



EFFICIENCYONE
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2025

EFFICIENCYONE

INDEX
DECEMBER 31, 2025



Independent Auditor’s Report	1-2
Consolidated Statement of Operations	3
Consolidated Statement of Changes in Fund Balances	4
Consolidated Statement of Financial Position	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7-16



Independent auditor's report

To the Board of Directors of EfficiencyOne,

Opinion

We have audited the consolidated financial statements of EfficiencyOne ("the Corporation"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of EfficiencyOne as at December 31, 2025, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation and the corporations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

We have audited the Corporation's compliance, as at December 31, 2025, with the cost allocation criteria established by the Efficiency Nova Scotia Cost Allocation Methodology Report as filed with the Nova Scotia Energy Board. Compliance with the Cost allocation criteria is the responsibility of the Corporation's management. Our responsibility is to express an opinion on this compliance based on our audit.

Halifax, Canada
April 1, 2026

Doane Grant Thornton LLP
Chartered Professional Accountants

EFFICIENCYONE

CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2025 (IN THOUSANDS)

	Demand-Side Management Fund	Provincial Fund	Other Business Fund	2025	2024
REVENUES					
Efficiency Nova Scotia (Note 3)	\$ 60,133	\$ 91,310	\$ -	\$ 151,443	\$ 120,473
Other (Note 3)	-	-	111,547	111,547	79,524
Investment income (Note 4)	-	-	835	835	651
Interest	243	7,598	71	7,912	12,604
	<u>60,376</u>	<u>98,908</u>	<u>112,453</u>	<u>271,737</u>	<u>213,252</u>
DIRECT COSTS					
Incentives	41,953	85,256	106,724	233,933	173,779
Evaluation and verification	1,654	256	-	1,910	2,033
Program support	633	63	564	1,260	3,693
	<u>44,240</u>	<u>85,575</u>	<u>107,288</u>	<u>237,103</u>	<u>179,505</u>
OTHER PROGRAM AND ADMINISTRATIVE COSTS					
Amortization (Note 7)	213	133	-	346	346
Bad debts	-	-	-	-	57
Information technology	872	1,091	970	2,933	2,068
Marketing, outreach, education, and research	1,992	1,522	262	3,776	5,145
Meetings and travel	135	123	136	394	361
Office and insurance	160	189	159	508	608
Professional fees and consulting	593	379	657	1,629	1,535
Rent	305	244	68	617	611
Salaries and benefits	11,732	9,473	2,731	23,936	22,373
Training and development	134	179	182	495	643
	<u>16,136</u>	<u>13,333</u>	<u>5,165</u>	<u>34,634</u>	<u>33,747</u>
TOTAL COSTS	<u>60,376</u>	<u>98,908</u>	<u>112,453</u>	<u>271,737</u>	<u>213,252</u>
NET SURPLUS FROM OPERATIONS	-	-	-	-	-
INCOME PICKUP FROM SUBSIDIARY (Note 5)	-	-	16	16	1
TOTAL SURPLUS	-	-	\$ 16	\$ 16	\$ 1

See accompanying notes to the consolidated financial statements

EFFICIENCYONE

CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2025 (IN THOUSANDS)

	Unrestricted	Endowment	2025	2024
Fund balance, beginning of the year	\$ 151	\$ 22,291	\$ 22,442	\$ 21,579
Net surplus	16	-	16	1
Unrealized fair market value adjustments (Note 4)	-	(589)	(589)	862
Fund balance, end of the year	\$ 167	\$ 21,702	\$ 21,869	\$ 22,442

See accompanying notes to the consolidated financial statements

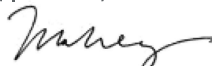
EFFICIENCYONE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025 (IN THOUSANDS)

	Demand-Side Management Fund	Provincial Fund	Other Business Fund	2025	2024
ASSETS					
CURRENT					
Cash	\$ 1,533	\$ 51,261	\$ 5,261	\$ 58,055	\$ 88,873
Accounts receivable	7,033	13,398	5,501	25,932	10,337
HST receivable	479	522	263	1,264	997
Prepays	3,189	1,656	429	5,274	2,633
Short-term investments (Note 4)	-	85,000	-	85,000	100,000
	12,234	151,837	11,454	175,525	202,840
INVESTMENTS (Note 4)	-	15,000	22,849	37,849	57,360
INVESTMENT IN EFFICIENCYONE SERVICES INC. (Note 5)	-	-	162	162	147
LOAN RECEIVABLE (Note 6)	-	-	200	200	200
CAPITAL ASSETS (Note 7)	516	324	-	840	1,187
	\$ 12,750	\$ 167,161	\$ 34,665	\$ 214,576	\$ 261,734
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities	\$ 8,522	\$ 5,223	\$ 7,668	\$ 21,413	\$ 13,990
Deferred revenue (Note 9)	1,600	84,500	2,199	88,299	52,711
HST payable	723	7	21	751	758
	10,845	89,730	9,888	110,463	67,458
DEFERRED REVENUE (Note 9)	1,905	77,431	2,908	82,244	171,833
	12,750	167,161	12,796	192,707	239,291
FUND BALANCES					
Unrestricted	-	-	167	167	151
Endowment	-	-	21,702	21,702	22,291
	-	-	21,868	21,868	22,442
	\$ 12,750	\$ 167,161	\$ 34,665	\$ 214,576	\$ 261,734

CONTINGENCIES (Note 10) AND COMMITMENTS (Note 11)

Approved by the Board


William (Bill) Lahey
Chair, Board of Directors


Sean O'Connor
Chair, Finance Committee

See accompanying notes to the consolidated financial statements

EFFICIENCYONE

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025 (IN THOUSANDS)

	Demand-Side Management Fund	Provincial Fund	Other Business Fund	2025	2024
CASH PROVIDED BY (USED FOR):					
OPERATING					
Total surplus	\$ -	\$ -	\$ 16	\$ 16	\$ 1
Items not affecting cash:					
Amortization	213	133	-	346	346
	213	133	16	362	347
Changes in non-cash working capital items					
Accounts receivable	(6,442)	(3,982)	(5,171)	(15,595)	50,238
HST receivable	48	(151)	(162)	(265)	137
Prepays	(2,096)	(491)	(54)	(2,641)	(865)
Accounts payable and accrued liabilities	428	871	6,124	7,423	(22,450)
Deferred revenue	2,367	(52,352)	(4,016)	(54,001)	(25,842)
HST payable	(10)	1	2	(7)	(192)
	(5,492)	(55,971)	(3,261)	(64,724)	1,373
INVESTING					
Loans advanced	-	-	-	-	(200)
Purchase of investments	-	(80,000)	(29,430)	(109,430)	(150,953)
Proceeds on sale of investments	-	115,000	28,430	143,430	195,943
Returned (reinvested) distributions, net	-	-	(78)	(78)	(15)
Income pickup from subsidiary	-	-	(16)	(16)	(1)
	-	35,000	(1,094)	33,906	44,774
CHANGE IN CASH	(5,492)	(20,971)	(4,355)	(30,818)	46,147
CASH - BEGINNING OF YEAR	7,025	72,232	9,616	88,873	42,726
CASH - END OF YEAR	\$ 1,533	\$ 51,261	\$ 5,261	\$ 58,055	\$ 88,873

See accompanying notes to the consolidated financial statements

EFFICIENCYONE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025 (IN THOUSANDS)

1. NATURE OF OPERATIONS

EfficiencyOne (“the Corporation”) was incorporated in July 2014 under the Canada Not-for-profit Corporations Act.

Under Section 79C of the Public Utilities Act, the Corporation, as the franchise holder, has the exclusive right to supply Nova Scotia Power Inc. (“NS Power”) with reasonably available, cost-effective demand-side management.

The Corporation is a not-for-profit organization under the meaning assigned in the Income Tax Act and as such is exempt from income taxes under Section 149(1)(l). The Corporation holds endowment funds, through its subsidiary Halifax Climate Investment, Innovation and Impact Fund (“HCl3”), in trust on behalf of the Federation of Canadian Municipalities (“FCM”) as trustee of the Green Municipal Fund, and on behalf of the Province of Nova Scotia. The endowment funds are to be maintained in perpetuity. Investment income earned on endowment funds is attributable to the contributor for tax purposes. Accordingly, no provision has been made in the accounts for income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and consolidation

These consolidated financial statements include the assets, liabilities, revenue and expenses of the Corporation and its subsidiary HCl3.

The Corporation accounts for investment in EfficiencyOne Services Inc. using the equity method.

These consolidated financial statements have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations.

Fund accounting

a) The Demand-Side Management (“DSM”) Fund is used to account for the operations of the Corporation including the fee-for-service revenues received and expenses incurred for the delivery of DSM programs and services. The Supply Agreement for Electricity Efficiency and Conservation Activities (“EECA”) with Nova Scotia Power is approved by the Nova Scotia Energy Board

(“NSEB”). Cash received under the DSM Fund is only used for operations of the fund. Interest income earned on cash received is retained within the fund and restricted for operations of the fund.

b) The Provincial (“PNS”) Fund is used to account for the operations of the Corporation including the fee-for-service revenues received and expenses incurred for the delivery of PNS programs and services according to the terms of the contracts with the Province of Nova Scotia. Cash received under the PNS Fund is only used for operations of the fund. Interest income earned on cash received is retained within the fund and restricted for operations of the fund.

c) The Other Business Fund is used to account for subsidiary operations and other non-DSM and non-PNS activities. Interest and investment income earned on cash received is retained within the fund and restricted for operations of the fund.

Revenue recognition

The Corporation follows the deferral method of accounting for revenue. Restricted fee-for-service or contribution revenue is recognized as revenue within the appropriate fund in the year in which the related expenses are incurred. Restricted contributions for the purchase of capital assets are recognized on the same basis as the amortization expense related to the acquired assets. Endowment contributions are presented as direct increases to net assets.

Restricted interest income on interest bearing deposits is recognized as revenue in the DSM, PNS or Other Business Fund in the year in which the revenue is earned.

Investment income earned on the HCl3 endowments and available for expenditure is allocated to the Other Business Fund, as determined by externally imposed restrictions. All other investment income earned on the HCl3 endowments is recorded as direct increases or decreases to net assets.

EFFICIENCYONE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025 (IN THOUSANDS)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense recognition

The Corporation recognizes incentive costs, such as customer rebates, when energy savings are recognized. Energy savings are recognized at milestones within a contract or when the contract is complete. An accrued liability for incentive costs is established when energy savings have been recognized and payment is yet to be made. All other expenses are recorded when incurred.

Cloud computing arrangements

The Corporation has adopted the simplification approach for cloud computing arrangements. Implementation costs are expensed over the term of the arrangement. Subscription fees are expensed when incurred. During the year, the total amount expensed for cloud computing arrangements was \$1,104 (2024 - \$859) and is included in Information technology expenses.

Cash

The Corporation recognizes bank balances and interest-bearing deposits with a maturity period of three months or less from the date of acquisition under cash. The Corporation manages its cash according to its cash needs, in accordance with the Corporation's investment policy.

Financial instruments

The Corporation initially measures its financial assets and financial liabilities at fair value. Investments in pooled funds are subsequently measured at fair value and all remaining financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash, accounts receivable, loan receivable, and investments in private equities. Financial liabilities measured at amortized cost include accounts payable.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized in net surplus. Any previously recognized impairment loss may be reversed to the extent of its improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of a reversal is recognized in net surplus.

Related party transactions

Financial assets and financial liabilities obtained in related party transactions are initially measured at cost. Gains or losses arising on initial measurement differences are generally recognized in net surplus when the transactions are in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the Corporation initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets.

Investments

Investments consist of a mix of guaranteed investment certificates, pooled fund investments, and investments in private equity. Pooled fund investments and guaranteed investment certificates are stated at fair value on a trade date basis. Any change in fair value is reflected as direct increases or decreases to net assets. Pooled fund investments are valued at the unit values supplied by the pooled fund administrator, which represent the Corporation's proportionate share of underlying net assets at fair values determined using closing market prices. Investments in private equities are measured at amortized cost.

Fixed income investments maturing within one year from the Consolidated Statement of Financial Position date are reflected as short-term investments.

EFFICIENCYONE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025 (IN THOUSANDS)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets

Capital assets are initially recorded at cost. Amortization is provided for using the following rates and method over their estimated useful lives:

Furniture and fixtures	3 years	Straight-line
Leasehold improvements	Term of lease	Straight-line

Cost allocation methodology

The Corporation follows a Cost Allocation Methodology ("CAM") to allocate expenses not directly related to a fund, as disclosed in Note 13. There was no change to the CAM from prior years.

Use of estimates

The preparation of the consolidated financial statements in accordance with Canadian Accounting Standards for Not-For-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items and matters such as allowance for doubtful accounts, useful lives of capital assets, commitments, fair market value of investments, and certain accrued liabilities. Actual results could differ from those estimates.

3. REVENUE AND CONTRACTUAL RIGHTS

Efficiency Nova Scotia Revenue

Effective January 1, 2023, the Corporation entered into a three-year supply agreement with NS Power to provide demand-side management. The agreement provided funding of \$173,000 over three years in monthly installments until December 31, 2025. In 2025, fee-for-service revenue was \$62,500 (2024 - \$57,500).

The Corporation has entered into multi-year fee-for-service agreements with the Province of Nova Scotia. The contract term, payment frequency and annual amounts are summarized below:

			2025	2024
Homewarming Services Agreement				
March 21, 2023 - March 31, 2027	Lump Sum + Qtrly	\$	25,655	\$ 16,643
Affordable Housing and Non-Profits Services				
September 23, 2024 - March 31, 2028	Annually	\$	4,621	\$ 3,045
Other Provincial Pilot Programs				
March 21, 2020 - March 31, 2026	Lump Sum	\$	3,859	\$ 3,406
Mi'kmaw Home Energy Efficiency				
March 30, 2023 - March 31, 2027	Quarterly	\$	3,844	\$ 3,844
Affordable Rental Construction Pilot Services Agreement				
March 14, 2024 - March 31, 2027	Annually	\$	649	\$ 3,915
Fisheries and Aquaculture Energy Efficiency Innovation Fund				
February 26, 2024 - March 31, 2027	Annually	\$	330	\$ 3,545
HEA, Green Heat, EPI Agreement				
March 21, 2023 - March 31, 2027	Lump Sum	\$	-	\$ 100
		\$	38,958	\$ 34,498

EFFICIENCYONE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025 (IN THOUSANDS)

3. REVENUE AND CONTRACTUAL RIGHTS (continued)

Other Revenue

Effective April 1, 2022, the Corporation entered into a five-year contribution agreement with Natural Resources Canada to execute the Canada Greener Homes Grant Program. Effective April 1, 2023, the agreement was amended to include funding for the Oil to Heat-pump Affordability Program. The agreement provides total funding of \$233,926, and of this contribution, \$110,905 (2024 - \$79,051) was recognized as revenue in the current year.

During the year, the Corporation recognized \$643 in revenue from HCl3 (2024 - \$473) and \$nil from other sources (2024 - \$nil).

	Demand-Side Management Fund	Provincial Fund	Other Business Fund	2025	2024
Fee-for-service revenue	\$ 62,500	\$ 38,958	\$ -	\$ 101,458	\$ 91,998
Other revenue	-	-	106,586	106,586	85,464
Recognition/ (Deferral) of revenue	(2,367)	52,352	4,962	54,947	22,535
	\$ 60,133	\$ 91,310	\$ 111,548	\$ 262,991	\$ 199,997

4. INVESTMENTS

The Corporation's investments in guaranteed investment certificates are made in accordance with the Corporation's banking and investment policy. The objective of the policy is to ensure excess cash is invested in a manner that safely preserves the principal while optimizing returns.

Investments in pooled funds are held by an investment manager and are measured at market value. All market-based investments are made in accordance with HCl3's investment policy.

	2025	2024
GIC, due April 9, 2026, 5.44% per annum	\$ 35,000	\$ 35,000
GIC, due October 9, 2026, 3.66% per Annum	30,000	-
GIC, due July 29, 2026, 3.48% per annum	20,000	-
GIC, due January 6, 2027, 3.1% per annum	15,000	-
AlphaFixe Green Bond Fund	7,302	-
iA Short Term Bond Fund	4,342	-
Addenda Commercial Mortgage Fund	2,315	-
Fiera Canadian Equity Fossil Fuel Free Fund – Class A	1,772	-
Mirova Global Sustainable Equity Fund	1,560	-
Wellington Climate Strategy Fund	1,422	-
Amundi Global Equity High Income Low Volume Fund	1,138	-
Private Equity Investment, at cost	1,000	-
UBS Global Direct Real Estate Fund	901	-
iA Money Market Fund	648	-
TD Private Debt Fund	439	-
Other investments, at cost	10	10
GICs, redeemed	-	100,000
Fiera ASFI – Active Canadian Bonds Universe Fund – Class A	-	4,271
Fiera ASFI – Active Short-term Bond Fund – Class A	-	4,220
Fiera Atlas Global Companies Fund – Class A	-	3,969
Fiera Diversified Lending Fund – Class A	-	3,144
Fiera Diversified Real Assets Fund – Class A	-	2,199
ACM Commercial Mortgage Fund	-	2,153
Fiera Canadian Equity Fossil Fuel Free Fund – Class A	-	1,686
Fiera Short-term Investment Fund – Class A	-	708
	122,849	157,360
Less: short-term investments	85,000	100,000
	\$ 37,849	\$ 57,360

EFFICIENCYONE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025 (IN THOUSANDS)

4. INVESTMENTS (continued)

Investment income:

Investment income earned from endowments consists of distributions from various pooled fund investments as listed above, as well as interest on cash deposits and unrealized gains or losses due to changes in fair market value.

The investment income earned from endowments is recognized in the Consolidated Statement of Operations as it becomes available for expenditure. The total investment income earned during the year and its allocation is summarized below:

	2025	2024
Investment distributions	\$ 659	\$ 729
Realized gain on sale of investments	1,229	84
Investment management fees	(92)	(76)
Change in fair market value	(589)	862
Total investment income	1,207	1,599
Stabilization allocation (i)	(892)	(39)
Deferred in Other Business Fund	(69)	(47)
Unrealized fair market value adjustments	589	(862)
Recognized investment income	\$ 835	\$ 651

- i. The Stabilization allocation is an amount held in reserve and used for the purpose of funding eligible expenses in years where annual investment proceeds are less than expected.

5. INVESTMENT IN EFFICIENCYONE SERVICES INC.

The investment represents a 100% interest in the common shares of EfficiencyOne Services Inc. as follows:

	2025	2024
Common shares, at cost	\$ -	\$ -
Equity in cumulative net earnings since incorporation	162	147
	\$ 162	\$ 147

Summarized financial information of EfficiencyOne Services Inc. as at December 31, 2025 is as follows:

FINANCIAL POSITION

	2025	2024
Assets	\$ 211	\$ 153
Liabilities	49	6
Equity	162	147
Total Liability and Equity	\$ 211	\$ 153

RESULTS OF OPERATIONS

	2025	2024
Revenue	\$ 127	\$ 9
Expenses (including a provision for income tax)	111	8
Net Earnings	\$ 16	\$ 1

CASH FLOW

	2025	2024
Operating	\$ 5	\$ 3
Change in Cash	5	3
Cash - beginning of period	152	149
Cash - end of period	\$ 157	\$ 152

EFFICIENCYONE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025 (IN THOUSANDS)

5. INVESTMENT IN EFFICIENCYONE SERVICES INC. (continued)

The Corporation renders technical, administrative, and marketing services of a routine nature to EfficiencyOne Services Inc. and the value of these services is measured on a fully allocated cost basis, which is the amount of consideration established and agreed to by the related parties. The cost of these services amounted to \$31 in 2025 (2024 - \$4).

Included in accounts receivable as of December 31 was \$19 (2024 - \$4) due from EfficiencyOne Services Inc.

On August 29, 2017 the Nova Scotia Energy Board (formerly the NSUARB) approved the Corporation's Code of Conduct ("the Code"). The Code governs transactions between the Corporation's electricity efficiency and conservation activities and its Affiliates.

6. LOAN RECEIVABLE

During the year, HCl3 issued a loan receivable of \$200. The loan carries an interest rate of prime + 4%, repayable in interest-only installments until 2027. The loan is secured by general security agreement over the borrower's assets.

7. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2025	Net 2024
Furniture and fixtures	\$ 535	\$ 535	\$ -	\$ 178
Leasehold improvements	1,344	504	840	1,009
	<u>\$ 1,879</u>	<u>\$ 1,039</u>	<u>\$ 840</u>	<u>\$ 1,187</u>

8. BANK INDEBTEDNESS

The Corporation has an operating demand loan of credit available in the amount of \$7,500 bearing interest at the bank prime rate, payable monthly. At year end, the Corporation had no draws against the line of credit (2024 - \$nil). The demand loan is secured by a first ranking general security agreement.

9. DEFERRED REVENUE

	Demand-Side Management Fund	Provincial Fund	Other Business Fund	2025	2024
Opening	\$ 1,138	\$ 214,283	\$ 9,123	\$ 224,544	\$ 250,387
Recognition of prior years' deferred revenue	-	(60,208)	(5,117)	(65,325)	(47,413)
Return of funds	-	-	-	-	(3,443)
Deferral of current year revenue	2,367	7,856	1,032	11,255	24,927
Deferral of investment income (Note 4)	-	-	69	69	86
	3,505	161,931	5,107	170,543	224,544
Less: current portion	1,600	84,500	2,199	88,299	52,711
	<u>\$ 1,905</u>	<u>\$ 77,431</u>	<u>\$ 2,908</u>	<u>\$ 82,244</u>	<u>\$ 171,833</u>

EFFICIENCYONE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025 (IN THOUSANDS)

10. CONTINGENCIES

a) The Corporation has an agreement with NS Power to extend financing to certain Business, Non-Profit and Institutional (“BNI”) customers participating in either the Small Business Energy Solutions, Affordable Multi-Family Housing, BNI Custom, or Business Energy Rebates programs. Those customers are approved by NS Power for repayment terms up to 48 months. Financing costs related to the principal are paid to NS Power by the Corporation monthly and are considered part of the applicable program cost. The Corporation is contingently liable to cover defaults on principal amounts outstanding.

A liability of \$51 (2024 - \$51) has been established for accounts at risk. On December 31, 2025, the balance of total financing extended was \$1,984 (2024 - \$2,165).

b) The Organization is involved in disputes from time to time as part of its ordinary course of operations. As at December 31, 2025, management is confident that adequate provisions have been established for any current claims.

11. COMMITMENTS

a) In the course of business, the Corporation approves customer applications that offer future incentive payments based on the completion of program criteria within a specific time frame.

The value of these commitments is estimated at \$179,149 (2024 - \$111,339) with the DSM Fund share of \$18,619 (2024 - \$18,049), the PNS Fund share of \$72,744 (2024 - \$63,895) and the Other Business Fund share of \$87,786 (2024 - \$29,394). The estimate is calculated on an individual program basis as of December 31, 2025.

Program	Basis of Estimate
Home Energy Assessment	Number of eligible homes anticipated to complete the program at the historical average rebate rate plus final audit costs to be paid to Delivery Agents.
Oil to Heat Pump Affordability	Number of qualified customers and approved rebate amounts.
SolarHomes	Number of approved customers anticipated to complete the program at the historical average rebate rate.
Mi'kmaw Home Energy Efficiency	Total number of committed homes at the historical average cost per home plus final audit costs.
Energy Forward New Homes	Total number of qualified applicants currently enrolled for Incentives
Affordable Multi-Family Housing	Approved customers and rebate amounts.
Low Income Homeowner Service	Number of qualified customers whose application had been assigned to a Delivery Agent at the historical average cost per home plus final audit costs.
Small Business Energy Solutions	Approved customers and rebate amounts.
Custom	Approved customers and rebate amounts.

EFFICIENCYONE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025 (IN THOUSANDS)

The Corporation has multi-year fee-for-service agreements in place with NS Power, the Province of Nova Scotia and Natural Resources Canada which will enable the Corporation to meet these future commitments.

b) The Corporation has entered into a lease agreement, expiring December 31, 2030, for the rental of its office premises. Minimum annual lease payments over the term of the agreement are as follows:

Year	Annual Lease Payments
2026	316
2027	316
2028	316
2029	316
2030	316

12. RISK MANAGEMENT

The Corporation is exposed to risks associated with its financial instruments as follows:

	Risks		
	Credit	Liquidity	Market
Cash	X		X
Accounts receivable	X		
Loan receivable	X		X
Accounts payable and accrued liabilities		X	X
Investments			X

The Corporation's risk exposure has decreased from the prior year, due to the overall decrease in financial instruments.

a) Credit risk

Credit risk arises from the possibility of one of the parties to a transaction defaulting on its financial obligations.

i) Cash

Credit risk associated with cash is minimized by investing these assets in short-term interest-bearing deposits of a Canadian bank with credit ratings that comply with the Corporation's banking and investment policy.

ii) Accounts receivable and loan receivable

Credit risk associated with accounts receivable is mitigated by the fact that the majority of receivables outstanding are from a government entity, the Province of Nova Scotia.

b) Liquidity risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they come due. It stems from the possibility of a delay in realizing the fair value of investments. The Corporation manages its liquidity risk by monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

Accounts payable and accrued liabilities include obligations to customers who have earned incentives and are normally paid within 90 days. For some customer incentives accrued, there may be exceptions to the timing of the payments. The timing of these payments is determined by the terms of the customer's contract. HST payable is remitted monthly.

c) Market risk

The Corporation is exposed to market risks arising from changes in the fair value of financial instruments due to market price fluctuations. Market risks consist of currency risk, interest rate risk and other price risk. The Corporation is not exposed to additional currency risk other than that recognized through other price risk, as certain investments are denominated in foreign currencies.

i) Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument or the related future cash flows will fluctuate due to changes in the market interest rates. The Corporation is exposed to interest rate risk with regard to its cash and its loan receivable.

EFFICIENCYONENOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025 (IN THOUSANDS)**12. RISK MANAGEMENT (continued)**

The Corporation's cash includes amounts on deposit with a Canadian bank that earns interest at the market rate. The loan receivable is subject to fluctuations in the prime interest rate, which could impact the interest income earned. Fluctuations in market rates of interest on cash do not have a significant impact on the Corporation's results of operations. Short-term interest-bearing deposits are not exposed to significant interest rate risk due to their short-term nature.

i) Other price risk

Other price risk is the risk that the fair value of a financial instrument or the related future cash flows will fluctuate due to changes in market prices. The Corporation is exposed to other price risk with regard to its investments.

The Corporation's investments include pooled funds which are subject to risks arising from changes in market conditions. The Corporation manages this risk by using an investment manager and maintaining a diversified portfolio with a mix of bonds and equity funds in accordance with the Corporation's investment policy.

EFFICIENCY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025 (IN THOUSANDS)

13. COST ALLOCATION METHODOLOGY

	Allocator	Expenses subject to Allocation	DSM Fund Allocation	Provincial Fund Allocation	Other Business Fund Allocation
Incentives	Direct	\$ 644	\$ 347	\$ 292	\$ 5
Information technology	FTE	974	497	398	79
Information technology	Direct	1,919	375	693	851
Marketing, outreach, education and research	Direct	3,122	1,441	1,443	238
Meetings and travel	Direct	288	82	98	108
Office and insurance	FTE	198	101	81	16
Office and insurance	Direct	301	59	109	133
Professional fees and consulting	Direct	765	190	314	261
Program support	Direct	40	8	30	2
Ren	FTE	597	305	244	48
Salaries and benefits	FTE	23,242	11,734	9,472	2,036
Training and development	FTE	480	134	179	167
		\$ 32,570	\$ 15,273	\$ 13,353	\$ 3,944

The Corporation engages in DSM programs (reported in the DSM Fund), other energy efficiency and conservation programs (reported in the PNS Fund) and other business (reported in the Other Business Fund).

The costs reported in the Consolidated Statement of Operations, include direct costs of the programs which are comprised of, but not limited to, customer payments, program support costs, and other program and administrative costs directly attributable to a program. In 2025, total direct costs incurred were \$239,167 (2024 - \$180,436) with \$45,103 related to DSM (2024 - \$50,086), \$85,555 related to PNS (2024 - \$53,575), and \$108,509 related to Other Business (2024 - \$76,775). The Corporation also incurs costs which are not directly related to one program that require allocation between the funds and subsequently to programs. These non-direct costs include, but are not limited to, joint direct program costs, common program costs, salaries and benefits, administrative and operational overhead and general program administration. In 2025, total non-direct costs incurred and subject to allocation were \$32,570 (2024 - \$32,816).

The Corporation allocates the non-direct costs noted above based on FTE of staff resources assigned to the programs and Direct Costs ("Direct") of the programs as defined in the ENSC Cost Allocation Methodology Report. The CAM is subject to regular review by the Nova Scotia Energy Board..

EfficiencyOne

Statement of Operations & Changes in Fund Balance - Details by General Ledger Account - Demand-Side Management (DSM) Fund
For the Year Ended December 31, 2025

In Thousands

GL Account	GL Account Description	Financial Statement Grouping	GL Balance	Direct Expense of DSM Fund	Allocated to DSM Fund through Cost Allocation Methodology
4000	DSM Revenue	Revenue	62,500		
4140	Recognition/(Deferral) of Revenue	Revenue	(2,367)		
4500	Interest - Business Investment Account	Revenue	243		
Subtotal - Revenue			60,376		
5020	Incentives - Financing Interest	Incentives	127	127	-
5000	Incentives - Customer Rebates	Incentives	13,177	13,177	-
5010	Incentives - Upstream to DA	Incentives	8,365	8,365	-
5012	Incentives - Upstream to DA	Incentives	5	5	-
5005	Incentives - Recovery	Incentives	(228)	(228)	-
5015	Incentives - Implementation DA	Incentives	18,768	18,760	8
5025	Incentives - Materials	Incentives	63	63	-
5030	Incentives - Program Equipment	Incentives	28	28	-
5035	Incentives - Services Provided by DA	Incentives	839	799	40
5045	Incentives - Pilot Programs	Incentives	209	209	-
5050	Incentives - Low Income Appliance Replacement	Incentives	41	41	-
6243	DA Travel	Incentives	559	260	299
Subtotal - Incentives			41,953	41,606	347
5120	Evaluation	Evaluation & Verification	1,434	1,434	-
5121	Verification	Evaluation & Verification	220	220	-
Subtotal - Evaluation & Verification			1,654	1,654	-
5130	DSM Consultants	Program support	583	583	-
5100	UARB Assessment & Consultant Costs	Program support	338	338	-
5040	Program Consulting	Program support	(288)	(296)	8
Subtotal - Program Support			633	625	8
7000	Depr & Amortization	Amortization	213	213	-
Subtotal - Amortization			213	213	-
6330	Bad Debt Expense	Bad debt	-	-	-
Subtotal - Bad Debts			-	-	-
6100	IT Contract Services	Information Technology	476	-	476
6130	Purchased IT Equipment	Information Technology	37	-	37
6200	Software Expense	Information Technology	215	-	215
6105	IT Consulting Services	Information Technology	67	-	67
6106	CIS Consulting	Information Technology	93	-	93
6506	Affiliate Recovery - IT	Information Technology	(16)	-	(16)
Subtotal - Information Technology			872	-	872
6230	Advertising & Marketing	Marketing, outreach, education and research	420	325	95
5150	Homeshow/Tradeshaw	Marketing, outreach, education and research	38	-	38
6080	Research	Marketing, outreach, education and research	115	10	105
6190	Sponsorship	Marketing, outreach, education and research	49	-	49
6150	Subscriptions, Media Monitoring	Marketing, outreach, education and research	3	-	3
6070	Website Development	Marketing, outreach, education and research	220	-	220
6325	Communications Materials	Marketing, outreach, education and research	63	-	63
5151	Community Outreach	Marketing, outreach, education and research	15	-	15
6191	Partnership Development	Marketing, outreach, education and research	137	-	137
5154	Green Schools	Marketing, outreach, education and research	257	-	257
6229	Corporate Marketing	Marketing, outreach, education and research	91	-	91
6235	Paid Advertising	Marketing, outreach, education and research	308	80	228
6350	EPP	Marketing, outreach, education and research	33	6	27
6232	EPP Marketing	Marketing, outreach, education and research	2	-	2
6081	Data Analytics Support	Marketing, outreach, education and research	24	6	18
6351	EPP Training	Marketing, outreach, education and research	17	-	17
6236	Social Media Management	Marketing, outreach, education and research	200	124	76
Subtotal - Marketing, outreach and education			1,992	551	1,441

EfficiencyOne

Statement of Operations & Changes in Fund Balance - Details by General Ledger Account - Demand-Side Management (DSM) Fund
For the Year Ended December 31, 2025

In Thousands

GL Account	GL Account Description	Financial Statement Grouping	GL Balance	Direct Expense of DSM Fund	Allocated to DSM Fund through Cost Allocation Methodology
6260	Meals	Meetings & Travel	6	5	1
6040	Meeting - Facilities & Catering	Meetings & Travel	1	1	-
6240	Travel	Meetings & Travel	29	28	1
6041	Meetings - Facilities & catering - Program support	Meetings & Travel	14	6	8
6042	Meetings - Facilities & catering - Admin	Meetings & Travel	18	-	18
6241	Travel - Program support	Meetings & Travel	36	10	26
6242	Travel - Admin	Meetings & Travel	16	1	15
6261	Meals - Program support	Meetings & Travel	12	2	10
6262	Meals - Admin	Meetings & Travel	3	-	3
Subtotal - Meetings and travel			135	53	82
6090	Equipment Expense	Office and insurance	5	-	5
6110	Equip Rental & Maintenance	Office and insurance	11	-	11
6310	Insurance - Liability, D and O	Office and insurance	3	-	3
6010	Memberships & Dues	Office and insurance	23	-	23
6170	Office Supplies	Office and insurance	10	-	10
6160	Postage, Mailing Services	Office and insurance	7	-	7
6300	Property Insurance	Office and insurance	63	-	63
6180	Telephone, Telecommunications	Office and insurance	41	-	41
6507	Affiliate Recovery - Office	Office and insurance	(3)	-	(3)
Subtotal - Office and Insurance			160	-	160
6050	Professional Fees	Professional Fees	21	19	2
6051	Professional fees - Program support	Professional Fees	349	336	13
6052	Professional fees - Admin	Professional Fees	39	-	39
6061	Consulting - Program support	Professional Fees	98	23	75
6062	Consulting - Admin	Professional Fees	64	-	64
6500	Affiliate Recovery - Professional Fees	Professional Fees	(2)	-	(2)
6502	Affiliate Recovery - Professional Fees	Professional Fees	(1)	-	(1)
6192	Codes & Standards Development	Professional Fees	25	25	-
Subtotal Professional fees and consulting			593	403	190
6140	Rent	Rent	314	-	314
6508	Affiliate Recovery - Rent	Rent	(9)	-	(9)
Subtotal Rent			305	-	305
5910	CPP Benefits - Directors	Salaries	3	-	3
5720	CPP Expense - Staff Employees	Salaries	448	-	448
5900	Directors' Remuneration & Fees	Salaries	76	-	76
5700	EI Expense - Staff Employees	Salaries	139	-	139
5780	Emp Benefits - NS WCB	Salaries	17	-	17
5740	Group Ins Exp - Staff Employees	Salaries	519	-	519
5790	Payroll Service Fees	Salaries	31	-	31
5760	Reg Pension Plan - Staff Employees	Salaries	579	-	579
5600	Salaries - Staff Employees	Salaries	9,850	-	9,850
5785	Wellness Incentive	Salaries	2	-	2
5770	Health Spending Account	Salaries	57	-	57
5771	Personal Spending Account	Salaries	53	-	53
5654	HCI3 Salary Recovery	Salaries	(25)	-	(25)
5655	HCI3 Benefit Recovery	Salaries	(5)	-	(5)
Subtotal - Salaries and Benefits			11,732	-	11,732
6270	Employee Appreciation	Training	28	-	28
5775	Employee Assistance Program	Training	4	-	4
6250	Recruitment Costs	Training	34	-	34
6000	Training & Development	Training	69	-	69
6510	Affiliate Recovery - Training	Training	(1)	-	(1)
Subtotal - Training and Development			134	-	134
Total Costs			60,376	45,105	15,271
3000	Fund Balance - beginning of year		-		
3000	Fund Balance Ending		-		

EfficiencyOne

Statement of Financial Position - Details by General Ledger Account - Demand-Side Management (DSM) Fund

As at December 31, 2025

In Thousands

GL Account	GL Account Description	Financial Statement Grouping	GL Balance
Assets			
1070	BMO - DSM Account	Cash	51
1071	CIBC - DSM Account	Cash	1,482
	Subtotal - Cash		1,533
1100	Accounts Receivable	Accounts receivable	6,151
1110	Employee Advances	Accounts receivable	22
1120	Other receivables	Accounts receivable	159
1124	Due from EfficiencyOne Services	Accounts receivable	6
1130	Due from Nova Scotia Power (Financing)	Accounts receivable	692
1126	Due from HCl3	Accounts receivable	(11)
1127	Interest Receivable	Accounts receivable	12
	Subtotal - Accounts receivable		7,033
1550	GST/HST Paid	HST receivable	479
	Subtotal - HST receivable		479
1300	Prepaid expense	Prepaid expense	3,190
	Subtotal - Prepaid expense		3,190
1500	Furniture and Equipment	Capital Assets	329
1505	Accum. Amort. - Furniture & Equ	Capital Assets	(329)
1510	Leasehold Improvements	Capital Assets	826
1515	Accum Amort. - Leasehold Imp	Capital Assets	(310)
	Subtotal - Capital Assets		516
	Total Assets		12,750

EfficiencyOne

Statement of Financial Position - Details by General Ledger Account - Demand-Side Management (DSM) Fund

As at December 31, 2025

In Thousands

GL Account	GL Account Description	Financial Statement Grouping	GL Balance
Liabilities			
2000	Accounts Payable	Accts payable & accrued liabilities	1,883
2100	Social Committee	Accts payable & accrued liabilities	5
2410	Payroll Accruals	Accts payable & accrued liabilities	391
2411	Group Insurance Payable	Accts payable & accrued liabilities	1
2412	Vacation Pay Accrual	Accts payable & accrued liabilities	124
2414	Personal Spending Accrual	Accts payable & accrued liabilities	15
2419	Due to NSPI	Accts payable & accrued liabilities	95
2420	Vendor Accruals	Accts payable & accrued liabilities	1,244
2430	Program Accruals	Accts payable & accrued liabilities	662
2602	Other Payables	Accts payable & accrued liabilities	4,102
Subtotal - Accounts payable and accrued liabilities			8,522
2570	Deferred Revenue - Current	Deferred Revenue	1,600
Subtotal - Current Deferred Revenue			1,600
2551	HST Payable	HST Payable	723
Subtotal - HST Payable			723
2580	Deferred revenue	Deferred revenue	1,905
Subtotal - Deferred revenue			1,905
Total Liabilities			12,750
Fund Balances			
3000	Fund Balance	Fund Balance	-
Subtotal - Fund Balance			-
Total Liabilities and Fund Balances			12,750



Doane Grant Thornton LLP

1675 Grafton Street
Suite 1000
Halifax, NS B3J 0E9

T (902) 421-1734

F (902) 420-1068

SENT ELECTRONICALLY

April 2, 2026

Mrs. Nikki Hilton
Chief Financial Officer
EfficiencyOne
230 Brownlow Ave
Suite 300
Dartmouth, NS B3B 0G5

Dear Nikki:

**Re: EfficiencyOne
Year ended December 31, 2025**

We have enclosed the tax return package in PDF format for EfficiencyOne (the "company" or the "corporation") for the taxation year ended December 31, 2025. The returns should be filed as soon as possible in accordance with the filing instructions below, but no later than **June 30, 2026**.

We have prepared the returns based on the information you have provided to us, including the financial information which was prepared solely for income tax purposes without audit or review. Since the responsibility for the accuracy and completeness of this information remains with you, please carefully examine each return before certifying that it is true, correct and complete.

A copy of each return is provided for your records.

T2 - Corporation income tax return

The T2 return is required to be filed electronically. The Canada Revenue Agency ("CRA") requires that you provide us with a signed copy of Form T183 *Information Return for Corporations Filing Electronically* before we are permitted to electronically file the T2 return.

Signature

 Form T183 should be electronically signed and dated.

Filing

- ☐ A copy of the signed Form T183 should be returned to us as soon as possible so we can electronically file the T2 corporate income tax return on or before the **June 30, 2026** due date.

Payment

No amount is payable for the December 31, 2025 taxation period.

Form T1044 - Non-profit organization information return

Enclosed is a PDF copy of Form T1044 for the December 31, 2025 year end. Please print one government copy to be paper-filed as instructed below, and a second copy for your files.

Signature

- ☐ The "certification" section should be completed and signed.

Mailing

- ☐ A copy of the form should be filed, separate from the federal return, with the Jonquière Tax Centre, T1044 Program, 2251 René-Lévesque Boulevard, Jonquière, QC G7S 5J2 no later than **June 30, 2026**. The penalty for late-filing a T1044 return is \$25 a day (minimum \$100, maximum \$2,500).

Switch to online mail as the default method for most business correspondence

Effective June 16, 2025, the CRA switched to online mail as the default method for correspondence for businesses, with only limited exceptions.

Under online mail, businesses must access their CRA notices of assessment, statements of account, letters and certain other correspondence in the CRA's online *My Business Account* portal. Correspondence is considered received by you on the date it's posted in the portal, even if unread, and you only have 90 days to object if you disagree with a corporate notice of assessment or reassessment. Email notifications are sent when new mail is posted to the portal, but only if the business has a valid email address on record

Please be reminded that you are responsible for monitoring, retrieving and responding to the corporation's CRA correspondence, whether in paper form or online. If you miss CRA correspondence, which is often time-sensitive, this may lead to substantial adverse outcomes such as additional taxes, interest, and penalties.

There are options to receive paper mail either by indicating online through *My Business Account* or by filing Form *RC681 Request to Activate Paper Mail for Business* (which could take significant time to process). This request must be renewed every two years and if any paper mail is returned as undeliverable the business will be switched to online mail.

While we cannot monitor your mail from the CRA or other tax authorities, please reach out if you need any further guidance on this matter, including your options.

Other matters

Notice of assessment

When you receive any notice of assessment or reassessment of the current or a prior taxation period, please immediately forward a copy to us for our records. This will enable us to determine if each assessment or reassessment is correct before the limit for an objection expires (90 days from the date of the notice).

As mentioned above, it is important to ensure you are continuing to receive your tax correspondence, as we are unable to monitor this for you.

Update on the Underused Housing Tax rules

Bill C-15 includes proposed legislation to end the Underused Housing Tax (UHT) and related reporting requirements for 2025 and onwards. Penalties and interest would still apply to late-filed UHT returns and outstanding UHT remittances for the 2022 to 2024 calendar years. For the latest status of this proposal, consult our UHT Tax alert on our website.

Under the UHT rules, where a non-profit organization (or other entity or individual) owns residential property in Canada, there may be an obligation to file an annual UHT-2900 Underused Housing Tax Return and Election Form with the CRA. When required, UHT returns are due **April 30 each year**.

UHT is not an income tax and accordingly is **not** a part of the T2 return filing. It is important to meet any UHT obligations, as late filing penalties can be significant. We have **not** been engaged to prepare any UHT returns for you. As you are responsible for ensuring any UHT obligations are met, reach out as soon as possible if you need any assistance.

Cybersecurity

As organizations become increasingly dependent on digital technology, storing valuable information in multiple places, the opportunities for cyber criminals continue to grow. Cyber-attacks today are more focused, skillful and ambitious, and geographical borders are meaningless. Regulators and stakeholders, including customers, are increasing the pressure on organizations to manage these risks. In order to properly protect themselves, organizations must understand what weaknesses attackers could exploit, how to respond to security incidents and how areas such as access to confidential data should be managed.

If it has not already done so, management should respond to these risks by:

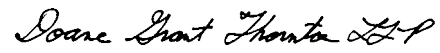
- **Assessing** the people, processes and technology associated with the cybersecurity program, including management of the program, data security, cybersecurity awareness and training, and assessment of external risks;
- **Improving** the cybersecurity function by remediating identified vulnerabilities, developing new strategies, enhancing existing facilities, and establishing policies, controls and processes; and
- **Developing** a cybersecurity breach or attack response plan, which involves providing training for the people who will execute the response, determining the procedures that will be followed, and securing external resources to support the process as needed.

If you would like any additional information, please let us know. If you encounter a cybersecurity breach, call our 24/7 Breach Response Hotline: **1-844-40-CYBER** (29237).

We are pleased to have assisted you in this matter. If you have any questions on these or other matters, please do not hesitate to contact us at (902) 421-1734.

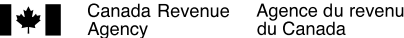
Yours truly,

Doane Grant Thornton LLP

A handwritten signature in cursive script that reads "Doane Grant Thornton LLP".

Jonathan Caldwell, CPA, CA
Principal

Enc



Non-Profit Organization (NPO) Information Return

- This return is for:
 - non-profit organizations (NPOs) described in paragraph 149(1)(l) of the Income Tax Act
 - organizations described in paragraph 149(1)(e) of the Act (agricultural organizations, boards of trade or chambers of commerce)
- An organization has to file this return if one of the following applies:
 - it received or is entitled to receive taxable dividends, interest, rentals or royalties totalling more than \$10,000 in the fiscal period
 - it owned assets valued at more than \$200,000 at the end of the immediately preceding fiscal period
 - it had to file an NPO information return for a previous fiscal period
- To determine if the organization you represent has to complete this return, see T4117, Income Tax Guide to the Non-Profit Organization (NPO) Information Return
- Mail your completed return to:
Jonquière Tax Centre, T1044 Program, PO Box 1300 LCD Jonquière, Jonquière QC G7S 0L5

Do not use this area

Part 1 – Identification

Fiscal period				Year				Month				Day				Business number, if any							
From				2025-01-01				to				2025-12-31				80494 7976 RC0001							
Name of organization												Trust number, T3, if any.											
EfficiencyOne																							
Mailing address												Is this the final return to be filed by this organization? If yes, attach an explanation.											
230 Brownlow Ave												Yes ☐ No ☒											
Suite 300																							
City								Province								Postal code				Type of organization (see guide T4117)			
Dartmouth								NS								B3B 0G5				4			
Name and title of person to contact												Telephone number											
Nikki Hilton												(902) 470-3500											
Chief Financial Officer																							

Part 2 – Amounts received during the fiscal period

Membership dues, fees, and assessments	100	
Federal, provincial, and municipal grants and payments	101	202,215,017
Interest, taxable dividends, rentals, and royalties	102	7,836,642
Proceeds of disposition of capital property	103	
Gross sales and revenues from organizational activities	104	60,133,148
Gifts	105	
Other receipts (specify) <u>Equity pickup in sub</u>	106	15,837
Total receipts (add lines 100 to 106)	107	270,200,644

Part 3 – Statement of assets and liabilities at the end of the fiscal period

Assets		
Method used to record assets <u>Accrual</u>		
Cash and short-term investments	108	140,606,073
Amounts receivable from members	109	
Amounts receivable from all others (not included on line 109)	110	27,170,296
Prepaid expenses	111	5,273,807
Inventory	112	
Long-term investments	113	15,000,000
Fixed assets	114	839,960
Other assets (specify) <u>Investment in subsid</u>	115	162,376
Total assets (add lines 108 to 115)	116	189,052,512
Liabilities		
Amounts owing to members	117	
Amounts owing to all others (specify)	118	189,052,485
Total liabilities (add lines 117 and 118)	119	189,052,485

Part 4 – Remuneration

Total remuneration and benefits paid to all employees and officers	120	23,242,315
Total remuneration and benefits paid to employees and officers who are members	121	0
Other payments to members (specify)	122	0
Number of members in the organization		0
Number of members who received remuneration or other amounts		0

Part 5 – The organization's activities

Briefly describe the activities of the organization. If this is the organization's first year filing this return, attach a copy of the organization's Mission Statement.

The purpose of the Corporation is to manage electricity demand-side
management programs and other energy efficiency and conservation programs
in the Province of Nova Scotia

Are any of the organization's activities carried on outside of Canada? Yes ☐ No ☒

If yes, indicate where:

Part 6 – Location of books and records

Leave this area blank if the information is the same as in Part 1.

Name of person to contact

Mailing address

City

Province

Postal code

Telephone number

Part 7 – Certification

I certify that the information given on this return and in any attached documents is correct and complete.

Nikki Hilton

Name of authorized officer

Chief Financial Officer

Position

2026-04-02

Authorized officer's signature

Date (YYYY/MM/DD)

Language of correspondence
Indicate the language of your choice

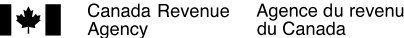
English ☒

Langue de correspondance
Indiquer la langue de votre choix

Français ☐

Privacy notice

Personal information is collected and used to administer or enforce the Income Tax Act and related programs and activities including administering tax, benefits, audit, compliance, and collection. The information collected may be disclosed to other federal, provincial, territorial, aboriginal or foreign government institutions to the extent authorized by law. Failure to provide this information may result in paying interest or penalties, or in other actions. Under the Privacy Act, individuals have a right of protection, access to and correction of their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 047 on Information about Programs and Information Holdings at canada.ca/cra-information-about-programs.



Information Return for Corporations Filing Electronically

- Do not send this form to the Canada Revenue Agency (CRA) unless we ask for it. We will not keep or return this form.
- Fill out this return for every initial and amended *T2 Corporation Income Tax Return* electronically filed with the CRA on your behalf.
- By filling out Part 2 and signing Part 3, you acknowledge that, under the federal Income Tax Act, you have to keep all records used to prepare your T2 return and provide this information to us on request.
- Part 4 must be filled out by either you or the electronic transmitter of your T2 return.
- Give the signed original of this return to the transmitter and keep a copy in your own records for six years.
- We are responsible for ensuring the confidentiality of your electronically filed tax information only after we have accepted your return.

Part 1 – Identification

Corporation's name EfficiencyOne				Business number 80494 7976 RC0001	
Tax year start	Year Month Day 2025-01-01	Tax year-end	Year Month Day 2025-12-31	Is this an amended return? ☐ Yes ☒ No	

Email address: _____

Most notices and other correspondence are delivered electronically to My Business Account by default, except when a corporation has changed its delivery preference to receive paper mail. By providing an email address, you are **registering** the corporation to receive email notifications from the CRA. The CRA will notify the corporation at the email address provided when new correspondence is available in My Business Account and may require immediate attention. For more information, see canada.ca/cra-business-email-notifications.

Part 2 – Declaration

Enter the following amounts, if applicable, from the T2 return for the tax year noted in Part 1:

Net income or loss for income tax purposes from Schedule 1, financial statements, or General Index of Financial Information (GIFI) (line 300)	112,842
Part I tax payable (line 700)	
Part II.2 tax payable (line 705)	
Part III.1 tax payable (line 710)	
Part IV tax payable (line 712)	
Part IV.1 tax payable (line 716)	
Part VI tax payable (line 720)	
Part VI.1 tax payable (line 724)	
Part XIV tax payable (line 728)	
Net provincial and territorial tax payable (line 760)	
Total tax payable (line 770)	

Part 3 – Certification and authorization

I, Hilton Nikki Chief Financial Officer,
Last name First name Position, office, or title

am an authorized signing officer of the corporation. I certify that I have examined the *T2 Corporation Income Tax Return*, including accompanying schedules and statements, and that the information given on the T2 return and this T183 Corp information return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

I authorize the transmitter identified in Part 4 to electronically file the *T2 Corporation Income Tax Return* identified in Part 1. The transmitter can also modify the information originally filed in response to any errors Canada Revenue Agency identifies. This authorization expires when the Minister of National Revenue accepts the electronic return as filed.

Signature of an authorized signing officer of the corporation

(902) 470-3500
Telephone number

2026-04-02
Year Month Day

HH MM SS

The CRA will accept an electronic signature if it is applied in accordance with the guidance specified by the CRA.

Part 4 – Transmitter identification

The following transmitter has electronically filed the T2 return of the corporation identified in Part 1.

Doane Grant Thornton LLP D1240
Name of person or firm Electronic filer number

Privacy notice

Personal information is collected and used to administer or enforce the Income Tax Act and related programs and activities including administering tax, benefits, audit, compliance, and collection. The information collected may be disclosed to other federal, provincial, territorial, aboriginal or foreign government institutions to the extent authorized by law. Failure to provide this information may result in paying interest or penalties, or in other actions. Under the Privacy Act, individuals have a right of protection, access to and correction of their personal information, and to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 047 and CRA PPU 211 on Info Source at canada.ca/cra-info-source.

EXEMPT FROM TAX

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporation return.

All legislative references on this return are to the federal Income Tax Act and Income Tax Regulations. This return may contain changes that had not yet become law at the time of publication.

Send one completed copy of this return, including schedules and the General Index of Financial Information (GIFI), to your tax centre. You have to file the return within six months after the end of the corporation's tax year.

For more information see canada.ca/taxes or Guide T4012, T2 Corporation – Income Tax Guide.

055 Do not use this area

Identification

Business number (BN) 001 80494 7976 RC0001	
Corporation's name 002 EfficiencyOne	
Address of head office Has this address changed since the last time the CRA was notified? 010 Yes No X If yes, complete lines 011 to 018. 011 230 Brownlow Ave 012 Suite 300 City Province, territory, or state 015 Dartmouth 016 NS Country (other than Canada) Postal or ZIP code 017 018 B3B 0G5	
Mailing address (if different from head office address) Has this address changed since the last time the CRA was notified? 020 Yes No X If yes, complete lines 021 to 028. 021 c/o 022 023 City Province, territory, or state 025 026 Country (other than Canada) Postal or ZIP code 027 028	
Location of books and records (if different from head office address) Has this address changed since the last time the CRA was notified? 030 Yes No X If yes, complete lines 031 to 038. 031 032 City Province, territory, or state 035 036 Country (other than Canada) Postal or ZIP code 037 038	
040 Type of corporation at the end of the tax year (tick one) ☐ 1 Canadian-controlled private corporation (CCPC) ☐ 2 Other private corporation ☐ 3 Public corporation ☐ 4 Corporation controlled by a public corporation ☒ 5 Other corporation (specify) Not for profit organization If the type of corporation changed during the tax year, provide the effective date of the change 043	
To which tax year does this return apply? Tax year start Year Month Day 060 2025-01-01 Tax year-end Year Month Day 061 2025-12-31 Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060? 063 Yes No X If yes, provide the date control was acquired 065 Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? 066 Yes No X Is the corporation a professional corporation that is a member of a partnership? 067 Yes No X Is this the first year of filing after: Incorporation? 070 Yes No X Amalgamation? 071 Yes No X If yes, complete lines 030 to 038 and attach Schedule 24. Has there been a wind-up of a subsidiary under section 88 during the current tax year? 072 Yes No X If yes, complete and attach Schedule 24. Is this the final tax year before amalgamation? 076 Yes No X Is this the final return up to dissolution? 078 Yes No X If an election was made under section 261, state the functional currency used 079 Is the corporation a resident of Canada? 080 Yes X No If no, give the country of residence on line 081 and complete and attach Schedule 97. 081 Is the non-resident corporation claiming an exemption under an income tax treaty? 082 Yes No X If yes, complete and attach Schedule 91. If the corporation is exempt from tax under section 149, tick one of the following boxes: 085 X ☐ 1 Exempt under paragraph 149(1)(e) or (l) ☐ 2 Exempt under paragraph 149(1)(j) ☐ 4 Exempt under other paragraphs of section 149	

Do not use this area

095 096 898

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.

Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

	Yes	Schedule
Is the corporation related to any other corporations?	☒	9
Is the corporation an associated CCPC?	☐	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	☐	49
Does the corporation have any non-resident shareholders who own voting shares?	☐	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	☐	11
If you answered yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	☐	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	☐	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	☐	15
Is the corporation claiming a loss or deduction from a tax shelter?	☐	T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	☐	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	☐	22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	☐	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	☐	29
Did the corporation have a total amount over CAN\$1 million of reportable transactions with non-arm's length non-residents?	☐	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	☐	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	☐	
Does the corporation earn income from one or more Internet web pages or websites?	☐	88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	☒	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	☐	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	☐	3
Is the corporation claiming any type of losses?	☒	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	☐	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	☐	6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or		
ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	☐	7
Does the corporation have any property that is eligible for capital cost allowance?	☒	8
Does the corporation have any resource-related deductions?	☐	12
Is the corporation claiming deductible reserves?	☐	13
Is the corporation claiming a patronage dividend deduction?	☐	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	☐	17
Is the corporation an investment corporation or a mutual fund corporation?	☐	18
Is the corporation carrying on business in Canada as a non-resident corporation?	☐	20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	☐	21
Does the corporation have any Canadian manufacturing and processing profits or zero-emission technology manufacturing profits?	☐	27
Is the corporation claiming an investment tax credit?	☐	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	☐	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	☒	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	☒	
Is the corporation subject to gross Part VI tax on capital of financial institutions?	☐	38
Is the corporation claiming a Part I tax credit?	☐	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	☐	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	☐	45
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	☐	39
Is the corporation claiming a Canadian film or video production tax credit?	☐	T1131
Is the corporation claiming a film or video production services tax credit?	☐	T1177
Is the corporation claiming a Canadian journalism labour tax credit?	☐	58
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	☐	92

Attachments (continued)

	Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	☐	T1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN\$100,000?	☐	T1135
Did the corporation transfer or loan property to a non-resident trust?	☐	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	☐	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	☐	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	☐	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	☐	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	☐	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	☐	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	☐	T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	☐	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	☐	54
Is the corporation claiming a return of fuel charge proceeds to farmers tax credit?	☐	63
Are you an employer reporting a non-qualified security agreement under subsection 110(1.9)?	☐	59
Is the corporation claiming an air quality improvement tax credit?	☐	65
Is the corporation subject to the additional 1.5% tax on banks and life insurers?	☐	68
Is the corporation a covered entity that redeemed, acquired or cancelled equity of the corporation in the tax year?	☐	56
Is the corporation subject to the excessive interest and financing expenses limitation (EIFEL) rules contained primarily in sections 18.2 and 18.21, or is it a party to any election under the EIFEL rules?	☐	130

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	Yes	☐	No	☒
Is the corporation inactive?	280	Yes	☐	No	☒
Did the corporation meet the definition of substantive CCPC under subsection 248(1) at any time during the tax year?	290	Yes	☐	No	☒
What is the corporation's main revenue-generating business activity? 541619 Other Management Consulting Services					
Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	284	Electricity demand side management	285	100.000 %	
	286		287	%	
	288		289	%	
Did the corporation immigrate to Canada during the tax year?	291	Yes	☐	No	☒
Did the corporation emigrate from Canada during the tax year?	292	Yes	☐	No	☒
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	Yes	☐	No	☐
If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible	294	Year Month Day			
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295	Yes	☐	No	☐

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFl	300	112,842	A
Deduct:			
Charitable donations from Schedule 2	311		
Cultural gifts from Schedule 2	313		
Ecological gifts from Schedule 2	314		
Gifts of medicine made before March 22, 2017, from Schedule 2	315		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320		
Part VI.1 tax deduction*	325		
Non-capital losses of previous tax years from Schedule 4	331	112,842	
Net capital losses of previous tax years from Schedule 4	332		
Restricted farm losses of previous tax years from Schedule 4	333		
Farm losses of previous tax years from Schedule 4	334		
Limited partnership losses of previous tax years from Schedule 4	335		
Restricted interest and financing expenses from Schedule 4	336		
Taxable capital gains or taxable dividends allocated from a central credit union	340		
Prospector's and grubstaker's shares	350		
Employer deduction for non-qualified securities	352		
	Subtotal	112,842	112,842 B
	Subtotal (amount A minus amount B) (if negative, enter "0")		C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
Taxable income (amount C plus amount D)	360		

* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 9.

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the tax year

Income eligible for the small business deduction from Schedule 7	400	A
Taxable income from line 360 on page 3, minus 100/28 (3.57143) of the amount on line 632* on page 8, minus 4 times the amount on line 636** on page 8, and minus any amount that, because of federal law, is exempt from Part I tax	405	B
Business limit (see notes 1 and 2 below)	410	C

- Notes:**
- For CCPCs that are not associated, enter \$ 500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year **divided** by 365, and enter the result on line 410.
 - For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction

Taxable capital business limit reduction

Amount C x **415** *** D = 90,000 E

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7**** . **417** - 50,000 = .. F

Amount C x Amount F = 100,000 G

The greater of amount E and amount G **422** H

Reduced business limit (amount C **minus** amount H) (if negative, enter "0") **426** I

Business limit the CCPC assigns under subsection 125(3.2) (from line 515 below) J

Reduced business limit after assignment (amount I **minus** amount J) **428** K

Small business deduction – Amount A, B, C, or K, whichever is the least x 19 % = **430**

Enter amount from line 430 at amount L on page 8.

- * Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.
- ** Calculate the amount of foreign business income tax credit deductible on line 636 without reference to the corporation tax reductions under section 123.4.

*** Large corporations

- If the corporation is not associated with any corporations in both the current and previous tax years, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **prior** year **minus** \$10,000,000) x 0.225%.
- If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **current** year **minus** \$10,000,000) x 0.225%.
- For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

**** Enter the total adjusted aggregate investment income of the corporation and all associated corporations for each tax year that ended in the preceding calendar year. Each corporation with such income has to file a Schedule 7. For a corporation's first tax year that starts after 2018, this amount is reported at line 744 of the corresponding Schedule 7. Otherwise, this amount is the total of all amounts reported at line 745 of the corresponding Schedule 7 of the corporation for each tax year that ended in the preceding calendar year.

Small business deduction (continued)

Specified corporate income and assignment under subsection 125(3.2)

L1 Name of corporation receiving the income and assigned amount	L Business number of the corporation receiving the assigned amount	M Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column L ³	N Business limit assigned to corporation identified in column L ⁴
	490	500	505
1.			

- Notes:
- Total 510

Total 515
3. This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income (other than specified farming or fishing income of the corporation for the year) from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if

(A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and

(B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to

(I) persons (other than the private corporation) with which the corporation deals at arm's length, or

(II) partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.

4. The amount of the business limit you assign to a CCPC cannot be greater than the amount determined by the formula A – B, where A is the amount of income referred to in column M in respect of that CCPC and B is the portion of the amount described in A that is deductible by you in respect of the amount of income referred to in clauses 125(1)(a)(i)(A) or (B) for the year. The amount on line 515 cannot be greater than the amount on line 426.

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year or substantive CCPCs at any time in the tax year

Taxable income from line 360 on page 3A

Lesser of amounts 9B and 9H from Part 9 of Schedule 27B

Amount 13K from Part 13 of Schedule 27C

Personal services business income432D

Amount from line 400, 405, 410, or 428 on page 4, whichever is the least*E

Aggregate investment income from line 440 on page 6**F

Subtotal (add amounts B to F)G

Amount A minus amount G (if negative, enter "0")H

General tax reduction for Canadian-controlled private corporations – Amount H multiplied by 13 %I

Enter amount I on line 638 on page 8.

* This is not applicable to substantive CCPCs.

** Except for a corporation that is, throughout the year, a cooperative corporation (within the meaning assigned by subsection 136(2)) or a credit union.

General tax reduction

Do not complete this area if you are a Canadian-controlled private corporation, a substantive CCPC, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or any corporation with taxable income that is not subject to the corporation tax rate of 38%.

Taxable income from line 360 on page 3J

Lesser of amounts 9B and 9H from Part 9 of Schedule 27K

Amount 13K from Part 13 of Schedule 27L

Personal services business income434M

Subtotal (add amounts K to M)N

Amount J minus amount N (if negative, enter "0")O

General tax reduction – Amount O multiplied by 13 %P

Enter amount P on line 639 on page 8.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year or substantive CCPCs at any time in the tax year

Aggregate investment income from Schedule 7440 x 30 2 / 3 % = A

Foreign non-business income tax credit from line 632 on page 8B

Foreign investment income from Schedule 7445 x 8 % = C

Subtotal (amount B minus amount C) (if negative, enter "0")D

Amount A minus amount D (if negative, enter "0")E

Taxable income from line 360 on page 3F

Amount from line 400, 405, 410, or 428 on page 4, whichever is the least*G

Foreign non-business income tax credit from line 632 on page 8 x 75 / 29 = H

Foreign business income tax credit from line 636 on page 8 x 4 = I

Subtotal (add amounts G to I)J

Subtotal (amount F minus amount J)K x 30 2 / 3 % = L

Part I tax payable minus investment tax credit refund (line 700 minus line 780 from page 9)M

Refundable portion of Part I tax – Amount E, L, or M, whichever is the least450N

* This is not applicable to substantive CCPCs.

Refundable dividend tax on hand

Eligible refundable dividend tax on hand (ERDTH) at the end of the previous tax year (line 530 of the preceding tax year)	520	A
Non-eligible refundable dividend tax on hand (NERDTH) at the end of the previous tax year (line 545 of the preceding tax year) (if negative, enter "0")	535	B
Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3)	C	
Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3)	D	
Subtotal (amount C plus amount D)		E
Net ERDTH transferred on an amalgamation or the wind-up of a subsidiary	525	F
ERDTH dividend refund for the previous tax year	570	G
Refundable portion of Part I tax (from line 450 on page 6)		H
Part IV tax before deductions (amount 2A from Schedule 3)	I	
Part IV tax allocated to ERDTH (amount E)	J	
Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43)	K	
Subtotal (amount I minus total of amounts J and K)		L
Net NERDTH transferred on an amalgamation or the wind-up of a subsidiary	540	M
NERDTH dividend refund for the previous tax year	575	N
38 1/3% of the total losses applied against Part IV tax (amount 2D from Schedule 3)		O
Part IV tax payable allocated to NERDTH, net of losses claimed (amount L minus amount O) (if negative enter "0")		P
NERDTH at the end of the tax year (total of amounts B, H, M, and P minus amount N) (if negative, enter "0")	545	
Part IV tax payable allocated to ERDTH, net of losses claimed (amount E minus the amount, if any, by which amount O exceeds amount L) (if negative, enter "0")		Q
ERDTH at the end of the tax year (total of amounts A, F, and Q minus amount G) (if negative, enter "0")	530	

Dividend refund

38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3)		AA
ERDTH balance at the end of the tax year (line 530)		BB
Eligible dividend refund (amount AA or BB, whichever is less)		CC
38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3)		DD
NERDTH balance at the end of the tax year (line 545)		EE
Non-eligible dividend refund (amount DD or EE, whichever is less)		FF
Amount DD minus amount EE (if negative, enter "0")		GG
Amount BB minus amount CC (if negative, enter "0")		HH
Additional non-eligible dividend refund (amount GG or HH, whichever is less)		II
Dividend refund – Amount CC plus amount FF plus amount II		JJ

Enter amount JJ on line 784 on page 9.

Part I tax

Base amount Part I tax – Taxable income (from line 360 on page 3) multiplied by 38 %	550	A
Additional tax on personal services business income (section 123.5)		
Taxable income from a personal services business	555 x 5 % = 560	B
Additional tax on banks and life insurers from Schedule 68	565	C
Total labour requirements addition to tax	580	D
Recapture of investment tax credit from Schedule 31	602	E
Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) or substantive CCPC's investment income (if it was a CCPC throughout the tax year or a substantive CCPC at any time in the tax year)		
Aggregate investment income from line 440 on page 6		F
Taxable income from line 360 on page 3		G
Deduct:		
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least*		H
Net amount (amount G minus amount H)		I
Refundable tax on CCPC's or substantive CCPC's investment income – 10 2 / 3 % of whichever is less: amount F or amount I	604	J
Subtotal (add amounts A to E and J)		K
Deduct:		
Small business deduction from line 430 on page 4		L
Federal tax abatement	608	
Manufacturing and processing profits deduction and zero-emission technology manufacturing deduction from Schedule 27	616	
Investment corporation deduction	620	
Taxed capital gains	624	
Federal foreign non-business income tax credit from Schedule 21	632	
Federal foreign business income tax credit from Schedule 21	636	
General tax reduction for CCPCs from amount I on page 5	638	
General tax reduction from amount P on page 5	639	
Federal logging tax credit from Schedule 21	640	
Eligible Canadian bank deduction under section 125.21	641	
Federal qualifying environmental trust tax credit	648	
Investment tax credit from Schedule 31	652	
Subtotal		M
Part I tax payable – Amount K minus amount M		N
Enter amount N on line 700 on page 9.		

* This is not applicable to substantive CCPCs.

Privacy notice

Personal information (including the SIN) is collected and used to administer or enforce the Income Tax Act and related programs and activities including administering tax, benefits, audit, compliance, and collection. The information collected may be disclosed to other federal, provincial, territorial, aboriginal or foreign government institutions to the extent authorized by law. Failure to provide this information may result in paying interest or penalties, or in other actions. Under the Privacy Act, individuals have a right of protection, access to and correction of their personal information, and to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 047 on Info Source at canada.ca/cra-info-source.

Summary of tax and credits

Federal tax

Part I tax payable from amount N on page 8

Part II.2 tax payable from Schedule 56

Part III.1 tax payable from Schedule 55

Part IV tax payable from Schedule 3

Part IV.1 tax payable from Schedule 43

Part VI tax payable from Schedule 38

Part VI.1 tax payable from Schedule 43

Part VI.2 tax payable from Schedule 67

Part XII.7 tax payable from Schedule 78

Part XIII.1 tax payable from Schedule 92

Part XIV tax payable from Schedule 20

700

705

710

712

716

720

724

725

726

727

728

Add provincial or territorial tax:

Provincial or territorial jurisdiction

(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial or territorial tax payable (except Quebec and Alberta)

750

NS

760

770

Total federal tax

Total tax payable

Deduct other credits:

Investment tax credit refund from Schedule 31

Dividend refund from amount JJ on page 7

Federal capital gains refund from Schedule 18

Federal qualifying environmental trust tax credit refund

Return of fuel charge proceeds to farmers tax credit from Schedule 63

Canadian film or video production tax credit (Form T1131)

Film or video production services tax credit (Form T1177)

Canadian journalism labour tax credit from Schedule 58

Air quality improvement tax credit from Schedule 65

Tax withheld at source

Total payments on which tax has been withheld

Provincial and territorial capital gains refund from Schedule 18

Provincial and territorial refundable tax credits from Schedule 5

Tax instalments paid

780

784

788

792

795

796

797

798

799

800

801

808

812

840

890

Total credits

Balance (amount A minus amount B)

If the result is negative, you have a refund. If the result is positive, you have a balance owing.

Enter the amount below on whichever line applies.

Generally, the CRA does not charge or refund a difference of \$2 or less.

Refund code

Refund

Balance owing

894

896

920

925

For information on how to enrol for direct deposit, go to [canada.ca/cra-direct-deposit](#).

For information on how to make your payment, go to [canada.ca/payments](#).

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due?

If this return was prepared by a tax preparer for a fee, provide their:

896

920

925

Yes

No

D1240

MH7PX8P

Certification

I, 950 Hilton

951 Nikki

954 Chief Financial Officer

Last name

First name

Position, office, or rank

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

955

2026-04-02

956

(902) 470-3500

Date (yyyy/mm/dd)

Signature of the authorized signing officer of the corporation

Telephone number

Is the contact person the same as the authorized signing officer? If no, complete the information below

957

959

Yes

No

958

Name of other authorized person

Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering 1 for English or 2 for French.

Indiquez votre langue de correspondance en inscrivant 1 pour anglais ou 2 pour français.

990

1

T2 E (25)

CORPORATE TAXPREP / TAXPREP DES SOCIÉTÉS - GE14 VERSION 2025 V2.0

Page 9

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Corporation's name	Business number	Tax year end Year Month Day
EfficiencyOne	80494 7976 RC0001	2025-12-31

Balance sheet information

Account	Description	GIF1	Current year	Prior year
Assets				
	Total current assets	1599 +	173,050,176	200,377,398
	Total tangible capital assets	2008 +	1,878,968	1,878,969
	Total accumulated amortization of tangible capital assets	2009 –	1,039,007	692,671
	Total intangible capital assets	2178 +		
	Total accumulated amortization of intangible capital assets	2179 –		
	Total long-term assets	2589 +	15,162,377	35,146,538
	* Assets held in trust	2590 +		
	Total assets (mandatory field)	2599 =	189,052,514	236,710,234
Liabilities				
	Total current liabilities	3139 +	109,550,328	66,967,687
	Total long-term liabilities	3450 +	79,336,392	169,592,605
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	Total liabilities (mandatory field)	3499 =	188,886,720	236,560,292
Shareholder equity				
	Total shareholder equity (mandatory field)	3620 +	165,794	149,942
	Total liabilities and shareholder equity	3640 =	189,052,514	236,710,234
Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849 =	165,794	149,942

* Generic item

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year-end Year Month Day
EfficiencyOne	80494 7976 RC0001	2025-12-31

Income statement information

Description	GIFI
Operating name	0001
Description of the operation	0002
Sequence number	0003 01

Account	Description	GIFI	Current year	Prior year
---------	-------------	------	--------------	------------

Income statement information

Total sales of goods and services	8089 +	262,348,165	199,524,383
Cost of sales	8518 -	236,547,515	179,086,041
Gross profit/loss	8519 =	25,800,650	20,438,342
Cost of sales	8518 +	236,547,515	179,086,041
Total operating expenses	9367 +	33,637,310	32,917,664
Total expenses (mandatory field)	9368 =	270,184,825	212,003,705
Total revenue (mandatory field)	8299 +	270,200,644	212,004,713
Total expenses (mandatory field)	9368 -	270,184,825	212,003,705
Net non-farming income	9369 =	15,819	1,008

Farming income statement information

Total farm revenue (mandatory field)	9659 +		
Total farm expenses (mandatory field)	9898 -		
Net farm income	9899 =		

Net income/loss before taxes and extraordinary items	9970 =	15,819	1,008
--	--------	--------	-------

Total – other comprehensive income	9998 =		
--	--------	--	--

Extraordinary items and income (linked to Schedule 140)

Extraordinary item(s)	9975 -		
Legal settlements	9976 -		
Unrealized gains/losses	9980 +		
Unusual items	9985 -		
Current income taxes	9990 -		
Future (deferred) income tax provision	9995 -		
Total – Other comprehensive income	9998 +		
Net income/loss after taxes and extraordinary items (mandatory field)	9999 =	15,819	1,008



General Index of Financial Information (GIFI) – Additional Information

Corporation's name	Business number	Tax year-end Year Month Day
EfficiencyOne	80494 7976 RC0001	2025-12-31

- Corporations need to complete all parts of this schedule that apply and include it with their T2 return along with their other GIFI schedules.
- For more information, see Guide RC4088, General Index of Financial Information (GIFI), and Guide T4012, T2 Corporation – Income Tax Guide.

Part 1 – Information on the person primarily involved with the financial information

Can you identify the person* specified in the heading of Part 1? **111** Yes ☒ No ☐
If you answered **no**, go to Part 2.

Does that person have a professional designation in accounting? **095** Yes ☒ No ☐

Is that person connected** with the corporation? **097** Yes ☐ No ☒

* A person primarily involved with the financial information is a person who has more than a 50% involvement in preparing the financial information that the T2 return is based on. For example, if three persons prepared the financial information by doing respectively 30%, 30%, and 40% of the work, answer **no** at line 111. If they did respectively 10%, 20%, and 70% of the work, answer **yes** at line 111 and complete Part 1 by referring only to the third person.

** A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.

Part 2 – Type of involvement

Choose one or more of the following options that represent your involvement and that of the person referred to in Part 1:

Completed an auditor's report **300** ☒
Completed a review engagement report **301** ☐
Conducted a compilation engagement **302** ☐
Provided accounting services **303** ☐
Provided bookkeeping services **304** ☐
Other (please specify) **305**

Part 3 – Reservations

If you selected option 1 (300) or 2 (301) in Part 2 above, answer the following question:

Has the person referred to in Part 1 expressed a reservation? **099** Yes ☐ No ☒

Part 4 – Other information

Were notes to the financial statements prepared? **101** Yes ☒ No ☐
Did the corporation have any subsequent events? **104** Yes ☐ No ☒
Did the corporation re-evaluate its assets during the tax year? **105** Yes ☐ No ☒
Did the corporation have any contingent liabilities during the tax year? **106** Yes ☒ No ☐
Did the corporation have any commitments during the tax year? **107** Yes ☒ No ☐
Does the corporation have investments in joint venture(s) or partnership(s)? **108** Yes ☐ No ☒

Part 4 – Other information (continued)

Impairment and fair value changes

In any of the following assets, was an amount recognized in net income or other comprehensive income (OCI) as a result of an impairment loss in the tax year, a reversal of an impairment loss recognized in a previous tax year, or a change in fair value during the tax year?

200 Yes ☐ No ☒

If **yes**, enter the amount recognized:

		In net income Increase (decrease)		In OCI Increase (decrease)
Property, plant, and equipment	210		211	
Intangible assets	215		216	
Investment property	220			
Biological assets	225			
Financial instruments	230		231	
Other	235		236	

Financial instruments

Did the corporation derecognize any financial instrument(s) during the tax year (other than trade receivables)?

250 Yes ☐ No ☒

Did the corporation apply hedge accounting during the tax year?

255 Yes ☐ No ☒

Did the corporation discontinue hedge accounting during the tax year?

260 Yes ☒ No ☐

Adjustments to opening equity

Was an amount included in the opening balance of retained earnings or equity, in order to correct an error, to recognize a change in accounting policy, or to adopt a new accounting standard in the current tax year?

265 Yes ☒ No ☐

If **yes**, you have to maintain a separate reconciliation.

Part 5 – Information on the person who prepared the T2 return

If the person who prepared the T2 return has a professional designation in accounting but is not the person identified in Part 1, choose all of the following options that apply:

- Prepared the T2 return and the financial information contained therein **310** ☐
- The client provided the financial statements **311** ☒
- The client provided a trial balance **312** ☐
- The client provided a general ledger **313** ☐
- Other (please specify) **314**

Corporation's name	Business number	Tax year end Year Month Day
EfficiencyOne	80494 7976 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

1. NATURE OF OPERATIONS

EfficiencyOne ("the Corporation") was incorporated in July 2014 under the Canada Not-for-profit Corporations Act.

Under Section 79C of the Public Utilities Act, the Corporation, as the franchise holder, has the exclusive right to supply Nova Scotia Power Inc. ("NS Power") with reasonably available, cost-effective demand-side management.

The Corporation is a not-for-profit organization under the meaning assigned in the Income Tax Act and as such is exempt from income taxes under Section 149(1)(l). The Corporation holds endowment funds, through its subsidiary Halifax Climate Investment, Innovation and Impact Fund ("HCi3"), in trust on behalf of the Federation of Canadian Municipalities ("FCM") as trustee of the Green Municipal Fund, and on behalf of the Province of Nova Scotia. The endowment funds are to be maintained in perpetuity. Investment income earned on endowment funds is attributable to the contributor for tax purposes. Accordingly, no provision has been made in the accounts for income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and consolidation

These consolidated financial statements include the assets, liabilities, revenue and expenses of the Corporation and its subsidiary HCi3.

The Corporation accounts for investment in EfficiencyOne Services Inc. using the equity method.

These consolidated financial statements have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations. Fund accounting

a) The Demand-Side Management ("DSM") Fund is used to account for the operations of the Corporation including the fee-for-service revenues received and expenses incurred for the delivery of DSM programs and services. The Supply Agreement for Electricity Efficiency and Conservation Activities ("EECA") with Nova Scotia Power is approved by the Nova Scotia Utility and Review Board ("NSUARB"). Cash received under the DSM Fund is only used for operations of the fund. Interest income earned on cash received is retained within the fund and restricted for operations of the fund.

b) The Provincial ("PNS") Fund is used to account for the operations of the Corporation including the fee-for-service revenues received and expenses incurred for the delivery of PNS programs and services according to the terms of the contracts with the Province of Nova Scotia. Cash received under the PNS Fund is only used for operations of the fund. Interest income earned on cash received is retained within the fund and restricted for operations of the fund.

c) The Other Business Fund is used to account for subsidiary operations and other non-DSM and non-PNS activities. Interest and investment income earned on cash received is retained within the fund and restricted for operations of the fund. Revenue recognition

The Corporation follows the deferral method of accounting for revenue.

Restricted fee-for-service or contribution revenue is recognized as revenue within the appropriate fund in the year in which the related expenses are incurred. Restricted contributions for the purchase of capital assets are recognized on the same basis as the amortization expense related to the acquired assets. Endowment contributions are presented as direct increases to net assets.

Restricted interest income on interest bearing deposits is recognized as revenue in the DSM, PNS or Other Business Fund in the year in which the revenue is earned.

Investment income earned on the HCi3 endowments and available for expenditure is allocated to the Other Business Fund, as determined by externally imposed restrictions. All other investment income earned on the HCi3 endowments is

Corporation's name	Business number	Tax year end Year Month Day
EfficiencyOne	80494 7976 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

recorded as direct increases or decreases to net assets.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense recognition

The Corporation recognizes incentive costs, such as customer rebates, when energy savings are recognized. Energy savings are recognized at milestones within a contract or when the contract is complete. An accrued liability for incentive costs is established when energy savings have been recognized and payment is yet to be made. All other expenses are recorded when incurred.

Cloud computing arrangements

The Corporation has adopted the simplification approach for cloud computing arrangements. Implementation costs are expensed over the term of the arrangement. Subscription fees are expensed when incurred. During the year, the total amount expensed for cloud computing arrangements was \$859 (2023 - \$703) and is included in Information technology costs.

Cash

The Corporation recognizes bank balances and interest-bearing deposits with a maturity period of three months or less from the date of acquisition under cash. The Corporation manages its cash according to its cash needs, in accordance with the Corporation's banking and investment policy.

Financial instruments

The Corporation initially measures its financial assets and financial liabilities at fair value. Investments in pooled funds are subsequently measured at fair value and all remaining financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash, accounts receivable, loan receivable, and investments in private equities. Financial liabilities measured at amortized cost include accounts payable.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized in net surplus. Any previously recognized impairment loss may be reversed to the extent of its improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of a reversal is recognized in net surplus.

Related party transactions

Financial assets and financial liabilities obtained in related party transactions are initially measured at cost. Gains or losses arising on initial measurement differences are generally recognized in net surplus when the transactions are in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the Corporation initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets.

Investments

Investments consist of a mix of guaranteed investment certificates, pooled fund investments, and investments in private equity. Pooled fund investments and guaranteed investment certificates are stated at fair value on a trade date basis. Any change in fair value is reflected as direct increases or decreases to net assets. Pooled fund investments are valued at the unit values supplied by the pooled fund administrator, which represent the Corporation's proportionate share of underlying net assets at fair values determined using closing market prices. Investments in private equities are measured at amortized cost.

Fixed income investments maturing within one year from the Consolidated

Corporation's name	Business number	Tax year end Year Month Day
EfficiencyOne	80494 7976 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

Statement of Financial Position date are reflected as short-term investments.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets

Capital assets are initially recorded at cost. Amortization is provided for using the following rates and method over their estimated useful lives:

Furniture and fixtures	3 years	Straight-line
------------------------	---------	---------------

Leasehold improvements	Term of lease	Straight-line
------------------------	---------------	---------------

Cost allocation methodology

The Corporation follows a Cost Allocation Methodology ("CAM") to allocate expenses not directly related to a fund, as disclosed in Note 13. There was no change to the CAM from prior years. Use of estimates

The preparation of the consolidated financial statements in accordance with Canadian Accounting Standards for Not-For-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items and matters such as allowance for doubtful accounts, useful lives of capital assets, commitments, fair market value of investments, and certain accrued liabilities. Actual results could differ from those estimates.

3. REVENUE AND CONTRACTUAL RIGHTS

Efficiency Nova Scotia Revenue

Effective January 1, 2023, the Corporation entered into a three-year supply agreement with NS Power to provide demand-side management. The agreement provided funding of \$173,000 over three years in monthly installments until December 31, 2025. In 2024, fee-for-service revenue was \$57,500 (2023 - \$53,000).

The Corporation has entered into multi-year fee-for-service agreements with the Province of Nova Scotia. The contract term, payment frequency and annual amounts are summarized below:

Homewarming Services Agreement

March 21, 2023 - March 31, 2027	Lump Sum + Qtrly	\$
16,643	\$	66,500

Affordable Rental Construction Pilot Services Agreement

March 14, 2024 - March 31, 2027	Annually	\$
3,915	\$	-

Mi'kmaw Home Energy Efficiency

March 30, 2023 - March 31, 2027	Quarterly	\$
3,844	\$	2,883

Fisheries and Aquaculture Energy Efficiency Innovation Fund

February 26, 2024 - March 31, 2027	Annually	\$
3,545	\$	-

Other Provincial Pilot Programs

March 21, 2020 - March 31, 2026	Lump Sum	\$
3,406	\$	1,650

Affordable Housing and Non-Profits Services

September 23, 2024 - March 31, 2028	Annually	\$
3,045	\$	-

HEA, Green Heat, EPI Agreement

March 21, 2023 - March 31, 2026	Lump Sum	\$
100	\$	85,000

Advanced Home Services

March 11, 2023 - March 31, 2027	Lump Sum	\$
-	\$	12,000

Low Income Homeowner

March 21, 2019 - March 31, 2023	Quarterly	\$
-	\$	2,066
\$	34,498	\$ 170,099

3. REVENUE AND CONTRACTUAL RIGHTS (continued)

Corporation's name	Business number	Tax year end Year Month Day
EfficiencyOne	80494 7976 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

Other Revenue

Effective April 1, 2022, the Corporation entered into a five-year contribution agreement with Natural Resources Canada to execute the Canada Greener Homes Grant Program. Effective April 1, 2023, the agreement was amended to include funding for the Oil to Heat-pump Affordability Program. The agreement provides total funding of \$233,926, and of this contribution, \$79,051 (2023 - \$57,603) was recognized as revenue in the current year. During the year, the Corporation recognized \$473 in revenue from HCl3 (2023 - \$348) and \$nil from other sources (2023 - \$196).

Demand-Side Management Fund	Other Provincial Fund	Business 2024	2023		
Fee-for-service	revenue	\$	57,500	\$	34,498
-	\$	91,998	\$	223,099	
Other revenue	-	-	85,464	85,464	59,220
Recognition/ (Deferral) of revenue			7,359	21,116	
(5,940)	22,535		(142,561)		
\$	64,859	\$	55,614	\$	79,524
199,997	\$	139,758			

4. INVESTMENTS

The Corporation's investments in guaranteed investment certificates are made in accordance with the Corporation's banking and investment policy. The objective of the policy is to ensure excess cash is invested in a manner that safely preserves the principal while optimizing returns. Investments in pooled funds are held by an investment manager and are measured at market value. All market-based investments are made in accordance with HCl3's investment policy.

2024	2023		
GIC, due April 7, 2025, 5.26% per annum	\$	60,000	\$ 60,000
GIC, due December 22, 2025, 3.77% per annum		40,000	-
GIC, due April 9, 2026, 5.44% per annum		35,000	-
GICs, redeemed	-	120,000	
Fiera ASFI - Active Canadian Bonds Universe Fund - Class A		4,271	
4,143			
Fiera ASFI - Active Short-term Bond Fund - Class A	4,220		4,011
Fiera Atlas Global Companies Fund - Class A	3,969		4,030
Fiera Diversified Lending Fund - Class A	3,144		3,172
Fiera Diversified Real Assets Fund - Class A	2,199		2,127
ACM Commercial Mortgage Fund	2,153		2,160
Fiera Canadian Equity Fossil Fuel Free Fund - Class A	1,686		1,670
Fiera Short-term Investment Fund - Class A			708
1610Other investments, at cost	10	-	
157,360	201,474		
Less: short-term investments	100,000		120,000
\$	57,360	\$	81,474

Investment income:

Investment income earned from endowments consists of distributions from various pooled fund investments as listed above, as well as interest on cash deposits and unrealized gains or losses due to changes in fair market value. The investment income earned from endowments is recognized in the Consolidated Statement of Operations as it becomes available for expenditure.

The total investment income earned during the year and its allocation is summarized below:

4. INVESTMENTS (continued)

2024	2023
------	------

Corporation's name	Business number	Tax year end Year Month Day
EfficiencyOne	80494 7976 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

Investment distributions	\$	729	\$	521	
Realized gain (loss) on sale of investments				84	(22)
Investment management fees		(76)		(54)	
Change in fair market value		862		1,184	
Total investment income		1,599		1,629	
Stabilization allocation (i)		(39)		(30)	
Deferred in Other Business Fund		(47)		(94)	
Unrealized fair market value adjustments				(862)	(1,184)
Recognized investment income	\$	651	\$	321	
i. The Stabilization allocation is an amount held in reserve and used for the purpose of funding eligible expenses in years where annual investment proceeds are less than expected.					
5. INVESTMENT IN EFFICIENCYONE SERVICES INC.					
The investment represents a 100% interest in the common shares of EfficiencyOne Services Inc. as follows:					
		2024		2023	
Common shares, at cost	\$		-	\$	
-					
Equity in cumulative net earnings since incorporation				147	
	146	\$	147	\$	146
Summarized financial information of EfficiencyOne Services Inc. as at December 31, 2024 is as follows:					
FINANCIAL POSITION					
	2024		2023		
Assets	\$	153	\$	149	
Liabilities		6		3	
Equity		147		146	
Total Liability and Equity	\$		153	\$	149
RESULTS OF OPERATIONS					
	2024		2023		
Revenue	\$	9	\$	7	
Expenses (including a provision for income tax)			8		4
Net Earnings	\$	1	\$		3
CASH FLOW					
	2024		2023		
Operating	\$	3	\$	4	
Change in Cash		3		4	
Cash - beginning of period			149		145
Cash - end of period	\$	152	\$		149
The Corporation renders technical, administrative, and marketing services of a routine nature to EfficiencyOne Services Inc. and the value of these services is measured on a fully allocated cost basis, which is the amount of consideration established and agreed to by the related parties. The cost of these services amounted to \$4 in 2024 (2023 - \$1).					
Included in accounts receivable as of December 31 was \$4 (2023 - \$1) due from EfficiencyOne Services Inc.					
5. INVESTMENT IN EFFICIENCYONE SERVICES INC. (continued)					
On August 29, 2017 the NSUARB approved the Corporation's Code of Conduct ("the Code"). The Code governs transactions between the Corporation's electricity efficiency and conservation activities and its Affiliates.					
6. LOAN RECEIVABLE					
HCi3's mandate includes direct investments, such as loans, to support local					

Corporation's name	Business number	Tax year end Year Month Day
EfficiencyOne	80494 7976 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

projects to mitigate climate impacts. Loans receivable are funded by endowments from FCM and the Province of Nova Scotia.

During the year, Hci3 issued a loan receivable of \$200. The loan carries an interest rate of prime + 4%, repayable in interest-only installments until 2027. The loan is secured by general security agreement over the borrower's assets.

7. CAPITAL ASSETS

Cost	Accumulated Amortization	Net 2024	Net 2023
Furniture and fixtures	\$ 535	\$ 357	\$
178	\$ 357		
Leasehold improvements	1,344 335	1,009	1,176
\$ 1,879	\$ 692	\$ 1,187	\$

1,533 8. BANK INDEBTEDNESS

The Corporation has an operating demand loan of credit available in the amount of \$7,500 bearing interest at the bank prime rate, payable monthly. At year end, the Corporation had no draws against the line of credit (2023 - \$nil). The demand loan is secured by a first ranking general security agreement.

9. DEFERRED REVENUE

Demand-Side Management Fund	Provincial Fund	Other Business Fund	2024	2023
Opening	\$ 11,866	\$ 235,350	\$ 3,171	\$
250,387	\$ 107,974			
Recognition of prior years' deferred revenue			(7,359)	
(39,926)		(128)	(47,413)	(31,066)
Return of funds	(3,369)	- (74)	(3,443)	(273)
Deferral of current year revenue	-	18,859		
6,068	24,927	173,628		
Deferral of investment income (Note 4)	-	-	86	86 124
1,138	214,283	9,123	224,544	250,387
Less: current portion		649	51,700	362
52,711	40,899			
\$	489	\$ 162,583	\$ 8,761	\$

171,833 \$ 209,488 10. CONTINGENCIES

a) The Corporation has an agreement with NS Power to extend financing to certain Business, Non-Profit and Institutional ("BNI") customers participating in either the Small Business Energy Solutions, Affordable Multi-Family Housing, BNI Custom, or Business Energy Rebates programs. Those customers are approved by NS Power for repayment terms up to 48 months. Financing costs related to the principal are paid to NS Power by the Corporation monthly and are considered part of the applicable program cost. The Corporation is contingently liable to cover defaults on principal amounts outstanding.

A liability of \$51 (2023 - \$51) has been established for accounts at risk.

On December 31, 2024, the balance of total financing extended was \$2,165

(2023 - \$2,007).

11. COMMITMENTS

a) In the course of business, the Corporation approves customer applications that offer future incentive payments based on the completion of program criteria within a specific time frame.

The value of these commitments is estimated at \$111,339 (2023 - \$93,737) with the DSM Fund share of \$18,049 (2023 - \$12,174), the PNS Fund share of \$63,895 (2023 - \$45,464) and the Other Business Fund share of \$29,394 (2023 - \$36,099). The estimate is calculated on an individual program basis as of

December 31, 2024. Program Basis of Estimate

Corporation's name	Business number	Tax year end Year Month Day
EfficiencyOne	80494 7976 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

Home Energy Assessment Number of eligible homes anticipated to complete the program at the historical average rebate rate plus final audit costs to be paid to Delivery Agents.

Oil to Heat Pump Affordability Number of qualified customers and approved rebate amounts.

SolarHomes Number of approved customers anticipated to complete the program at the historical average rebate rate.

Mi'kmaw Home Energy Efficiency Total number of committed homes at the historical average cost per home plus final audit costs.

Affordable Multi-Family Housing Approved customers and rebate amounts.

Low Income Homeowner Service Number of qualified customers whose application had been assigned to a Delivery Agent at the historical average cost per home plus final audit costs.

Small Business Energy Solutions Approved customers and rebate amounts.

Custom Approved customers and rebate amounts.

The Corporation has multi-year fee-for-service agreements in place with NS Power, the Province of Nova Scotia and Natural Resources Canada which will enable the Corporation to meet these future commitments.

b) The Corporation has entered into a lease agreement, expiring December 31, 2030, for the rental of its office premises. Minimum annual lease payments over the term of the agreement are as follows:

Year	Annual Lease Payments
2025	\$ 307
2026	316
2027	316
2028	316
2029	316
2030	316

12. RISK MANAGEMENT

The Corporation is exposed to risks associated with its financial instruments as follows:

	Credit	Liquidity	Market
Cash	X	X	
Accounts receivable		X	
Loan receivable	X		X
Accounts payable and accrued liabilities		X	X
Investments		X	

The Corporation's risk exposure has decreased from the prior year, due to the overall decrease in financial instruments.

a) Credit risk

Credit risk arises from the possibility of one of the parties to a transaction defaulting on its financial obligations.

12. RISK MANAGEMENT (continued)

i) Cash

Credit risk associated with cash is minimized by investing these assets in short-term interest-bearing deposits of a Canadian bank with credit ratings that comply with the Corporation's banking and investment policy.

ii) Accounts receivable and loan receivable

Credit risk associated with accounts receivable is mitigated by the fact that the majority of receivables outstanding are from a government entity, the Province of Nova Scotia. Credit risk associated with loans receivable is reduced through regular monitoring and general security agreements.

b) Liquidity risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they come due. It stems from the possibility of a delay in realizing the fair value of investments. The Corporation manages its liquidity risk by monitoring forecasted and actual cash flows and financial

Corporation's name	Business number	Tax year end Year Month Day
EfficiencyOne	80494 7976 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

liability maturities, and by holding assets that can be readily converted into cash.

Accounts payable and accrued liabilities include obligations to customers who have earned incentives and are normally paid within 90 days. For some customer incentives accrued, there may be exceptions to the timing of the payments. The timing of these payments is determined by the terms of the customer's contract. HST payable is remitted monthly. c) Market risk

The Corporation is exposed to market risks arising from changes in the fair value of financial instruments due to market price fluctuations. Market risks consist of currency risk, interest rate risk and other price risk. The Corporation is not exposed to additional currency risk other than that recognized through other price risk, as certain investments are denominated in foreign currencies.i) Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument or the related future cash flows will fluctuate due to changes in the market interest rates. The Corporation is exposed to interest rate risk with regard to its cash and its loan receivable.

The Corporation's cash includes amounts on deposit with a Canadian bank that earns interest at the market rate. The loan receivable is subject to fluctuations in the prime interest rate, which could impact the interest income earned. Fluctuations in market rates of interest on cash do not have a significant impact on the Corporation's results of operations. Short-term interest-bearing deposits are not exposed to significant interest rate risk due to their short-term nature. i) Other price risk

Other price risk is the risk that the fair value of a financial instrument or the related future cash flows will fluctuate due to changes in market prices. The Corporation is exposed to other price risk with regard to its investments.

The Corporation's investments include pooled funds which are subject to risks arising from changes in market conditions. The Corporation manages this risk by using an investment manager and maintaining a diversified portfolio with a mix of bonds and equity funds in accordance with the Corporation's banking and investment policy.

13. COST ALLOCATION METHODOLOGY

Allocator	Expenses subject to Allocation		DSM Fund Allocation	
Provincial Fund Allocation	Other Business Fund Allocation		Fund Allocation	
Amortization	FTE	\$	346	\$
213	\$		133	\$
-				
Incentives	Direct		1,473	
388		883		202
Information technology	FTE		807	
416		330		
61				
Information technology	Direct		1,239	
347		380		
512				
Marketing, outreach, education and research	Direct			
3,879		1,842		1,710
	327			
Meetings and travel	Direct		291	
98		89		
104				
Office and insurance	FTE		183	
94		75		

Corporation's name	Business number	Tax year end Year Month Day
EfficiencyOne	80494 7976 RC0001	2025-12-31

General Index of Financial Information

Notes to the financial statements

Office and insurance	Direct		418	
117		128		
173				
Professional fees and consulting	Direct		1,011	
402		376		
233				
Program support	Direct		139	
22		69		
48				
Rent	FTE	595	307	
		243	45	
Salaries and benefits	FTE	21,795		
11,148		8,866	1,781	
Training and development	FTE		640	
264		233		
143				
\$		\$ 32,816	\$ 15,658	\$
		13,515	3,643	
The Corporation engages in DSM programs (reported in the DSM Fund), other energy efficiency and conservation programs (reported in the PNS Fund) and other business (reported in the Other Business Fund). The costs reported in the Consolidated Statement of Operations, include direct costs of the programs which are comprised of, but not limited to, customer payments, program support costs, and other program and administrative costs directly attributable to a program. In 2024, total direct costs incurred were \$180,436 (2023 - \$126,619) with \$50,086 related to DSM (2023 - \$32,568), \$53,575 related to PNS (2023 - \$38,566), and \$76,775 related to Other Business (2023 - \$55,485). The Corporation also incurs costs which are not directly related to one program that require allocation between the funds and subsequently to programs. These non-direct costs include, but are not limited to, joint direct program costs, common program costs, salaries and benefits, administrative and operational overhead and general program administration. In 2024, total non-direct costs incurred and subject to allocation were \$32,816 (2023 - \$24,888). The Corporation allocates the non-direct costs noted above based on FTE of staff resources assigned to the programs and Direct Costs ("Direct") of the programs as defined in the ENSC Cost Allocation Methodology Report. The CAM is subject to regular review by the NSUARB.				

SCHEDULE 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Form identifier 100

Name of corporation	Business Number	Tax year-end Year Month Day
EfficiencyOne	80494 7976 RC0001	2025-12-31

Assets – lines 1000 to 2599

1000	55,606,073	1060	25,906,037	1180	85,000,000
1480	1,264,259	1484	5,273,807	1599	173,050,176
1740	535,029	1741	-535,029	1918	1,343,939
1919	-503,978	2008	1,878,968	2009	-1,039,007
2300	15,162,377	2589	15,162,377	2599	189,052,514

Liabilities – lines 2600 to 3499

2620	21,185,646	2770	87,633,903	2960	730,779
3139	109,550,328	3220	79,336,392	3450	79,336,392
3499	188,886,720				

Shareholder equity – lines 3500 to 3640

3600	165,794	3620	165,794	3640	189,052,514
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Retained earnings – lines 3660 to 3849

3660	149,942	3680	15,819	3740	33
3849	165,794				

SCHEDULE 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Form identifier 125

Name of corporation	Business Number	Tax year-end Year Month Day
EfficiencyOne	80494 7976 RC0001	2025-12-31

Description
Sequence number 0003 01

Revenue – lines 8000 to 8299

8000	262,348,165	8089	262,348,165	8090	7,836,642
8232	15,837	8299	270,200,644		

Cost of sales – lines 8300 to 8519

8320	236,547,515	8518	236,547,515	8519	25,800,650
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Operating expenses – lines 8520 to 9369

8521	3,753,647	8590	817	8670	346,355
8710	17,717	8810	498,191	8860	1,437,796
8876	480,291	8912	596,783	9060	23,242,315
9150	2,893,807	9200	369,591	9367	33,637,310
9368	270,184,825	9369	15,819		

Extraordinary items and taxes – lines 9970 to 9999

9970	15,819	9999	15,819
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Corporation's name	Business number	Tax year-end Year Month Day
EfficiencyOne	80494 7976 RC0001	2025-12-31

- Use this schedule to reconcile the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see Guide T4012, T2 Corporation – Income Tax Guide.
- All legislative references are to the Income Tax Act.
- If you need more space, attach additional schedules.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125	15,819	A1
Net income (loss) after extraordinary items from line 110 of Schedule 150	0	A2
Total	15,819	A

Add:

Amortization of tangible assets	104	346,355	
Subtotal of additions		346,355	346,355

Add:

Other additions:

1 Description	2 Amount		
605	295		
Total of column 2		296	
Subtotal of other additions		199	0
Total additions		500	346,355
Amount A plus line 500			362,174

B

Deduct:

Capital cost allowance from Schedule 8	403	233,495	
Subtotal of deductions		233,495	233,495

Deduct:

Equity in income from subsidiaries or affiliates	306	15,837	
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Other deductions:

1 Description	2 Amount		
705	395		
Total of column 2		396	
Subtotal of other deductions		499	15,837
Total deductions		510	249,332

Net income (loss) for income tax purposes (amount B minus line 510)	112,842	C
Enter amount C on line 300 of the T2 return.		

Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
EfficiencyOne	80494 7976 RC0001	2025-12-31

- Use this form to determine the continuity and use of available losses; to determine a current-year non-capital loss, farm loss, restricted farm loss, limited partnership loss, or restricted interest and financing expense; to determine the amount of restricted farm losses, limited partnership losses, and restricted interest and financing expenses (RIFE) that can be applied in a year; and to ask for a loss carryback to previous years.
- A corporation can choose whether or not to deduct an available loss from income in a tax year. The corporation can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- All legislative references are to the federal Income Tax Act.
- According to subsection 111(4), when control has been acquired, no amount of capital loss incurred in a tax year ending before that time is deductible when calculating taxable income for a tax year ending after that time. Also, no amount of capital loss incurred in a tax year ending after that time is deductible when calculating taxable income for a tax year ending before that time.
- When control has been acquired, subsection 111(5) provides for similar treatment of non-capital and farm losses except as listed in paragraphs 111(5)(a) and (b), and of RIFE except as listed in paragraph 111(5)(a).
- For information on these losses, see Guide T4012, T2 Corporation – Income Tax.
- File this schedule with the T2 Corporation Income Tax Return, or send the schedule by itself to the tax centre where the return is filed.

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes		112,842	1A
RIFE deducted in the year under paragraph 111(1)(a.1) (enter as a positive amount)	1B		
Net capital losses deducted in the year (enter as a positive amount)	1C		
Taxable dividends deductible under section 112 or subsections 113(1) or 138(6)	1D		
Amount of Part VI.1 tax deductible under paragraph 110(1)(k)	1E		
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)	1F		
Employer deduction for non-qualified securities – Paragraph 110(1)(e)	1G		
Subtotal (total of amounts 1B to 1G)			1H
Subtotal (amount 1A minus amount 1H; if positive, enter "0")			1I
Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions			1J
Subtotal (amount 1I minus amount 1J)			1K
Current-year farm loss (the lesser of: the net loss from farming or fishing included in income and the non-capital loss before deducting the farm loss)			1L
Current-year non-capital loss (amount 1K plus amount 1L, if positive enter "0")			1M
If amount 1M is negative, enter it on line 110 as a positive amount.			

Continuity of non-capital losses and request for a carryback

Non-capital losses at the end of the previous tax year	5,995,946	1N
Non-capital loss expired ¹	100	
Non-capital losses at the beginning of the tax year (amount 1N minus line 100)	5,995,946	
Non-capital losses transferred on an amalgamation or on the wind-up of a subsidiary ² corporation	105	
Current-year non-capital loss (from amount 1M)	110	
Subtotal (line 105 plus line 110)		1O
Subtotal (line 102 plus amount 1O)	5,995,946	1P

¹ A non-capital loss expires after **20 tax years** and an allowable business investment loss becomes a net capital loss after **10 tax years**.

² Subsidiary is defined in subsection 88(1) as a taxable Canadian corporation of which 90% or more of each class of issued shares are owned by its parent corporation and the remaining shares are owned by persons that deal at arm's length with the parent corporation.

Part 1 – Non-capital losses (continued)

Other adjustments (includes adjustments for an acquisition of control)	150	
Section 80 – Adjustments for forgiven amounts	140	
Subsection 111(10) – Adjustments for fuel tax rebate		
Non-capital losses of previous tax years applied in the current tax year	130	112,842
Enter the amount from line 130 on line 331 of the T2 return.		
Current and previous years non-capital losses applied against current-year taxable dividends subject to Part IV tax ³	135	
Subtotal (total of lines 150, 140, 130 and 135)		112,842 1Q
Non-capital losses before any request for a carryback (amount 1P minus amount 1Q)		5,883,104 1R

Request to carry back non-capital loss to:

First previous tax year to reduce taxable income	901	
Second previous tax year to reduce taxable income	902	
Third previous tax year to reduce taxable income	903	
First previous tax year to reduce taxable dividends subject to Part IV tax	911	
Second previous tax year to reduce taxable dividends subject to Part IV tax	912	
Third previous tax year to reduce taxable dividends subject to Part IV tax	913	
Total of requests to carry back non-capital losses to previous tax years (total of lines 901 to 913)		1S
Closing balance of non-capital losses to be carried forward to future tax years (amount 1R minus amount 1S)	180	5,883,104

³ Line 135 is the total of lines 330 and 335 from Schedule 3, Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation.

Part 2 – Capital losses

Continuity of capital losses and request for a carryback

Capital losses at the end of the previous tax year	200	
Capital losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	205	
Subtotal (line 200 plus line 205)		2A
Other adjustments (includes adjustments for an acquisition of control)	250	
Section 80 – Adjustments for forgiven amounts	240	
Subtotal (line 250 plus line 240)		2B
Subtotal (amount 2A minus amount 2B)		2C
Current-year capital loss (from the calculation on Schedule 6, Summary of Dispositions of Capital Property)	210	
Unused non-capital losses from the 11th previous tax year ⁴		2D
Allowable business investment losses (ABILs) that expired as non-capital losses at the end of the previous tax year ⁵		2E
Enter amount 2D or 2E, whichever is less	215	
ABILs expired as non-capital losses (line 215 multiplied by 2.000000)	220	
Subtotal (amount 2C plus line 210 plus line 220)		2F

Note

If there has been an amalgamation or a wind-up of a subsidiary, do a separate calculation of the ABIL expired as non-capital loss for each predecessor or subsidiary corporation. Add all these amounts and enter the total on line 220.

⁴ Determine the amount of the non-capital loss from the **11th previous tax year**, and enter the part of the non-capital loss that was not deducted in the **previous 11 years**.

⁵ Enter the amount of the ABILs from the **11th previous tax year**. Enter the full amount on amount 2E.

Part 2 – Capital losses (continued)

Capital losses from previous tax years applied against the current-year net capital gain ⁶ **225** _____
Capital losses before any request for a carryback (amount 2F **minus** line 225) 2G

Request to carry back capital loss to: ⁷

	Capital gain (100%)	Amount carried back (100%)
First previous tax year	951 _____	_____
Second previous tax year	952 _____	_____
Third previous tax year	953 _____	_____
Subtotal (total of lines 951 to 953)		_____ 2H
Closing balance of capital losses to be carried forward to future tax years (amount 2G minus amount 2H) ⁸ 280 _____		_____

⁶ To get the net capital losses required to reduce the taxable capital gain included in the net income (loss) for the current tax year, enter the amount from line 225 **divided** by 2 at line 332 of the T2 return.

⁷ On line 225, 951, 952, or 953, whichever applies, enter the actual amount of the loss. When the loss is applied, **divide** this amount by 2. The result represents the 50% inclusion rate.

⁸ Capital losses can be carried forward indefinitely.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year 3A
Farm loss expired ⁹ **300** _____
Farm losses at the beginning of the tax year (amount 3A **minus** line 300) **302** _____
Farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation **305** _____
Current-year farm loss (amount 1L in Part 1) **310** _____
Subtotal (line 305 **plus** line 310) 3B
Subtotal (line 302 **plus** amount 3B) 3C

Other adjustments (includes adjustments for an acquisition of control) **350** _____
Section 80 – Adjustments for forgiven amounts **340** _____
Farm losses of previous tax years applied in the current tax year **330** _____
Enter the amount from line 330 on line 334 of the T2 Return.
Current and previous years farm losses applied against current-year taxable dividends subject to Part IV tax ¹⁰ **335** _____
Subtotal (total of lines 350, 340, 330 and 335) 3D
Farm losses before any request for a carryback (amount 3C **minus** amount 3D) 3E

Request to carry back farm loss to:

First previous tax year to reduce taxable income	921 _____
Second previous tax year to reduce taxable income	922 _____
Third previous tax year to reduce taxable income	923 _____
First previous tax year to reduce taxable dividends subject to Part IV tax	931 _____
Second previous tax year to reduce taxable dividends subject to Part IV tax	932 _____
Third previous tax year to reduce taxable dividends subject to Part IV tax	933 _____
Subtotal (total of lines 921 to 933) 3F	
Closing balance of farm losses to be carried forward to future tax years (amount 3E minus amount 3F) 380 _____	

⁹ A farm loss expires after **20 tax years**.

¹⁰ Line 335 is the total of lines 340 and 345 from Schedule 3.

Part 4 – Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business		485	
(line 485 _____ – \$2,500) divided by 2	4A		
Amount 4A or \$ 15,000 , whichever is less			4B
		2,500	4C
Subtotal (amount 4B plus amount 4C)		2,500	4D
Current-year restricted farm loss (line 485 minus amount 4D)			4E

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at the end of the previous tax year			4F
Restricted farm loss expired ¹¹	400		
Restricted farm losses at the beginning of the tax year (amount 4F minus line 400)	402		
Restricted farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	405		
Current-year restricted farm loss (from amount 4E)	410		
Enter the amount from line 410 on line 233 of Schedule 1, Net Income (Loss) for Income Tax Purposes.			
Subtotal (line 405 plus line 410)			4G
Subtotal (line 402 plus amount 4G)			4H
Restricted farm losses from previous tax years applied against current farming income	430		
Enter the amount from line 430 on line 333 of the T2 return.			
Section 80 – Adjustments for forgiven amounts	440		
Other adjustments	450		
Subtotal (total of lines 430 to 450)			4I
Restricted farm losses before any request for a carryback (amount 4H minus amount 4I)			4J

Request to carry back restricted farm loss to:

First previous tax year to reduce farming income	941		
Second previous tax year to reduce farming income	942		
Third previous tax year to reduce farming income	943		
Subtotal (total of lines 941 to 943)			4K
Closing balance of restricted farm losses to be carried forward to future tax years (amount 4J minus amount 4K)	480		

Note

The total losses for the year from all farming businesses are calculated without including scientific research expenses.

¹¹ A restricted farm loss expires after **20 tax years**.

Part 5 – Listed personal property losses

Continuity of listed personal property losses and request for a carryback

Listed personal property losses at the end of the previous tax year		5A
Listed personal property loss expired ¹²	500	
Listed personal property losses at the beginning of the tax year (amount 5A minus line 500)	502	
Current-year listed personal property loss (from Schedule 6)		510
	Subtotal (line 502 plus line 510)	5B
Listed personal property losses from previous tax years applied against listed personal property gains	530	
Enter the amount from line 530 on line 655 of Schedule 6.		
Other adjustments	550	
	Subtotal (line 530 plus line 550)	5C
	Listed personal property losses remaining before any request for a carryback (amount 5B minus amount 5C)	5D

Request to carry back listed personal property loss to:

First previous tax year to reduce listed personal property gains	961	
Second previous tax year to reduce listed personal property gains	962	
Third previous tax year to reduce listed personal property gains	963	
	Subtotal (total of lines 961 to 963)	5E
Closing balance of listed personal property losses to be carried forward to future tax years (amount 5D minus amount 5E)	580	

¹² A listed personal property loss expires after seven tax years.

Part 7 – Limited partnership losses

Current-year limited partnership losses

1	2	3	4	5	6	7
Partnership account number	Tax year ending YYYY/MM/DD	Corporation's share of limited partnership loss	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, clean economy tax credit, farming losses, and resource expenses ¹⁵	Column 4 minus column 5 (if negative, enter "0")	Current -year limited partnership losses (column 3 minus column 6)
600	602	604	606	608		620
Total (enter this amount on line 222 of Schedule 1)						

Limited partnership losses from previous tax years that may be applied in the current year

1	2	3	4	5	6	7
Partnership account number	Tax year ending YYYY/MM/DD	Limited partnership losses at the end of the previous tax year and amounts transferred on an amalgamation or on the wind-up of a subsidiary	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, clean economy tax credit, business or property losses, and resource expenses ¹⁵	Column 4 minus column 5 (if negative, enter "0")	Limited partnership losses that may be applied in the year (the lesser of columns 3 and 6)
630	632	634	636	638		650

Continuity of limited partnership losses that can be carried forward to future tax years

1	2	3	4	5	6
Partnership account number	Limited partnership losses at the end of the previous tax year	Limited partnership losses transferred in the year on an amalgamation or on the wind-up of a subsidiary	Current-year limited partnership losses (from line 620)	Limited partnership losses applied in the current year (must be equal to or less than line 650)	Current year limited partnership losses closing balance to be carried forward to future years (column 2 plus column 3 plus column 4 minus column 5)
660	662	664	670	675	680
Total (enter this amount on line 335 of the T2 return)					

If you need more space, you can attach more schedules.

¹⁵ Clean economy tax credit is defined in subsection 127.47(1).

Part 8 – Restricted interest and financing expenses (RIFE)

Continuity of RIFE

RIFE at the end of the previous tax year

700

RIFE transferred on an amalgamation or on the wind-up of a subsidiary corporation

705

RIFE adjustments for an acquisition of control

750

Subtotal (line 700 plus line 705 minus line 750)

▶

8A

Enter amount 8A on line 128 in Part 2J of Schedule 130, Excessive Interest and Financing Expenses Limitation.

Current-year restricted interest and financing expense determined under subsection 111(8)
(amount A from Part 2O of Schedule 130)

710

RIFE deducted for the tax year ¹⁶

730

Enter the amount from line 730 on line 336 of the T2 return.

Closing balance of RIFE (amount 8A plus line 710 minus line 730)

780

¹⁶ The amount deducted **must** not exceed amount B in Part 2J of Schedule 130.

Part 9 – Election under paragraph 88(1.1)(f)

If you are making an election under paragraph 88(1.1)(f), tick the box

190

Yes

☐

In the case of the wind-up of a subsidiary, if the election is made, the non-capital loss, restricted farm loss, farm loss, or limited partnership loss of the subsidiary—that otherwise would become the loss of the parent corporation for a particular tax year starting after the wind-up began—will be considered as the loss of the parent corporation for its immediately preceding tax year and not for the particular year.

Note

This election is only applicable for wind-ups under subsection 88(1) that are reported on Schedule 24, First-Time Filer after Incorporation, Amalgamation, or Winding-up of a Subsidiary into a Parent.

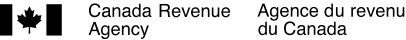
See the privacy notice on your return.

Non-Capital Loss Continuity Workchart

Part 6 – Analysis of balance of losses by year of origin

Non-capital losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
2nd preceding taxation year 2023-12-31	74,887	N/A		N/A			74,887
3rd preceding taxation year 2022-12-31	10,914	N/A		N/A			10,914
4th preceding taxation year 2021-12-31	13,661	N/A		N/A			13,661
5th preceding taxation year 2020-12-31	17,118	N/A		N/A			17,118
6th preceding taxation year 2019-12-31	21,487	N/A		N/A			21,487
7th preceding taxation year 2018-12-31	4,107,052	N/A		N/A			4,107,052
8th preceding taxation year 2017-12-31	1,750,827	N/A		N/A	112,842		1,637,985
Total	5,995,946				112,842		5,883,104



Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
EfficiencyOne	80494 7976 RC0001	2025-12-31

For more information, see the section called "Capital Cost Allowance" in Guide T4012, *T2 Corporation – Income Tax*.

Unless otherwise stated, all legislative references are to the federal *Income Tax Act*.

Is the corporation electing under subsection 1101(5q) of the *Income Tax Regulations*? **101** Yes ☐ No ☒

Part 1 – Agreement between associated eligible persons or partnerships (EPOPs)

Are you associated in the tax year with one or more EPOPs with which you have entered into an agreement under subsection 1104(3.3) of the Regulations? **105** Yes ☐ No ☒

If you answered **yes**, fill out Part 1. Otherwise, go to Part 2.

Enter a percentage assigned to each associated EPOP (including your corporation) as determined in the agreement.

This percentage will be used to allocate the immediate expensing limit. The total of all the percentages assigned under the agreement should not exceed 100%. If the total is more than 100%, then the associated group has an immediate expensing limit of nil. For more information about the immediate expensing limit, see note 12 in Part 2.

	1	2	3
	Name of EPOP	Identification number Note 1	Percentage assigned under the agreement
1.	110	115	120
			Total
Immediate expensing limit allocated to the corporation (see Note 2)			125

Note 1: The identification number is the social insurance number, business number, or partnership account number of the EPOP.

Note 2: Multiply 1.5 million by the percentage assigned to your corporation in column 3. If the total of column 3 is more than 100%, enter "0".

– Part 2 – CCA calculation

1 Class number	Description	2 Undepreciated capital cost (UCC) at the beginning of the year	3 Cost of acquisitions during the year (new property must be available for use) Note 4	4 Cost of acquisitions from column 3 that are designated immediate expensing property (DIEP) Note 5	5 Adjustments and transfers Note 6	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition Note 7	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition Note 8	8 Proceeds of dispositions Note 9
Note 3								
200		201	203	232	205	221	222	207
1. 8	Furnitures and Fixtures	327,507						0
2. 50	Computer Hardware	3						0
3. 13	Leasehold Improvements	245,468						0
4. 13	Leasehold Improvements - 2023 Additions	923,958						0
Totals		1,496,936						

1 Class number	Description	9 Proceeds of dispositions of the DIEP (enter amount from column 8 that relates to the DIEP reported in column 4)	10 UCC (column 2 plus column 3 plus or minus column 5 minus column 8) Note 10	11 UCC of the DIEP (enter the UCC amount that relates to the DIEP reported in column 4) Note 11	12 Immediate expensing Note 12	13 Cost of acquisitions on remainder of Class (column 3 minus column 12)	14 Cost of acquisitions from column 13 that are accelerated investment incentive properties (AIIP) or properties included in Classes 54 to 56 Note 13	15 Remaining UCC (column 10 minus column 12) (if negative, enter "0")	16 Proceeds of disposition available to reduce the UCC of AIIP and property included in Classes 54 to 56 (column 8 plus column 6 minus column 13 plus column 14 minus column 7) (if negative, enter "0")
		234		236	238		225		
1. 8	Furnitures and Fixtures		327,507					327,507	
2. 50	Computer Hardware		3					3	
3. 13	Leasehold Improvements		245,468					245,468	
4. 13	Leasehold Improvements - 2023 Additions		923,958					923,958	
Totals			1,496,936					1,496,936	

– Part 2 – CCA calculation (continued) –

	1 Class number	Description	17 Net capital cost additions of AIP and property included in Classes 54 to 56 acquired during the year (column 14 minus column 16) (if negative, enter "0")	18 UCC adjustment for AIP and property included in Classes 54 to 56 acquired during the year (column 17 multiplied by the relevant factor) Note 14	19 UCC adjustment for property acquired during the year other than AIP and property included in Classes 54 to 56 (0.5 multiplied by the result of column 13 minus column 14 minus column 6 plus column 7 minus column 8) (if negative, enter "0") Note 15 224	20 CCA rate % Note 16 212	21 Recapture of CCA Note 17 213	22 Terminal loss Note 18 215	23 CCA (for declining balance method, the result of column 15 plus column 18 minus column 19, multiplied by column 20, or a lower amount, plus column 12) Note 19 217	24 UCC at the end of the year (column 10 minus column 23) 220
1.	8	Furnitures and Fixtures				20	0	0	65,501	262,006
2.	50	Computer Hardware				55	0	0	2	1
3.	13	Leasehold Improvements				NA	0	0		245,468
4.	13	Leasehold Improvements - 2023 Additions				NA	0	0	167,992	755,966
Totals									233,495	1,263,441

Enter the total of column 21 on line 107 of Form T2 SCH 1, *Net Income (Loss) for Income Tax Purposes*.

Enter the total of column 22 on line 404 of Form T2 SCH 1.

Enter the total of column 23 on line 403 of Form T2 SCH 1.

Note 3: If a class number has not been provided in Schedule II of the *Income Tax Regulations* for a particular class of property, use the subsection provided in Regulation 1101.

Note 4: Include any property acquired in previous years that has now become available for use, net of any government assistance received or entitled to be received in the year from a government, municipality or other public authority, or a reduction of capital cost after the application of section 80. This property would have been previously excluded from column 3. List separately any acquisitions of property in the class that are not subject to the 50% rule. See Income Tax Folio S3-F4-C1, *General Discussion of Capital Cost Allowance*, for exceptions to the 50% rule. Do not include any amount in column 3 in respect of property included in column 5 (see note 6). See Guide T4012 for more information about the cost of acquisitions during the year.

Note 5: A DIEP reported in column 4 is a property acquired after April 18, 2021, by a corporation that was a Canadian-controlled private corporation (CCPC) throughout the year, which became available for use in the tax year (before 2024) and was designated as such on or before the day that is 12 months after the filing-due date for the tax year to which the designation relates. It includes all capital property subject to the CCA rules, if certain conditions are met, other than property included in Classes 1 to 6, 14.1, 17, 47, 49, and 51. A property can only qualify as DIEP in the year in which it becomes available for use. See subsection 1104(3.1) of the Regulations for more information.

Note 6: Enter in column 5, "Adjustments and transfers," amounts that increase or reduce the UCC (column 10). Items that increase the UCC include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that reduce the UCC (show amounts that reduce the UCC in brackets) include assistance received or receivable during the year for a property, subsequent to its disposition, if such assistance would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f). See Guide T4012 for other examples of adjustments and transfers to include in column 5. Also include property acquired in a non-arm's length transaction [other than by virtue of a right referred to in paragraph 251(5)(b)] if the property was a depreciable property acquired by the transferor at least 364 days before the end of your tax year and continuously owned by the transferor until it was acquired by you.

Note 7: Include all amounts of assistance you received (or were entitled to receive) after the disposition of a depreciable property that would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f) if received before the disposition.

Part 2 – CCA calculation (continued)

- Note 8: Include all amounts you have repaid during the year for any legally required repayment, made after the disposition of a corresponding property, of:
- assistance that would have otherwise increased the capital cost of the property under paragraph 13(7.1)(d) and
 - an inducement, assistance, or any other amount contemplated in paragraph 12(1)(x) received, that otherwise would have increased the capital cost of the property under paragraph 13(7.4)(b)
- Include the UCC of each property of a prescribed class acquired in the course of a corporate reorganization described under paragraph 55(3)(b) (also known as "butterfly reorganization") or include property acquired in a non-arm's length transaction [other than by virtue of a right referred to in paragraph 251(5)(b)] if the property was a depreciable property acquired by the transferor less than 364 days before the end of your tax year and continuously owned by the transferor until it was acquired by you.
- Note 9: For each property disposed of during the year, deduct from the proceeds of disposition any outlays and expenses to the extent that they were made or incurred for the purpose of making the disposition(s). The amount reported in respect of the property cannot exceed the property's capital cost, unless that property is a timber resource property as defined in subsection 13(21).
If the cost of a zero-emission passenger vehicle (or a passenger vehicle that was, at any time, a DIEP) exceeds the prescribed amount and it is disposed of to a person or partnership with which you deal at arm's length, the proceeds of disposition will be adjusted based on a factor equal to the prescribed amount as a proportion of the actual cost of the vehicle. The actual cost of the vehicle will be adjusted for payment or repayment of government assistance.
- Note 10: If the amount in column 5 (as shown in brackets) reduces the undepreciated capital cost, you must subtract it for the purposes of the calculation. Otherwise, add the amount in column 5 for the purposes of the calculation.
- Note 11: The amount to enter in column 11 must not exceed the amount in column 10. If it does, enter in column 11 the amount from column 10. If the amount determined in column 10 is zero or a negative amount, enter "0". The only amounts incurred before April 19, 2021, to be included in this column are certain inventory purchases from arm's length persons or partnerships where the conditions in paragraphs 1100(0.3)(a) to (c) of the Regulations are met.
- Note 12: Immediate expensing applies to a DIEP included in column 11. The total immediate expensing for the tax year (total of column 12) should not exceed the lesser of:
- Immediate expensing limit: it is equal to one of the following five amounts, whichever is applicable:
 - \$1.5 million, if you are not associated with any other EPOP in the tax year
 - amount from line 125, if you are associated in the tax year with one or more EPOPs
 - nil, if the total of the percentages assigned in Part 1 is more than 100% or you are associated in the tax year with one or more EPOPs and have not filed an agreement in prescribed form as required under subsection 1104(3.3) of the Regulations
 - the amount determined under subsection 1104(3.5) of the Regulations for any second or subsequent tax years ending in a calendar year, if you have two or more tax years ending in the calendar year in which you are associated with another EPOP that has a tax year ending in that calendar year
 - any amount allocated by the minister under subsection 1104(3.4) of the Regulations
- The immediate expensing limit has to be prorated if your tax year is less than 365 days. You cannot carry forward any unused amount of the immediate expensing limit.
- UCC of the DIEP: total of column 11
- You have to maintain the CCPC status throughout the relevant tax year in order to claim the immediate expensing.
- Note 13: An AIIP is a property (other than property included in Classes 54 to 56) that you acquired after November 20, 2018, and that became available for use before 2028.
Classes 54 and 55 include zero-emission vehicles that you acquired after March 18, 2019, and that became available for use before 2028.
Class 56 applies to eligible zero-emission automotive equipment and vehicles (other than motor vehicles) that are acquired after March 1, 2020, and that became available for use before 2028.
See Guide T4012 for more information.
- Note 14: The relevant factors for property of a class in Schedule II, that is an AIIP or included in Classes 54 to 56, available for use respectively before 2024 or in 2024 are:
- 2 1/3 or 1 1/2 for property in Classes 43.1, 54, and 56
 - 1 1/2 or 7/8 for property in Class 55
 - 1 or 1/2 for property in Classes 43.2 and 53
 - 0 for property in Classes 12, 13, 14, 15, and 59, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 19 for additional information) and
 - 0.5 or 0 for all other property that is an AIIP
- If the tax year begins in 2023 and ends in 2024, the relevant factor is determined under paragraph 1100(2.01)(a) of the Regulations.

– **Part 2 – CCA calculation (continued)**

- Note 15: The UCC adjustment for property acquired during the year (also known as the half-year rule or 50% rule) does not apply to certain property (including AIIP and property included in Classes 54 to 56). For special rules and exceptions, see Income Tax Folio S3-F4-C1, *General Discussion of Capital Cost Allowance*.
- Note 16: Enter a rate only if you are using the declining balance method. For any other method (for example, the straight-line method, where calculations are always based on the cost of acquisitions), enter "N/A". Then enter the amount you are claiming in column 23.
- Note 17: If the amount in column 10 is negative, you have a recapture of CCA. If applicable, enter the negative amount from column 10 in column 21 as a positive. The recapture rules do not apply to passenger vehicles in Class 10.1. However, they do apply to a passenger vehicle that was, at any time, a DIEP.
- Note 18: If no property is left in the class at the end of the tax year and there is still a positive amount in the column 10, you have a terminal loss. If applicable, enter the positive amount from column 10 in column 22. The terminal loss rules do not apply to:
- passenger vehicles in Class 10.1
 - property in Class 14.1, unless you have ceased carrying on the business to which it relates
 - limited-period franchises, concessions, or licences in Class 14 if, at the time of acquisition, the property was a former property of the transferor or any similar property attributable to the same fixed place of business, and you had jointly elected with the transferor to have the replacement property rules apply, unless certain conditions are met
- Note 19: If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See Guide T4012 for more information.
- For property in Class 10.1 disposed of during the year, deduct a maximum of 50% of the regular CCA deduction if you owned the property at the beginning of the tax year.
- For AIIP listed below, the maximum first year allowance you can claim is determined as follows:
- Class 13: if the capital cost of the property was incurred before 2024, the lesser of 150% of the amount calculated in Schedule III of the Regulations and the UCC at the end of the tax year (before any CCA deduction), and in any other case, the amount for the year calculated in accordance with Schedule III of the Regulations
 - Class 14: the lesser of 150% (if the property becomes available for use in the year and before 2024) or 125% (if the property becomes available for use in the year and after 2023) of the allocation for the year of the capital cost of the property apportioned over the remaining life of the property (at the time the cost was incurred) and the UCC at the end of the tax year (before any CCA deduction)
 - Class 15: the lesser of 150% (if the property is acquired in the year and before 2024) or 125% (if the property is acquired in the year and after 2023) of an amount calculated on the basis of a rate per cord, board foot, or cubic metre cut in the tax year and the UCC at the end of the tax year (before any CCA deduction)
 - Canadian vessels described under paragraph 1100(1)(v) of the Regulations: the lesser of 50% (for property acquired in the year and before 2024) or 33 1/3% (in any other case) of the capital cost of the property and the UCC at the end of the tax year (before any CCA deduction)
 - Class 41.2: use a 25% CCA rate. The additional allowance under paragraphs 1100(1)(y.2) (for single mine properties) and 1100(1)(ya.2) (for multiple mine properties) of the Regulations is not eligible for the accelerated investment incentive. The additional allowance in respect of natural gas liquefaction under paragraph 1100(1)(yb) of the Regulations is eligible for the accelerated investment incentive
- The AIIP provisions also apply to property (other than a timber resource property) that is a timber limit or a right to cut timber from a limit as well as to an industrial mineral mine or a right to remove minerals from an industrial mineral mine. See the *Income Tax Regulations* for more details.

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
EfficiencyOne	80494 7976 RC0001	2025-12-31

- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name	Country of resi- dence (other than Canada)	Business number (see note 1)	Rela- tion- ship code (see note 2)	Number of common shares you own	% of common shares you own	Number of preferred shares you own	% of preferred shares you own	Book value of capital stock
	100	200	300	400	500	550	600	650	700
1.	EfficiencyOne Services Inc.		79374 0721 RC0001	2	10	100.000			10
2.	Halifax Climate Investment, Innova		70560 1938 RC0001	2	1	100.000			1

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.

Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated



Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
EfficiencyOne	80494 7976 RC0001	2025-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than \$10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than \$10,000,000, file a completed Schedule 33 with your T2 *Corporation Income Tax Return* no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following year-end amounts:

Reserves that have not been deducted in calculating income for the year under Part I	101	
Capital stock (or members' contributions if incorporated without share capital)	103	
Retained earnings	104	165,794
Contributed surplus	105	
Any other surpluses	106	
Deferred unrealized foreign exchange gains	107	
All loans and advances to the corporation	108	
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	166,970,295
Any dividends declared but not paid by the corporation before the end of the year	110	
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111	
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112	
Subtotal (add lines 101 to 112)		167,136,089 ▶ 167,136,089 A

Note:

Line 112 is determined by the formula $(A - B) \times C/D$ (as per paragraph 181.2(3)(g)) where:

- A is the total of all amounts that would be determined for lines 101, 107, 108, 109, and 111 in respect of the partnership for its last fiscal period that ends at or before the end of the year if
- a) those lines applied to partnerships in the same manner that they apply to corporations, and
 - b) those amounts were computed without reference to amounts owing by the partnership
 - (i) to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
 - (ii) to any partnership in which a corporation described in subparagraph (i) held a membership interest either directly or indirectly through another partnership.
- B is the partnership's deferred unrealized foreign exchange losses at the end of the period,
- C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and
- D is the partnership's income or loss for the period.

Part 1 – Capital (continued)

Subtotal A (from page 1) 167,136,089 A

Deduct the following amounts:

Deferred tax debit balance at the end of the year **121**

Any deficit deducted in calculating its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year **122**

To the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above for the year, any amount deducted under subsection 135(1) in calculating income under Part I for the year. **123**

Deferred unrealized foreign exchange losses at the end of the year **124**

Subtotal (**add** lines 121 to 124) **▶** B

Capital for the year (amount A **minus** amount B) (if negative, enter "0") **190** 167,136,089

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation **401**

A loan or advance to another corporation (other than a financial institution) **402**

A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution) **403**

Long-term debt of a financial institution **404**

A dividend payable on a share of the capital stock of another corporation **405**

A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1) **406**

An interest in a partnership (see note 2 below) **407**

Investment allowance for the year (add lines 401 to 407) **490**

Notes:

1. Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 (other than a non-resident corporation that at no time in the year carried on business in Canada through a permanent establishment).
2. Where the corporation has an interest in a partnership held either directly or indirectly through another partnership, refer to subsection 181.2(5) for additional rules regarding the carrying value of an interest in a partnership.
3. Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation. Refer to subsection 181.2(6) for special rules that may apply.

Part 3 – Taxable capital

Capital for the year (line 190) 167,136,089 C

Deduct: Investment allowance for the year (line 490) D

Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0") **500** 167,136,089

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for
the year (line 500)

167,136,089

x

Taxable income earned
in Canada

610

1,000

=

Taxable capital
employed in Canada

690

167,136,089

Taxable income

1,000

- Notes:
- 1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
 - 2. Where a corporation's taxable income for a tax year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of \$1,000.
 - 3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year
and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada . . . 701

Deduct the following amounts:

Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada 711

Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada 712

Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal or movable property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below) 713

Total deductions (add lines 711, 712, and 713) ► E

Taxable capital employed in Canada (line 701 minus amount E) (if negative, enter "0") 790

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 – Calculation for purposes of the small business deduction

This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.

Taxable capital employed in Canada (amount from line 690) F

Deduct: 10,000,000 G

Excess (amount F minus amount G) (if negative, enter "0") H

Calculation for purposes of the small business deduction (amount H x 0.225%) I

Enter this amount at line 415 of the T2 return.



FINANCIAL INFORMATION

**FOR THE YEAR ENDED
DECEMBER 31, 2025**

INDEX

DECEMBER 31, 2025

	Page
COMPILATION ENGAGEMENT REPORT	2
STATEMENT OF EARNINGS AND RETAINED EARNINGS	3
BALANCE SHEET	4
NOTES TO THE FINANCIAL INFORMATION	5



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Compilation Engagement Report

To the Board of Directors of
[EfficiencyOne Services Inc.](#)

On the basis of information provided by Management, we have compiled the balance sheet of EfficiencyOne Services Inc. as at December 31, 2025, the statements of income and retained earnings for the year then ended, and Note 2, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

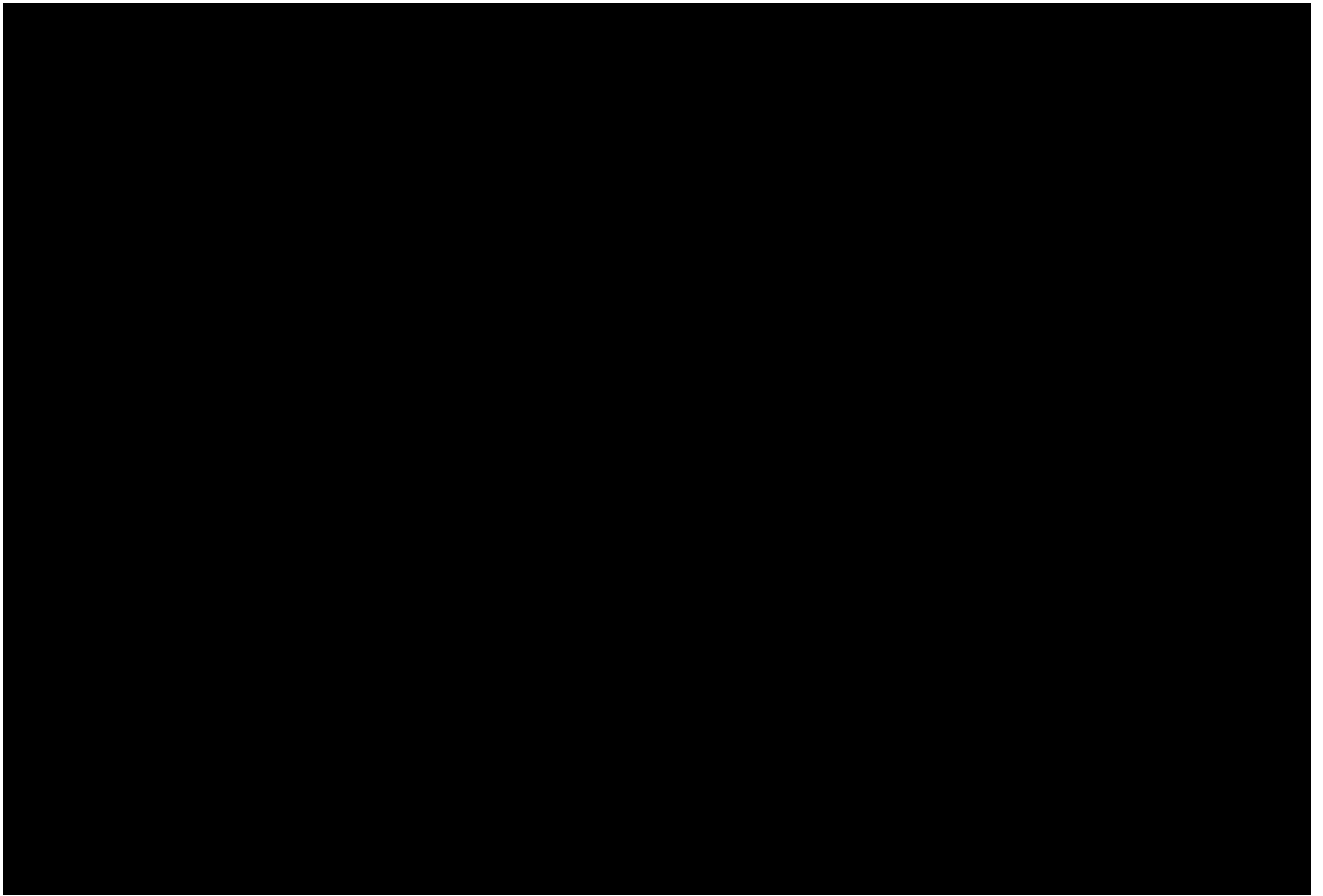
We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

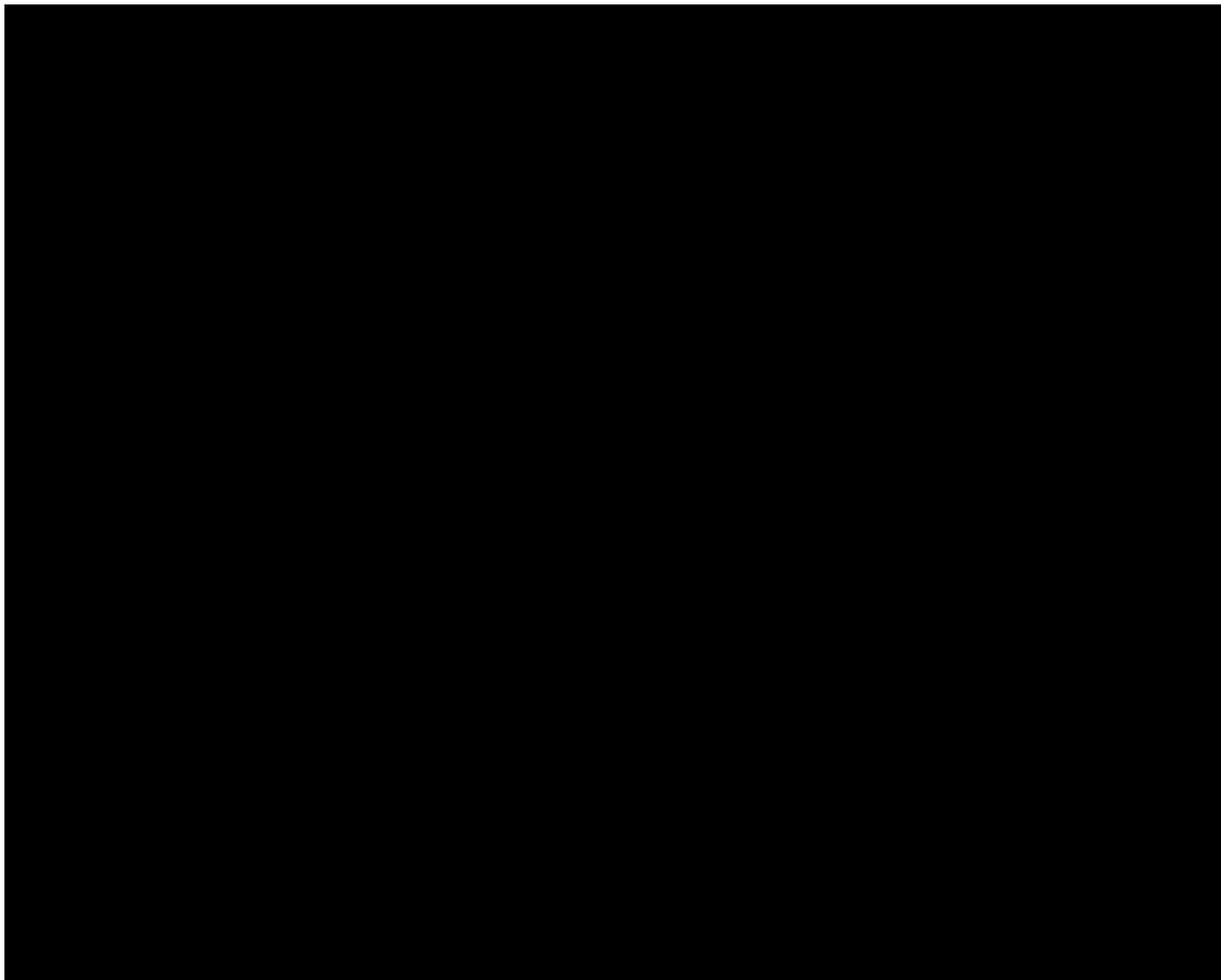
We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Halifax, Canada
April 8, 2026

Doane Grant Thornton LLP
Chartered Professional Accountants





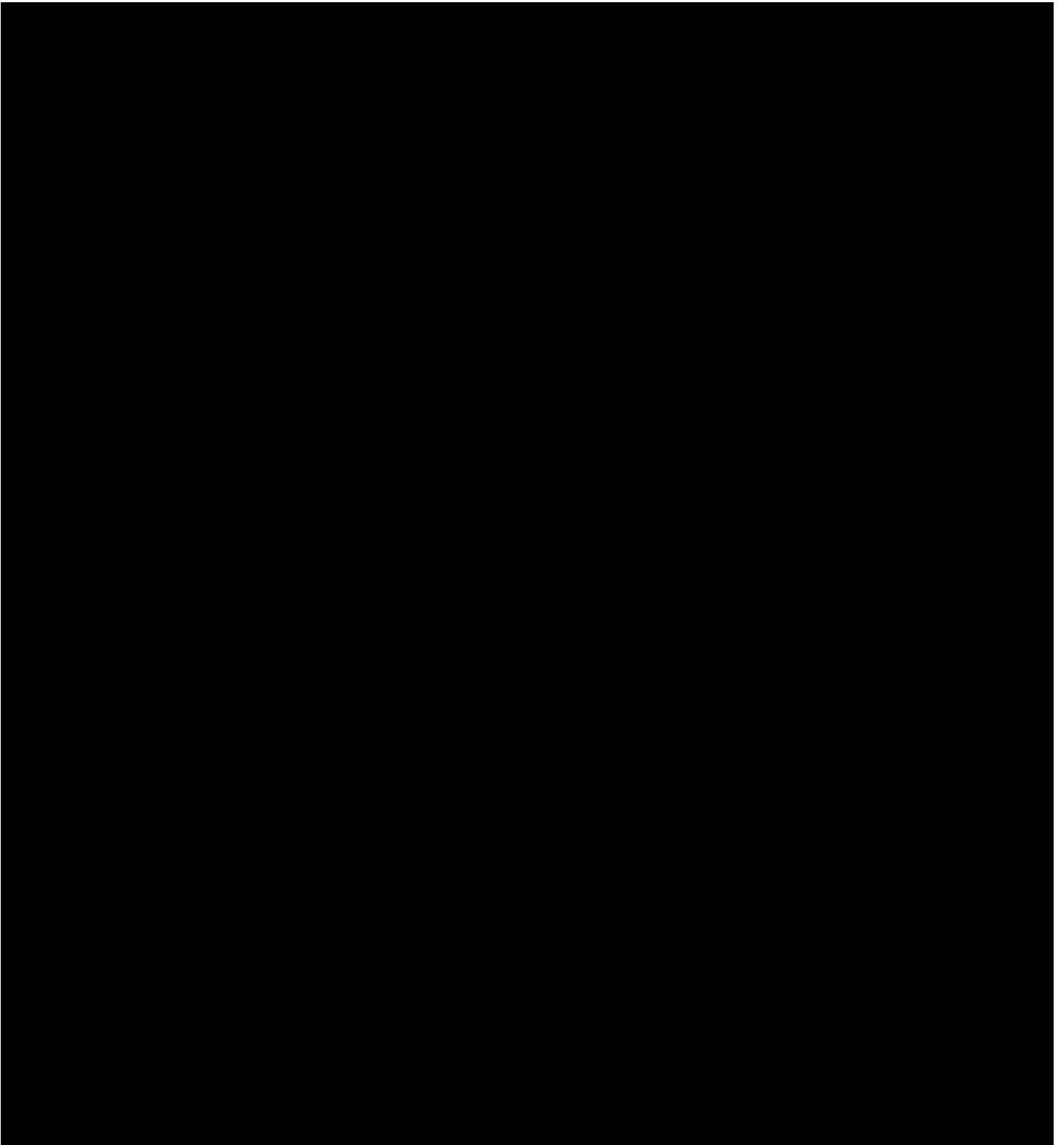
Approved by the Board

A handwritten signature in blue ink, appearing to read "Sean O'Connor".

Sean O'Connor
Chair, Board of Directors

A handwritten signature in blue ink, appearing to read "Carol MacCulloch".

Carol MacCulloch
Director





**HALIFAX CLIMATE INVESTMENT,
INNOVATION AND IMPACT FUND**
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2025

HALIFAX CLIMATE INVESTMENT, INNOVATION AND IMPACT FUND

INDEX

DECEMBER 31, 2025

Independent Auditor's Report	1-2
Consolidated Statement of Operations and Changes in Fund Balances	3
Consolidated Statement of Financial Position	4
Consolidated Statement of Cash Flows	5
Notes to the Consolidated Financial Statements	6-11



Independent auditor's report

To the Board of Directors of Halifax Climate Investment, Innovation and Impact Fund

Opinion

We have audited the consolidated financial statements of Halifax Climate Investment, Innovation and Impact Fund ("the Corporation"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Halifax Climate Investment, Innovation and Impact Fund as at December 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation and the corporations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Doane Grant Thornton LLP

Halifax, Canada
March 23, 2026

Chartered Professional Accountants

HALIFAX CLIMATE INVESTMENT, INNOVATION AND IMPACT FUND

CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2025

	Operating Fund	Endowment Fund	Stabilization Fund	2025	2024
REVENUES					
Contributions (Note 3)	\$ 468,028	\$ -	\$ -	\$ 468,028	\$ 334,607
Consulting income	174,604	-	-	174,604	137,999
Interest income	93,030	-	-	93,030	135,101
Investment income, net of fees (Note 4)	834,754	-	-	834,754	651,353
	1,570,416	-	-	1,570,416	1,259,060
PROGRAM COSTS					
Grants	553,622	-	-	553,622	418,677
Marketing, outreach, education, and research	13,405	-	-	13,405	10,264
Meetings and travel	21,293	-	-	21,293	19,150
Professional fees and consulting	132,053	-	-	132,053	112,157
Rent	18,885	-	-	18,885	15,344
Salaries and benefits	580,625	-	-	580,625	473,085
Training and development	13,477	-	-	13,477	1,473
	1,333,360	-	-	1,333,360	1,050,150
ADMINISTRATIVE COSTS					
Information technology	38,680	-	-	38,680	23,424
Marketing, outreach, education, and research	8,581	-	-	8,581	23,488
Meetings and travel	2,380	-	-	2,380	1,383
Office and insurance	10,064	-	-	10,064	7,211
Professional fees and consulting	58,809	-	-	58,809	45,482
Rent	1,474	-	-	1,474	867
Salaries and benefits	115,847	-	-	115,847	105,491
Training and development	1,221	-	-	1,221	1,564
	237,056	-	-	237,056	208,910
TOTAL COSTS	1,570,416	-	-	1,570,416	1,259,060
TOTAL SURPLUS	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCE, BEGINNING OF THE YEAR	\$ -	\$ 22,290,511	\$ -	\$ 22,290,511	\$ 21,429,303
Net fair market value adjustments (Note 4)	-	(588,960)	-	(588,960)	861,208
FUND BALANCE, END OF THE YEAR (Note 5)	\$ -	\$ 21,701,551	\$ -	\$ 21,701,551	\$ 22,290,511

See accompanying notes to the consolidated financial statements

HALIFAX CLIMATE INVESTMENT, INNOVATION AND IMPACT FUND

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

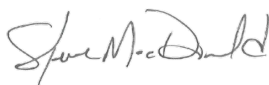
AS AT DECEMBER 31, 2025

	Operating Fund	Endowment Fund	Stabilization Fund	2025	2024
ASSETS					
CURRENT					
Cash	\$ 1,876,184	\$ 480,094	\$ 92,706	\$ 2,448,984	\$ 2,193,432
Other receivables	6,309	20,002	-	26,311	267,888
Due between funds	903,443	(903,443)	-	-	-
	2,785,936	(403,347)	92,706	2,475,295	2,461,320
INVESTMENTS (Note 6)	-	21,904,898	944,190	22,849,088	22,360,369
LOAN RECEIVABLE (Note 7)	-	200,000	-	200,000	200,000
	\$ 2,785,936	\$ 21,701,551	\$ 1,036,896	\$ 25,524,383	\$ 25,021,689
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities	\$ 228,428	\$ -	\$ -	\$ 228,428	\$ 108,588
HST Payable	20,503	-	-	20,503	18,907
Deferred revenue (Note 8)	665,402	-	-	665,402	362,439
	914,333	-	-	914,333	489,934
DEFERRED REVENUE (Note 8)	1,871,603	-	1,036,896	2,908,499	2,241,244
	2,785,936	-	1,036,896	3,822,832	2,731,178
FUND BALANCE (Note 5)	-	21,701,551	-	21,701,551	22,290,511
	\$ 2,785,936	\$ 21,701,551	\$ 1,036,896	\$ 25,524,383	\$ 25,021,689

Approved by the Board



Carol MacCulloch
Chair, Board of Directors



Stephen MacDonald
Director

See accompanying notes to the consolidated financial statements

HALIFAX CLIMATE INVESTMENT, INNOVATION AND IMPACT FUND

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2025

	Operating Fund	Endowment Fund	Stabilization Fund	2025	2024
CASH PROVIDED BY (USED FOR):					
OPERATING					
Total Surplus	\$ -	\$ -	\$ -	\$ -	\$ -
Changes in non-cash working capital items					
Other receivable	140,254	101,323	-	241,577	(186,873)
Accounts payable and accrued liabilities	119,840	-	-	119,840	(27,593)
HST Payable	1,596	-	-	1,596	18,907
Deferred revenue	78,194	-	892,024	970,218	(41,752)
Interfund transfers, net	(413,410)	268,538	144,872	-	-
	(73,526)	369,861	1,036,896	1,333,231	(237,311)
INVESTING					
Disbursement of loan	-	-	-	-	(200,000)
Purchase of investments	-	(28,485,954)	(944,190)	(29,430,144)	(953,000)
Proceeds on sale of investments	-	28,430,143	-	28,430,143	943,000
Re-Invested distributions, net	-	(77,678)	-	(77,678)	(14,974)
	-	(133,489)	(944,190)	(1,077,679)	(224,974)
CHANGE IN CASH	(73,526)	236,372	92,706	255,552	(462,285)
CASH - BEGINNING OF YEAR	1,949,710	243,722	-	2,193,432	2,655,717
CASH - END OF YEAR	\$ 1,876,184	\$ 480,094	\$ 92,706	\$ 2,448,984	\$ 2,193,432

See accompanying notes to the consolidated financial statements

HALIFAX CLIMATE INVESTMENT, INNOVATION AND IMPACT FUND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

1. NATURE OF OPERATIONS

Halifax Climate Investment, Innovation and Impact Fund (“the Organization”) was incorporated on October 21, 2020 under the Canada Not-for-profit Corporations Act. The Organization is controlled by EfficiencyOne by its right to appoint the Organization’s board members.

The Organization is an initiative of Low Carbon Cities Canada (“LC3”) and is dedicated to supporting carbon reduction initiatives in the Halifax region by investing in local projects and developing programs to accelerate the scaling up of low-carbon solutions.

The Organization is a not-for-profit organization under the meaning assigned in the Income Tax Act and as such is exempt from income taxes under Section 149(1)(l). The Organization holds endowment funds in trust on behalf of the Federation of Canadian Municipalities (“FCM”) as trustee of the Green Municipal Fund, and on behalf of the Province of Nova Scotia. The endowment funds are to be maintained in perpetuity. Investment income earned on endowment funds is attributable to the contributor for tax purposes. Accordingly, no provision has been made in the accounts for income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and consolidation

These consolidated financial statements include the accounts of the Organization and the Endowment Funds and have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations (“ASNPO”).

Fund accounting

a) The Operating Fund is used to account for the operations of the Organization including the operating grant received and expenses incurred to identify, select, design, deliver, evaluate, scale and report on mandate related programs. The Operating Fund also includes any additional necessary direct costs incurred to operate the Organization. Interest income earned on cash received is retained within the fund and restricted for operations of the fund.

b) The Endowment Fund includes grants contributed for endowment where the principal must be held in perpetuity. Investment income earned on the endowment and available for expenditure is reported in the appropriate fund as determined by policy. All other investment income is retained within the Endowment Fund.

c) The Stabilization Fund is externally restricted and is used to provide a reserve from which funds may be transferred for the purpose of funding eligible expenses in years where the annual proceeds are lower than expected. The Stabilization Fund is also used to supplement any non-performing direct investments.

Revenue recognition

The Organization follows the deferral method of accounting for revenue. Restricted funding, other than endowment contributions, are recognized as revenue within the appropriate fund in the year in which the related expenses are incurred. Endowment contributions are presented as direct increases to net assets.

Restricted interest income on interest bearing deposits is recognized as revenue in the Operating Fund in the year in which the related expenses are incurred.

Investment income earned on the Endowment Fund and available for expenditure is allocated to the Operating Fund or Stabilization Fund, as determined by externally imposed restrictions. All other investment income earned on the Endowment Fund is recorded as direct increases or decreases to net assets.

Cloud computing arrangements

The Organization has adopted the simplification approach for cloud computing arrangements. Implementation costs are expensed over the term of the arrangement. Subscription fees are expensed when incurred. During the year, the total amount expensed for cloud computing arrangements was \$nil. (2024 - \$nil).

HALIFAX CLIMATE INVESTMENT, INNOVATION AND IMPACT FUND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash

The Organization discloses bank balances and interest-bearing deposits with a maturity period of three months or less from the date of acquisition under cash. The Organization manages its cash according to its cash needs, in accordance with the Organization's investment policy.

Financial instruments

Financial assets and financial liabilities are recorded at fair value on initial recognition. Investments in pooled funds are subsequently measured at fair value. All other financial instruments are subsequently measured at amortized cost. Financial assets measured at amortized cost include cash, loan receivable, investments in private equities, and other receivables. Financial liabilities measured at amortized cost include accounts payable.

Impairment

The Organization removes financial liabilities, or portion of, when the obligation is discharged, cancelled or expires. Previously recognized impairment losses are reversed to the extent of the improvement providing the asset is not carried at an amount at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net surplus.

Related party transactions

Financial assets and financial liabilities obtained in related party transactions are initially measured at cost. Gains or losses arising on initial measurement differences are generally recognized in net surplus when the transactions are in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the Organization initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets.

Investments

Investments are primarily in pooled funds and stated at fair value on a trade date basis. The change in fair value is reflected as direct increases or decreases to net assets. Pooled fund investments are valued at the unit values supplied by the pooled fund administrator, which represent the Organization's proportionate share of underlying net assets at fair values determined using closing market prices. Investments in private equities are measured at amortized cost.

Allocated expenses

The Organization incurs expenditures related to salaries, benefits and rent that are not directly attributable to mandate-related programs. These expenses are allocated to program costs based on the percentage of time employees spend on mandate-related programs.

Use of estimates

The preparation of consolidated financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Items subject to such estimates and assumptions include accrued liabilities and fair market value of investments. Actual results could differ from those estimates and may have an impact on future periods.

HALIFAX CLIMATE INVESTMENT, INNOVATION AND IMPACT FUND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. CONTRIBUTIONS

Effective December 10, 2020, the Organization entered into a funding agreement with FCM to administer the LC3 efforts in Halifax, Nova Scotia. The Organization received \$2,431,286 in operating contributions and \$15,000,000 in endowment contributions from FCM on the closing date of March 30, 2021. Of this operating contribution, \$nil (2024 - \$nil) was recognized as revenue in the current year.

Effective December 15, 2022 the Organization entered into a funding agreement with the J.W. McConnell Family Foundation ("McConnell Foundation") to support climate mitigation projects. The agreement provides funding of \$740,000 distributed as follows:

December 15, 2022	\$ 207,200
July 30, 2024	148,000
July 30, 2025	148,000
July 30, 2026	118,400
July 30, 2027	88,800
July 30, 2028	29,600
	<u>\$ 740,000</u>

The Organization recognized \$148,000 as revenue in the current year (2024 - \$148,000).

On March 24, 2023, the Organization entered into a funding agreement with the Province of Nova Scotia, where the Organization received \$6,500,000 in endowment contributions, and \$1,000,000 in funding to provide grants in accordance with the Organization's Grant Program. Of this grant contribution, \$127,410 (2024 - \$124,341) was recognized as revenue in the current year.

During the year, the Organization entered into a funding agreement with Halifax Regional Municipality to support innovative, local, youth-led climate solutions. The Organization received \$129,484, (2024 - \$56,821) of which, \$118,667 (2024 - \$56,821) was recognized into revenue during the current year.

In 2025, the Organization received grant funding from the Trottier Family Foundation, through the Clean Economy Fund ("CEF"), totaling \$150,000 over a two-year period to support the EV Infrastructure Acceleration Program in Nova Scotia. The funding is to be received at \$75,000 annually. In addition, the Organization has secured grant funding of \$250,000 over two years from the Royal Bank of Canada ("RBC") to support the same initiative. Of this Funding, \$73,951 has been recognized in the current year.

4. INVESTMENT INCOME

Investment income is earned on endowments and consists of distributions from various pooled fund investments as listed in Note 6, as well as interest on cash deposits and unrealized gains or losses due to changes in fair market value.

The investment income earned from endowments is recorded in the Operating Fund as it becomes available for expenditure. A portion of investment income earned from endowments equal to 5% of annual operating expenditures is allocated to the Stabilization Fund as deferred revenue.

The total investment income earned during the year and its allocation is summarized below:

HALIFAX CLIMATE INVESTMENT, INNOVATION AND IMPACT FUND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

4. INVESTMENT INCOME (continued)

	2025	2024
Investment distributions	\$ 659,151	\$ 729,585
Realized gain (loss) on sale of investments	1,227,969	84,268
Investment management fees	(91,604)	(76,257)
Change in net fair market value	(588,960)	861,208
	1,206,556	1,598,804
Increase (decrease) in Fund Balance	588,960	(861,208)
Deferred as Stabilization Reserve	(892,024)	(39,040)
Deferred in Operating Fund	(68,738)	(47,203)
	\$ 834,754	\$ 651,353

5. FUND BALANCE

The Endowment Fund is made up of endowment contributions from FCM (\$15,000,000) and the Province of Nova Scotia (\$6,500,000). At year-end, the Endowment Fund balance consists of the following:

	FCM	Province of Nova Scotia	2025	2024
Fair market value of investments	\$ 14,876,426	\$ 6,962,662	\$ 21,839,088	\$ 22,350,369
Re-invested income	259,794	(397,331)	(137,537)	(59,858)
	\$ 15,136,220	\$ 6,565,331	\$ 21,701,551	\$ 22,290,511

6. INVESTMENTS

The Organization's investments in pooled funds are held by an investment manager and preserve the endowed capital. Other investments consist of direct private equity holdings. Investments consist of units in the following funds, which are recorded at market value unless otherwise noted:

	2025	2024
AlphaFixe Green Bond Fund	\$ 7,301,976	\$ -
iA Short Term Bond Fund	4,342,316	-
Addenda Commercial Mortgage Fund	2,314,635	-
Fiera Canadian Equity Fossil Fuel Free Fund – Class A	1,772,017	1,686,514
Mirova Global Sustainable Equity Fund	1,559,935	-
Wellington Climate Strategy Fund	1,422,065	-
Amundi Global Equity High Income Low Volume Fund	1,138,670	-
Private Equity Investment, at cost	1,000,000	-
UBS Global Direct Real Estate Fund	901,076	-
iA Money Market Fund	647,907	-
TD Private Debt Fund	438,491	-
Other investments, at cost	10,000	10,000
Fiera ASFI – Active Canadian Bonds Universe Fund – Class A	-	4,270,922
Fiera ASFI – Active Short-term Bond Fund – Class A	-	4,219,779
Fiera Atlas Global Companies Fund – Class A	-	3,969,083
Fiera Diversified Lending Fund – Class A	-	3,143,850
ACM Commercial Mortgage Fund	-	2,152,840
Fiera Diversified Real Assets Fund – Class A	-	2,198,955
Fiera Short-term Investment Fund – Class A	-	708,426

\$ 22,849,088	\$ 22,360,369
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HALIFAX CLIMATE INVESTMENT, INNOVATION AND IMPACT FUND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

7. LOAN RECEIVABLE

During 2024, the Organization issued a loan receivable of \$200,000. The loan carries an interest rate of prime + 4%, repayable in interest-only installments until 2027. The loan is secured by general security agreement over the borrower's assets

8. DEFERRED REVENUE

	Operating Fund	Stabilization Fund	2025	2024
Opening	\$ 2,458,812	\$ 144,872	\$ 2,603,684	\$ 2,645,435
Recognition of prior years' deferred revenue	(132,103)	-	(132,103)	(127,994)
Deferral of current year revenue	210,296	892,024	1,102,320	86,242
	2,537,005	1,036,896	3,573,901	2,603,683
Less: current portion	665,402	-	665,402	362,439
	\$ 1,871,603	\$ 1,036,896	\$ 2,908,499	\$ 2,241,224

9. RELATED PARTY TRANSACTIONS

EfficiencyOne renders administrative services to the Organization and the value of the services are measured on a fully allocated cost basis, being the amount of consideration established and agreed to by the related parties. In 2025, the Organization relied on EfficiencyOne for services including human resources and financial reporting. EfficiencyOne had the following transactions with the Organization during the fiscal year:

	2025	2024
Information technology	\$ 36,344	\$ 21,033
Office and insurance	7,156	6,256
Rent	20,359	16,211
Salaries and benefits	65,887	104,956
Training and development	1,151	1,564
	<u>\$ 130,897</u>	<u>\$ 150,020</u>

Included in accounts payable and accrued liabilities is an amount of \$4,157 (2024 - \$25,281) due to EfficiencyOne.

10. RISK MANAGEMENT

The Organization is exposed to risks associated with its financial instruments as follows:

	Risks			
	Credit	Liquidity	Market risk	
			Other Price Risk	Interest Rate
Cash	X			X
Loan Receivable	X			X
Investments		X	X	X
Accounts payable and accrued liabilities		X		

a) Credit risk

Credit risk arises from the possibility of one of the parties to a transaction defaulting on its financial obligations. The Organization is also exposed to credit risk through its private equity investments as investees may be unable to meet their financial and operational obligations, which could reduce the value of the Organization's investment.

HALIFAX CLIMATE INVESTMENT, INNOVATION AND IMPACT FUND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

10. RISK MANAGEMENT (continued)

In contrast, The Organization's pooled fund investments do not create direct credit risk. Any credit risk is reflected only indirectly through changes in the fund's unit value, which varies with the performance of the underlying investments.

Credit risk associated with cash is minimized by investing these assets in short-term interest-bearing deposits of a Canadian bank with credit ratings that comply with the Organization's banking and investment policy. Credit risk associated with loans receivable is reduced through regular monitoring and general security agreements. Management monitors its private equity investments by reviewing financial statements and other information provided by the investee company.

The Organization manages its credit risk through ongoing monitoring supported by the Stabilization Fund, which is maintained to help absorb potential credit-related losses.

b) Liquidity risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they come due. It stems from the possibility of a delay in realizing the fair value of investments. The Organization manages its liquidity risk by monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

c) Market risk

The Organization is exposed to market risks arising from changes in the fair value of financial instruments due to market price fluctuations. Market risks consist of currency risk, interest rate risk and other price risk. The Organization is not exposed to additional currency risk other than that recognized through other price risk, as certain investments are denominated in foreign currencies.

i) Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument or the related future cash flows will fluctuate due to changes in the market interest rates. The Organization is exposed to interest rate risk with regard to its cash and cash-based investments, and its loan receivable.

The Organization's cash includes amounts on deposit with a Canadian bank that earn interest at the market rate. The loan receivable is subject to fluctuations in the prime interest rate, which could impact the interest income earned. Fluctuations in market rates of interest on cash and loans receivable do not have a significant impact on the Organization's results of operations. Short-term interest-bearing deposits are not exposed to significant interest rate risk due to their short-term nature.

ii) Other price risk

Other price risk is the risk that the fair value of a financial instrument or the related future cash flows will fluctuate due to changes in market prices. The Organization is exposed to other price risk with regard to its investments.

The Organization's investments include pooled funds which are subject to risks arising from changes in market conditions. The Organization manages this risk by using an investment manager and maintaining a diversified portfolio with a mix of bonds and equity funds in accordance with the Organization's investment policy.

The Organization is exposed to market risk through its private equity investments from fluctuations in underlying portfolio company valuations, macroeconomic conditions, interest rates, and industry-specific factors. This risk is managed through periodic review of reporting provided by the investee company and by assessing changes in broader economic conditions.