - ii. While the CGFIM team aims to review and respond to all inbound opportunities in a timely manner, it cannot guarantee that all proposals will receive a response.
 - b. CGFIM maintains a bilingual website (www.cgf-fcc.ca), including information on CGF's Mandate and latest news. The content of the CGF website will evolve over time in line with CGF's activities.

Access to Information and Privacy

CGFIM and CGF are subject to the *Access to Information Act* and the relevant information is available on CGF's website ([link](#)).

CGFIM sets out the way it collects, uses, discloses, and otherwise manages personal information on its website at the following [link](#).

Information Technology and Cyber Security

PSP Investments is committed to safeguarding the confidentiality, integrity, and availability of the information assets under its control. PSP Investments has adopted an *Information Security Policy* that establishes general principles and requirements to ensure risks to information assets are managed in alignment with PSP Investments' vision, risk appetite, and our legal, statutory, regulatory, and contractual requirements.

PSP Investments' information assets (including personally identifiable information) are classified and protected based on the level of confidentiality, integrity, and availability required with respect to the nature of the information asset. The information assets classification is the basis for the identification of the risks associated with the unauthorized disclosure, use, modification, or loss of PSP Investments' information assets.



PSP Investments' Information Security strategy (FY22-FY26) is based on four priorities: (i) promoting a culture of ownership and responsibility for managing cyber risks; (ii) enabling PSP's digital transformation and secure cloud migration; (iii) supporting PSP in securely sharing and capitalizing on the value of information and data; and (iv) ensuring that cyber risks outside its direct control are managed. A range of risk-mitigating measures have already been implemented via this five-year plan, including a comprehensive cyber awareness program, an executive information security dashboard, a risk-based vulnerability management framework, and an investment cyber risk program.

Discrimination, Harassment and Workplace Violence Prevention

PSP Investments is committed to creating and maintaining a safe and healthy work environment that is free of discrimination, harassment, and violence of any type, including of a sexual nature. Discrimination, harassment, and workplace violence are unacceptable behaviours and will not be tolerated. PSP Investments will take reasonable measures to prevent these behaviours and to conduct a resolution process, including investigations when allegations are raised, and will also implement corrective action(s) and/or disciplinary measure(s), depending on the circumstances, when a complaint is founded. PSP Investments is also committed to prevent discrimination, harassment, and workplace violence by:

- Promoting the highest standards of conduct;
- Communicating and enforcing the principles contained in its *Discrimination, Harassment, and Workplace Violence Prevention Policy*;
- Providing annual training on respect in the workplace and educating to ensure clarity as it relates to employees' rights and responsibilities;
- Implementing an effective and fair complaint resolution process as part of its *Discrimination, Harassment, and Workplace Violence Prevention Procedure (Canada)*.

Environment, Social and Governance (ESG)

PSP Investments has a long-standing commitment to integrate material Environmental, Social and Governance (ESG) factors into its investment decision-making process. CGFIM leverages PSP's processes and tools in its underwriting. Moreover, CGFIM has designed and implemented an Impact Measurement and Management (IMM) framework to guide and ensure the alignment of its investment process with the CGF Mandate, including on Gender-Based Analysis Plus (GBA+) and with respect to Indigenous communities.

Gender-Based Analysis Plus

Within this context, CGFIM is assessing how it can apply a GBA+ lens to CGFIM's operations and in executing CGF's investment mandate.

Indigenous Communities

The duty to consult is an important part of the federal government's activities, including for regulatory project approvals, licensing and authorization of permits, operational decisions, policy development, negotiations, and more. CGFIM will consider the federal government's duty to consult Indigenous Peoples and more generally how it can collaborate with Indigenous communities and businesses in executing CGF's investment mandate.



Sustainable Development and Greening Government Operations

CGF's investment strategy is focused on unlocking important sustainability benefits for Canadians, in particular related to decarbonization and economic outcomes associated with its investment mandate and strategy.

CGF's mandate is to build a portfolio of investments that catalyze substantial private sector investment in Canadian businesses and projects to help transform and grow Canada's economy at speed and scale on the path to net zero, and is intended to help Canada meet national economic and climate policy goals.

Accelerate the **deployment of key technologies**, such as low-carbon hydrogen and CCS, among others.

Reduce emissions while promoting economic growth and Canadian competitiveness.

Scale up companies that will create jobs and drive productivity and clean growth across new and traditional sectors of Canada's industrial base.

Encourage the **retention of intellectual property** in Canada.

Capitalize on Canada's abundance of natural resources and **strengthen critical supply chains** to secure Canada's future economic and environmental well-being.

CGFIM is aware of the Government of Canada's *Greening Government Strategy* and will evaluate opportunities to contribute to its objectives in the years ahead.

Forced Labour and Modern Slavery

CGF and CGFIM have both confirmed that (i) they do not produce, purchase, or distribute goods, and (ii) they do not control any entities that produce, sell, or distribute goods. Since CGF and CGFIM do not carry out these activities, CGF and CGFIM do not fall into the scope of the reporting obligations of "government institution" or "entity".

Forced Labour and Modern Slavery Report

PSP Investments is committed to upholding high standards of corporate governance and ethical conduct. PSP Investments has been a signatory to the United Nations-supported Principles for Responsible Investment since August 2014. As part of PSP Investments' commitment, it is working to continuously improve its processes aimed at preventing and reducing the risks of forced labour, child labour, and other forms of modern slavery (including, but not limited to, human trafficking, slavery, and servitude) in its activities and supply chains. PSP Investments has issued a report under the Fighting Against Forced Labour and Child Labour in Supply Chains Act for the fiscal year ending March 31, 2024, which can be found [here](#).



Ensuring Sound Procurement Practices

CGFIM believes that a strong procurement framework is necessary to support CGF and CGFIM's activities, further its objectives, and preserve CGFIM's and CGF's reputation. CGFIM leverages PSP Investments' established processes and expertise, including with respect to procurement functions.

As CGFIM establishes the CGFIM procurement policy, it is taking into account:

- The report issued by the Office of the Auditor General of Canada following its audit of the procurement of professional services contracts.
- The reports and directives issued by the Treasury Board Secretariat, Public Services and Procurement Canada.

In addition to the above, the CGFIM procurement policy will also rely on best market practices in procurement to ensure CGF benefits from value for money from vendor relationships.



Appendix G - Compliance with Legislative and Policy Requirements

In addition to complying with the *Financial Administration Act* (to the extent applicable to it), CGF will provide CDEV with information for CDEV to comply with relevant reporting obligations. Please see the CDEV Corporate Plan for additional details.

CGF was issued a directive through Order in Council 2022-1272. CGF remains in compliance with this directive and the Statement of Priorities and Accountabilities issued by the Deputy Prime Minister and Minister of Finance on March 8, 2024.



Exhibit 1

Statement of Priorities and Accountabilities (March 8, 2024)

Deputy Prime Minister
and Minister of Finance



Vice-première ministre
et ministre des Finances

Ottawa, Canada K1A 0A2

2023FIN513410

March 8, 2024

Mr. Stephen Swaffield
Chair
Canada Development Investment Corporation
1240 Bay Street, Suite 302
Toronto, Ontario
M5R 2A7

Mr. Stephen Swaffield
Ms. Elizabeth Wademan
Canada Growth Fund Inc.
1240 Bay Street, Suite 302
Toronto, Ontario
M5R 2A7

Dear Mr. Swaffield and Ms. Wademan,

I am writing to you as the Minister responsible for the Canada Growth Fund (CGF), operated by Canada Growth Fund Inc. (CGF Inc.), a wholly-owned subsidiary of the Canada Development Investment Corporation (CDEV).

The CGF is a key part of the government's economic plan. From carbon pricing, to major investment tax credits, to grants and contributions programs, the government is investing in Canada's economic future. With its suite of financial tools and \$15 billion at its disposal, the CGF is uniquely positioned to help de-risk important projects and unlock investment decisions that decarbonize our economy, and, equally, create good careers for Canadians.

It is my pleasure to issue this Statement of Priorities and Accountabilities (SPA) to you pursuant to the directive issued to CGF Inc. by the Governor in Council on December 2, 2022 (P.C. 2022-1272). I am also sending this SPA to the Public Sector Pension Investment Board (PSP Investments) and its subsidiary Canada Growth Fund Investment Management Inc. (the Manager), as well as the Minister of Innovation, Science and Economic Development Canada, the Minister of Natural Resources Canada, the Minister of Environment and Climate Change Canada, and the President of the Treasury Board for awareness.

This letter outlines the Government of Canada's expectations and strategic priorities for CGF and CGF Inc.'s operations, while recognizing that the Fund is an arm's length public investment vehicle.

Investment Management Agreement and Statement of Investment Principles

On May 31, 2023, I sent you an interim SPA. This interim SPA expressed my expectation that you would begin negotiating an Investment Management Agreement (the IMA) to be entered into between CGF Inc., CDEV, PSP Investments, and the Manager. I also noted my understanding that you would work with PSP Investments to develop a Statement of Investment Principles (the SIP) to accompany the IMA. I indicated my expectation that you would consult with me on the IMA and the SIP prior to finalizing these documents with PSP Investments.

I understand you have now completed the negotiation of the IMA and the SIP. I have reviewed these documents, in consultation with the Privy Council Office (PCO) and the Treasury Board Secretariat, and agree with their content, including those provisions relating to amendments to the SIP. PCO and the Departments of Innovation, Science, and Economic Development Canada, Natural Resources Canada, and Environment and Climate Change Canada have been consulted on the SIP, to ensure CGF complements the Government of Canada's other policy tools and programs, while maintaining its operational and investment management independence.

You may now execute the IMA and put in place the SIP. Once they are in place, I expect you to send me a final copy of both documents, and to act in accordance with their terms and to take all necessary actions to deliver on CGF's strategic objectives.

Governance

As long as CGF Inc. remains a wholly owned subsidiary of CDEV subject to Part X of the *Financial Administration Act*, CGF Inc.'s board of directors (the CGF Inc. board) will be appointed by the board of its parent company, CDEV. I understand you have put together a proposal for the initial slate of directors for the CGF Inc. board, which would consist of four members, including three CDEV representatives (including the President and CEO of CDEV), as well as an independent board chair. I expect you to consult with me, as the Minister of Finance, on proposed appointments to the CGF Inc. board. Given the services to be provided to CGF Inc. by the Manager under the IMA, I understand that CGF Inc. expects to have few or no employees of its own (and that certain CDEV staff will be involved with CGF Inc. from time-to-time as necessary).

I expect the board of CDEV to set the remuneration of the independent directors and chairperson of the CGF Inc. board having regard to the standard remuneration usually provided by other corporations in the public and private sectors in accordance with the provisions of Order in Council PC-2022-1269.

The CGF Inc. board will be responsible, within its rights under the IMA and subject to the terms thereof, to oversee the Manager's compliance with the IMA and the SIP. It will also monitor how

CGF's portfolio of investments is performing under the performance criteria established pursuant to the IMA.

Moreover, the CGF Inc. board will be accountable to the Minister of Finance and the Government of Canada, Parliament, and Canadians with respect to its oversight of the Manager within the parameters of the IMA. I look forward to engaging with CGF Inc. and the Manager, alongside with my esteemed colleagues the Minister of Innovation, Science and Economic Development Canada, the Minister of Natural Resources Canada, and the Minister of Environment and Climate Change Canada through the annual meeting and reporting process described in the IMA.

Mandate

As expressed in the SIP, CGF's mandate is to build a portfolio of investments that catalyze substantial private sector investment in Canadian businesses and projects, putting Canadian businesses and workers at the forefront of the global clean economy. The purpose of this is to help transform and grow Canada's economy at speed and scale on the path to net-zero, and is intended to help Canada to meet important national economic and climate policy goals, while creating good careers for Canadians. In ensuring strategic competitiveness for Canada, the CGF's important decisions will make Canada an even more attractive market to invest in, and create careers and opportunities for Canadians for generations to come.

I expect that the Manager advances a portfolio aligned with Canada's economic plan. In particular, I expect to see over the next two years a significant advancement in transactions with a diversity of clean technology sectors, such as blue and green hydrogen, biofuels, and other technologies fundamental to achieving a net-zero electricity grid across the country, including clean and abated electricity generation. Additionally, I expect the portfolio to support the decarbonization of heavy emitters, such as the steel and cement industries.

I expect the Manager to make commercially reasonable best efforts to advance transactions in the priority sectors.

I expect the Manager to consider the *Areas of Focus* in the SIP (4. A. i-iii) in descending priority, to its best efforts and while maintaining commercial reasonableness.

Within two months of this letter's receipt, I expect the Manger to return to me with its plan to ramp up investment activities and achieve the priorities laid out in this letter and the SIP.

I expect the Manager to take into consideration that the government is interested in working in lockstep with the Growth Fund to enhance its capacity to offer Carbon Contracts for Difference (CCfDs) and offtake agreements to priority sectors, including exploring the possibility of a government backstop on certain liabilities, and additional options to accelerate the deployment of CCfDs across Canada.

I expect the Manager, in designing its CCfD and offtake agreement frameworks, to strike a balance between ensuring strong negotiating mandates for the Growth Fund and fulfilling its important role as the principal federal entity issuing CCfDs.

I expect the Manager, subject to applicable confidentiality obligations, to engage and communicate as required with those managing complementary clean growth policy tools and programs of the Government of Canada. I expect the Manager to do so while upholding its ability to make timely, independent investment decisions.

I expect the Manager to judiciously consider all financial instruments at its disposal as it negotiates investments and structures transactions, including CfDs and other forms of price assurance. The Manager's personnel has developed a unique expertise around these instruments that is valuable to the Government of Canada. I expect the Manager to continue to develop its expertise in respect of CfDs and carbon price assurance and to become a centre of excellence on CfDs, engaging with market participants and providing advice to the Government of Canada in respect of their use and design.

I commend PSP's and the Manager's efforts in putting in place a team of world-class, seasoned investment professionals to manage CGF's investments focused on achieving important economic and climate objectives. To fully realize its purpose and functions, the CGF should draw on a diverse range of talent and perspectives from across Canada as well as international best practices. This includes continued commitment to diversity of the workforce in your organization, and efforts to foster the inclusion of a broad range of voices and views in governance and decision-making. In doing so, the CGF should take into consideration Canada's gender, linguistic, cultural and regional diversity, including the unique perspectives of Indigenous Peoples.

I am confident the Manager will leverage its talent, creativity, and experience to develop CGF into a world-leading, arm's length public investment fund that delivers value and careers to Canadians, and brings positive growth to Canada's economy for generations to come. Canada is lucky to have you on board.

Once again, I wish to express my profound gratitude for your support in helping implement the Government of Canada's ambitious agenda to reduce carbon emissions, promote the diversification of Canada's economy, strengthen Canada's supply chain resilience and capacity, and continue creating good careers for Canadians.

Sincerely,



The Honourable Chrystia Freeland, P.C., M.P.
Deputy Prime Minister and Minister of Finance

- cc. Deborah K. Orida, President and Chief Executive Officer, PSP Investments
Patrick Charbonneau, Chief Executive Officer, Canada Growth Fund Investment
Management Inc.
The Honourable Francois-Philippe Champagne, Minister of Innovation, Science and
Economic Development Canada
The Honourable Jonathan Wilkinson, Minister of Natural Resources Canada
The Honourable Steven Guilbeault, Minister of Environment and Climate Change
Canada
The Honourable Anita Anand, President of the Treasury Board

APPENDIX D:

CILGC 2026–2030 CORPORATE PLAN SUMMARY



CANADA INDIGENOUS LOAN
GUARANTEE CORPORATION

CANADA INDIGENOUS LOAN GUARANTEE CORPORATION

A Subsidiary of
Canada Development Investment Corporation

2026-2030 CORPORATE PLAN SUMMARY

October 31, 2025

Canada Indigenous Loan Guarantee Corporation
2026-2030 Corporate Plan Summary
October 31, 2025



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1. EXECUTIVE SUMMARY

The Canada Indigenous Loan Guarantee Corporation (“CILGC”) is a federal Crown corporation and a wholly-owned subsidiary of Canada Development Investment Corporation (CDEV). CILGC was established to deliver the Indigenous Loan Guarantee Program (ILGP), unlocking access to capital for Indigenous Peoples seeking ownership stakes in major projects, and in turn fostering economic reconciliation, self-determination and the construction and development of major projects in Canada.

By providing loan guarantees backed by the Government of Canada, CILGC empowers Indigenous Peoples to overcome historic barriers, such as those imposed by the Indian Act, and become meaningful equity partners in major projects across Canada. This initiative directly responds to long-standing calls from Indigenous leaders to address the gap in affordable financing and ensure Indigenous Peoples can share in the benefits of projects on their lands.

First launched in 2024, ILGP is a federal initiative that supports Indigenous economic reconciliation and the Prime Minister’s promise to build major economic infrastructure in Canada in close collaboration with rights holders. In March 2025, the Government doubled ILGP’s initial allocation of \$5 billion to \$10 billion and broadened its scope to sectors outside of energy and natural resources, underscoring the importance of ILGP in unlocking Canada’s economic potential.

CILGC anticipates a transformative impact on Indigenous economic participation in Canada. The loan guarantees issued by CILGC will facilitate Indigenous ownership in projects that were previously out of reach, yielding direct financial benefits (e.g. equity income and dividends) and long-term wealth creation for participating communities.



2. OVERVIEW

2.1 Mandate

The Canada Indigenous Loan Guarantee Corporation (CILGC) was created to facilitate Indigenous equity participation in major projects by delivering the Indigenous Loan Guarantee Program (ILGP). CILGC's mandate (the "Mandate") is to provide loan guarantees that help Indigenous Peoples secure affordable financing and become co-owners of major projects across Canada.

By leveraging the federal government's credit rating, these guarantees lower borrowing costs for Indigenous partners, enabling them to acquire equity stakes that yield community benefits for generations. In essence, CILGC exists to advance Indigenous economic self-determination through meaningful ownership in projects that generate wealth and opportunity, thereby fulfilling a critical aspect of Canada's economic reconciliation agenda.

CILGC can also play an important role in getting projects built by allowing Indigenous Peoples to lead projects or enter into meaningful partnerships with proponents earlier in the project's lifecycle.

CILGC's activities include engaging with applicants, conducting investment analysis and due diligence, negotiating guarantee agreements, recommending loan guarantees for the approval of the Minister of Finance, and administering the portfolio of outstanding guarantees. This mandate is carried out with a disciplined, commercial approach to ensure that each guarantee supports a sound business venture and delivers value to Indigenous communities and to Canada as a whole.

2.2 Key Legislative and Regulatory Authority

CILGC was established pursuant to a decision in Budget 2024, which was confirmed through legislation in the Budget Implementation Act, 2024, No. 1 - S.C. 2024, c. 17 (Section 261). This legislation confirmed the total available guarantee amount of \$5 billion, and provides the Governor in Council with the authority to increase the amount of guarantee authority on the recommendation from the Minister of Finance.

In March 2025, the Government doubled the ILGP to \$10-billion and expanded its scope. Order in Council PC Number: 2025-0458 was published on March 23, 2025 to confirm these expanded authorities.

CILGC is a wholly-owned subsidiary of CDEV and was incorporated in December 2024 under the Canada Business Corporations Act. CDEV is its sole shareholder. As a result, CILGC falls under CDEV's group governance structure and ultimately reports to Parliament through the Minister of Finance. CILGC is an agent Crown corporation, meaning that all guarantees are backed by the Government of Canada, and that CILGC's obligations effectively carry the full faith and credit of His Majesty in right of Canada.



The terms and conditions of the ILGP guide CILGC’s operations and were provided to the Minister of Finance in March 2025 and updated in August 2025. The terms and conditions set out the framework for how federal guarantees are structured and managed within CILGC. They outline eligibility criteria, the rights and obligations of the Federal Guarantor, including security, subrogation, and cure rights, the forms of guarantees, issuance and monitoring fees, stacking with provincial programs, and monitoring and governance processes.

2.3 Related federal, provincial and territorial programs

CILGC operates alongside several federal and provincial initiatives that promote Indigenous economic participation in major projects. While each program differs in its scope, sectoral focus, and financial instrument (e.g., guarantees, concessional loans), they offer support to Indigenous communities seeking to acquire equity or participate in major economic ventures. The table below summarizes the most relevant programs.

The Strategic Financing Framework that was announced in Budget 2025 directs CILGC to prioritize eligible applications for projects that are referred by the Major Projects Office. The Strategic Financing Framework also clarifies roles and responsibilities in areas of overlapping mandates. It specifies that “CILGC should lead in Indigenous participation”.



Jurisdiction	Program and description
Federal	<p>Canada Infrastructure Bank – Indigenous Equity Initiative</p> <p>Launched in 2023 to support Indigenous equity participation in CIB-funded infrastructure projects. Offers long-term, low-cost loans to reduce the cost of capital for Indigenous communities.</p>
	<p>Export Development Canada – Export Guarantee Program</p> <p>Provides loan guarantees to financial institutions for exporters across Canada. While not specific to Indigenous clients, Indigenous-owned businesses can access the program to secure financing for eligible export activities.</p>
Ontario	<p>Indigenous Opportunities Financing Program</p> <p>Established in 2009 to support Indigenous participation in major infrastructure and energy projects through provincial loan guarantees.</p> <ul style="list-style-type: none"> • Total authority: \$3 billion (increased from \$1 billion in 2025) • Over \$500 million issued across more than 10 guarantees • Mandate expanded in 2025 beyond the electricity sector
Alberta	<p>Alberta Indigenous Opportunities Corporation</p> <p>Established in 2019 to enable Indigenous equity investments in resource and infrastructure projects.</p> <ul style="list-style-type: none"> • Total authority: \$3 billion (increased from \$1 billion in 2024) • Sector scope expanded in 2021 and 2024 to include natural resources, agriculture, transportation, telecommunications, and tourism
Saskatchewan	<p>Saskatchewan Indigenous Investment Corporation</p> <p>Established in 2022 to support Indigenous equity participation in value-added resource sectors.</p> <ul style="list-style-type: none"> • Total authority: \$75 million; no guarantees issued to date • Sector scope includes forestry, mining, oil and gas, energy production, and value-added agriculture
Manitoba	<p>Manitoba Indigenous Loan Guarantee Program</p> <p>Launched in 2025 to support Indigenous equity participation in large-scale energy and infrastructure projects.</p> <ul style="list-style-type: none"> • Total authority: \$300 million • Created in part to support participation in Manitoba Hydro’s Wind Power procurement • No guarantees issued to date



3. OPERATING ENVIRONMENT

3.1 Internal Environment & Progress to Date

3.1.1 Progress to Date

CILGC's key milestones to date are:

- **April 2024:** Budget 2024 announced ILGP with an initial \$5-billion allocation focused on natural resource and energy sectors.
- **December 2024:** CILGC was incorporated.
- **March 2025:** CILGC inaugural Board Chair, Michael Bonshor, was appointed.
- **March 2025:** The program was doubled to \$10 billion and expanded to include major projects across all sectors of the economy (excluding gaming).
- **May 2025:** CILGC announced its first loan guarantee.
- **July 2025:** CILGC announced the appointment of a CFO, Annie Sismanian.

CILGC is in its formative stage, leveraging CDEV's infrastructure, expertise and capacity as it delivers ILGP. The CEO of CDEV is acting as the CEO of CILGC, with key members of the CDEV Executive Leadership team playing key roles, including the Vice President and Head of Advisory and Execution; the Corporate Secretary and General Counsel; the Chief Financial Officer; the Vice President (who leads external engagement and corporate strategy); the Vice President and Head of Communications and Public Affairs, and the Vice President and Head of Human Resources. These executives are supported by members of their team, whose time allocation to CILGC and ILGP ranges from 25% to 100%. CDEV has been augmenting its team to meet the demands of this new mandate. A key internal priority is to ensure there is sufficient capacity and expertise to effectively oversee CILGC.

CDEV has also retained specialized advisors to support key stand-up activities including financial advisors, external legal counsel and a management consulting company to help develop the basic infrastructure (including program management tools, a client relationship management system, and draft procedures); an investment bank to inform the form of guarantee and ensure that it is as efficient as possible; a law firm to establish the key terms of the guarantee and a template term sheet; and an Indigenous-owned communications firm to develop CILGC's branding and website. These steps help ensure that the new corporation will have a solid foundation. CDEV will recover these costs from CILGC as it generates revenue.



CDEV and CILGC are currently advancing some preliminary organizational design work in order to inform some of the short-term staffing actions. The CEO of CILGC will play a key role in leading the organizational design and recruiting a team capable of executing on CILGC's mandate. Engagement to build program awareness in the market has been an early priority for CILGC. The team has been conducting proactive outreach to potential Indigenous applicants and key players, leveraging existing events and conferences. CDEV and CILGC have participated in approximately 20 relevant conferences as either panelists or keynote speakers and have had well over 200 meetings with prospective applicants and their partners.

This engagement has led to 25 applications and to launching due diligence on 8 applications. At the same time, CDEV and CILGC are actively liaising with provincial loan guarantee programs to learn from their experiences and are actively collaborating on live applications for loan guarantees. Collectively, these internal activities – securing talent, developing frameworks, and proactive engagement – constitute significant progress in ensuring CILGC delivers ILGP effectively.

Eligibility assessment:

The Government decided that two key conditions must be met in any application as a condition of eligibility.

First, applicants must be rights holders under Section 35 of the Constitution Act, 1982, which affirms the rights of Indigenous Peoples in Canada. This includes First Nations, Inuit, and Métis with either established or potential Section 35 rights and their wholly-owned subsidiaries.



Second, the location of the proposed asset or project for which a loan guarantee is sought must overlap with the traditional territory of the applicant. In other words, it must have an impact on their Section 35 rights. If it is an existing asset, it must have had an impact on their Section 35 rights when it was constructed. In cases where the applicant is a consortium, at least 25% of the investment value must be contributed by Indigenous Peoples whose Section 35 rights are geographically impacted by the project.

3.1.2 Staffing and Resources

As CILGC is in its formative state, CDEV's executive leadership team has been leading the stand-up activities of ILGP as well as providing most of the operational capacity, as they have commercial and financial expertise as well as proper governance oversight to help carry out the Mandate. CILGC also relies entirely on CDEV's capacity for corporate functions, such as legal services, human resources, and communications. Some CDEV staff are currently 100% dedicated to ILGP, although the allocation of their time can depend on the workload and demands of ILGP. Consistent with the Government's decision that CILGC operate on a cost-recovery basis, these costs will be recovered by CDEV over time as CILGC collects revenues from its loan guarantees.

CILGC is beginning to build its own capacity, with the appointment of its Chief Financial Officer in July 2025 and plans to add dedicated staff over the course of the next 18 months to effectively deliver the program. We would expect that CILGC would rely on CDEV's capacity to some extent in its first years, in order to make the most efficient use of funds, with the goal of CILGC being a mostly stand-alone entity by the end of 2026.

3.2 External Environment

3.2.1 Current Economic Environment

The federal government's ongoing emphasis on investment in major projects and Indigenous economic participation provides a supportive backdrop. There is strong momentum to involve Indigenous communities in the economics of major projects within their traditional territories. CILGC is positioned to facilitate Indigenous equity investment, despite higher interest rates and capital costs in the market.

The broader economic climate in Canada presents both challenges and opportunities for CILGC's mandate. Over 2022 to 2024, interest rates rose significantly as the Bank of Canada fought inflation, raising the cost of borrowing for large projects. Going forward, forecasts suggest rates may stabilize or even decline slightly by 2026, with base rates trending back towards typical levels mid-year. This environment – characterized by higher borrowing rates – underscores the value of loan guarantees in unlocking affordable capital to Indigenous Peoples. By reducing lenders' risk, ILGP guarantees can lower borrowing costs for Indigenous partners.



3.2.2 Provincial Indigenous Loan Guarantee Programs

CILGC's external landscape includes several analogous programs at the provincial level. Ontario, Alberta, Saskatchewan, and Manitoba have each established Indigenous loan guarantee programs in recent years, and in 2024 British Columbia announced plans for a new program. These provincial programs demonstrate the demand and use case for Indigenous loan guarantees. Ontario and Alberta's programs have already facilitated several major deals, though their scope is sometimes more restrained – for example, Manitoba's new program was exclusively developed to support First Nations and Métis participation in Manitoba Hydro's call for wind power.

ILGP is designed to complement (and “stack”) with these initiatives, and minor legislative changes to CILGC's enabling legislation would facilitate stacking with provincial programs. By offering a larger, nationwide guarantee envelope and by accepting a wider range of project types, ILGP will help fill the gaps and ensure Indigenous communities in all regions can access support, including those pursuing some projects that are outside of provincial mandates. In short, CILGC's program builds on lessons from provinces—confirming that loan guarantees are effective for facilitating Indigenous equity ownership in major projects. CILGC actively engages with provincial programs to align, where possible. This cooperative approach will allow Indigenous applicants to stack guarantees (i.e., secure both federal and provincial loan guarantees on a single investment), which therefore leverages existing programs without duplicating efforts.

3.2.3 Positioning Relative to Other Federal Initiatives

Within the federal government, CILGC addresses a unique issue. It is the only federal program dedicated specifically to backing Indigenous commercial investments via loan guarantees, directly responding to calls from Indigenous communities to improve access to affordable capital. In this way, ILGP is a key instrument of Canada's economic reconciliation strategy—complementing grant-based programs and Indigenous capacity-building initiatives by focusing on large-scale, revenue-generating projects.

CILGC's activities align with broader federal government initiatives including its objective to advance major projects, including key infrastructure and corridor projects, bringing Canadian natural resources and commodities to domestic and international markets, and building cleaner and more affordable electricity systems.

CILGC's mandate also complements other federal entities like the Canada Infrastructure Bank and the Canada Growth Fund; however, those organizations are not specifically tailored to Indigenous equity participation, a gap which CILGC uniquely addresses. In some cases, CILGC may need to provide a loan guarantee alongside the Canada Infrastructure Bank in order to close the funding gap and get projects built. To mitigate the risk of duplication and ensure that CILGC's guarantees work alongside other federal funding, CILGC has a stacking limit of 75 per cent of total federal funding to support project costs. This limit also helps preserve room for private capital and provincial or territorial participation.



In short, CILGC is well positioned within the federal government as a unique tool available to Indigenous communities across Canada and can be complementary with other federal programs. It brings a commercial, Indigenous-focused tool, that advances policy goals and minimizes overlap with other federal programs.

3.2.4 Partnerships with Lenders and Industry

CILGC's success will partially depend on strong partnerships with the private sector – particularly financial institutions and project developers. By design, ILGP requires that Indigenous applicants obtain financing for their equity investment from a lender and/or investor, with the help of a loan guarantee to unlock preferential rates.

This means that close collaboration with banks and other lenders is essential to ensure they fully understand the benefits of the federal guarantee. CILGC hired an investment bank to design some elements of ILGP and proactively engages with lenders on a regular basis to educate them on ILGP terms. The goal is to provide commercial lenders with the knowledge that federally backed guarantees are reliable, thereby encouraging them to extend preferential terms to Indigenous applicants (e.g., lower interest rates, longer terms) than what would otherwise be possible. To date, lenders have been receptive.

CILGC is developing relationships with industry partners. Many resource and infrastructure companies are eager to discuss Indigenous equity ownership in their projects on commercial (or near commercial) terms. CILGC positions ILGP as an enabling tool in these situations, and engagement with project proponents and Indigenous communities early in the deal development stage is aimed at smoothing the path to viable and meaningful deals. Working collaboratively, CILGC acts as a catalyst that brings together Indigenous investors, private capital, and other government supports. However, CILGC prioritizes engagement with Indigenous applicants to ensure that they are fully supportive and aware of the opportunities early in the conversation.

In summary, meaningful partnerships are critical to CILGC in fulfilling its mandate and advancing the federal government's goal of economic reconciliation.



3.3 Market Overview

The pipeline of potential Indigenous-led investments in major projects is extensive and growing quickly. These projects range widely in sector, project phase, size and geography, reflecting the diverse opportunities Indigenous communities are pursuing. Examples include transmission lines, oil and gas pipelines, energy production, forestry, critical minerals and mining, real estate development and more.

Demand for ILGP is driven by a number of factors. Indigenous communities are increasingly presented with opportunities to both partner and lead on major projects across Canada, as project proponents recognize the importance and value of lasting partnerships with Indigenous Peoples. ILGP is expected to unlock substantial new investment in many projects that were once out of reach for Indigenous communities.

There is also strong interest from many sectors including energy production and transmission, and other natural resource sectors. Project owners and developers increasingly seek Indigenous partners, recognizing that Indigenous equity can facilitate project approvals, foster community support, and advance their own reconciliation agendas. In summary, there are favorable market conditions for the program and CILGC expects to receive a large number of applications as the appetite to advance major projects continues to grow, and the awareness of ILGP increases.

Managing this deal flow will be a key challenge. Executing these transactions is complex and time-consuming. Thorough due diligence is required on each application – including financial analysis, risk assessment, legal review and multilateral negotiations. Provincial programs have demonstrated that it can take 6 to 9 months or longer to go from application to a finalized loan guarantee for a single project. In some cases, projects involve large consortia of Indigenous communities which can add complexity and push timelines. In the case of CILGC's first transaction, for example, the asset owner and the consortium needed over 2 years of work to negotiate the terms of the partnership with the First Nations and develop and execute the transaction.

CILGC will continue to strive to “move at the speed of business,” recognizing that commercial opportunities have windows that can close if financing is not secured in time. CILGC's early engagement approach – working with potential applicants as deals are being contemplated – is one strategy to accelerate timelines. Additionally, by leveraging existing due diligence, where appropriate, CILGC can at times shorten its assessment period. Finally, CILGC's engagement approach will evolve and adapt as the program matures and sufficient awareness has been built in the market, the engagement activities will become more targeted to underrepresented geographic regions, sectors, and Indigenous distinction groups to strive towards a balanced portfolio of projects.

The market outlook for ILGP is very strong, there is a robust pipeline of potential projects and more on the horizon. CILGC's role will be to select and support those that best advance Indigenous economic reconciliation while meeting necessary commercial standards. Success will be measured not just in dollars guaranteed, but in the tangible and intangible benefits going to Indigenous communities across Canada over the coming years.



4. MAIN OBJECTIVES, RISKS AND EXPECTED RESULTS

Budget 2024 announced the federal government's commitment of \$5 billion for ILGP and mandated CDEV to set up a new subsidiary to administer ILGP. In March 2025, the Government decided to double the program to a total of \$10 billion in loan guarantee authorities and expand its scope to all sectors of the economy, with the exception of gaming (e.g., casinos).

In the first year of operations, the primary goal was to have CILGC fully operational and to issue the program's first loan guarantee, which has been achieved. Building on this momentum, from 2026–2030 CILGC will strive to commit its full \$10 billion in loan guarantee authorities. Outcomes will be measured not only in the dollars guaranteed but also in tangible benefits to Indigenous Peoples which are realized through enabling these transactions, e.g., number of Indigenous Peoples benefiting in a guarantee, total value of assets under Indigenous ownership the program has facilitated, and long-term revenues flowing to Indigenous partners.

Intangible benefits will also be considered, including the program's impact on building capacity within Indigenous communities. CILGC will also track and report on performance targets such as application processing time and the nature of the portfolio of projects supported. These targets and metrics will be refined as the program is further established, and the initial data becomes available. Overall, the main activities outlined below are designed to facilitate Indigenous equity investment in commercially viable projects. The federal commitment to ILGP signals the importance of this initiative, and CILGC is on track to deliver on that ambition by enabling landmark Indigenous investments in the years ahead.

- 1. Delivering the Indigenous Loan Guarantee Program (ILGP) at scale:** After an initial \$5 billion program was launched with a focus on natural resources and energy sectors, the Government doubled the program to \$10 billion and expanded its scope to major projects in all sectors of the economy (except gaming) in March 2025. CILGC's foremost priority is to fully operationalize this expanded program by engaging with Indigenous Peoples and various participants in industry to identify eligible projects and issue loan guarantees that promote Indigenous equity ownership.
- 2. Assumption of Responsibility for Screening for Section 35 Eligibility and providing funding to support transactions:** Starting in 2026, CILGC will take on the responsibility for two new activities that were previously led by Natural Resources Canada (NRCan): screening of Section 35 eligibility requirements and the management of a funding program dedicated to support investment analysis and due diligence by Indigenous applicants.
- 3. Building the foundation of the organization:** As a newly formed Crown corporation, CILGC will focus on solidifying its organizational foundations in 2026. Building on CDEV's support, CILGC will be focused on continuing to build out the



organizational capability by hiring a dedicated executive team and program delivery team, ensuring robust internal representation across the organization in the long term. CILGC will also continue to establish internal policies, systems, and accountability structures.

- 4. Development of outreach program with communities:** As awareness and understanding of ILGP grow, CILGC will continue its targeted outreach and communications efforts across key economic sectors and regions. By proactively engaging Indigenous Peoples and business leaders, CILGC will continue to build a strong pipeline of investment opportunities aligned with government priorities.
- 5. Rigorous Due Diligence and Risk Management:** As an agent Crown corporation issuing loan guarantees on behalf of Canada, CILGC is committed to robust reviews of applications to ILGP. In 2026, CILGC will continue to conduct thorough financial and commercial due diligence on all prospective investments, including leveraging previous diligence conducted, where appropriate. All loan guarantee recommendations are reviewed by CILGC's senior management and its Investment Committee and approved by CILGC Board of Directors before being submitted to the Minister. This process ensures that the projects that are recommended to the Minister are commercially viable. Maintaining prudent risk management safeguards is essential in ensuring that CILGC builds a portfolio that is within the risk tolerances and fiscal impact that were defined by the Government.



5. FINANCIAL SECTION

5.1 Overview

CILGC is in its formative years, and the Corporate Plan period underlines our commitment to delivering the Mandate while also placing emphasis on building the organization and setting it up for success in the long term.

CILGC's approach to fiscal responsibility includes a focus on our administrative expenses and where possible, CILGC have incorporated the use of CDEV expertise and shared services until CILGC has put in place the organizational structure that is needed in the long term.

As guarantees are issued and fees are collected, while CILGC would be in a working capital deficit situation in the first few years, CILGC would expect to have paid any debts owing to CDEV by the end of 2029/beginning of 2030 and forecast having a healthy cash balance to pay for our operating costs and reinvest in the program from 2030 onward.

Please refer to Appendix D for detailed financial statements.

5.2 Funding

CILGC will operate on a cost-recovery basis in the long term, meaning that its operating costs are intended to be covered by the fees earned from issuing guarantees, including the initial loan guarantee issuance fees and ongoing monitoring fees.

As the timing of issuing guarantees cannot be predicted or planned, there will be short-term working capital needs that CILGC will have for operating costs to deliver the program. Any short-term cash requirements that it has in the start-up phase will be provided by CDEV in the form of working capital loans and repaid as cash becomes available through the generation of revenues from issuing and monitoring guarantees.

As CILGC's sole mandate is to issue loan guarantees for ILGP, the corporation does not intend to borrow any funds from the Crown. Per the Budget Implementation Act, 2024, No.1, the Minister of Finance must pay out of the Consolidated Revenue Fund any amounts necessary for the payment of the principal and interest in respect of the guarantees and all other amounts required to discharge its obligations under those guarantees in the case where there is a default on the loans for which guarantees were issued.

5.3 Key Assumptions

CILGC Financial Projections rely on the use of a number of assumptions, including assumptions regarding the anticipated market conditions under which CILGC will operate over the Projection Period. CILGC used its best judgement in developing the assumptions underlying projections; however, it is acknowledged that given CILGC's



limited operating history, availability of historical information, as well as CILGC's unique role, actual results may vary significantly. We have also assumed that CILGC will be presenting the financial statements in accordance with Public Sector Accounting Standards (PSAS) as per the current analysis of the accounting framework which is still being finalized with the external auditors.

As per decisions made by the Government, it has been assumed that the full \$10 billion Indigenous Loan Guarantee program will be committed over the Projection Period in a fairly even trend over those 5 years. However, we recognize that in order to support some major projects that are pre-construction, that deployment could extend beyond 2030. For 2025 and 2026, revenues have been forecasted based on the information we have as of August 2025. This is based on applications submitted to date and on loan guarantees that are expected to close over the next 12-18 months. For 2027-2030, we have assumed a relatively even deployment of the guarantee authority, resulting in all \$10B of guarantees being deployed by 2030.

The program's actual ability to deploy the funds will be dependent on a variety of factors, including the health of the economy, the availability of cash-generating, viable assets and business for Indigenous Peoples to invest in, as well as the ability and willingness of both the asset sellers and Indigenous Peoples to negotiate and transact.



APPENDIX A-DIRECTION FROM RESPONSIBLE MINISTER

CDEV received the following statement of priorities and accountabilities letter.



Ms. Elizabeth Wademan
Chief Executive Officer
Canada Development Investment Corporation
161 Bay Street, Suite 4540
Toronto, Ontario
M5J 2S1

Dear Ms. Wademan,

I am pleased to write to you to provide you with a statement of priorities and accountabilities (SPA) letter regarding the Canada Indigenous Loan Guarantee Corporation (the Corporation), which is a subsidiary of the Canada Development Investment Corporation (CDEV). This letter outlines the Government of Canada's specific expectations for the Corporation (i.e., beyond the general expectations for Crown corporations established in statute, regulation and Treasury Board policy that apply to the Corporation).

Budget 2024 launched the Indigenous Loan Guarantee Program (the program). The program will advance Canada's commitments to economic reconciliation by supporting Indigenous equity ownership in energy and natural resource projects through the issuance of up to \$5 billion in loan guarantees to unlock capital for Indigenous communities. Budget 2024 further specified that the Corporation would deliver the program. On December 16, 2024, the program began accepting applications.

Also on December 16, 2024, the Department of Finance Canada published a technical backgrounder outlining the program's elements, strategic objectives, application process, operating principles, and eligibility criteria (copy attached). Through this letter, I am conveying my expectation that the Corporation adhere to the technical backgrounder document in administering the program. The Corporation is expected to engage with applicants to address inquiries about the technical backgrounder.

Canada



Ministre des Finances et des
Affaires intergouvernementales



Minister of Finance and
Intergovernmental Affairs

Ottawa, Canada K1A 0G5

With each of its subsidiaries, CDEV is responsible for appointing directors to the subsidiary's board. Each such board is, in turn, responsible for appointing an executive team including in terms of setting of appropriate remuneration. Through this letter I am conveying my expectation that CDEV will ensure appropriate Indigenous representation on the board of the Corporation and also that the board will ensure appropriate Indigenous representation on the Corporation's executive team. I also expect CDEV to send me a report once initial director and executive appointments are substantially complete and on an *ad hoc* basis thereafter when changes occur.

Advancing economic reconciliation with Indigenous groups is a federal priority. By supporting economic opportunities for Indigenous groups from coast to coast to coast, the program is helping secure a fairer future for Indigenous Peoples, and a fairer Canada. I wish to express my appreciation for the Corporation's substantial work to date in setting up the program and to CDEV for its work in setting up the Corporation.

Sincerely,

A handwritten signature in black ink, appearing to read "D. LeBlanc".

The Honourable Dominic LeBlanc, P.C., M.P.
Minister of Finance and Intergovernmental Affairs

Canada



APPENDIX B-CORPORATE GOVERNANCE STRUCTURE

As the parent of CILGC, CDEV is responsible for making appointments to its Board of Directors. Given the importance and public visibility of ILGP, CDEV is expected to consult with the Minister of Finance before making any Board appointments. Upon incorporation, an initial Board of Directors was appointed, and in March 2025, after a national search process with the help of an Indigenous-owned executive recruitment firm, CDEV appointed Michael Bonshor as the inaugural Chair of the Board of Directors for CILGC.

Mr. Bonshor is an experienced leader and member of the Dzawada'enuxw First Nation of Kingcome Inlet, BC. He has dedicated his career to supporting First Nations in business and strengthening the economic capacity of Indigenous entrepreneurs and communities. In his new role, he is actively engaging in outreach and promoting ILGP at relevant conferences, public events, and thought leadership activities. He is also leading the recruitment process for CILGC's Board and playing a key role in the operations of the corporation.

As of July 2025, CILGC's Board of Directors is comprised of its Chair, Michael Bonshor; Elizabeth Wademan, the CEO of CDEV; and Dwight Ball who is also a Director on CDEV's Board of Directors.

CDEV continues to recruit the leadership team and Board members, actively seeking qualified Indigenous candidates to ensure robust Indigenous representation at both the staff and director levels.



APPENDIX C-CHIEF FINANCIAL OFFICER ATTESTATION

Chief Financial Officer Attestation

In my capacity as Chief Financial Officer of CILGC, accountable to the Board of Directors of CILGC through the President and CEO, I have reviewed the corporate plan and budgets and the supporting information that I considered necessary, as of the date indicated below. Based on this due diligence review, I have made the following conclusions:

1. The nature and extent of the financial and related information is reasonably described, and assumptions having a significant bearing on the project have been identified and are supported with the following observations:
 - a. Potential loan guarantees issued by CILGC, including the number and amount, cannot be determined at this time. Under PSAS, CILGC will not be required to record a loan loss relating to guarantees issued.
 - b. Pro-forma financial statements have been provided based on an estimate of the guarantees that can be made, the contemplated fee structure and estimated costs, organizational structure.
2. Significant risks having a bearing on financial requirements and the related risk-mitigation strategies have been disclosed, with the following observations: the terms of the Indigenous Loan Guarantee Program have not been determined and full risks associated with the loan guarantees cannot be determined at this time. Under PSAS, CILGC will not recognize a loan loss provision, as any call on guarantees will be settled by the Consolidated Revenue Fund and, therefore, CILGC bears no financial risk. However, CILGC will manage and monitor the risk of the loan guarantee portfolio on behalf of the government, including calculation of loan loss provisions to be recorded on the government's balance sheet.
3. The corporate plan and budget(s) are compliant with relevant financial management legislation and policies, and the proper financial management authorities are in place (or are being sought as described in the corporate plan).
4. Key financial controls are in place to support the implementation of proposed activities and ongoing operation of the Crown corporation with the following observations: CDEV has been providing all services to date with its established controls and systems. CILGC will need to develop its own financial controls and systems adapted from CDEV's existing controls and systems, to support its operations.

In my opinion, the corporate plan and budgets have substantial financial and risk issues, as noted above.



Annie Sismanian
Chief Financial Officer
Canada Indigenous Loan Guarantee Corporation
October 31, 2025



APPENDIX D-FINANCIAL STATEMENTS AND BUDGETS

CANADA INDIGENOUS LOAN GUARANTEE CORPORATION

Proforma Statement of Financial Position

Years ended December 31, 2026 to 2030

Cdn\$ '000

	The Projection Period					
	Forecast 2025	Plan 2026	Plan 2027	Plan 2028	Plan 2029	Plan 2030
Assets						
Cash and cash equivalents	3,234	5,621	11,079	15,000	15,000	24,955
Monitoring Fees Receivable	200	200	200	200	200	200
Total Assets	3,434	5,821	11,279	15,200	15,200	25,155
Liabilities						
Deferred Revenue	5,908	23,225	41,592	57,008	72,305	87,052
Due to CDEV	6,525	11,255	13,234	11,990	2,817	-
Total Deferred Revenue and Other Liabilities	12,433	34,480	54,826	68,998	75,122	87,052
Total Liabilities	12,433	34,480	54,826	68,998	75,122	87,052
Share Capital	1	1	1	1	1	1
Total Equity	1	1	1	1	1	1
Total Liabilities and Equity	12,434	34,481	54,827	68,999	75,123	87,053
Net Assets and Accumulated Surplus (Deficit)	(9,000)	(28,659)	(43,548)	(53,799)	(59,923)	(61,897)



CANADA INDIGENOUS LOAN GUARANTEE CORPORATION

Proforma Statement of Income

Years ended December 31, 2026 to 2030

Cdn\$ '000

	Forecast 2025	The Projection Period				
		Plan 2026	Plan 2027	Plan 2028	Plan 2029	Plan 2030
Total Revenue	525	3,770	8,491	13,028	17,155	21,305
Administrative expenses	6,525	8,430	8,380	8,280	8,280	8,280
Guarantee Program Direct Costs	3,000	15,000	15,000	15,000	15,000	15,000
Total operating costs	9,525	23,430	23,380	23,280	23,280	23,280
Annual operating surplus/(deficit)	(9,000)	(19,659)	(14,889)	(10,251)	(6,124)	(1,974)
Retained Earnings (accumulated surplus/deficit)						
Annual operating surplus (deficit) beginning of period	(9,000)	(9,000)	(28,659)	(43,548)	(53,799)	(59,923)
Annual operating surplus (deficit) end of period	(9,000)	(28,659)	(43,548)	(53,799)	(59,923)	(61,897)



CANADA INDIGENOUS LOAN GUARANTEE CORPORATION

Proforma Statement of Cash Flow

Years ended December 31, 2026 to 2030

Cdn\$ '000

	The Projection Period					
	Forecast 2025	Plan 2026	Plan 2027	Plan 2028	Plan 2029	Plan 2030
Cash provided by (used in):						
Operating activities:						
Annual operating surplus (deficit)	(9,000)	(19,659)	(14,889)	(10,251)	(6,124)	(1,974)
Adjustments for non-cash items						
Increase (decrease) in deferred revenue	5,908	17,317	18,367	15,417	15,297	14,747
(Increase)/Decrease in accounts receivable	(200)	-	-	-	-	-
Increase (decrease) in due to CDEV	6,525	4,730	1,980	(1,244)	(9,173)	(2,817)
Change in non-cash items	12,233	22,046	20,346	14,173	6,124	11,929
Change in cash provided by operating activities	3,233	2,387	5,457	3,921	-	9,955
Financing activities						
Share Capital	1					
Cash, beginning of period	-	3,234	5,621	11,079	15,000	15,000
Change in Cash	3,234	2,387	5,457	3,921	-	9,955
Cash, end of period	3,234	5,621	11,079	15,000	15,000	24,955



APPENDIX E-COMPLIANCE WITH LEGISLATIVE AND POLICY REQUIREMENTS

CILGC is committed to full compliance with all applicable legislation, Treasury Board policies, and ministerial directives. As a newly established Crown corporation, CILGC is establishing policies, procedures and oversight needed to meet these requirements. Key compliance areas include:

- **Access to Information Act:** CILGC is subject to the *Access to Information Act* and has established processes to ensure timely and complete responses to information requests. As a subsidiary of CDEV, CILGC leverages experienced ATIP resources to remain in full compliance with the Act's requirements. As reflected in its practices and procedures, CILGC follows the principles for assisting requesters and endeavors to provide complete, accurate and timely responses to requests made under the Act, noting that commercially sensitive or confidential information may require redactions in line with the Act. CILGC also provides training and education on access to information to make its employees aware of their duties and legal responsibilities under the Act.
- **Conflict of Interest Act:** CILGC's Board members and employees are subject to the *Conflict of Interest Act*. The corporation has adopted a Code of Conduct, aligned with CDEV's Code of Conduct, which includes strict conflict-of-interest provisions aligned with the Act. All directors and staff must annually acknowledge their duties under these rules, and potential conflicts are disclosed and managed to maintain the corporation's integrity. Further, the corporation maintains a Restricted Trading List, which is reviewed when the corporation is made privy to commercially confidential information.
- **Canadian Human Rights Act:** In accordance with the *Canadian Human Rights Act*, CILGC provides a work environment free from discrimination and harassment. The corporation's human resources policies uphold the principles of equal opportunity and accommodate the needs of employees regardless of sex, race, religion, age, or disability. Any human rights complaints would be taken very seriously and addressed promptly through established procedures, in compliance with the Act.
- **Employment Equity Act:** CILGC is committed to the principles of the *Employment Equity Act*. Although the Corporation is in a startup phase with a small staff, it actively promotes equitable employment practices for the four designated groups (women, Indigenous peoples, persons with disabilities, and visible minorities). As CILGC grows, it will implement formal employment equity plans and goals in accordance with the Act. In practice, CILGC's recruitment and HR policies already encourage diversity and inclusion, helping to ensure a representative workforce and eliminate employment barriers for under-represented groups.



- **Official Languages Act:** CILGC complies with the *Official Languages Act*, ensuring that all services to the public and communications are available in both official languages (English and French). Key public documents, such as corporate plan summaries, annual reports, and CILGC website content are provided bilingually. Internally, CILGC fosters a work environment that respects employees' language of work preferences, where applicable. The Corporation also aligns with Treasury Board Official Languages policies and regulations. CILGC's procedures ensure full compliance with both the Act and the spirit of official languages policies.
- **Privacy Act:** CILGC protects personal information in accordance with the *Privacy Act*. Given the nature of the Indigenous Loan Guarantee Program, the Corporation handles sensitive applicant and stakeholder information. CILGC has designated privacy coordination support (through CDEV's ATIP resources) to oversee compliance with privacy obligations. Personal data is collected, used, retained, and disclosed only as permitted by the Act, and safeguards (administrative, technical, and physical) are in place to prevent unauthorized access. If any privacy breaches occur, CILGC will follow Treasury Board privacy breach guidelines and report to the Office of the Privacy Commissioner as required.
- **Directive on Travel, Hospitality, Conference and Event Expenditures:** CILGC follows the Treasury Board *Directive on Travel, Hospitality, Conference and Event Expenditures*. Through CDEV, the Corporation has adopted travel and hospitality policies mirroring this directive to ensure that expenditures are necessary, efficient and defensible. Given its small size, CILGC exercises tight control and scrutiny over travel and hospitality spending, with a few senior officials reviewing and approving expenses. These measures ensure prudent use of public funds for travel, hospitality, conferences, and events.
- **Trade Agreements:** In its contracting and procurement activities, CILGC complies with applicable trade agreement obligations. As a federal entity, CILGC conducts procurement in a transparent, fair, and open manner, aligning with the requirements of agreements such as the *Canadian Free Trade Agreement (CFTA)* and relevant international trade treaties. In practice, CILGC coordinates with CDEV's procurement expertise to remain up to date on trade treaty obligations and will report on procurement activities as required by federal policy. This approach guarantees that CILGC's operations respect Canada's trade commitments and uphold the principles of openness and non-discrimination in government procurement.



APPENDIX F-GOVERNMENT PRIORITIES AND DIRECTION

ILGP has received significant and recurring recognition across Government of Canada priorities. It was featured in the 2025 Speech from the Throne as a central mechanism for economic reconciliation through Indigenous ownership of major projects. The Prime Minister reiterated the program's importance in his meeting with national Indigenous leaders, highlighting expansion of the program from \$5 billion to \$10 billion. Most recently, the implementation of the *One Canadian Economy Act* reaffirmed ILGP's role in nation-building projects by facilitating equity participation by Indigenous communities.

This appendix describes how CILGC's priorities and activities align with broader Government of Canada priorities and direction. It highlights notable initiatives under key thematic areas, demonstrating CILGC's contributions to government-wide goals.

Transparency and Open Government

CILGC is committed to a high standard of transparency in its operations. The Corporation proactively shares information about its activities and outcomes through multiple channels. Key corporate publications – including the Corporate Plan Summary, Annual Report, quarterly financial reports, and any Climate-related Disclosure reports – will be made publicly available on CILGC's website and through the Parliamentary tabling process.

CILGC also communicates regularly via press releases, its official website, and other digital platforms to keep Indigenous communities, industry partners, and the general public informed of program developments. In line with open government practices, CILGC provides details on issued loan guarantees (subject to commercial confidentiality), application processes, and performance results. It responds to media and public inquiries in a timely manner.

Additional disclosures include reports on special examinations and audits, executive and director travel and hospitality expenses and *Access to Information Act* inquiries. CILGC responds to public and media requests in a timely manner and also completes numerous types of surveys as part of its obligations as a Crown corporation, such as the annual survey on Official Languages, the annual report on the operation of the *Canadian Multiculturalism Act*, and the annual survey of Environmental Goods and Services.

Gender-Based Analysis Plus

CILGC applies a Gender-Based Analysis Plus (GBA+) lens to its business and decision-making processes to promote inclusive outcomes. While CILGC's core mandate is to facilitate Indigenous equity ownership in major projects, the Corporation recognizes that Indigenous communities are not all the same and that factors such as gender, age, disability, and socio-economic background can influence how different communities can access its program.



In practice, CILGC integrates GBA+ at various stages of program design and delivery. For example, information and outreach activities are offered in a variety of formats (e.g., in-person meetings, virtual meetings, webinars, email, website, and social media), this is intended to make it easy for Indigenous Peoples and other stakeholders to learn about the program in a format that works for them.

Internally, CILGC's human resources practices incorporate GBA+ considerations by fostering a diverse workforce and inclusive culture and by guarding against bias in decision-making. The Corporation remains aligned with government-wide commitments to improve gender and diversity outcomes. For instance, CILGC will contribute to required gender and diversity reporting or audits. In summary, by considering GBA+ factors, CILGC works to ensure that its activities do not inadvertently exclude or disadvantage any group, and that they actively contribute to equitable opportunities in line with the federal Inclusive Economy agenda.

Diversity and Employment Equity

The Government of Canada is committed to building a workforce that reflects the diversity of Canada's population, and CILGC fully supports this priority. As a newly formed Crown corporation, CILGC is embedding diversity, equity and inclusion (DEI) into its organizational culture from the outset. The Corporation's recruitment and staffing strategies emphasize representation of the four designated groups under the *Employment Equity Act* (women, Indigenous peoples, persons with disabilities, and visible minorities). Robust Indigenous representation in leadership roles is a key focus. CILGC works closely with its parent (CDEV) and the Minister of Finance to ensure its Board of Directors and senior management include strong Indigenous leadership.

CILGC also fosters an inclusive workplace through training and awareness. All employees are encouraged to engage in cultural competency training (e.g., learning about Indigenous histories and perspectives, anti-racism and unconscious bias training). As the organization grows, it will develop formal DEI policies and metrics to guide continuous improvement. The small size of the current team has not prevented CILGC from taking action: early initiatives include flexible work arrangements to accommodate diverse needs, celebrating events like National Indigenous Peoples Day and International Women's Day, and encouraging a respectful, open workplace dialogue about inclusion.

Finally, CILGC aligns with Government programs aimed at diversity. By creating a welcoming environment and equitable HR practices, CILGC will build a high-performing team that draws on a wide range of perspectives. This diversity of backgrounds, skills and experiences is seen as vital to CILGC's success, strengthening innovation and decision-making in delivering the Indigenous Loan Guarantee Program.



Indigenous Issues

CILGC's mandate, by design, is to support Indigenous communities in facilitating equity ownership in major projects, and thus most CILGC activities are undertaken *with* Indigenous partners rather than being actions that adversely impact Indigenous rights. Nevertheless, CILGC fully acknowledges its obligations regarding Indigenous consultation and accommodation.

CILGC contributes to the government's broader reconciliation agenda. By facilitating Indigenous equity ownership in major projects, CILGC directly supports the economic reconciliation objectives of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), notably article #3 which states:

Indigenous peoples have the right to self-determination. By virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development.

In summary, CILGC endeavors to not only meet its legal duties but to be a positive force in Crown-Indigenous relations by strengthening partnerships, respecting Indigenous rights, and advancing reconciliation through tangible economic opportunities.

Sustainable Development and Greening Government Operations

Although CILGC's primary role is financial (providing loan guarantees) and it does not undertake large capital projects or direct operations with significant environmental footprints, the Corporation is committed to supporting the Government's sustainable development priorities and Greening Government Strategy.

CILGC has adopted internal measures to minimize the environmental impact of its day-to-day operations. As a new organization, it has implemented a largely digital and paperless working environment, reducing paper consumption and waste. Remote collaboration tools are used to limit non-essential travel. When travel or events are required, notably to engage with Indigenous communities across Canada, CILGC applies the principle of necessity and efficiency, striving to keep its carbon footprint low.

ILGP is a sector agnostic program; however, CILGC will want to maintain a balanced portfolio that supports Indigenous equity investment in a variety of projects and across multiple sectors, including sustainable projects (e.g., renewable energy, carbon capture, low-carbon fuel production).

Safe Workspaces

CILGC is committed to a healthy, harassment-free, and violence-free environment for all of its employees and has adopted CDEV's policy intended to prevent and respond to workplace harassment and violence of any type and effectively address any incident that might occur.



Key features of CILGC’s approach include mandatory training for all employees and Board members on harassment prevention, clear definitions of unacceptable behavior (including harassment, sexual harassment, bullying, and violence), and established procedures for reporting and addressing any incidents. Employees have multiple channels to report concerns, with assurance that there will be no retaliation. When an issue is raised, CILGC commits to prompt, impartial investigations and appropriate corrective actions. The policy also emphasizes support for affected employees.

CILGC’s leadership models respectful behavior from the top. Senior management regularly communicates the importance of a respectful workplace. Additionally, CILGC encourages a diverse and inclusive culture, which inherently supports a safe workspace by valuing mutual respect and understanding.

By taking these steps, CILGC ensures it meets the federal *Safe Workspaces* objectives. A harassment-free workplace is not only a legal obligation but also essential for productivity and morale. CILGC will report to its Board on any substantiated incidents and their resolution.

Accessibility

The Government of Canada is committed to improving accessibility and inclusion for persons with disabilities, both internally in organizations and in services provided to the public. CILGC supports this priority and complies with the *Accessible Canada Act (ACA)* and related standards.

CILGC benefits from the expertise of CDEV in advancing accessibility. CDEV and its group subsidiaries (including CILGC) have a shared approach reflected in CDEV’s accessibility plan and progress reports.



APPENDIX E:

CHHC 2026–2030 CORPORATE PLAN SUMMARY

CHHC

CANADA HIBERNIA HOLDING CORPORATION

A wholly owned subsidiary of

Canada Development Investment Corporation

2026 – 2030 CORPORATE PLAN SUMMARY

November 17, 2025

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1.0 Introduction

Canada Hibernia Holding Corporation (CHHC) is a wholly owned subsidiary of Canada Development Investment Corporation (CDEV), a federal parent Crown corporation. CHHC was incorporated under the provisions of the *Canada Business Corporations Act* and is subject to the provisions of the *Financial Administration Act* and the *Income Tax Act*.

CHHC was formed in March 1993 for the purpose of holding and managing the Government of Canada's ownership interest in the Hibernia Project, which is an oil platform and production project located 315 km offshore the Province of Newfoundland and Labrador (the "Province"). One of the original owners withdrew from the project in 1993 and the Government of Canada agreed to take an 8.5% working interest (WI) ownership, thereby ensuring continuity of the project. This original ownership area is referred to as the Hibernia Main Field. CHHC also holds a 5.67% WI in the Hibernia Southern Extension Unit (HSE Unit), which is an extension of the original field developed in 2011.

CHHC's initial funding was obtained through appropriations from the Government of Canada. Hibernia oil production commenced in November 1997 and by 2002 CHHC had repaid all appropriations from Hibernia cash flows and began paying dividends to CDEV.

CHHC's operating and capital budgets are funded by internally generated cash flow from operations; it does not receive public funds to operate. CHHC's Borrowing Plan at Appendix 2 consists only of its leases, and CHHC has no threshold leases requiring ministerial approval in the Plan period.

CHHC's primary source of income is crude oil sales revenue from its share of Hibernia oil production. Cash flow fluctuates most significantly with changes in crude oil prices, production volumes, and capital expenditures. CHHC maintains an operating fund and abandonment fund to deliver on its mandate without the need for further government funding. Surplus cash to the operating and abandonment funds is returned to the shareholder (i.e., CDEV) by way of dividends.

Hibernia continues to be a successful investment for the Government of Canada. By the end of 2025, CHHC forecasts to have paid cumulative dividends of \$2.70 billion¹, \$376.1 million in federal Net Profits Interest (NPI), and \$803.9 million in federal income tax. Additionally, to the end of 2025, CHHC forecasts to have paid to the Government of Newfoundland and Labrador cumulative royalties of \$1.38 billion and \$509.8 million in provincial income tax, as well as various other local benefits such as research and development funding in the Province.

2.0 Mandate

CHHC's primary mandate is to manage the shareholder's ownership in the Hibernia Project. In performing this mandate, CHHC is committed to:

- Ensuring that the health and safety of workers and protection of the environment are paramount in all Hibernia decisions,
- Operating in legal and regulatory compliance,
- Protecting the shareholder's ownership interests and maximizing value from the assets, and
- Making decisions in a commercially prudent manner.

A secondary CHHC mandate is to keep the Hibernia asset in a ready state for evaluation and sale should Canada elect to divest of the asset.

As a commercially oriented corporation, CHHC does not have a public policy role.

3.0 Corporate and Project Governance

Corporate Governance

CHHC is governed by its Board of Directors, who are appointed by the Board of Directors of CDEV. CHHC's Board of Directors currently consists of four independent directors (including the Board Chair) plus the President & CFO of

¹ All financial data is in Canadian dollars unless otherwise noted.

CHHC. The Board of Directors has broad authority for corporate governance, strategy, and risk, and nominates one committee, being the Audit Committee.

CHHC's governance practices are aligned with CDEV and are further described in CDEV's Corporate Plan.

CHHC is managed by an experienced, Calgary-based management team, led by the President & CFO, who reports to the Chair of the Board of Directors. CHHC reports formally to its Board of Directors at regular meetings, approximately six times per year.

Communication with CDEV is conducted primarily through the Corporate Plan and Corporate Plan Summary, annual and quarterly reporting, and ad hoc meetings as required. CDEV in turn reports to Parliament through the Minister of Finance.

Project Governance

The Hibernia Project is a joint operation consisting of six working interest owners (the "Owners") in the Hibernia Main Field (ExxonMobil, Chevron, Suncor, CHHC, Murphy and Equinor), where CHHC has an 8.5% WI, and seven Owners in the HSE Unit (the same Hibernia Main Field Owners plus OilCoNL, the provincial oil company of Newfoundland and Labrador), where CHHC has a 5.67% WI.

The Hibernia Project is operated by Hibernia Management and Development Company Ltd. (HMDC) as agent on behalf of the Owners, with the management, administrative and technical staff of HMDC provided under contract from ExxonMobil Corporation. ExxonMobil is the largest Owner in the Hibernia Project.

While the day-to-day operations are managed by HMDC, the Owners collectively oversee the strategic management of Hibernia through a committee and voting structure. The primary committee is the Hibernia Executive Committee (HEC). Several sub-committees oversee specialized areas, with the most active being the Technical Committee, the Safety, Security, Health and Environmental (SSHE) Committee, and the Audit Committee. The HSE Unit is overseen through a similar committee structure. CHHC, along with the other Owners, is represented on all committees.

4.0 Organization

Since its inception in 1993, CHHC has been staffed by a small team of experienced energy industry professionals. The senior leadership team is comprised of the President & CFO supported by two Vice Presidents. At year-end 2025, CHHC forecasts to have 7 total employee positions (6.3 full-time equivalent or FTE). During the Plan period, CHHC anticipates 7 total employee positions (6.2 to 6.7 FTE).

5.0 Risks

CHHC is exposed to risks which could result in various financial and non-financial impacts in the Plan period.

Key financial risks include:

- **Volatility in crude oil prices**, which impacts CHHC's crude oil sales revenue.

Key non-financial risks include:

- **Risk of Personal Safety or Environmental Impact Incident** caused by a complex working environment inclusive of the movement of hydrocarbons. Impacts of a safety incident or major oil spill can include personal harm or fatality, shut-in or curtailed production, fines and penalties, and reputational harm.
- **Risk of Hibernia Operational and Technical Incident** such as fire or explosion, critical equipment failure, and drilling complexities. Impacts can include shut-in or curtailed production, physical platform damage.
- **Risk of Marine Transportation or Transshipment Incident** is inherent to CHHC's business due to the need for marine transportation to move CHHC's production to market. Impacts can include oil spills, injuries, reputational damage, and disruption to transportation and transshipment operations resulting in curtailed production.
- **Risk of Non-Compliance with GHG Regulations** can arise from changes in reporting requirements, increased operating costs (e.g., higher compliance costs, increased insurance premiums) and potential write-offs, asset impairment, and early retirement of assets due to government policy changes.

- **Information Technology and Cyber Security Risks** with impacts that can include downtime, privacy breach, financial loss, reputational harm.
- **Loss of Key Personnel** impacts business continuity and ability to fulfill our mandate, including contractual obligations and commitments due to insufficient staffing resources or capabilities.

6.0 Objectives for 2026 – 2030 Plan

CHHC's objectives for the 2026 – 2030 Plan period include:

1. Manage CHHC's interests in the Hibernia oilfield in a prudent manner, which includes ensuring the operator remains in regulatory compliance and that the protection of the health and safety of workers, and the protection of the environment, will be paramount in all decisions.
2. Deliver operating and financial performance in accordance with the forecasts provided in the Corporate Plan to provide returns to the shareholder.
3. Actively engage in all committees guiding the project's strategic direction and collaborate on key development decisions. Jointly evaluate and provide input to the operator in upcoming initiatives, including the 2026 Platform Turnaround, asset life extension programs, GHG reduction efforts, complex drilling locations, and the adoption of new technologies. Contribute to future resource development and the de-risking of potential drilling locations through both technical and commercial influence.
4. Monitor risks and oversee decisions associated with CHHC's participation in the Basin Wide Transportation and Transshipment System (BWTTS) for the transportation and onshore storage of CHHC's share of crude oil production. Ensure CHHC maintains sufficient tanker and storage capacity over the long term.
5. Ensure appropriate funds are set aside for future abandonment funding, co-insurance, and working capital needs.
6. Through CHHC's enterprise risk management system, continue to monitor emerging and higher focus risks and implement appropriate mitigation strategies.

7.0 Major Assumptions

CHHC's revenue is most sensitive to changes in crude oil prices, exchange rates (USD/CAD) and production volumes.

- Crude oil price and exchange rate assumptions are developed from third party forecasts including independent reserves evaluators, the futures trading market (also known as "forward strip"), and financial institutions. All of CHHC's crude oil sales are collected in U.S. dollars, whereas only a small portion of expenses are incurred in U.S. dollars.
- Production volumes (as well as operating expenses and capital expenditures) are developed from budget estimates provided by the project operators of the Hibernia Main Field and HSE Unit.

	2024 Actual	2025 Forecast	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan
Dated Brent Oil Price (US\$/bbl)	80.75	69.13	60.00	60.00	60.00	60.00	60.00
Hibernia Price Differential (US\$/bbl)	0.32	(0.46)	-	-	-	-	-
CHHC Realized Oil Price (US\$/bbl)	81.07	68.67	60.00	60.00	60.00	60.00	60.00
Exchange Rate (USD/CAD)	1.37	1.39	1.34	1.34	1.34	1.34	1.34
CHHC Realized Oil Price (C\$/bbl)	110.49	95.37	80.40	80.40	80.40	80.40	80.40
Average Daily Production – Gross (bopd)	70,439	72,200	78,600	88,300	100,100	101,100	93,300
Average Daily Production – CHHC Net Share (bopd)	5,522	5,406	6,015	7,075	7,854	8,061	7,557

8.0 Financial Overview

Expected 2025 Results – Key Performance Measures

<i>Refer to the proforma financial statements in Appendix 1 for full financial results</i>	2025 Forecast	2025 Plan	Variance	%Variance
Oil Volumes (units as noted)				
Production Volume – Gross Project (bopd)	72,200	74,800	(2,600)	-3%
CHHC Sales Volume (MBO/year)	2.08	2.14	(0.06)	-3%
Oil Prices (units as noted)				
CHHC Realized Oil Price (US\$/bbl)	\$68.67	\$70.00	(\$1.33)	-2%
CHHC Realized Oil Price (Cdn\$/bbl)	\$95.37	\$93.10	\$2.27	2%
Financial, CHHC WI (Cdn\$ millions)				
Crude Oil Sales Revenue	\$199.8	\$199.5	\$0.3	-
Royalty and NPI Expense	\$57.0	\$55.9	\$1.1	2%
Operating, Transportation and Marketing Expenses	\$28.4	\$28.9	(\$0.5)	-2%
Administrative Expenses	\$2.9	\$2.9	-	-
Net Income	\$55.8	\$60.7	(\$4.9)	-8%
Capital Expenditures	\$33.8	\$26.8	\$7.0	26%
Dividends	\$55.0	\$53.0	\$2.0	4%

Notes:

- bopd is barrels oil per day and MBO is millions of barrels of oil
- Forecast results for 2025 are based on seven months of actual results and five months of forecast results. Accordingly, actual full year results may differ from this forecast
- Summation of variances may not add due to rounding

Production and sales volumes are forecast to be 3% below Plan due mainly to higher downtime, weather-related production curtailment, and well productivity issues; partially offset by higher-than-expected production of newly drilled wells and timely well workover interventions.

CHHC's realized oil price in Canadian dollars is forecast to exceed Plan by 2% due to the favourable impact of a weaker Canadian dollar which more than offset the impact of U.S. dollar realized crude prices being 2% lower than Plan. The USD/CAD exchange rate is forecast to average 1.39 in 2025 compared to 1.33 estimated in the Plan.

Crude oil sales revenue is forecast to be consistent with Plan, due to higher Canadian dollar crude oil prices which offset lower sales volumes.

Royalty and NPI expenses are marginally higher than Plan, while operating, transportation and marketing expenses are marginally lower than Plan. Administrative expenses are forecasted to be consistent with Plan.

Net income is forecast to be 8% lower than Plan due mainly to higher income tax expense associated with a higher effective tax rate, which is driven by differences in deductions for accounting purposes compared to deductions for tax purposes.

Capital expenditure is forecast to be \$7.0 million higher than Plan due to higher drilling costs. Approximately \$4.0 million of the \$7.0 million variance is attributed to a change in capitalization policy during 2025 whereby slot reclamation expenditures are now recorded as drilling costs as opposed to abandonment expenditures. The remaining increase relates to accelerated spending in response to strong drilling performance.

Dividends of \$55.0 million are forecast to be \$2.0 million higher than Plan, due to working capital changes arising from higher cash collections from cargo sales including collections of prior year's sales, and a higher opening cash balance.

Expected Results – 2026-2030 Plan Period

<i>Refer to the proforma financial statements in Appendix 1 for full financial results</i>	2024 Actual	2025 Forecast	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan
Oil Volumes <i>(units as noted)</i>							
Average Daily Production - Gross Hibernia (bopd) % HSE Unit	70,439 23%	72,200 36%	78,600 30%	88,300 17%	100,100 23%	101,100 19%	93,300 14%
Average Daily Production - Net CHHC share (bopd)	5,522	5,406	6,015	7,075	7,854	8,061	7,557
Sales Volume (MBO/yr.)	1.96	2.08	2.20	2.58	2.87	2.94	2.76
Oil Prices <i>(units as noted)</i>							
Dated Brent (US\$/bbl)	80.75	69.13	60.00	60.00	60.00	60.00	60.00
Realized Price (US\$/bbl)	81.07	68.67	60.00	60.00	60.00	60.00	60.00
Realized Price (Cdn\$/bbl)	110.49	95.37	80.40	80.40	80.40	80.40	80.40
Exchange Rate (USD/CAD)	1.37	1.39	1.34	1.34	1.34	1.34	1.34
Financial, CHHC WI <i>(Cdn\$ millions)</i>							
Crude Oil Sales Revenue	217.0	199.8	176.5	207.6	230.5	236.5	221.7
Royalty and NPI Expenses	61.4	57.0	42.4	54.0	60.0	61.5	54.3
<i>Effective royalty + NPI rate</i>	<i>28%</i>	<i>29%</i>	<i>24%</i>	<i>26%</i>	<i>26%</i>	<i>26%</i>	<i>24%</i>
Operating, Transportation and Marketing Expenses	28.5	28.4	34.2	29.5	29.2	29.8	34.7
Administrative Expenses	2.8	2.9	3.1	3.0	2.9	3.2	3.1
Income Tax Expenses	30.0	30.3	20.3	27.9	32.1	33.5	28.0
Net Income	76.8	55.8	47.6	58.9	68.6	69.2	64.1
Capital Expenditures	33.6	33.8	36.4	37.1	41.5	41.2	40.0
Dividends	67.0	55.0	30.0	71.0	64.0	67.0	61.0

Notes:

- bopd is barrels oil per day and MBO is millions of barrels of oil
- Forecast results for 2025 are based on seven months of actual results and five months of forecast results.

Oil Volumes

Gross daily production volumes in 2025 are forecasted to increase by 3% to 72,200 barrels of oil per day (bopd) from 70,439 bopd in 2024, due to new production from the drilling program which offset natural production declines from existing wells. CHHC's net share of production is 2% lower at 5,406 bopd in 2025 compared to 5,522 bopd in 2024, due to a greater production weighting to the HSE Unit where CHHC has a lower working interest ownership. The HSE Unit comprised 36% of total field production in 2025 compared to 23% in 2024. Sales volumes are forecast to increase by 6% to 2.08 million barrels of oil (MBO) in 2025 from 1.96 MBO in 2024, due to incremental sales from oil in inventory. Due to the timing of lifts and oil inventory balances at the platform and the NTL terminal, sales volumes typically will not match production volumes. As a simplifying assumption since long term lifting schedules cannot be accurately forecasted, it assumed all oil produced in years 2026-2030 is sold in the same year it is produced.

During 2026-2030, gross daily production volumes generally increase, reflecting new wells brought onto production from a continuous drilling program during this period. Production levels in 2026 and 2030 reflect additional downtime associated with platform turnarounds in those years. During a turnaround, production is shutdown to perform major maintenance activities.

Oil Prices

CHHC typically sells its oil with reference to the Dated Brent benchmark price. CHHC is forecasting a 15% decline in realized oil price in US dollars to \$68.67 USD per bbl in 2025 from \$81.07 USD per bbl in 2024. CHHC is forecasting

a 14% decline in realized oil price in Canadian dollars, to \$95.37 per bbl in 2025 from \$110.49 per bbl in 2024 resulting from the 15% decline in USD prices combined with the favourable impact of a weaker Canadian dollar (USD/CAD exchange rate of 1.39 in 2025 vs. 1.37 in 2024).

In 2026, CHHC is forecasting a realized oil price of \$60.00 USD per bbl, which is 13% lower than the \$68.67 USD per bbl realized oil price forecast in 2025. CHHC's forecasted realized oil price in Canadian dollars of \$80.40 per bbl in 2026 is 16% lower than the \$95.37 per bbl forecast in 2025, reflecting the 13% decrease in USD realized price combined with the unfavourable impact of a stronger Canadian dollar, forecasted to average USD/CAD 1.34 in 2026 compared to 1.39 in 2025.

In the 2027-2030 Plan period, CHHC is assuming a realized oil price of \$60.00 USD per bbl, a USD/CAD exchange rate of 1.34, and a realized oil price in Canadian dollars of \$80.40 per bbl. CHHC reviewed third party forecasts for oil prices and foreign exchange rates in developing its assumptions.

Crude Oil Sales Revenue, Royalties, and NPI

Crude oil sales revenue is forecast to decline by 8% to \$199.8 million in 2025 from \$217.0 million in 2024, due to a 14% decrease in realized oil price in Canadian dollars partially offset by a 6% increase in sales volumes.

In 2026, crude oil sales revenue is forecast to decrease by 12% from 2025 to \$176.5 million, due to a 16% decrease in realized oil price in Canadian dollars partially offset by a 6% increase in sales volumes.

In the 2027-2030 Plan period, crude oil sales revenue fluctuates between \$207.6 million and \$236.5 million according to changes in sales volumes, as the oil price forecast remains flat.

Royalty and NPI expenses are calculated and paid based on crude oil sales revenue net of certain cost deductions. The combined effective royalty and NPI rate averages 29% in 2025, and ranges between 24% and 26% in all years of the 2026-2030 Plan period according to variances in annual cost deductions.

Operating, Transportation, and Marketing Expenses

Operating, transportation and marketing expenses were relatively unchanged at \$28.4 million in the 2025 forecast compared to \$28.5 million in 2024.

In 2026, operating, transportation and marketing expenses are forecasted to increase by 20% over 2025 to \$34.2 million, due to incremental expenses associated with the 2026 platform turnaround and increased maintenance costs expected at NTL. Annual operating, transportation and marketing expenses remain relatively consistent at between \$29.2 million and \$29.8 million per year in 2027-2029, then increase to \$34.7 million in 2030 reflecting incremental costs of the 2030 platform turnaround.

Administrative Expenses

Administrative expenses are forecast to total \$2.9 million in 2025 (2024: \$2.8 million) and range from \$2.9 million to \$3.2 million annually in the 2026-2030 Plan period. There are no significant changes in staffing levels during the Plan period. Increased costs in 2026 and 2029 reflect the preparation of reserve reports prepared by an independent reservoir engineering firm, thus higher professional fees in those years. These reports are required for financial statement audit purposes.

Income Tax Expenses

Income taxes are calculated by applying the expected statutory income tax rate for the year to taxable income. CHHC's statutory income tax rate is forecasted at 28.64% in 2025 (2024: 28.48%). The tax rate reflects any known corporate tax changes enacted or substantively enacted by the Federal, Newfoundland and Labrador, and Alberta governments.

Income tax expense is forecast to be relatively consistent at \$30.3 million in 2025 compared to \$30.0 million in 2024, resulting from lower income before income taxes offset by a higher effective tax rate and prior period adjustments. The higher effective tax rate reflects differences in deductions for accounting purposes compared to deductions for tax purposes (i.e., temporary differences).

Income taxes are then forecast to increase or decrease over the 2026-2030 Plan period consistent with the increase or decrease in net income before income taxes and the impact of effective tax rate from temporary differences, as there are no changes forecasted to the statutory tax rates.

Net Income

Net income is forecast to be \$55.8 million in 2025, down 27% from \$76.8 million in 2024. The decrease is due to lower crude oil revenue, interest income, and foreign exchange gains, as well as higher depletion and depreciation expenses.

In 2026, net income is forecast to decline to \$47.6 million, due mainly to lower crude oil revenue and interest income and higher expenses for operating, transportation, depletion and depreciation, partially offset by lower income taxes.

In the 2027-2030 Plan period, net income fluctuates between \$58.9 million and \$69.2 million per year with the most significant drivers in each year being crude oil revenue and expenses for royalties, NPI, operating, transportation and marketing, depletion and depreciation, and income taxes.

Capital Expenditures

<i>Cdn\$ millions</i>	2024 Actual	2025 Forecast	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan
Drilling capital	27.8	29.9	29.4	30.9	32.5	36.6	34.2
Facilities and project capital	5.8	3.9	7.0	6.2	9.0	4.6	5.8
Total capital expenditures	33.6	33.8	36.4	37.1	41.5	41.2	40.0

Capital expenditures are forecast to increase marginally to \$33.8 million in 2025 from \$33.6 million in 2024 due to higher expenditures associated with the drilling program largely offset by lower project capital reflecting completion of the 4D seismic project in 2024.

In 2026, capital expenditures are forecast to increase by 8% to \$36.4 million, due to increased project capital for Asset Life Extension activities and projects to enhance drilling and slot reclamation success.

During the 2027-2030 Plan period, capital expenditures fluctuate between \$37.1 million and \$41.5 million. Approximately 80%-90% of the capital budget is allocated to drilling capital with the remainder allocated to facilities and project capital including seismic, equipment upgrades, flowlines, and other projects. The drilling capital reflects a continuous drilling program of 4 to 5 wells per year.

Dividends Paid to CDEV

Dividends are calculated based on cash in excess to CHHC's minimum operating cash reserve, which is forecasted at \$60 million in 2025 and throughout the 2026-2030 Plan period. Prior to making dividend payments, CHHC will consider abandonment funding needs, other internal funding needs, and the external business environment including the oil price environment.

Dividends are forecast to be \$55.0 million in 2025, which is lower than \$67.0 million paid in 2024. The decrease is due mainly to lower crude oil revenue (driven by lower Canadian dollar oil prices), lower interest income, and higher income taxes due to an increase in effective tax rate.

In 2026, dividends are forecast to decrease to \$30.0 million, due to a combination of lower crude oil revenue (driven by lower Canadian dollar oil prices), higher operating and transportation expenses, higher capital expenditures, and working capital changes associated with the timing of cargo sale collections.

Dividends are then forecast to increase to between \$61.0 million and \$71.0 million annually during 2027-2030 due to growth in oil sales volumes offset by annual fluctuations in cash costs, primarily capital expenditures, operating and transportation expenses, and income taxes.

Sensitivity Analysis

Key assumptions that are most likely to significantly impact CHHC's forecasts of cash flow and resulting dividends are oil prices and production rates. The table below shows the impact to cash flow available for dividends from changes to these variables, assuming all other factors remain equal (for example, the USD/CAD exchange rate):

Variable	Change	Change in cash flow available for dividends (after-tax)
		2026 Plan (\$millions)
Dated Brent Oil Price	+/- US \$1/bbl	+/- \$2
Dated Brent Oil Price	+/- US \$10/bbl	+/- \$12
Average daily Hibernia production (bopd)	+/- 10%	+/- \$10

APPENDIX 1: Proforma Financial Statements

Canada Hibernia Holding Corporation
Proforma Statements of Financial Position
December 31, 2024 To 2030
CAD \$000's

Schedule I

	2024 Actual	2025 Plan	2025 Forecast	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan
Assets								
Current assets:								
Cash and cash equivalents	82,396	71,790	72,760	72,971	72,759	72,971	72,436	72,217
Trade and other receivables	15,647	18,580	13,683	23,136	2,368	2,368	2,368	2,368
Income taxes receivable	-	1,840	-	-	-	-	-	-
Crude oil inventory	6,588	5,180	6,588	6,588	6,588	6,588	6,588	6,588
Prepaid expenses	316	330	316	316	316	316	316	316
Total current assets	104,947	97,720	93,347	103,011	82,031	82,243	81,708	81,489
Non-current assets:								
Property and equipment	85,111	99,100	86,253	93,142	96,687	100,788	103,196	106,435
Right-of-use lease assets	21,299	18,230	17,979	14,659	11,339	8,019	4,699	1,379
Other assets	772	830	772	672	572	472	372	272
Cash held in escrow	8,732	8,732	8,732	8,732	8,732	8,732	8,732	8,732
Abandonment and risk fund	163,910	177,030	176,283	180,827	185,432	190,152	194,989	199,947
Total other assets	279,824	303,922	290,019	298,032	302,762	308,163	311,988	316,765
	384,771	401,642	383,366	401,043	384,793	390,406	393,696	398,254
Liabilities and Shareholder's Equity								
Current liabilities:								
Trade and other payables	9,132	13,407	11,266	10,491	5,406	5,306	5,206	5,106
Income taxes payable	3,241	-	3,021	2,971	2,786	2,585	2,328	2,230
Total current liabilities	12,373	13,407	14,287	13,462	8,192	7,891	7,534	7,336
Non-current liabilities:								
Lease liabilities	22,035	18,880	19,001	15,918	12,831	9,739	6,570	3,397
Deferred income tax liability	-	-	-	-	-	-	-	-
Decommissioning liability	108,272	120,840	107,200	111,208	115,416	119,834	124,473	129,344
Total other liabilities	130,307	139,720	126,201	127,126	128,247	129,573	131,043	132,741
Shareholder's equity:								
Retained earnings	242,091	248,515	242,878	260,455	248,354	252,942	255,119	258,177
Total shareholder's equity	242,091	248,515	242,878	260,455	248,354	252,942	255,119	258,177
	384,771	401,642	383,366	401,043	384,793	390,406	393,696	398,254

Canada Hibernia Holding Corporation
Proforma Statements Of Income And Retained Earnings
Years Ended December 31, 2024 To 2030
CAD \$000's

Schedule II

	2024 Actual	2025 Plan	2025 Forecast	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan
Revenue								
Crude oil sales	216,975	199,540	199,830	176,484	207,593	230,507	236,537	221,743
Royalty	(47,615)	(43,930)	(44,870)	(34,414)	(43,595)	(48,406)	(49,673)	(44,349)
Net profits interest	(13,737)	(11,940)	(12,158)	(7,941)	(10,380)	(11,525)	(11,827)	(9,978)
Net crude oil revenue	155,623	143,670	142,802	134,129	153,618	170,576	175,037	167,416
Interest income	12,374	8,770	8,643	6,814	6,405	6,520	6,637	6,758
Facility use and processing fee income	1,266	1,400	1,615	1,800	1,200	1,600	1,500	1,400
Total revenue	169,263	153,840	153,060	142,743	161,223	178,696	183,174	175,574
Expenses								
Field operating	23,307	23,030	22,542	27,465	24,597	23,682	24,472	29,004
Transportation and marketing	5,183	5,820	5,827	6,714	4,952	5,490	5,349	5,667
Administration	2,760	2,895	2,851	3,065	2,992	2,912	3,174	3,089
Depletion and depreciation	29,064	30,720	31,118	32,875	36,908	40,753	42,080	40,104
Accretion	3,180	4,330	3,817	4,008	4,208	4,418	4,639	4,871
Interest - leases	614	400	752	752	752	752	752	752
Other	(1,642)	-	28	-	-	-	-	-
Total expenses	62,466	67,195	66,935	74,879	74,409	78,007	80,466	83,487
Net income before tax	106,797	86,645	86,125	67,864	86,814	100,689	102,708	92,087
Income taxes								
Deferred income tax	-	-	-	-	-	-	-	-
Current income tax	29,974	25,940	30,338	20,287	27,915	32,101	33,531	28,029
Total income taxes	29,974	25,940	30,338	20,287	27,915	32,101	33,531	28,029
Net income	76,823	60,705	55,787	47,577	58,899	68,588	69,177	64,058
Retained earnings:								
Beginning of year	232,268	240,810	242,091	242,878	260,455	248,354	252,942	255,119
Dividends	(67,000)	(53,000)	(55,000)	(30,000)	(71,000)	(64,000)	(67,000)	(61,000)
End of year	242,091	248,515	242,878	260,455	248,354	252,942	255,119	258,177

Canada Hibernia Holding Corporation
Proforma Statements Of Cash Flow
Years Ended December 31, 2024 To 2030
CAD \$000's

Schedule III

	2024	2025	2025	2026	2027	2028	2029	2030
	Actual	Plan	Forecast	Plan	Plan	Plan	Plan	Plan
Operating activities:								
Net income for the year	76,823	60,705	55,787	47,577	58,899	68,588	69,177	64,058
Depletion and depreciation	29,064	30,720	31,118	32,875	36,908	40,753	42,080	40,104
Accretion	3,180	4,330	3,817	4,008	4,208	4,418	4,639	4,871
Interest (net)	(11,760)	(8,370)	(7,891)	(6,062)	(5,653)	(5,768)	(5,885)	(6,006)
Income tax expense	29,974	25,940	30,338	20,287	27,915	32,101	33,531	28,029
Abandonment expenditures	-	(3,120)	-	-	-	-	-	-
Income taxes paid	(24,537)	(25,970)	(30,558)	(20,337)	(28,100)	(32,302)	(33,788)	(28,127)
Changes in non-cash working capital	(1,057)	(3,185)	4,098	(10,128)	15,783	-	-	-
Cash from operating activities	101,687	81,050	86,709	68,220	109,960	107,790	109,754	102,929
Investing activities:								
Hibernia capital expenditures	(33,601)	(26,810)	(33,829)	(36,444)	(37,133)	(41,534)	(41,168)	(40,023)
Interest received	12,374	8,770	8,643	6,814	6,405	6,520	6,637	6,758
Change in cash held in escrow	-	-	-	-	-	-	-	-
Change in abandonment and risk fund	(36,496)	(5,700)	(12,373)	(4,544)	(4,605)	(4,720)	(4,837)	(4,958)
Changes in non-cash working capital	(1,077)	-	-	-	-	-	-	-
Cash used in investing activities	(58,800)	(23,740)	(37,559)	(34,174)	(35,333)	(39,734)	(39,368)	(38,223)
Financing activities:								
Payment of lease liabilities	(3,852)	(3,910)	(3,786)	(3,835)	(3,839)	(3,844)	(3,921)	(3,925)
Dividends paid to CDEV	(67,000)	(53,000)	(55,000)	(30,000)	(71,000)	(64,000)	(67,000)	(61,000)
Cash used in financing activities	(70,852)	(56,910)	(58,786)	(33,835)	(74,839)	(67,844)	(70,921)	(64,925)
Change in cash	(27,965)	400	(9,636)	211	(212)	212	(535)	(219)
Cash, beginning of year	110,361	71,390	82,396	72,760	72,971	72,759	72,971	72,436
Cash, end of year	82,396	71,790	72,760	72,971	72,759	72,971	72,436	72,217

APPENDIX 2: Borrowing Plan

Compliance with Legislative Authorities

The *Crown Corporations General Regulations, 1995* requires CHHC to seek approval from the Minister of Finance on the specific terms and conditions of lease transactions that exceed the lesser of \$10 million or 5% of the total assets of CHHC. For CHHC, the lesser amount is \$10 million. Such a lease is deemed a transaction to borrow money.

CHHC does not have any new leases, lease renewals, or lease extensions forecasted in the Corporate Plan period exceeding the ministerial threshold. Accordingly, no borrowing plan approvals are being sought.

CHHC's current lease liabilities are comprised of an office lease for CHHC's office lease in Calgary, and CHHC's proportionate share of leases for support vessels entered into by HMDC on behalf of the Hibernia owners. The source of financing of CHHC's lease payments is internally generated cash flow from operations. CHHC's total lease payments range \$3.8 million to \$3.9 million annually during the 2026-2030 Corporate Plan period.

APPENDIX F:

TMC 2026–2030 CORPORATE PLAN SUMMARY

The Canada Development Investment Corporation (CDEV) 2026 - 2030 Corporate Plan was approved by the Treasury Board. The TMC Corporate Plan was included in this Plan. The following Summary of the 2026 - 2030 Corporate Plan of TMC was prepared in accordance with section 125 of the Financial Administration Act (FAA), in order to provide information on the business activities and decisions of Crown corporations. Summaries of TMC Plan have been submitted in order to accurately reflect the corporate plan that was approved by the Treasury Board. Information that may be commercially detrimental to CDEV's or TMC's operations have not been included within this Summary, pursuant to section 153(1) of the FAA.

APPENDIX F



TRANS MOUNTAIN CORPORATION

A wholly owned subsidiary of

Canada Development Investment Corporation

2026 to 2030 CORPORATE PLAN SUMMARY



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Corporate Overview

Vision:

Be a leader in delivering safe and reliable Canadian energy to the world in partnership with Indigenous communities.

Mandate: Trans Mountain Corporation's mandate is to operate, optimize and grow the Trans Mountain and Puget Sound Pipelines in a commercially viable manner. We will operate our pipeline system and be a leader in sustainable development practices in partnership with Indigenous communities and our customers.

TMC does not have a direct public policy role, other than to operate in compliance with applicable laws, rules and regulations and to ensure the business is managed in a commercial manner in accordance with environmental standards and expectations.

Strategic Plan

TMC management will be focused on a strategy of building a track record of safe, reliable operations and optimization of its pipeline assets for the next three to five years:

- Ensuring just and reasonable tolls are approved for the expanded pipeline system;
- Advancing commercially justified capacity optimization opportunities that encourage full utilization of the pipeline system;
- Working in collaboration with government to complete Indigenous Economic Participation (IEP) in Trans Mountain; and
- Ensuring that all actions allow for a successful transition of TMC to the private sector at an appropriate time.

Performance Goals

TMC's performance goals for the next five years include:

- Operating our assets safely to protect the public, our employees and the environment.
- Operating our assets in compliance with all applicable legal requirements.
- Conducting our business ethically, honestly, responsibly and with integrity.
- Maintaining an inclusive, diverse, accessible and rewarding workplace.
- Obtaining approval of Final Tolls for the expanded pipeline system in alignment with the approved RH-001-2012 Toll Methodology.
- Generating earnings before interest, taxes and depreciation of \$2.3 billion in 2026 and growing to over \$2.8 billion by 2030.
- Advancing commercially justified optimization opportunities that increase the value of the Trans Mountain Pipeline System.
- Employing sustainable business practices.
- Cooperating with the communities we operate in and building and sustaining productive relationships based on mutual respect and trust.



- Implementing a plan to achieve net-zero scope one and scope two emissions by 2050 in alignment with the *Canadian Net-Zero Emissions Accountability Act*.
- Continuing our reconciliation journey with Indigenous communities in alignment with our Reconciliation Action Plan.

Risks

TMC is subject to risks which could result in additional costs, impacts to operations, and/or reputational damage including but not limited to:

- Changes in market conditions, commodity prices, inflation rates, interest rates, foreign exchange rates, the political environment, widespread epidemics or pandemics, and economic conditions in Canada and globally.
- Cyber security and/or confidentiality breach that results in impacts to operations or reputational damage.
- Major incident that impacts the safety of the public, employees and the protection of the environment resulting from operations or third-party damage.
- Natural hazards and environmental events that have impacts on operations.
- Unfavorable regulatory decisions involving tolls for service on the expanded pipeline system.
- Ability to repay and/or re-finance debt on terms acceptable to Trans Mountain.
- Regulatory and legal decisions and outcomes, and potential changes in laws and regulations that result in impacts to operations, supply of, or demand for, crude oil and refined petroleum products.
- Failure of controls that result in violations of law, fraud or increased cost.
- Performance and credit risk of our counterparties.
- Attracting and retaining a suitably skilled workforce.
- Failure to achieve the anticipated results in respect of optimization opportunities.

TMC manages these risks through a combination of policies and procedures, operational monitoring and maintenance activities, insurance and other contractual arrangements, and consultation with internal and external experts.



Business Overview

The Trans Mountain Pipeline System is comprised of the Trans Mountain Pipeline being the portion of the pipeline system located in Canada, and the Puget Sound Pipeline being the portion of the pipeline system located in the United States.

Trans Mountain Pipeline

Trans Mountain Pipeline ULC (TMP ULC) is the general partner of Trans Mountain Pipeline L.P. (TMP LP) and holder of the Certificates of Public Convenience and Necessity issued for the operation of the Trans Mountain Pipeline (TMPL). TMP LP owns the assets that comprise the TMPL. The TMPL is approximately 1,150 kilometers long, beginning in Edmonton, Alberta and terminating in Burnaby, British Columbia. The pipeline consists of line 1 which primarily transports light crude oil and refined products and line 2 which primarily transports heavy crude oil. Thirty-five active electrically powered pump stations and four terminals located in Edmonton, Kamloops, Sumas and Burnaby, along with the Westridge Marine Terminal, facilitate movements on the system.

TMPL is a common carrier pipeline that provides committed and uncommitted transportation service to shippers. Trans Mountain must accept all products offered to it for transportation. When the demand for transportation services exceeds the available pipeline capacity, Trans Mountain prorates (or apportions) the capacity to shippers. Transportation service on the pipeline is governed by a tariff, and rules and regulations for service, as filed with or approved by the CER.

Trans Mountain has nine committed shippers, each of which entered into a Transportation Service Agreement (TSA) for the expanded system that sets out the agreed to transportation service including the shipper's monthly volume commitment, the delivery destination and the crude type (light or heavy). Approximately 80% of the 890,000 barrel per day capacity of the expanded system has been committed (contracted) with these nine shippers. Shippers pay lower tolls if they committed to a 20-year contract period (10% toll discount) and/or larger volumes (7.5% toll discount).

The toll methodology for the expanded pipeline system is set out in Facility Support Agreements (FSAs) executed by committed shippers and approved by the National Energy Board (NEB) in 2013. The toll for transportation service is comprised of two components, the fixed component and the variable component. The fixed component of the toll is the amount that a committed shipper must pay based on their respective monthly volume commitment and an uncommitted shipper must pay based on the volume delivered in the month. The variable component of the toll is collected from shippers (committed and uncommitted) based on a shipper's use of the pipeline.

Based on the toll methodology approved by the NEB in 2013, the fixed toll component has been adjusted at agreed to milestones based on changes in certain uncapped costs for the execution of the expansion project (i.e., passed on to shippers) at a rate of \$0.07 per barrel /\$100 million of uncapped costs. The uncapped cost categories include:



- 1) Land and right of way acquisition costs for spread 7 (Lower Mainland BC).
- 2) Acquisition of pipe material.
- 3) Pipeline construction of Spread 5B (mountainous terrain).
- 4) Pipeline construction of Spread 7 (lower mainland) including the tunnel through Burnaby Mountain.
- 5) Indigenous accommodation costs payable up to and including the in-service date.
- 6) Community investment agreements.

The remaining project costs are capped costs (i.e., not passed on to shippers). The fixed component of the tolls are escalated annually by 2.5% over the terms of the contracts.

The variable component of the toll includes flow through items which will be reconciled annually. The items to be passed through in the variable toll include:

- Power costs.
- Pipeline abandonment costs.
- Shipper share of uncommitted fixed toll revenue, if applicable.
- Indigenous accommodation costs payable after the commencement of service.
- Greenhouse gas emission – construction related offsets.
- Other costs as allowed in the contract.

As part of the commercial negotiations, it was agreed that 50% of the fixed toll revenue collected from uncommitted shipper volumes transported in excess of 85% of pipeline capacity would be shared with shippers. The shippers sharing amount will be returned to shippers as a credit to the variable component of the toll. In addition, Trans Mountain negotiated an agreement with the Province of British Columbia that Trans Mountain will share with BC a minimum of \$0.5 billion to a maximum of \$1.0 billion, depending on uncommitted volume, over 20 years. The sharing mechanisms are part of the terms of the shipper contracts and the contract with BC both of which were executed well before the acquisition of Trans Mountain by the Government of Canada.

On June 1, 2023, Trans Mountain filed an application with the CER requesting approval of Interim Commencement Date Tolls. In August 2023, the CER announced a bifurcation of the regulatory process for consideration of the applied for interim tolls into a Phase 1 and Phase 2 to (1) ensure that Trans Mountain had (in advance of the Commencement Date for the expanded system) a CER approved toll that it could charge to shippers for transportation service and (2) provide for further examination of the applied for interim tolls. On November 30, 2023, the CER issued a decision on Phase 1 that approved the applied-for Interim Commencement Date Tolls. The Phase 2 process is more extensive than Phase 1 including the submission of additional written evidence by Trans Mountain and several rounds of information requests from the CER and Intervenors, which process will conclude with oral examination and written and oral argument in. On October 21, 2025, Trans Mountain requested the CER suspend the regulatory process and place the Interim Commencement Date Tolls proceeding in abeyance while it undertook commercial negotiations with its shippers. The CER granted the abeyance request and directed Trans Mountain to provide the CER an update on the status of its negotiations or its current Application no later than February 6, 2026. The final tolls for the expanded pipeline system will be considered by the CER after the CER issues a final decision on interim tolls.



As a rate-regulated entity applying the rate-regulated accounting provisions of US GAAP, TMP LP may capitalize certain items that a non-rate regulated entity cannot. Of note, AFUDC is an amount recognized by rate-regulated entities to reflect a return on the equity and debt components of capital invested in construction work in progress. Costs related to these amounts are recovered through future tolls once the relevant assets are fully constructed and put into service. AFUDC is applied to all TMP LP capital projects meeting certain cost and duration criteria.

Tank Leases

TMP LP leases 13 tanks at Edmonton to a third party. The lease terms are designed to provide TMP LP with a return on invested capital and a recovery of operating costs. Under certain conditions, Trans Mountain has the ability to recall these tanks for use in its provision of regulated pipeline transportation service.

Puget Sound Pipeline

In operation since 1954, the Puget Sound Pipeline (Puget) transports crude oil from the Canada-US border near the Sumas Terminal to Washington State refineries in Anacortes and Ferndale (two refineries at Anacortes and two refineries at Ferndale).

Puget is approximately 111 kilometers long, with one pump station and two tanks to facilitate movements on the pipeline system. The pipeline has total throughput capacity of approximately 240,000 bpd when transporting primarily light oil.

Puget is also a common carrier pipeline and is regulated by the Federal Energy Regulatory Commission (FERC) for financial matters, and by the United States Department of Transportation (USDOT) for the safety and integrity of its assets.

Trans Mountain Pipeline (Puget Sound) LLC owns the Puget assets and employs the Puget personnel located in the United States. In the fall of 2024, eligible Puget employees voted to unionize. The negotiation of the initial agreement is in progress.

Trans Mountain Canada Inc.

Incorporated in 2002, TMCI employs the personnel that operate and maintain TMPL and provide certain support services and oversight to Puget. TMCI is headquartered in Calgary, Alberta. Trans Mountain Canada Inc. is the entity that employs Trans Mountain personnel and delivers services to the operating entities and capital projects through a shared service model. TMCI has no unionized employees.



Financial Overview

TMC prepares its financial statements in accordance with United States Generally Accepted Accounting Principles (US GAAP) and incorporates the requirements of *Accounting Standards Codification Topic 980 – Regulated Operations* (ASC 980). As such, TMC recognizes certain revenues, expenses, regulatory assets and liabilities to reflect the economic effects of rate regulation. Recognition of these items may differ from that otherwise expected under US GAAP applicable to non-regulated businesses. TMC is taxable under a regulation of the *Income Tax Act*.

We note that in the 2026-2030 Plan of Canada Development Investment Corporation (“CDEV”) all financial results are converted to International Financial Reporting Standards (IFRS) which is the framework under which CDEV reports to the government. In the CDEV Plan, the TMC financial figures have been converted to IFRS.

2025 Forecast

The annual throughput on the TMPL system is forecast at approximately 732,000 bpd, with approximately 224,000 bpd moving on the Puget system into Washington State.

Tolls for transporting crude oil and refined products on TMPL are based on the currently approved preliminary interim tolls, with a benchmark fixed toll effective May 2025 of \$11.16/bbl (\$10.88/bbl plus annual escalation of 2.5%). The final fixed toll, which will be based on as-built costs, is expected to be approximately \$0.50/bbl higher on a per barrel basis compared to the preliminary interim tolls approved by the Canada Energy Regulator (CER). Tolls are currently under review in a process before the CER.

TMC operating income before depreciation (EBITDA) is forecast to be \$2.2 billion generally in line with the 2025 Plan of \$2.2 billion.

Capital spending for 2025 of approximately \$141 million includes costs for completion of a contiguous fiber optic network for the pipeline system, natural hazard remediation projects, technology related projects, and projects to maintain the pipeline system in a safe and reliable operating condition.

As at June 30, 2025, the As-Built Costs and Expenses for the expansion were \$33.7 billion with \$0.5 million in spend forecast for the remainder of 2025. The 2025 spending was for the restoration of lands and rights of way post-construction, permanent road access network and other activities associated with the project’s completion. The final cost of the expansion will not be known with certainty until project close out activities are complete including the settlement of any claims matters, however, the current forecast to the end of 2025 of \$34.2 billion continues to be in the range of expectations presented in the prior Plans of \$34.2 billion to \$34.5 billion.

In accordance with its prior plan, TMC expects in 2025 to distribute \$652 million in dividends to Canada TMP Finance Ltd (“TMP Finance”), a subsidiary of CDEV. In addition, as the remaining project construction season comes to a close an additional \$348 million is estimated to be available to declare by the end of 2025 for a total of \$1,000 million.



2026 Annual Plan

In 2026, the TMPL system is expected to transport an annual average of approximately 782,000 bpd, with 707,500 bpd of committed throughput and 74,500 bpd of uncommitted throughput. Approximately 240,000 bpd is expected to be transported on the Puget system into Washington State. Revenue from transportation service is expected to approximate \$3.1 billion which reflects a continued ramp up of uncommitted transportation service on TMPL over the course of 2026.

Tolls for transporting crude oil and refined products on TMPL are based on the currently approved preliminary interim tolls, with a benchmark fixed toll of \$11.44/bbl effective May 1, 2026. The final fixed toll, which will be based on as-built costs, is expected to be approximately \$0.50/bbl higher on a per barrel basis compared to the preliminary interim tolls approved by the Canada Energy Regulator (CER) and a corresponding increase in transportation revenue of \$0.1 billion to \$3.2 billion. Tolls are currently under review in a process before the CER. Transportation revenue includes \$67 million of revenue from the Puget Sound Pipeline.

Lease revenue of \$56 million includes \$51 million for 13 tanks located at the Edmonton Terminal and \$5 million for tanks located at the Westridge Terminal.

Pipeline operating costs are expected to total approximately \$388 million which includes \$143 million of pass-through costs that are recovered in the variable toll as well as \$245 million of other operating costs. Highlights of the \$143 million of pass-through costs include \$96 million of power costs, \$43 million of Indigenous and community payments, and \$4 million of fibre optic leak detection costs. Highlights of the remaining \$245 million of operating costs include \$142 million of integrity and routine operating expenses, \$66 million for risk management activities including insurance, environmental protection, safety, security and emergency response, \$31 million for provincial payments related to an agreement with BC and \$6 million for CER cost recovery. In addition to the routine operating costs, \$96 million of costs associated with development activities to optimize the pipeline system are planned.

Depreciation and amortization expense of \$1.1 billion reflects the full year depreciation of the expanded pipeline system assets at the updated depreciation rates approved by the CER effective July 1, 2025.

Salaries, wages, and benefits, net of allocations to capital, are expected to total approximately \$206 million. This represents base salaries, overtime, shift premiums, short and long-term incentives, and medical and pension benefits for a planned employee complement of 871 which includes resources to continue to advance optimization activities. Approximately \$5 million of salaries, wages and benefits cost will be allocated to capital projects in 2026.

Taxes other than income taxes of \$84 million reflects the inclusion of the expanded pipeline system assets.

Administrative costs, net of allocations to capital, of \$77 million includes \$29 million of office rent and building expenses, \$18 million of corporate and employee related costs and approximately \$30 million for consultants, contractors and third party services including \$6 million in legal costs. Approximately \$2 million of administrative costs will be allocated to capital projects in 2026.



Capital spending in 2026 is expected to total approximately \$489 million of which \$171 million is planned for sustaining capital projects, \$8 million for capacity optimization projects and \$293 million for road access and contractual and administrative close out of the expansion. \$17 million in funding is planned for decommissioning of Westridge facilities and TMC will, in turn, seek authorization from the CER to recover these decommissioning costs from abandonment funds held in trust.

The capital program of \$171 million includes projects to address natural hazard mitigation and preserve pipeline system integrity; address compliance items and facility integrity being primarily tank requirements; improve reliability of the system; for technology (applications and hardware) and communication; for security (physical and cyber), and for safety, emergency response and environmental related projects.

The Vancouver Fraser Port Authority (VFPA) is the proponent for dredging works at Second Narrows. Completion of the dredging works by the VFPA will optimize marine logistics for TMC's shippers. TMC will administer funding of the dredging works between VFPA and TMC's shippers. Trans Mountain expects to recover this amount from shippers via a separate charge based on volumes loaded on vessels at Westridge. Other than timing differences this arrangement should be cash neutral to Trans Mountain.

TMC is considering \$104 million of funding for 2026 to further develop optimization opportunities of which \$96 million is expense and \$8 million is capital.

Under applicable accounting rules, development expenditures are generally expensed until there is a high degree of certainty that a project will proceed. The Plan reflects a conservative assumption that related expenditures in 2026 will be expensed. Achieving "commercial certainty" is a judgement; however, regulatory approvals, customer indications and commitments, high quality cost estimates, and approvals from the Boards of Directors of both TMC and CDEV are strong indicators of such certainty. With the exception of the DRA project, significant work remains to finalize cost estimates and assess the associated value returned to Canada.



2027 through 2030

Transportation revenue will increase as uncommitted capacity utilization ramps up to 96% by 2028.

	2026	2027	2028	2029	2030
Annual Throughput (bpd)	782,000	831,000	851,500	851,500	851,500
Capacity Utilization	88%	93%	96%	96%	96%

Tolls in the forecast period reflect the as-filed preliminary interim tolls escalated annually at 2.5%. These tolls are approximately \$0.50 per barrel lower than expected final tolls to be filed by TMC. The preliminary interim tolls are currently under review by the CER. The final tolls will likely be the subject of a future CER proceeding. When the final tolls are confirmed, a single settlement true up adjustment for the difference between the interim tolls and the final tolls will be determined and recorded in the applicable period. The following table summarizes the preliminary interim benchmark toll and the estimated final benchmark toll on the annual escalation dates:

Benchmark Toll (Canadian \$ per barrel)	May 1, 2026	May 1, 2027	May 1, 2028	May 1, 2029	May 1, 2030
Preliminary Interim Toll	\$11.44/bbl	\$11.73/bbl	\$12.02/bbl	\$12.32/bbl	\$12.63/bbl
Estimated Final Toll	\$11.92/bbl	\$12.22/bbl	\$12.53/bbl	\$12.84/bbl	\$13.16/bbl

At the current preliminary interim tolls, TMC estimates annual EBITDA of the expanded pipeline system will be more than \$2.3 billion in 2026 growing annually thereafter to \$2.8 billion by 2030. If the final tolls are approved as expected TMC estimates annual EBITDA of the expanded pipeline system will be more than \$2.4 billion in 2026 growing annually thereafter to over \$2.9 billion by 2030. The following table summarizes estimated EBITDA for the five year period based on the preliminary interim tolls and the estimated final tolls:

EBITDA (\$ billions)	2026	2027	2028	2029	2030
Preliminary Interim Toll	\$2.3	\$2.6	\$2.7	\$2.7	\$2.8
Estimated Final Toll	\$2.4	\$2.7	\$2.8	\$2.9	\$2.9

In 2027, TMC may continue to incur development costs (capital and expense) for optimization opportunities for the pipeline system such as the Mainline Optimization Project and the Puget Sound Optimization Project, however, the long term financial impact of these opportunities, including capital expenditures and cash flow once in-service, are not reflected in this corporate plan. Subject to receipt of an investment decision for an optimization project, the capital expenditures and associated cash flow will be included in an amended plan or future corporate plans as appropriate.

Appendix 2 provides the Proforma Financial Statements for the 2026 – 2030 Corporate Plan.



Financing

Short Term Financing

TMC maintains a \$100 million letter of credit facility from a third party bank to allow for the issuance of letters of credit for ongoing business needs. TMC requests authority to continue to maintain the letter of credit facility throughout the planning period.

TMC maintains a \$500 million working capital facility with TMP Finance to provide operational and cash management flexibility. Any draws on this facility are expected to be short term in nature.

Long Term Financing

TMC maintains \$12 billion in debt from TMP Finance at an interest rate of 5% with a maturity date in August 2032.

Pursuant to Section 138 of the *Canadian Energy Regulator Act*, TMPL is required to maintain \$1.1 billion of financial resources to be available to respond financially in the event of a release from the pipeline. An undrawn \$550 million facility exists to satisfy the financial requirements of the CER. A commitment fee of 0.30% is paid on the facility for undrawn amounts. It is not expected that this facility will have any draws in the normal course of business. In addition, TMC maintains a general liability insurance policy of at least \$550 million to satisfy the balance of the financial resource requirements.

For the Puget Sound Pipeline, TMC maintains a \$300 million surety bond to maintain its Certificate of Financial Resources as required by Washington State legislation.

TMC's exposure to foreign currencies is minimal, and foreign exchange gains and losses are not budgeted due to the minimal exposure and the difficulty of predicting short term foreign currency rate fluctuations.

TMC's available cash flow is used to pay distributions to the owner by way of dividends or share purchases or repay debt in accordance with the Distribution Policy adopted between TMC and TMP Finance.

Leases

TMC may enter into lease agreements with a value greater than \$10 million for office space, fleet vehicles and/or equipment.

Indigenous Economic Participation

Initial steps for Indigenous participation in the ownership of TMC are being sought in the planning period, however, it is not possible at this time to calculate the impact of ownership on the financial information of TMC. This matter is expected to be reflected in the financial information of future corporate plans.

Appendix 3 provides the 2026 to 2030 Borrowing Plan Tables

Environment, Social and Governance

We published our annual Environment, Social and Governance (ESG) report in June 2025 sharing our ESG performance for 2024 and describing the practices below in more detail.

Environment

We have a robust and proactive asset integrity program that includes inline inspections, periodic aerial patrol, integrity digs and a control centre that monitors pipeline operations 24/7. We also installed new technology that places a fibre optic cable along the pipe and can help pinpoint the location of a suspected leak. In case of an incident, we use the internationally recognized Incident Command System to manage our emergency response. We have emergency response plans and an inventory of emergency response equipment, covering the pipeline, pump stations and the Westridge Marine Terminal.

TMC tracks and reports on its Scope 1 and Scope 2 emissions and has a plan to reduce these emissions over time. Construction of the expansion project generated emissions principally from vehicle and equipment movements. As part of our regulatory approvals, we have committed to offset these construction-related emissions. In 2025 we acquired emissions credits for \$7 million to offset 422,000 tCO₂e of construction related emissions and expect to spend an additional \$18 million in 2026 to offset the remaining construction related emissions of 703,000 tCO₂e. This cost will be recovered from shippers through a variable toll charge over time.

We have evaluated climate-related physical and transition risks and opportunities (i.e., risks related to the transition to a low carbon economy) and will continue to refine our work as new information becomes available.

Social

In 2024 we published our inaugural Reconciliation Action Plan. This plan is built on our long-term commitment to respectful partnerships with Indigenous Peoples along our pipeline and marine corridor and outlines our reconciliation commitments focused under six pillars: governance, education, employment, community engagement, economic empowerment, and environmental and social impacts. Trans Mountain established an inclusive approach to engagement with Indigenous Communities. Trans Mountain has entered 69 agreements to date with Indigenous communities, the majority of which are located along the pipeline corridor and marine shipping lanes.

Our key objective is to treat each landowner fairly and equitably. In addition, we invest in the communities where we operate to foster economic and social wellbeing with our aim being to leave positive legacy impacts in surrounding communities. We value these continued interactions and know that every day the safe operation of our pipeline is dependent on these relationships.

We strive for an inclusive, diverse and accessible workplace that is supportive of all employees and contractors. We believe that diverse viewpoints and cultural knowledge enrich our organization's collective cultural understanding, build trust, reduce turnover, improve innovation, and create positive environment where our people can thrive. As a federally regulated company,



we comply with the *Employment Equity Act* and engage in proactive employment practices to increase the representation of designated groups.

We care and focus on the safety and wellbeing of our people, for others in the community, and for the environment. This is why we have stringent safety regulations and practices, high expectations of our contractors, and are always working to improve our safety practices. In addition, TMC is committed to addressing risks of forced labour and child labour in its supply chains and has taken steps to understand the potential risks.

Governance

TMC is managed by a Calgary-based team of experienced executives, led by the CEO, who reports to the Board of Directors. The Board has broad authority for corporate governance and strategy and has established several committees to oversee specific specialized areas. These include the Human Resources, Compensation, Nominating and Governance Committee, which monitors and approves executive compensation; the Audit, Finance and Risk Committee, which appoints the joint external auditors and has oversight over financial reporting, accounting and risk matters; and the Environmental, Health, Safety, and Sustainability Committee, which maintains oversight of environmental protection, health and safety and sustainability (including Indigenous matters).

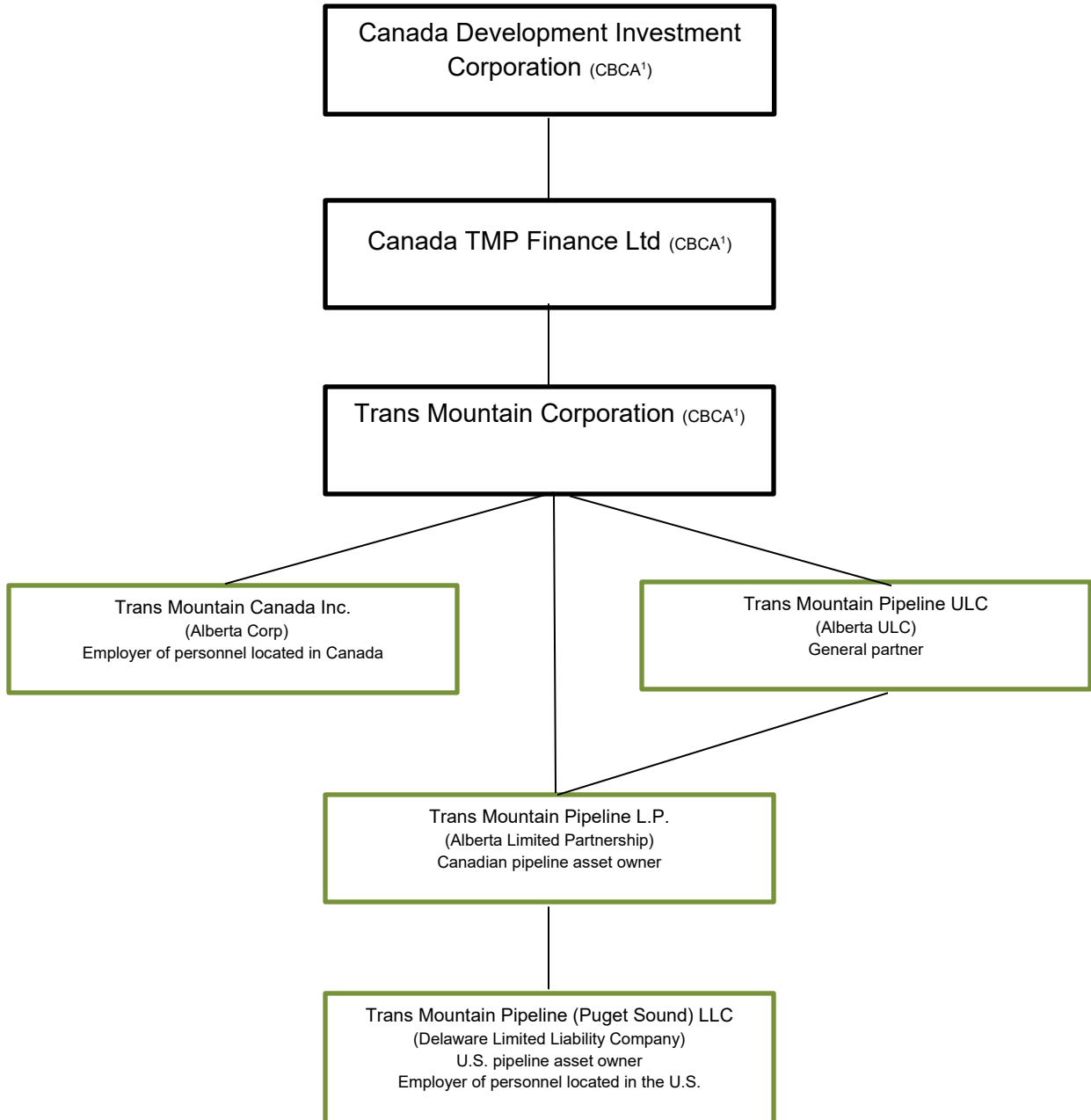
Appendix 1 provides the current composition of TMC's Board of Directors and Executive team.



Appendix 1: Corporate Profile and Governance

Trans Mountain Corporation (TMC) was created as a subsidiary of Canada TMP Finance Ltd (TMP Finance). TMP Finance is a subsidiary of Canada Development Investment Corporation (CDEV). On August 31, 2018, in accordance with the Share and Unit Purchase Agreement between the Government of Canada and Kinder Morgan, TMC purchased four entities: Trans Mountain Pipeline L.P. (TMP LP) and its wholly owned subsidiaries Trans Mountain Pipeline (Puget Sound) LLC (Puget), Trans Mountain Pipeline ULC (TMP ULC), and Trans Mountain Canada Inc. (TMCI). Together these four entities are “Trans Mountain”. These entities own and manage the Trans Mountain Pipeline System. In April 2022, the Governor General in Council issued a proclamation that changed Trans Mountain Corporation’s status to a non-agent Crown corporation, allowing Trans Mountain to borrow from parties other than the Government of Canada.

The diagram below illustrates the TMC corporate structure.



1. Canada Business Corporations Act



As of November 1, 2025 the composition of the TMC Board of Directors and Committees is as follows:

Board of Directors

Patricia Koval (Interim Chair)
Mark Maki (CEO)
Corey Bieber
Harold Calla
Sippy Chhina
Chris Forbes
Carol Anne Hilton
Sandra Stash
Elizabeth Wademan

Audit, Finance and Risk Committee

Harold Calla (Chair)
Corey Bieber
Sippy Chhina
Patricia Koval
Chris Forbes

Environmental, Health, Safety and Sustainability Committee (EHSS)

Sandra Stash (Chair)
Corey Bieber
Carol-Anne Hilton
Patricia Koval
Chris Forbes

Human Resources, Compensation, Nominating and Governance (HRCNG)

Patricia Koval (Chair)
Sandy Stash
Elizabeth Wademan



The composition of the TMC Officers is as follows:

Mark Maki	Chief Executive Officer
Michael Davies	President and Chief Operating Officer
Rob Van Walleggem	Chief Legal & Indigenous Affairs Officer
Jennifer Pierce	Chief Administrative Officer
Corey Goulet	Chief Regulatory Officer
Todd Stack	Chief Financial Officer
Heather Mark	Senior Vice President, Finance and Treasury
Jason Balasch	Vice President, Business Development and Commercial Services
Arti Bhatia	Vice President, Engineering
Deanne Carson	Vice President Communications and External Relations
Ken Gordon	Vice President, Operations
Chris Foster	Vice President, Information Technology and Real Estate Mgmt
Greg Hill	Vice President, Major Projects
Sandra Malcolm	Assistant General Counsel, Capital Markets and Corporate Secretary
Alain Parise	Vice President, Regulatory, Land and Permits
Omar Sarif	Vice President, Operations Services
Linda Stevens	Vice President, Human Resources
Kevin Thrasher	Vice President, Legal



Appendix 2: Financial Statements

Trans Mountain Corporation
Proforma Consolidated Statements of Financial Position
December 31, 2025 to 2030
Cdn\$ millions

	2025 Forecast	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan
Assets						
Current Assets						
Cash and cash equivalents	137	46	51	78	72	71
Accounts receivable	247	261	275	286	293	300
Other current assets	114	114	114	114	114	114
	497	421	439	478	479	485
Property, plant and equipment	35,862	35,217	34,232	33,192	32,132	31,067
Right-of-use asset	43	43	43	43	43	43
Regulatory assets	142	183	121	56	39	20
Restricted investments	155	183	211	240	270	300
Restricted cash	3	3	3	3	3	3
Deferred amounts and other assets	68	68	68	68	68	68
Total Assets	36,771	36,118	35,117	34,080	33,034	31,985
Liabilities and Equity						
Current Liabilities						
Accounts payable	321	153	88	81	80	82
Regulatory liabilities	66	50	50	50	50	50
Other current liabilities	135	95	95	95	95	95
	521	297	233	225	224	226
Long term debt	12,000	12,000	12,000	12,000	12,000	12,000
Deferred income taxes	1,307	1,441	1,640	1,869	2,112	2,369
Regulatory liabilities	158	186	214	243	273	303
Pension and post-employment benefits	61	61	61	61	61	61
Lease liability	47	47	47	47	47	47
Other deferred credits	47	47	47	47	47	47
Total Liabilities	14,142	14,079	14,243	14,493	14,765	15,053
Equity	22,629	22,039	20,874	19,588	18,269	16,932
Total Liabilities and Equity	36,771	36,118	35,117	34,080	33,034	31,985

Trans Mountain Corporation
Proforma Consolidated Statements of Equity
For the years ended December 31, 2025 to 2030
Cdn\$ millions

	2025 Forecast	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan
Balance at beginning of period	23,073	22,629	22,039	20,874	19,588	18,269
Capital contributions (Redemptions)	-	(102)	(1,165)	(1,286)	(1,318)	(1,337)
Dividends	(1,000)	(899)	(613)	(703)	(748)	(788)
Other comprehensive Income	-	-	-	-	-	-
Net income	556	412	613	703	748	788
Balance at end of period	22,629	22,039	20,874	19,588	18,269	16,932



Trans Mountain Corporation
Proforma Consolidated Statements of Income and Comprehensive Income
For the years ended December 31, 2025 to 2030
Cdn\$ millions

	2025	2026	2027	2028	2029	2030
	Forecast	Plan	Plan	Plan	Plan	Plan
Revenues						
Transportation revenue	2,902	3,074	3,241	3,378	3,462	3,542
Lease revenue	56	56	52	52	52	52
Other revenue	3	3	3	3	3	3
	2,961	3,133	3,296	3,432	3,517	3,597
Expenses						
Pipeline operating costs	372	388	375	381	389	396
Depreciation and amortization	882	1,134	1,148	1,147	1,151	1,158
Salaries and benefits	199	206	213	222	231	240
Taxes, other than income taxes	79	84	87	90	92	95
Administration	79	78	58	59	61	62
Development costs	20	96	-	-	-	-
	1,630	1,987	1,881	1,899	1,924	1,951
Operating income	1,331	1,146	1,415	1,533	1,593	1,646
Interest expense, net of capitalized	(581)	(602)	(602)	(602)	(602)	(602)
Other, net	1	2	-	-	-	-
Tax recovery (expense)	(195)	(134)	(200)	(229)	(243)	(257)
Net income (loss)	556	412	613	703	748	788
Operating Income	1,331	1,146	1,415	1,533	1,593	1,646
Add: Depreciation and amortization	882	1,134	1,148	1,147	1,151	1,158
Adjusted EBITDA	2,213	2,281	2,563	2,680	2,744	2,804



Trans Mountain Corporation
Proforma Consolidated Statements of Cash Flow
For the years ended December 31, 2025 to 2030
Cdn\$ millions

	2025	2026	2027	2028	2029	2030
	Forecast	Plan	Plan	Plan	Plan	Plan
Operating activities						
Net income (loss) for the year	556	412	613	703	748	788
Items not affecting cash						
Depreciation and amortization	882	1,134	1,149	1,148	1,152	1,158
Deferred income taxes	195	134	199	229	243	256
Changes in non-cash working capital items	(365)	(252)	13	74	39	44
	1,268	1,428	1,974	2,153	2,182	2,247
Investing activities						
Capital expenditures	(595)	(489)	(164)	(107)	(93)	(93)
Purchase Restricted Investments	(27)	(28)	(28)	(29)	(30)	(30)
	(622)	(517)	(192)	(136)	(122)	(123)
Financing activities						
Capital contributions (redemptions)	-	(102)	(1,165)	(1,286)	(1,318)	(1,337)
Dividends	(1,000)	(899)	(613)	(703)	(748)	(788)
	(1,000)	(1,001)	(1,778)	(1,989)	(2,066)	(2,125)
Net increase (decrease) in Cash and Restricted cash	(354)	(91)	5	27	(6)	(1)
Cash and Restricted cash, beginning of period	494	140	49	54	81	75
Cash and Restricted cash, end of period	140	49	54	81	75	74
Cash, beginning of period	491	137	46	51	78	72
Restricted cash, beginning of period	3	3	3	3	3	3
Cash and Restricted cash, beginning of period	494	140	49	54	81	75
Cash, end of period	137	46	51	78	72	71
Restricted cash, end of period	3	3	3	3	3	3
Cash and Restricted cash, end of period	140	49	54	81	75	74



Appendix 3: Borrowing Plan

TMC is not seeking new long term borrowings in this Plan. TMC's long term funding is summarized in the following table:

**Trans Mountain Corporation
Proforma Supporting Schedules
Financial Funding Plan
December 31, 2025 to 2030**

Cdn\$ millions	2025	2026	2027	2028	2029	2030
	Forecast	Plan	Plan	Plan	Plan	Plan
TMP Finance Debt Funding						
Construction Facility	6,162	6,162	6,162	6,162	6,162	6,162
Acquisition Facility	2,506	2,506	2,506	2,506	2,506	2,506
Financing Facility	3,332	3,332	3,332	3,332	3,332	3,332
Total Debt Funding	12,000	12,000	12,000	12,000	12,000	12,000
Interest Expense - Construction (TMP Finance)	308	308	308	308	308	308
Interest Expense - Acquisition (TMP Finance)	125	125	125	125	125	125
Interest Expense - Financing (TMP Finance)	167	167	167	167	167	167
Commitment Fee - CER Facility (TMP Finance)	2	2	2	2	2	2
Other	-	1	-	-	-	-
Interest expense	601	602	602	602	602	602
Borrowing Plan Financial Metrics						
Debt %	35%	35%	37%	38%	40%	41%
Equity %	65%	65%	63%	62%	60%	59%
Debt to EBITDA	5.4x	5.3x	4.7x	4.5x	4.4x	4.3x

Key financial metrics associated with the long-term borrowing plan improve year over year during the planning period.

Leases

In prior years, TMC committed to leases that will continue through 2026 and, in some cases, TMC may exercise extensions/amendments of these leases.

In 2026, TMC plans to enter new lease agreements that may exceed the \$10 million threshold as summarized in the following table:

Approval for upcoming lease					
(millions of Canadian dollars)	2026	2027	2028	2029	2030
Fiscal year ending December 31	Plan	Plan	Plan	Plan	Plan
Calgary Head Office Lease					
Addition of 1 floor for 7 years (2026 – 2033) and extension of current 9 floors for 5 years (2028 – 2033)					
Maximum expected liability on the lease	\$12	\$12	\$10	\$8	\$5
Maximum expected number of years to be agreed	7	6	5	4	3

Existing lease							
(millions of Canadian dollars)	2024	2025	2026	2027	2028	2029	2030
Fiscal year ending December 31	Actual	Forecast	Plan	Plan	Plan	Plan	Plan
Calgary Head Office Lease							
9 floors for the remaining lease term 2026 to 2028							
Maximum expected liability on the lease	\$5	\$4	\$2	\$0	-	-	-
Maximum expected number of years to be agreed	3	2	1	-	-	-	-

TMC seeks authority to enter into a lease agreement for office space for a term of up to 8 years and for a maximum liability for the per square foot rent (excludes operating costs) of up to \$13 million. The new lease agreement is for the Calgary Head Office and contemplates the addition of 1 new floor and a term extension for the existing 9 floors of 5 years (2028 to 2033) with no clause for early termination. The current lease agreement for the existing 9 floors at the Calgary head office will continue through 2026 and terminate in Q1 of 2028.



Approval for upcoming leases					
(millions of Canadian dollars)	2026	2027	2028	2029	2030
Fiscal year ending December 31	Plan	Plan	Plan	Plan	Plan
Equipment DRA Optimization					
Lease of equipment necessary to implement drag reducing agent at pump stations to improve flow capacity					
Maximum expected liability on the lease	\$11	\$9	\$8	\$6	\$4
Maximum expected number of years to be agreed	6	5	4	3	2

TMC seeks authority to enter into a lease agreement for equipment for a term of up to 6 years and for a maximum liability of up to \$12 million. The new lease agreement is for equipment necessary to implement the use of drag reducing agent at pump stations along the pipeline to optimize capacity utilization on the pipeline system.

Approval for upcoming leases					
(millions of Canadian dollars)	2026	2027	2028	2029	2030
Fiscal year ending December 31	Plan	Plan	Plan	Plan	Plan
Fleet Program					
Lease of vehicle fleet for use by operations personnel					
Maximum expected liability on the lease	\$15	\$12	\$9	\$5	\$2
Maximum expected number of years to be agreed	5	4	3	2	1

TMC seeks authority to enter into a financing arrangement to lease the vehicle fleet used by operations personnel for a term of up to 5 years and for a maximum liability of up to \$17 million. The new financing agreement is required due to the selection of a new fleet service provider which will replace the existing lease provider.

In 2026, TMC is committed to one existing lease that exceeds the \$10 million threshold that will continue through the planning period.

Existing lease							
(millions of Canadian dollars)	2024	2025	2026	2027	2028	2029	2030
Fiscal year ending December 31	Actual	Forecast	Plan	Plan	Plan	Plan	Plan
Westridge Waterlot Lease (VFPA)							
Maximum expected liability on the lease	\$94	\$93	\$91	\$89	\$87	\$85	\$83
Maximum expected number of years to be agreed	53	52	51	50	49	48	47



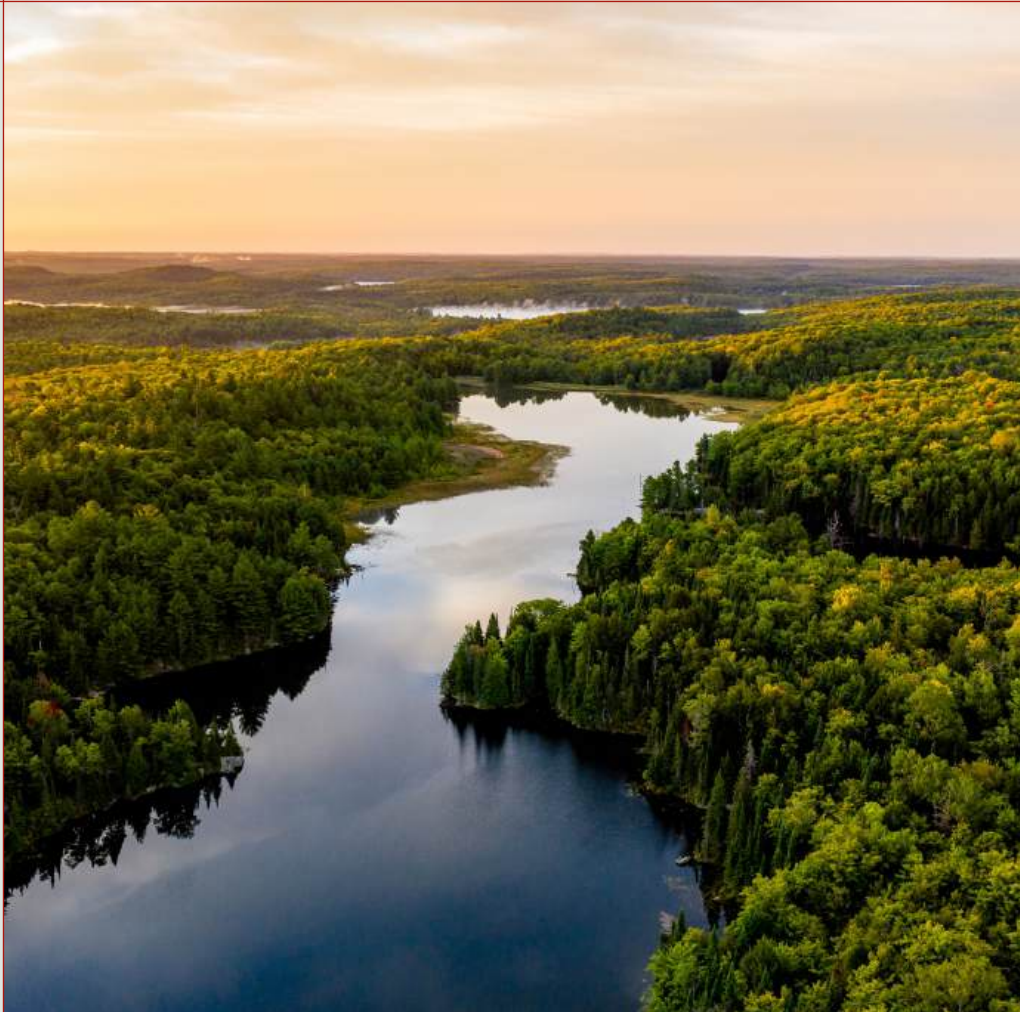


Commercial Agreements

Community Agreements

TMC has committed to commercial agreements and may enter into new commercial agreements in respect of accommodation and/or community investments. These agreements financially commit TMC to provide funds to municipal and Indigenous communities which may have payment terms greater than one year.

Delivering expert financial and commercial advice to **maximize national impact** as a trusted advisor and asset manager to government.



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