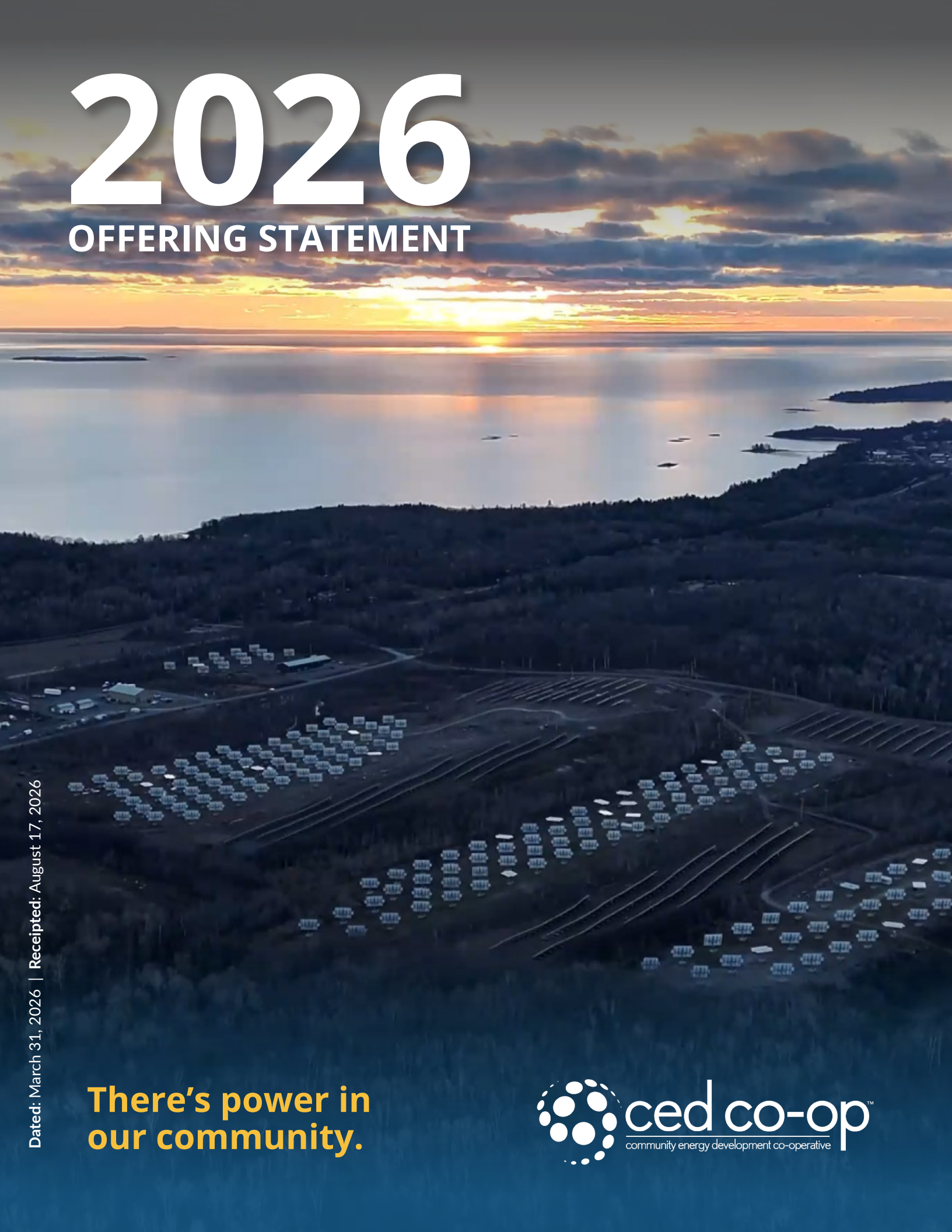
2026
OFFERING STATEMENT



Dated: March 31, 2026 | **Receipted:** August 17, 2026

There's power in our community.

ced co-op™
community energy development co-operative

OFFERING STATEMENT OF THE
COMMUNITY ENERGY DEVELOPMENT CO-OPERATIVE LTD.
("CED Co-op" or "the Co-operative")

Dated: March 31, 2026

Ontario Corporation No. 1851884

This document contains important information about the securities offered for sale by CED Co-op. You should read the entire Offering Statement before deciding whether to buy these securities. All prospective purchasers of these securities must receive this Offering Statement before completing their purchase.

CED Co-op is offering to sell MEMBERSHIP SHARES, CLASS C PREFERENCE SHARES and BONDS SERIES S1:

Summary:

	Membership Shares	Class C Preference Shares	Bonds Series S1	Totals
Minimum Offering	**None**	**None**	**None**	**None**
Maximum Offering	**$5,000**	**$4,000,000**	**$1,000,000**	**$5,005,000**
Minimum Individual New Investor Purchase	**$10**	**$2,000**	**$2,000**	
Minimum Individual Existing Investor Purchase	**$10**	**None**	**None**	
Maximum Individual Purchase	**$10**	**None**	**None**	

Description:

Membership Shares:	**Total Minimum Offering:**	**None**
	Total Maximum Offering:	**$5,000**
	Share Price:	**$10**
	Minimum Individual Purchase:	**1 @ $10 ($10)**
	Maximum Individual Purchase:	**1 @ $10 ($10)**
Class C Preference Shares:	**Total Minimum Offering:**	**None**
	Total Maximum Offering:	**$4,000,000**
	Share Price:	**$5**
	Minimum Individual Purchase	
	For New Investor*:	**400 @ $5 ($2,000)**
	For Existing Investor:	**None**
	Maximum Individual Purchase:	**None**

Bonds Series S1:	**Total Minimum Offering:**	**None**
	Total Maximum Offering:	**$1,000,000**
	Minimum Individual Purchase For New Investor*:	**$2,000**
	For Existing Investor:	**None**
	Maximum Individual Purchase:	**None**
Amount to be Raised by this Offering Not to Exceed:		**$5,005,000**

*New Investors to CED Co-op will need to invest a minimum of $2,000 in any particular Security, other than a Membership Share. Once this threshold has been met, there is no minimum investment for subsequent investments. For Existing Investors that hold Securities which have been purchased under previous offerings, other than Membership Shares, there is no minimum investment.

Membership Shares, Class C Preference Shares and Bonds Series S1 are being offered (the "Offering"). This Offering is not subject to a Minimum aggregate investment threshold. As such, the Co-operative will transact the purchase and sale of securities directly with Investors and shall not involve any escrow arrangement.

No official of the Government of the Province of Ontario has considered the merits of the matters addressed in this Offering Statement. Neither the Ministry of Finance, the Financial Services Regulatory Authority of Ontario, nor any other ministry or agency of the Government of Ontario assumes any liability or obligation to anyone who purchases the securities offered under this Offering Statement.

This is deemed a high-risk offering by the Financial Services Regulatory Authority of Ontario due to certain elements of the Offering. There is no guarantee that there will be a return on your investment or that you will receive your initial investment returned to you.

Investors should not rely on any information other than what is contained in this Offering Statement. An investment in the Securities of the Co-operative involves certain risks. Potential buyers should pay careful attention to all of the Risk Factors noted in the Offering Statement. See **Section 5: RISK FACTORS** for descriptions of these risks.

The information contained in any financial or operating projections or *pro forma* statements contained in this Offering Statement may vary materially from actual results.

There is no established public market through which these Securities may be sold. Due to the characteristics of the securities offered by this Offering Statement, restrictions on their transfer, and the fact that significant resale restrictions may apply, no such market is likely to develop. The Directors of the Co-operative have determined the price of these Shares. **Membership Shares, Preference Shares, and Bonds may only be redeemed on demand with the consent of the Board of Directors of the Co-operative in accordance with the subscription agreements.**

This Offering Statement expires on March 31, 2027. No further Securities may be issued after this date unless a new Offering Statement is filed and receipted.

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GLOSSARY OF TERMS

The following terms and phrases used in this Offering Statement have the meanings set out below:

"AC" means alternating current electricity;

"AGM" means annual general meeting of members;

"Applicant" means a Person that has submitted an Application to the FIT Program

"Application" means an application submitted by CED Co-op, a Joint Venture or Limited Partnership under the FIT Program and **"Applications"** means more than one of them**;**

"Articles" means collectively CED Co-op's Articles of Incorporation, as amended by any Articles of Amendment or other constating documents;

"Blakes" means Blake Cassels & Graydon LLP;

"Board" or "Board of Directors" means the Board of Directors of CED Co-op;

"Bondholder" means a Member or Non-Member who holds one or more Bonds of the Co-operative, and **"Bondholders"** shall mean more than one of them;

"Bonds" means the Co-operative's series L1-4, M1-5, N1-5, O1, O2, P1, P2, Q1, R1 and S1;

"By-Laws" means the by-laws of CED Co-op in force from time to time;

"Carbon Offset" means any form of renewable energy certificate, credit, reduction right, offset, allocated pollution right, emission reduction allowance or other proprietary or contractual right, whether or not tradable, resulting from the actual or assumed displacement of emissions by the production of electricity from a Facility;

"CCA" means Capital Cost Allowance;

"CCPC" means Canadian Controlled Private Corporation;

"CCSA" means Contract Capacity Set Aside;

"CEC" means a Clean Energy Credit, also referred to as a REC – Renewable Energy Credit, the equivalent of 1,000 kWh's (1 MWh) of clean energy produced and registered with a certifying registry such as the MRETS registry;

"Class A Preference Shares" means the Class A Preference Shares of CED Co-op, and **"Class A Preference Share"** shall mean any one of them;

"Class B Preference Shares" means the Class B Preference Shares of CED Co-op, and **"Class B Preference Share"** shall mean any one of them;

"Class C Preference Shares" means the Class C Preference Shares of CED Co-op, and **"Class C Preference Share"** shall mean any one of them;

"Commercial Operation" means the date on which a Project is recognized by the IESO to be complete and connected to the Grid, the point after which electricity produced by the Facility is sold under the FIT Contract;

"Community CCSA" means the CCSA portion of the FIT Allocation that has been set aside for Community Investment Members;

"Community Investment Member" has the meaning ascribed thereto in the FIT Standard Definitions which, in the case of a Community Participation CCSA Project, generally a co-operative with at least Fifty (50) members that are Property Owners within the municipality in which the Project is to be developed, and have continuously been property owners in the municipality for the previous 2 years, and in the case of a Community Participation Project, generally a co-operative with at least Thirty-Five (35) members that are Property Owners within the municipality in which the project is to be developed, and have continuously been property owners in the municipality for the previous 2 years;

"Community Participation Level" has the meaning ascribed thereto in the FIT Standard Definitions, generally the Economic Interest held by a Community Investment Member;

"Community Participation Project" means a Project that has a Community Investment Member with at least a 15% Economic Interest in the Project;

"Community Participation CCSA Project" means a Project that has a Community Investment Member with greater than a 50% Economic Interest in the Project;

"Connection Impact Assessment" or "CIA" means an assessment conducted by a LDC to determine the impact on the distribution system of connecting the Project or Facility to its distribution systems;

"Contract Capacity" means the rated capacity (generally viewed to be the AC rating) in kW of a Solar PV Facility as indicated on the FIT Contract for that Facility;

"Co-operative", "the Co-operative", "CED Co-op" means the Community Energy Development Co-operative Ltd.;

"Co-op Act" means the *Co-operative Corporations Act (Ontario) R.S.O. 1990, c.C.35* as amended and successor legislation thereto;

"Co-op Regulations" means the *Co-operative Corporations Act (Ontario) R.R.O. 1990, REGULATION 178* as amended and successor regulations thereto;

"COVID" means the Coronavirus disease (COVID-19), an infectious disease caused by the SARS-CoV-2 virus and its variants;

"Credit Agreement" means the credit agreements, security documents and related loan documents executed by the borrowers, SunShare1 LP, SunShare2 LP and 2117921 Alberta Ltd., in respect to loans provided by CWB;

"CRS" means Crescent Ridge Services;

"CWCF" means the Canadian Worker Co-op Federation;

"CWB" means CWB Maxium Financial Inc., formerly a subsidiary of Canadian Western Bank. On February 3, 2025, National Bank of Canada completed its acquisition of Canadian Western Bank, and on March 1, 2025, Canadian Western Bank amalgamated with National Bank of Canada and continued under the name National Bank of Canada. CWB Maxium Financial Inc. is now a subsidiary of National Bank of Canada. References to "CWB" in this Offering Statement, including in descriptions of the Credit Agreements, refer to CWB Maxium Financial Inc. or its successor;

"DC" means direct current electricity;

"Debt Obligation" means a bond, debenture, note or other similar obligation of the Co-operative, whether secured or unsecured;

"Director" means a member of the Board of Directors of CED Co-op and **"Directors"** shall mean more than one of them;

"Economic Interest" means the proportion of a Project for which the Co-operative is responsible in terms of costs and liabilities, and the portion of revenues to which it is entitled**;**

"EOM" means Enhance Operations and Maintenance Agreement, as described in Section 3.6.5**;**

"Existing Investor" means a Person who holds Securities of the Co-operative, other than a Membership Share**;**

"EV" means electric vehicle, including plug-in hybrid or full battery electric types of vehicles**;**

"**Facility**" means a Solar PV or other Renewable Energy Project owned in whole or in part by the Co-operative and installed on a leased building or land, or on land owned by the Co-operative, and "**Facilities**" means more than one of them;

"FCPC" means Federation of Community Power Co-operatives;

"FHSA" means first home savings account;

"FIT" means Feed-In Tariff, which is the name of the IESO's program for the purchase of power and connectivity to the Grid for Renewable Energy generators

"FIT Allocation" means the amount, in MW of contracts to be issued for applications submitted in a specific FIT Application Window

"FIT Application Window" means a specific period during which the IESO accepts Applications;

"FIT Contract" means a FIT or microFIT contract executed with the IESO/OPA under the FIT Program, and **"FIT Contracts"** means more than one of them;

"FIT Program" means the Renewable Energy FIT Program established by the IESO pursuant to the FIT Rules and any prior or subsequent version of the FIT Rules;

"FIT Rules" means the FIT or microFIT rules and regulations published by the IESO which govern the process that must be followed to apply for and receive a FIT Contract, and **"FIT Rules and Regulations"** shall have the same meaning;

"FIT Standard Definitions" means the definitions used to apply and interpret the FIT Rules and the FIT Contracts;

"FSCO" means the Financial Services Commission of Ontario;

"FSRAO" means the Financial Services Regulatory Authority of Ontario;

"GA" means Global Adjustment, the component of electricity costs that covers the cost of building new electricity infrastructure in the province, maintaining existing resources, as well as providing conservation and demand management programs;

"General Partner" or "GP" means the Person that controls and operates the Limited Partnership;

"GHG" means Green House Gasses, which are gasses that accumulate in the atmosphere and trap heat within, generally including carbon dioxide, methane and nitrous oxides;

"Gowlings" means Gowling WLG (Canada) LLP law firm;

"Grid" means the electricity transmission or distribution networks' power lines, controlled by Hydro One or another LDC;

"GSM" means Guelph Solar Mechanical Inc.;

"HOEP" means Hourly Ontario Energy Price, the average of the twelve market clearing prices for electricity set in each hour ;

"Hydro One" means Hydro One Networks Inc.;

"HST" means harmonized sales tax pursuant to the *Excise Tax Act* (Canada) RSC, 1985, c.E-15, as amended and successor legislation thereto;

"IESO" means Independent Electricity System Operator;

"IFRS" means International Financial Reporting Standards and the application of those standards as determined by the International Accounting Standards Board;

"Iler Campbell" means Iler Campbell LLC law firm;

"Investor" means a Member or Non-Member who holds one or more Securities of the Co-operative, and **"Investors"** shall mean more than one of them;

"Installed Capacity" means the rated output (generally viewed to be the DC rating) in kW of the Solar Panels installed in a Solar PV Facility;

"Joint Venture" or "JV" means a joint venture formed by contract in which the Co-operative holds an Interest of between Fifteen percent (15%) and Fifty-One percent (51%), and which is formed by agreement between the Co-operative and one or more Joint Venture Partners and **"Joint Ventures"** shall mean more than one of them**;**

"Joint Venture Partner" means a party to a Joint Venture agreement to which the Co-operative is also a party, and "**Joint Venture Partners**" means more than one of them;

"KPMG" means KPMG LLP;

"kW" means instantaneous power measured in kilowatts (thousands of watts);

"kWh" means kilowatt hours, the unit of electrical power measured over time, i.e. electrical energy 1,000 watts of power sustained for 1 hour;

"LCOE" means levelized cost of energy. This is the overall cost of energy per kWh over a set period, calculated by taking all system costs (construction, operations and financing) and dividing by the number of kWh produced.

"LDC" means the Local Distribution Company, which, depending on the Project, will be Enova Power Corp, GrandBridge Energy, Hydro One Networks, Alectra Systems, or a similar entity that owns and operates its own electrical distribution network, or an independent utility that owns and operates its own electrical distribution network;

"Limited Partnerships" or "LPs" means the limited partnerships in which the Co-operative is a partner, including SunShare1 LP, SunShare2 LP, SunShare3 LP and SunShare4 LP;

"Member" means a natural person who holds an issued and outstanding Membership Share of the Co-operative and "**Members**" shall mean more than one Member;

"Membership Shares" means the Membership Shares of the Co-operative;

"microFIT" means the portion of the FIT Program for projects with a generating capacity of 10kW or less;

"MW" means instantaneous power measured in megawatts (millions of watts);

"MRETS" means the Midwest Renewable Energy Tracking System, the registry organization that tracks renewable energy generation and assists in verifying compliance with mandatory or voluntary State/Provincial Renewable Portfolio Standards (RPS) and objectives;

"MWh" means megawatt hours, the unit of electrical power measured over time, i.e. electrical energy of 1,000,000 watts of power sustained for 1 hour;

"Net-Meter" means an installation configuration where the solar generating facility is installed behind a bi-directional meter, spinning the meter backward when producing more electricity than is being consumed, and spinning forward when consuming more electricity than is being produced. Typically, surpluses in a month can be carried forward as credits for a period of time to be applied against future consumption;

"New Investor" means a Person who, prior to investing under this Offering, holds no Securities of the Co-operative other than a Membership Share;

"Non-Member" means a Person who holds Securities of the Co-operative other than a Membership Share;

"Notice to Proceed", "NTP" means a Notice to Proceed received from the IESO, upon execution and delivery of which a FIT Contract can no longer be terminated by the IESO for convenience;

"Offering" means the Membership Shares, Bonds Series S1 and Class C Preference Shares being offered pursuant to this Offering Statement;

"Offering Statement" means this Offering Statement;

"Olympia Trust" means Olympia Trust Company, a wholly owned subsidiary of Olympia Financial Group Inc.

"Ontario Domestic Content" means the proportion of the Solar PV and ancillary equipment that is manufactured in Ontario or Ontario labour that is used, as defined in the IESO's FIT Rules and Regulations;

"OPA" means the "Ontario Power Authority", merged with the IESO on January 1, 2015;

"Operating Company" or "OpCo" means a subsidiary wholly owned by the Co-operative, including 2117921 Alberta Inc.;

"OSEA" means the Ontario Sustainable Energy Association;

"Participant" means a Person holding an Economic Interest in a Project and who has been identified as such in an Application to the FIT Program;

"Person" is to be broadly interpreted and includes, without limitation, an individual, a couple, a partnership, a trust, a corporation, an unincorporated organization, a Government of a country or political subdivision thereof, or any agency or department of any such Government and the legal personal representative or representatives of an individual;

"Portfolio" means all of the Co-operative's Renewable Energy Facilities;

"PPA" means power purchase agreement;

"Preference Shares" means the Co-operative's Class A Preference Shares, Class B Preference Shares or Class C Preference Shares;

"Priority Points" mean points under the priority points system, as described in the FIT Rules and Regulations;

"Project" means the activities and tasks comprising the development and/or installation of a Facility at a particular location, and **"Projects"** means more than one of them;

"Project Portfolio" means all of the Co-operative's or Joint Venture's Projects;

"Public Corporation" has the meaning ascribed to that term in the *Tax Act*;

"PV" means photovoltaic, the photovoltaic effect is a process by which sunlight is converted into electricity;

"**QSBC**" means Qualified Small Business Corporation;

"**Qualifying Co-operative**" means a Co-operative that qualifies for an Application to receive Priority Points, or to be eligible to apply for the Community CCSA, under the FIT Program, pursuant to the FIT Rules, and is also known as a "**Community Investment Member**", and **"Qualifying Cooperatives"** means more than one of them;

"Registered Plan" means a RESP, RRSP, RRIF, FHSA or TFSA;

"RESP" means registered education savings plan;

"Renewable Energy Co-operative" means a renewable energy co-operative as described in Section 3.2 hereof**;**

"Risk Factor" means one of the circumstances or events identified as a risk factor in Section 5 hereof and **"Risk Factors"** shall mean more than one of them;

"RRIF" means registered retirement income fund;

"RRSP" means registered retirement savings plan;

"Security" means a Share or Debt Obligation of the Co-operative, and **"Securities"** shall mean more than one of them;

"Security Holder" means a Member or Non-Member who holds one or more Securities of the Co-operative, and **"Security Holders"** shall mean more than one of them;

"Shares" means the Co-operative's Membership Shares and/or Preference Shares, and **"Share"** shall mean one of them;

"Shareholder" means a Member or Non-Member who holds one or more Shares of the Co-operative, and **"Shareholders"** shall mean more than one of them;

"Solar PV" means solar photovoltaic – see "PV";

"Solar PV Facility" means all of the components and equipment needed to produce electricity from Solar PV installed on an individual property covered under a Lease Agreement, and "**Solar PV Facilities**" shall mean more than one of them;

"Supplier" means the Person identified as the Supplier on the FIT Contract;

"Sub-Entities" means the Limited Partnerships, Joint Ventures and Operating Companies in which the Co-operative holds ownership;

"Sustainable" and "Sustainability" means the projects, processes and developments that seek to provide human needs while reducing or eliminating environmental impacts in order to achieve long-term biosphere and human civilization coexistence;

"Tax Act" means the *Canada Income Tax Act (R.S.C., 1985, c. 1 (5th Supp.))* as amended and successor legislation thereto;

"Tax Regulations" means the *Canada Income Tax Regulations (C.R.C., c. 945)* as amended and successor regulations thereto;

"TFSA" means tax free savings account;

"VCT" means Vigor Clean Tech Inc. and VCT Group Inc.;

1. CORPORATE INFORMATION

Name of Co-operative: Community Energy Development Co-operative Ltd.

Date of Incorporation: October 31, 2012

Ontario Corporation #: 1851884

Head Office Address: 5 Forwell Rd – Unit #3.
Kitchener, ON N2B 1W3

Contact Particulars:
Toll Free: 855-274-6890
Fax: 519-279-4631
Website: www.cedco-op.com
Email: info@cedco-op.com

Banking: Kindred Credit Union, National Bank Canada (CWB)

Auditors: MNP LLP
139 Northfield Dr W #3
Waterloo, ON N2L 5Z4
Phone: 519-725-7700

Fiscal Year End: December 31

Registrar/Transfer Agent: CED Co-op will act as its own registrar and transfer agent in respect of the Securities offered for sale.

2. DIRECTORS AND OFFICERS

The Articles provide that CED Co-op may have a Board of Directors consisting of a minimum of three (3) Directors, and a maximum of eleven (11) Directors. There are presently eleven (11) Directors. The present Directors and officers of CED Co-op are as follows:

Name	Title	Residence Address	Occupation
Alvin Doerksen	Director	166 Stonehaven Drive Waterloo, ON N2L 6C5	Retired / Executive
Brian Unrau	President, Director	3442 Huron Rd New Hamburg, ON N3A 3C4	Accountant / Executive
Brody Rebelo	Secretary, Director	755 Edgar St W Listowel, ON N4W 3T8	Accountant / Executive
Christopher Derksen Hiebert	Board Chair, Director	2932 Lobsinger Line Heidelberg, ON N0B 2M1	Public Policy / Executive
John Brubacher	Director	2175 Andrew St Shakespeare, ON N0B 2P0	Retired / Real Estate
Jordan Smith	Director	2851 4th Line Road Ohsweken, ON N0A 1M0	Financial Executive
Kimberley Charlesworth	Director	126 Lorne Crescent Kitchener, ON N2M 3Y5	Public Service
Martin Sellar Voll	Director	284 Glenridge Pl Waterloo, ON N2J 3Y2	Operations / Executive
Paul Hildebrand	Treasurer, Director	28 Peter St St. Clements, ON N0B 2M0	Retired / Teacher
Ryan Parton	Director	91 Hillsborough Cres Kitchener, ON N2E 1J5	Technologist/Executive
Steven Chomyc	Vice Chair, Director	182 Arkell Rd Guelph, ON N1L 1E6	Engineer / Executive

3. DESCRIPTION OF THE BUSINESS OF CED CO-OP

3.1 OVERVIEW AND HISTORY

CED Co-op was incorporated in the Province of Ontario under the Co-op Act on October 31, 2012. CED Co-op was incorporated as a for-profit co-operative with share capital.

CED Co-op was formed in response to several market factors:

The Ontario FIT Program

The IESO developed the FIT Program for the Province of Ontario to encourage and promote greater use of Renewable Energy in Ontario. The fundamental objective of the FIT Program, in conjunction with the Green Energy and Green Economy Act and Ontario's Long-Term Energy Plan, was to facilitate the increased development of renewable energy generating facilities of varying sizes, technologies and configurations via a standardized, open, and fair process.

FIT Program Focus on Community Ownership

Through the various versions of the FIT Program, there were several successive sets of rule changes, rate changes, and changes in the mechanisms and processes for the award of contracts. Many of the changes in the rules and the contract process increased the likelihood of receiving contracts for community projects structured through co-operatives.

Economies of Scale and Portfolio Advantage

With changing program rates and the associated project economics, allowances for unexpected installation or operating costs were largely eliminated in order to maintain positive returns, providing economic advantages to larger projects that achieved economies of scale. In addition to increasing economic challenges for smaller installations, residential Renewable Energy systems still represent an ongoing challenge in completing the sale of a home while recouping the significant investment in the Solar PV system.

Interest in Investment in Clean Energy

There remains growing interest in supporting clean energy and investing specifically in Renewable Energy and Sustainability projects. This is evidenced by the global fossil fuel divestment movement, which calls upon individuals and institutions to withdraw investments in companies involved in the extraction of fossil fuels. Since its founding in 2011 through 2025, the movement has grown to include more than 1,700 institutional investors, comprising universities, pension funds, faith organizations, and governments, with combined assets of over $40 trillion (USD). This broad and accelerating shift in capital allocation reflects a global recognition that fossil fuel exposure represents both financial risk and a misalignment with long-term sustainability objectives.

For those who have already invested in a Renewable Energy system on their property, CED Co-op is able to provide further investment opportunities. For those who have not yet invested, the Co-operative offers partnership opportunities in the development of projects, enabling community participation in the clean energy transition at any level of involvement.

Economic Development Model

With changing rates and rule sets, evolving technologies, and increased pressure on Project economics, it was, and remains, difficult for an individual Project owner to fully inform themselves of the electricity markets, the permitting and rules, the code and compliance requirements, and the technology in order to design and construct an optimized, contracted, Renewable Energy Facility. Taking a portfolio approach to project development allowed access to higher levels of development expertise and reduced risk.

From this convergence of policy design, community interest, and market forces, CED Co-op was founded, and has since grown into a resilient, diversified clean energy platform that continues to evolve well beyond its origins in the FIT Program era.

3.2 BUSINESS OF THE CO-OPERATIVE

CED Co-op was initially incorporated as a "Renewable Energy Co-operative" under the Co-op Act. This specialized classification was created to enable co-operatives to participate in the FIT Program, but carried specific restrictions on the types of business the Co-operative could conduct. The main distinctions of a Renewable Energy Co-operative are based on the following:

- A 'regular' co-operative in Ontario, prior to December 10, 2019, was required to conduct a minimum of 50% of its business with its own members.
- In the FIT/microFIT business model, there is no opportunity to do business with members on either the supply side or the sales side.
- Renewable Energy Co-operatives were created as a specific type of co-operative in 2009 with the introduction of the legislation related to the FIT Program and the Green Energy and Green Economy Act.
- Renewable Energy Co-operatives are named in the Co-op Act and Co-op Regulations as exempt from the 'Member Business Rule' so that they may participate in FIT/microFIT projects.
- The distributions of Renewable Energy Co-operatives, according to the Co-op Act and Regulations, are not considered 'Patronage'. Rather, Renewable Energy Co-operatives distribute surplus in accordance with their By-Laws and Articles.
- Renewable Energy Co-operatives are required to restrict their business within their articles of incorporation to the generation and sale of electricity from renewable sources.

In compliance with the Co-op Act, the following was previously stated in the Articles of the Co-operative at the time of incorporation:

> ***"SECTION 7. Restrictions, if any, on the business the Co-operative may carry on or on powers the co-operative may exercise:***
>
> *The Co-Operative is a renewable energy co-operative under the Co-Operative Corporations Act and, as such, the business of the Co-Operative is restricted to:*
>
> *i) Generating, within the meaning of the Electricity Act, 1998, electricity produced from one or more sources that are renewable energy sources for the purposes of that Act; and*
> *ii) Selling, as a generator within the meaning of that Act, electricity it produces from one or more renewable energy sources.*
>
> *Notwithstanding the above restrictions, as part of its business of generating and selling electricity produced from one or more renewable energy sources, the Co-operative;*
>
> *a) may establish or develop one or more generation facilities, within the meaning of the Electricity Act, 1998, to generate electricity produced from one or more renewable energy sources; and*
> b) *may promote the purchase by electricity users of electricity produced from renewable energy sources."*

On December 10, 2019, Bill 138, the Plan to Build Ontario Together Act, 2019, received royal assent. As noted in the Bill, among other changes, co-operatives in Ontario are now no longer required to conduct a minimum of 50% of their business with their own members, but rather an amount that each Co-operative may define for itself, which can be zero.

Notwithstanding the ability for a Co-operative to set its minimum member business amount to zero, further legislative changes and clarifications issued by the Ontario Energy Board and the Government of Ontario around net-metering, third party ownership as well as community net-metering have created the opportunity to do business with members and measure patronage within CED Co-op's intended business models, removing the remaining obstacles in removing the restrictions of a Renewable Energy Co-operative.

On December 1, 2020, the Co-operative held a duly called Meeting of Members at which time a Special Resolution was passed by the Members of the Co-operative to revise the Articles by deleting all text in Section 7, thereby removing all restrictions on the business of CED Co-op.

At this same meeting, the Members also passed a resolution placing the following restrictions on the business of the Co-operative in the By-Laws, rather than the Articles:

> ***"2.6 RESTRICTIONS ON THE BUSINESS OF THE CO-OPERATIVE***
>
> *The Co-operative is engaged in generating energy from solar and other renewable resources; in supporting improvements in energy conservation and efficiency; and enabling the transition from greenhouse gas and pollution emitting energy sources as part of sustainable development. As such, the business of the Co-operative is restricted to:*
>
> *a) Generating, transmitting and/or distributing electricity produced from one or more sources that are renewable resources;*
>
> *b) Generating and transferring thermal energy for heating and/or cooling from one or more sources that are renewable resources such as solar, air-exchange, geo-exchange and geothermal systems;*
>
> *c) Production and distribution of fuels, such as bio-fuels or hydrogen, created from one or more sources that are renewable resources;*
>
> *d) Storage and re-transmission of thermal or electrical energy using batteries or other energy storage systems and mechanisms;*
>
> *e) Energy efficiency projects or facilities that substantially reduce energy consumption;*
>
> *f) Fuel switching projects that substantially convert energy consumption from non-renewable to renewable sources;*
>
> *g) Electrical vehicle charging systems and hydrogen-based vehicle refilling stations;*
>
> *h) Electric vehicles or hydrogen-based vehicles for commercial fleet, transportation or delivery uses;*
>
> *i) Research, experimentation and development of clean technologies or development of systems and practices that support or improve clean technologies; and*
>
> *j) Engaging in advocacy, marketing, construction, ownership, operation, sales and financing activities that directly support and enable projects in the areas outlined above.*
>
> ***2.7 BUSINESS WITH MEMBERS***
>
> *The Co-operative will seek to transact business directly with Members, however, the Co-operative sets no minimum percentage threshold for an amount of business required to be conducted with members. For clarity, the amount of business conducted with Non-Members may be up to 100%."*

By including the language above in the By-Laws, requiring no specific minimum amount of business to be conducted with Members, this has enabled CED Co-op to remain compliant with the Co-op Act and Co-op Regulations while removing all restrictions on business from the articles. The removal of these restrictions means that CED Co-op is no longer classified as a Renewable Energy Co-operative, now simply a 'regular' co-operative. Further to compliance with the Co-op Act and Co-op Regulations, these changes do not contravene any of the rules or requirements of the FIT Program and are compliant with all of the FIT Contracts held by CED Co-op.

Without the implementation of these changes, it was uncertain as to whether there were any immediate business opportunities or business models within which CED Co-op could engage. These changes add certainty to the types of projects and business models that are allowable for CED Co-op. Among these expanded opportunities is the ability to develop business models that give rise to being able to conduct business directly with members.

While there was no requirement for CED Co-op to follow up the removal of restrictions in the Articles with the placement of restrictions in the By-Laws, CED Co-op chose to do so to help define the mission of the Co-operative and provide guidance to the decision makers regarding the goals of CED Co-op.

As a result of these changes in legislation, and the changes in the Articles and By-Laws of CED Co-op, **it is anticipated that the Co-operative can and will be able to exist in perpetuity, no longer limited to only participating in, or operating under, any specific governmental programs.**

3.3 VISION, MISSION AND VALUES

With the expansion of the business lines and business models now available to CED Co-op, minor revisions have been made to the Vision and Mission of the organization, now reading as follows:

Vision

To provide superior returns on investments in renewable energy and sustainable development projects through effective partnerships between community and industry.

Mission

To make a positive impact on the energy industry and sustainable technologies in Ontario and beyond, providing stakeholder education, clean energy, and community participation.

Values

CED Co-op draws its values from two complementary frameworks: the seven internationally recognized Co-operative Principles, and the principles of socially responsible investment, with project selection and operations aligned with the United Nations Sustainable Development Goals (UN SDGs). Together, these frameworks uniquely align investor returns with community benefit and environmental outcomes, a combination that distinguishes the co-operative model as a powerful vehicle for the clean energy transition. CED Co-op's activities are directly relevant to several UN SDGs, including SDG 7 (Affordable and Clean Energy), SDG 11 (Sustainable Cities and Communities), SDG 13 (Climate Action), and SDG 17 (Partnerships for the Goals).

As a co-operative, CED Co-op is guided by the 7 Co-operative Principles.

- Voluntary and Open Membership
- Democratic Member Control
- Member Economic Participation
- Autonomy and Independence
- Education, Training, Information
- Co-operation Among Co-operatives
- Concern for Community

As a developer of clean energy and sustainable projects, CED Co-op is guided by the principles of socially responsible investment.

- Community Investment
- Environmental Stewardship
- Social Justice
- Transparency in Corporate Governance
- Sustainable Business Planning

3.4 MEMBERSHIP REQUIREMENTS AND SURPLUS

CED Co-op continues to qualify, notwithstanding the change to no longer be classified as a Renewable Energy Co-operative, as a Community Investment Member under the rules of the FIT Program. Though the Co-op Act does allow individuals, corporations, co-operatives, and other entities to become members in a co-operative, the FIT Rules require that Community Investment Member co-operatives only allow members who are natural persons who ordinarily reside in Ontario.

As of December 31, 2025, CED Co-op has 854 Members, all of whom meet these criteria.

3.4.1. Membership Requirements

In compliance with the FIT Rules and the Co-op Act, Membership Shares of CED Co-op can only be purchased by natural persons who are at a minimum age of 16 years old. Any individuals who meet the criteria outlined above and who also support the values of CED Co-op are eligible to apply for membership and purchase a single Membership Share at a par value of $10. A member may purchase a maximum of one Membership Share. Because this represents a purchase of a Security, CED Co-op will need to maintain information about Members for tax and reporting purposes, including, but not limited to, Social Insurance Numbers.

To sustain qualification as a Community Investment Member, CED Co-op needs to maintain a minimum of 50 Members of the Co-operative who are landowners in each region in which the Co-operative has Community Participation Projects. These landowners must have continuously owned property for a period of two years prior to the Application date or other qualifying date. An individual who does not own property, or has not owned property for two years, can still become a Member of the Co-operative, but would not immediately count towards maintaining Community Investment Member status.

For the purposes of maintaining 50 landowner Members within a region, the FIT Rules allow for the area to be defined as the upper tier municipality, if there are two tiers, or the municipality itself if it is a single tier. The following are the regions in which CED Co-op currently qualifies as a Community Investment Member and currently intends to continue to qualify:

Upper or Single Tier	Lower Tiers, if applicable	Qualifying Landowner Members of CED Co-op as at Dec. 31, 2025
City of Guelph	n/a	**65**
Greater Sudbury Area	n/a	**68**
Regional Municipality of Waterloo	City of Cambridge, City of Kitchener, City of Waterloo, Township of North Dumfries, Township of Wellesley, Township of Wilmot, Township of Woolwich	**303**
Wellington County	Township of Centre Wellington, Town of Erin, Township of Guelph/Eramosa, Township of Mapleton, Town of Minto, Township of Puslinch, Township of Wellington North	**64**

If CED Co-op loses its status as a Community Investment Member due to the number of qualifying Members dropping below 50 for a region, in accordance with the FIT Rules, the Co-operative is given a 6-month cure period to bring qualifying membership levels back above 50 for the region or to sell the Co-operative's interest in the Projects in that region to another qualifying Community Investment Member. If the Co-operative is not able to do so, then FIT Contracts which rely on Community Investment Member status are at risk of cancellation. This is a Risk Factor identified in Section 5: Risk Factors – Community Investment Members Status.

3.4.2. Acceptance

All memberships must be approved by the Board of CED Co-op. If the membership application is not approved by the Board, any payment received with the application will be returned or refunded, without interest, to the applicant.

3.4.3. Rights of Membership

All Members are entitled to participate in guiding the operations of CED Co-op through attending and voting at meetings of Members. Each Member shall be entitled to one vote, regardless of the quantity or amount of any other Securities of CED Co-op held by the Member.

A Member in good standing is also eligible to stand for any elected office in CED Co-op. To remain in good standing, a Member must abide by the By-Laws of CED Co-op and any other policies CED Co-op may establish from time to time pursuant to the By-Laws.

3.4.4. Obligations of Membership

A Member is not required to attend meetings, vote, or make any further purchase from or investments in CED Co-op. The Co-operative will need to maintain property ownership records for Members as it relates to maintaining Community Investment Member status. CED Co-op will be encouraging Members to promptly supply changes of address and changes in property ownership status.

3.4.5. Rights of Non-Members

Because of the restriction the FIT Rules place on membership, CED Co-op will allow Non-Members to purchase Securities other than Membership Shares. Non-Members must first receive approval from the Board before purchasing any Securities. Non-Members are not eligible to vote on matters of CED Co-op at meetings of Members, unless there are decisions being made that affect a Class of Shares or Bonds Series that are held by the Non-Member.

3.4.6. Transfer of Membership

Membership in CED Co-op shall not be transferable unless authorized by the Board. This restriction on the liquidity of Membership Shares is identified as a Risk Factor in Section 5: Risk Factors – Financial - Market for Securities.

3.4.7. Termination of Membership

Membership in CED Co-op shall terminate upon the withdrawal of the Member from the Co-operative, on the expulsion of the Member from the Co-operative, on the death of the Member, or by a resolution passed by the Board pursuant to the procedures outlined in the Co-op Act. However, the Co-op Act prohibits the redemption of the Shares of the Co-operative if CED Co-op is or would be, as a result of such redemption, insolvent or if such repurchase would, in the opinion of the Board, be detrimental to the financial stability of CED Co-op. If the withdrawal of a Membership puts at risk the qualification of CED Co-op as a Community Investment Member, the Board may choose to not redeem Membership Shares in certain circumstances of Membership withdrawal. This restriction on the liquidity of Membership Shares is identified as a Risk Factor in Section 5: Risk Factors – Financial - No Sinking Fund or Reserve. Should the Board approve the termination of a Membership, this is subject to a $10 administration fee.

3.5 SURPLUS AND DISTRIBUTION

3.5.1. Distribution and Patronage

In removing the restrictions of being a Renewable Energy Co-operative, CED Co-op is able to begin conducting business with members, as outlined in Section 3.6.6. In conducting and measuring the amount of business conducted with individual members, CED Co-op is able to begin distributing according to patronage. The distribution of Surplus by the Co-operative is outlined in greater detail in Section 3.5.2 below.

3.5.2. Surplus and Distributions

The ability of CED Co-op to make distributions is dependent upon the surplus earned from operations after paying expenses including, but not limited to, insurance, maintenance, lease payments, administration, and debt financing. For clarity, any interest or principal payments due to Bondholders in order to redeem the Bonds of CED Co-op would be paid ahead of the calculation of any Surplus.

The Board, after paying expenses and making proper allowance for depreciation, shall apportion the Surplus arising from the yearly business of the Co-operative in any or all of the following ways:

(a) by setting aside reserves in such amounts as the Board deems advisable for such purpose or purposes that are deemed to be conducive to the interests of the Co-operative or its Members, which sum may

be invested, dealt with and disposed of for the benefit of the Co-operative as the Board determines from time to time;

(b) before any distribution of the Surplus remaining after allocation to the reserve fund outlined in paragraph (a) above, for the payment of dividends on the Shares of the Co-operative; and

(c) subject to the Co-op Act and paragraphs (a) and (b) above, by paying in cash to Members the balance of the Surplus or such portion thereof as may be determined by the Board from time to time, in proportion to the patronage of each member.

3.6 INDUSTRY, OPERATIONS AND BUSINESS MODELS

While CED Co-op has expanded its allowable business lines, the Co-operative remains focused on renewable energy, energy efficiency and the industries and business models that support and enable projects in these areas.

3.6.1. Industry - Renewable Energy and Sustainable Development

Renewable Energy is generally defined as energy that comes from resources which are naturally replenished on a human timescale such as sunlight, wind, rain, tides, waves, biomass, biogas, and geothermal heat. Renewable Energy replaces conventional fuels in three main areas: electricity generation, heat generation or air/geo-exchange (thermal heating and cooling) and combustible fuels.

Sustainable development is well defined by the 17 development goals in the 2030 Agenda for Sustainable Development as put forward by the United Nations. This agenda is a plan of action for people, planet, and prosperity. The specific goals towards which CED Co-op seeks to make an impact are as follows:

Primary Objective:

Goal 7 – Ensure access to affordable, reliable, sustainable, and modern energy for all – CED Co-op intends to contribute to cost effective and reliable renewable energy generation.

Secondary Objectives:

Goal 9 – Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation – CED Co-op intends to contribute to resiliency through distributed energy generation, and distributed energy resources.

Goal 11 - Make cities and human settlements inclusive, safe, resilient, and sustainable – CED Co-op intends to contribute to reductions in air pollution through clean energy generation, energy conservation projects, development of energy efficient facilities, and enabling electrification of transportation.

Goal 12 - Ensure sustainable consumption and production patterns – CED Co-op intends to contribute to energy efficiency, reductions in energy consumption, and reducing waste in the development of projects.

In 2005, the Ontario Medical Association estimated the cost of pollution to the Ontario economy at $16 billion annually. Prior to shutting down coal fired electricity generation in Ontario, in 2003 the province recorded 53 smog days. Through the efforts and accomplishments of the Green Energy and Green Economy Act and the results of the FIT Program, the last coal fired electricity generating plant in Ontario was shut down in 2014. From 2015 onward, there have been only 4 days with smog and air health advisories in total, the last of which occurred in 2019, with none in the 4 years ended 2023. The province has since stopped publishing this data, outlining the trends from 2013 through 2022; concentrations have decreased by 28% for nitrogen dioxide, by 18% for fine particulate matter concentrations, and by 48% for sulphur dioxide concentrations on average across the province. This demonstrates that electricity production in Ontario has been largely transitioned to non-emitting sources.

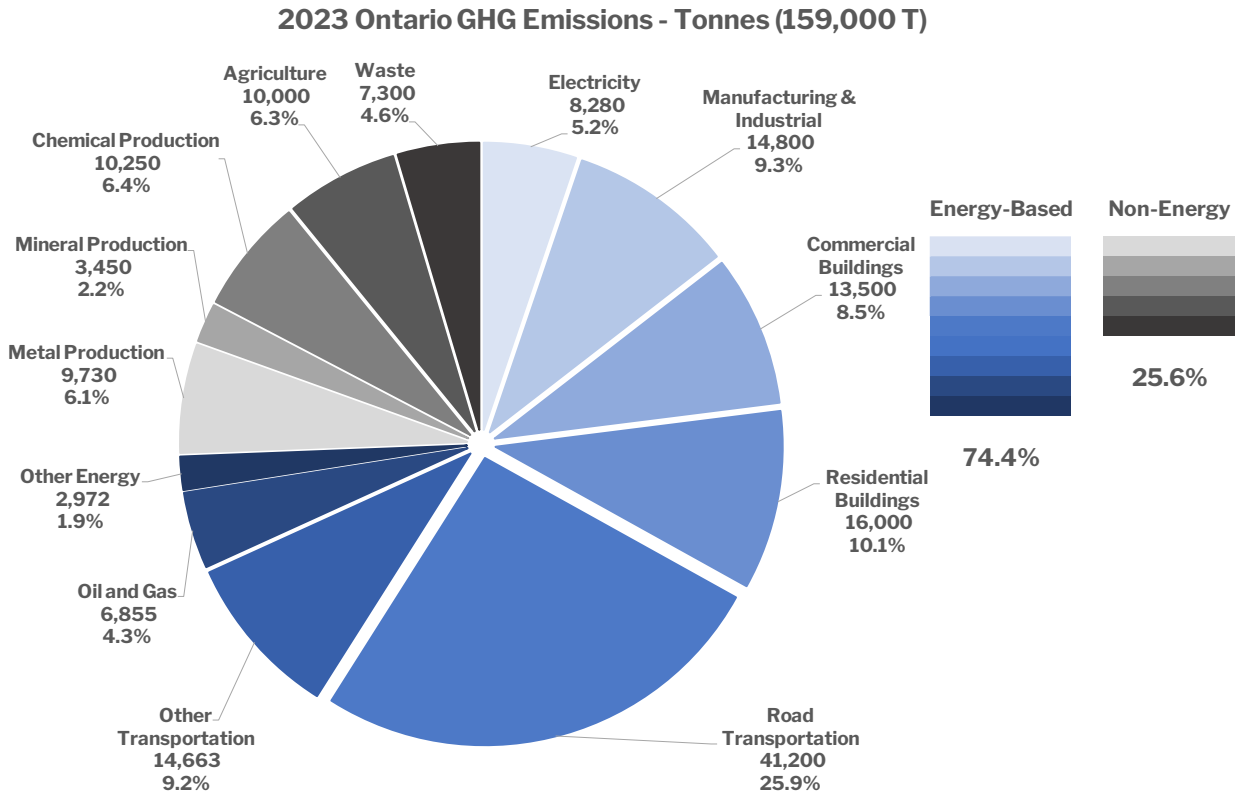
However, the IESO's 2025 Annual Planning Outlook (APO), published in April 2025, projects that electricity demand in Ontario is forecast to rise at rates significantly higher than previously anticipated. From the peak of energy usage in Ontario in 2005 (157 TWh), overall electricity usage reached its lowest point in 2020 (133 TWh), which was 15% lower while the population had increased 18%. Embedded generation, largely from solar

projects, is not included in the overall energy demand numbers; on a more comparable basis, net-level demand was approximately 140 TWh, and with energy exports, transmission-connected generation was 147 TWh.

The 2025 APO forecasts system-level net annual energy demand to grow 75%, from 151 TWh in 2025 to 262 TWh by 2050, a compound annual growth rate of 2.2%. This is a substantially higher growth projection than the 60% forecast published in the 2024 APO. The key drivers of this growth include electric vehicle production and supply chain expansion, strong demand from data centres powering artificial intelligence, electrification across the broader economy, and higher population growth and household formation. Ontario is expected to become a dual-peaking system, where summer and winter seasonal system peaks reach similar magnitudes, by 2030, primarily due to growing greenhouse lighting and electric vehicle charging.

With this growth, the IESO identifies that significant energy demand will emerge in the middle and latter part of this decade that cannot be satisfied with existing resources alone. The IESO forecasts that natural gas generating stations will materially increase their running time in the near term. Whereas in 2017, fossil fuel sources made up only 4.1% of Ontario's energy generation, in 2025 fossil fuel-based generation made up 19.8% of generation, nearly five times the 2017 level. Further, in 2017 fossil gas-based generating plants were generating 60.3% of the time, while in 2025 they were generating 98.1% of the time. Without sustained investment in new non-emitting supply, emissions from Ontario's energy generation are projected to increase materially. CED Co-op will continue to work towards ensuring that as much of the needed generating capacity as possible comes from renewable sources rather than from increased reliance on natural gas.

Expanding beyond electricity generation, CED Co-op is now exploring other means of reducing carbon and GHG emissions. The following shows the breakdown of sources of emissions in Ontario:



As noted above, the electricity sector in Ontario represented 5.2% of emissions in 2023 (up from 1.6% in 2017), with the biggest areas of potential impact being in transportation, manufacturing & industry, and buildings. In addition to renewable energy generation projects, CED Co-op will also be seeking out projects that reduce energy consumption and reduce carbon and GHG emissions in the transportation sector, in industry operations and in the operations of buildings.

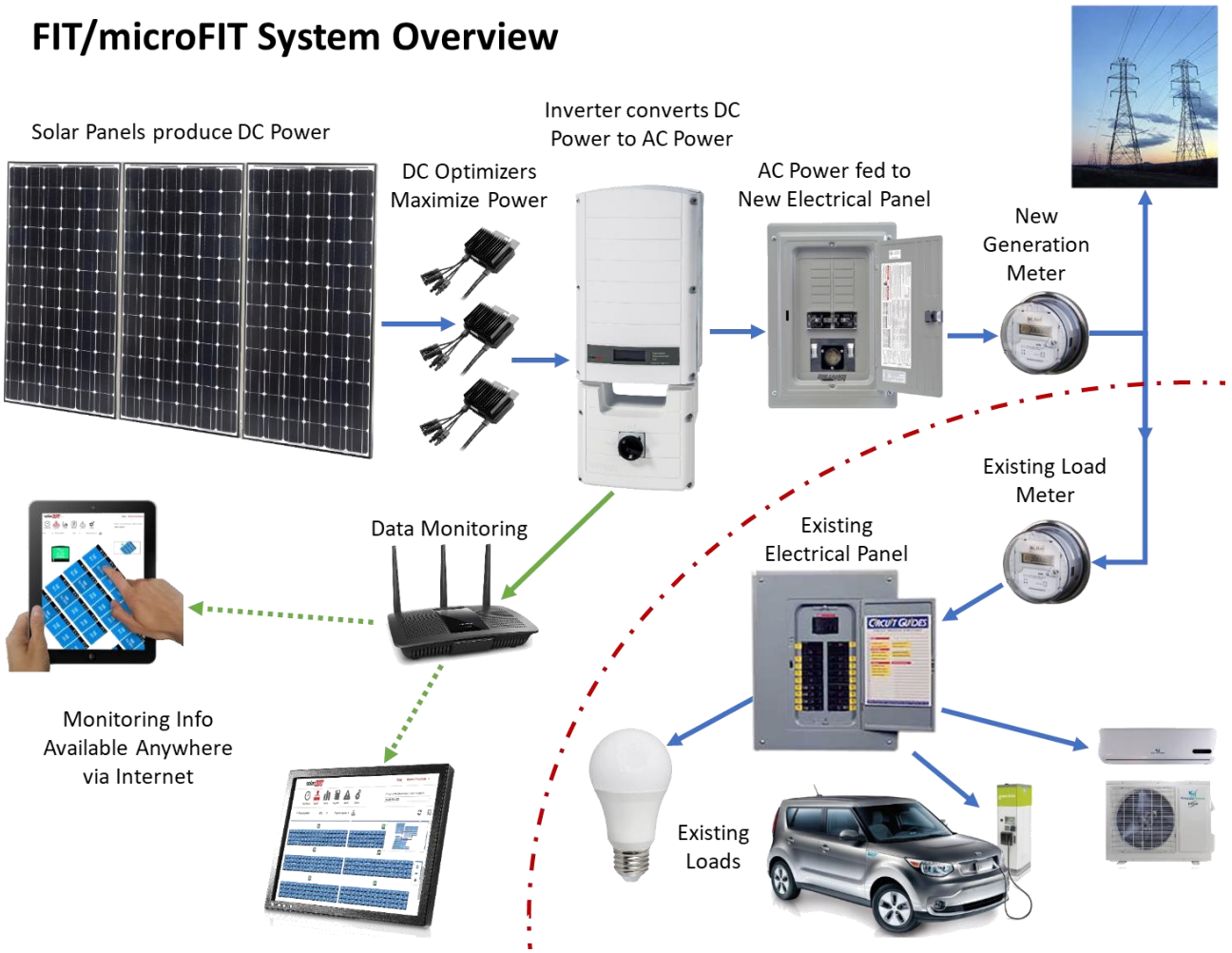
3.6.2. Co-operative Operations

CED Co-op operates on "co-operative basis" by:

a) providing each Member with only one vote
b) not allowing voting by proxy;
c) operating the enterprise as nearly as possible to cost after providing for reasonable reserves;
d) selling Securities to Members (and upon receipt of the Offering Statement, also to Non-Members);
e) investing the proceeds in the development, ownership, operation, and financing of a portfolio of renewable energy generating projects, energy efficiency projects, and other sustainable development initiatives, as authorized by the Co-operative's bylaws;
f) retaining only Members as Directors of the Co-operative;
g) via the Board, engaging Members in the operations of the organization as well as the technical operations of the projects;
h) maintaining continuous and direct reporting to all members regarding performance of all projects via the website of CED Co-op as well as annual reports; and
i) distributing the Surplus arising from the business of CED Co-op as detailed in Section 3.5.2, including the potential for patronage distributions.

3.6.3. Business Models – FIT and microFIT Contracts

A general schematic of how a FIT or microFIT project is constructed and operates is as follows:



- A FIT/microFIT solar installation is constructed and connected to a new electrical panel, behind a new electrical (generation) meter from the grid standpoint.
- The solar installation produces power, and all of the power is sent out through the new generation meter at which point it hits the grid.

- The FIT/microFIT contract holder gets paid for all the energy produced by the system.
- Like water in a pipe, a lot of the green electricity from the FIT/microFIT system will flow into the existing building through the existing load meter and used onsite.
- The bill for the usage onsite remains unchanged, paying for the power that is consumed onsite.
- If there is not enough load behind the existing load meter to use all of the energy generated by the solar installation, it is instead sent up the street to be used by the neighbours.

From the point of incorporation through to the end of 2018, CED Co-op was focused on developing or acquiring Renewable Energy Projects under the FIT Program. CED Co-op continues to operate these projects, selling electricity to the Grid under FIT Contracts. As of December 31, 2025, CED Co-op is an owner or a partner in 29 operational FIT Projects, as well as the sole owner of a portfolio of 86 microFIT projects.

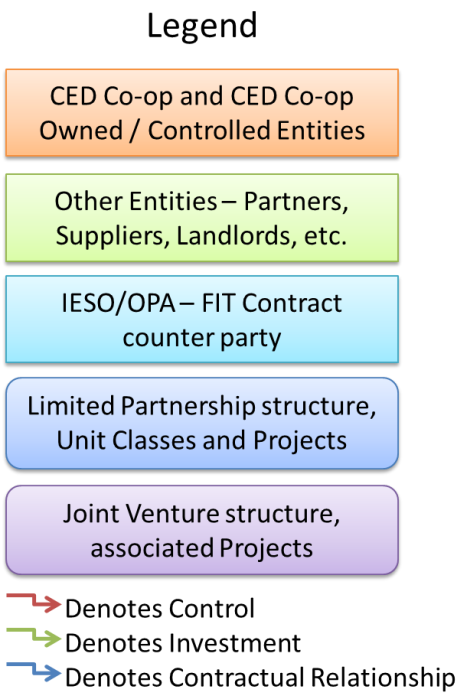
Risks

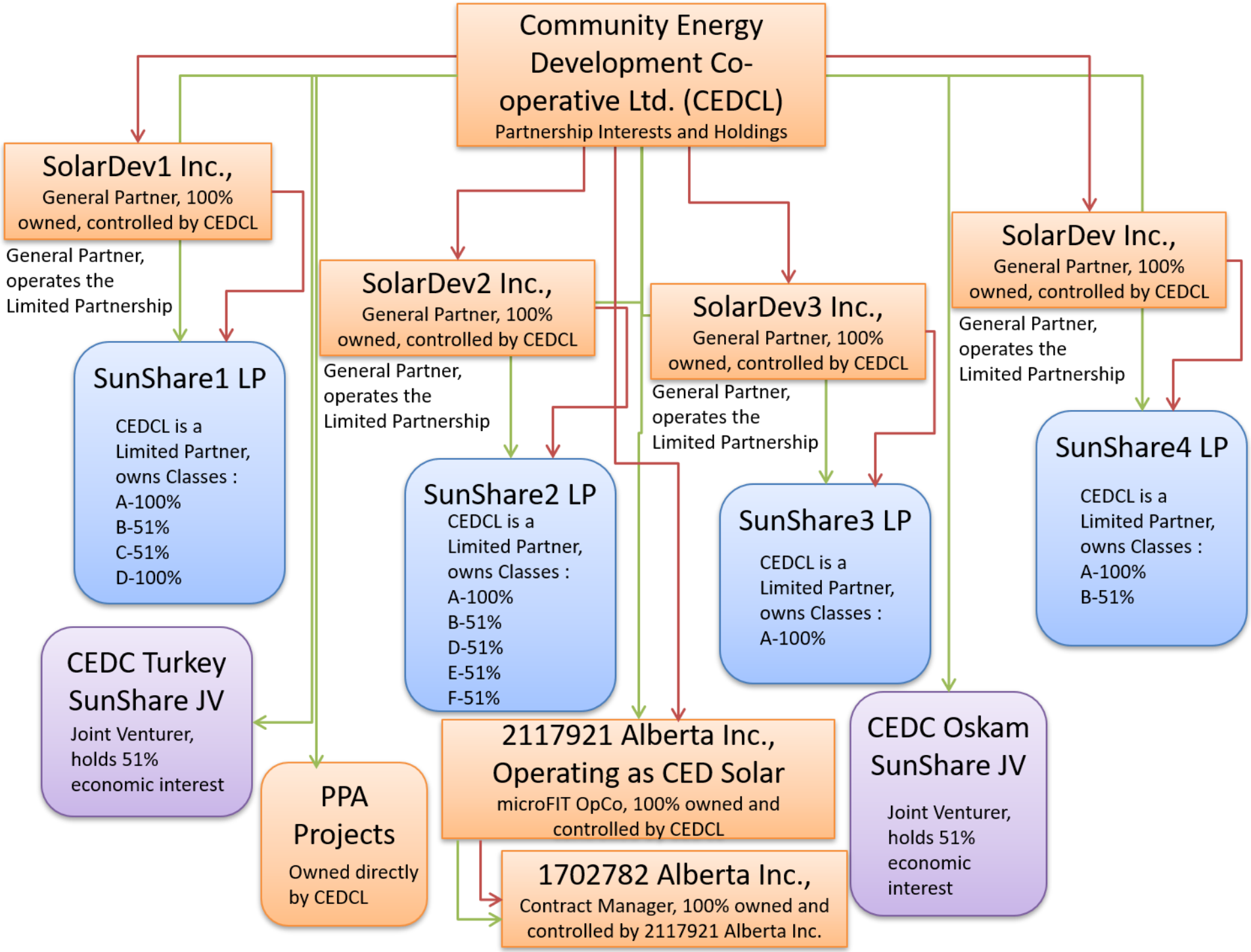
Though no more projects of this type are anticipated to be developed going forward, there remain a number of risks associated with this general operating structure, including, but not limited to the following. Each of these is described in detail in Section 5: Risk Factors.

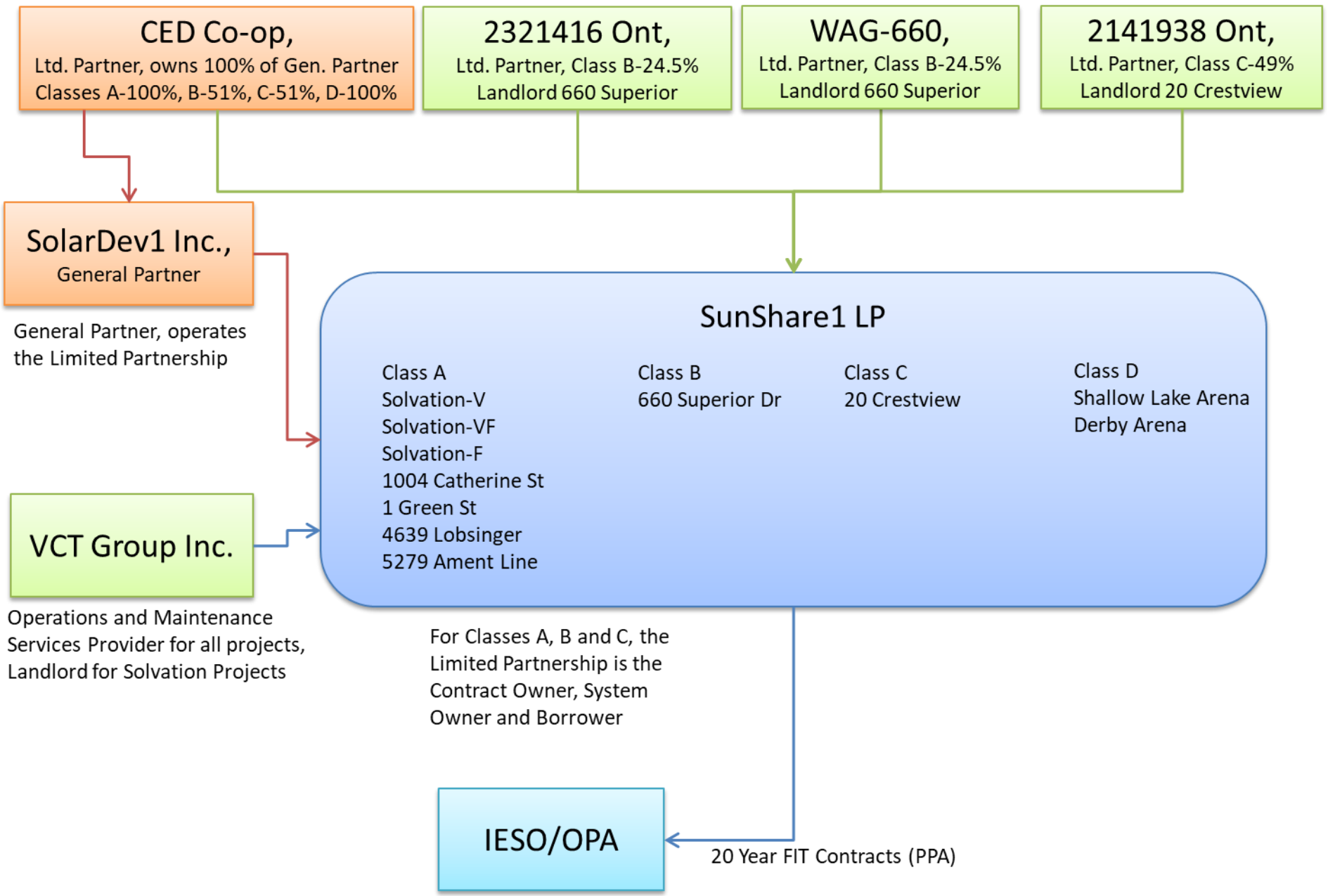
- Business Prospects – No Guarantee of Projects
- Business Prospects – Performance of Third Parties
- FIT Contracts – Community Investment Member Status
- FIT Contracts – Contract Risk
- FIT Contracts – Domestic Content
- FIT Contracts – Government and Regulatory
- System/ Facility – Equipment Failures
- System/ Facility – Lease Agreements
- System/ Facility – Roof, Project Area, or Parking Lot Issues
- System/ Facility – Structural Damage Upon Installation
- System/ Facility – Weather Variations and Snow Cover

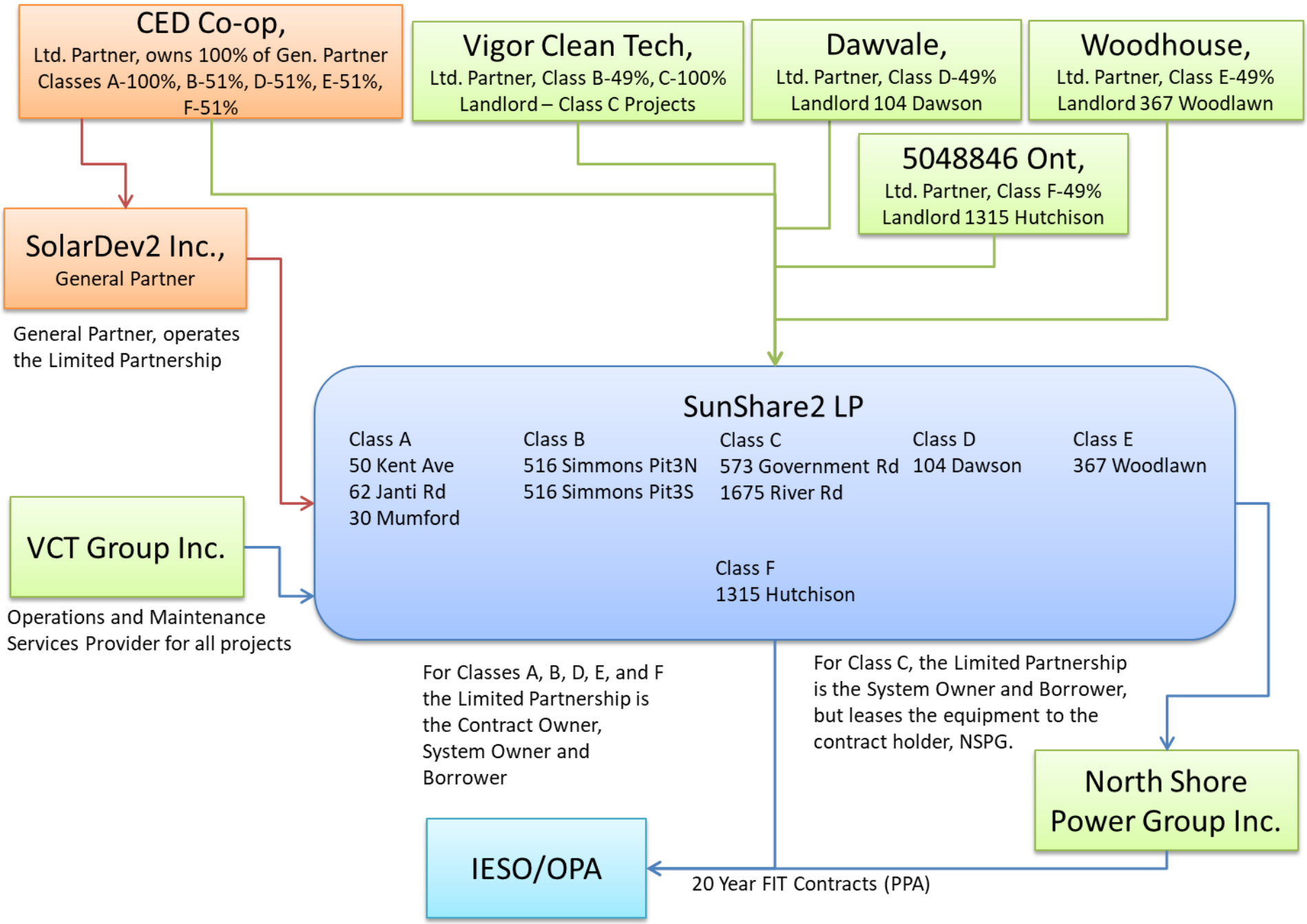
See Section 4.3: FIT Program for further details of the FIT Program, cancellation of contracts and the repeal of the Green Energy and Green Economy Act.

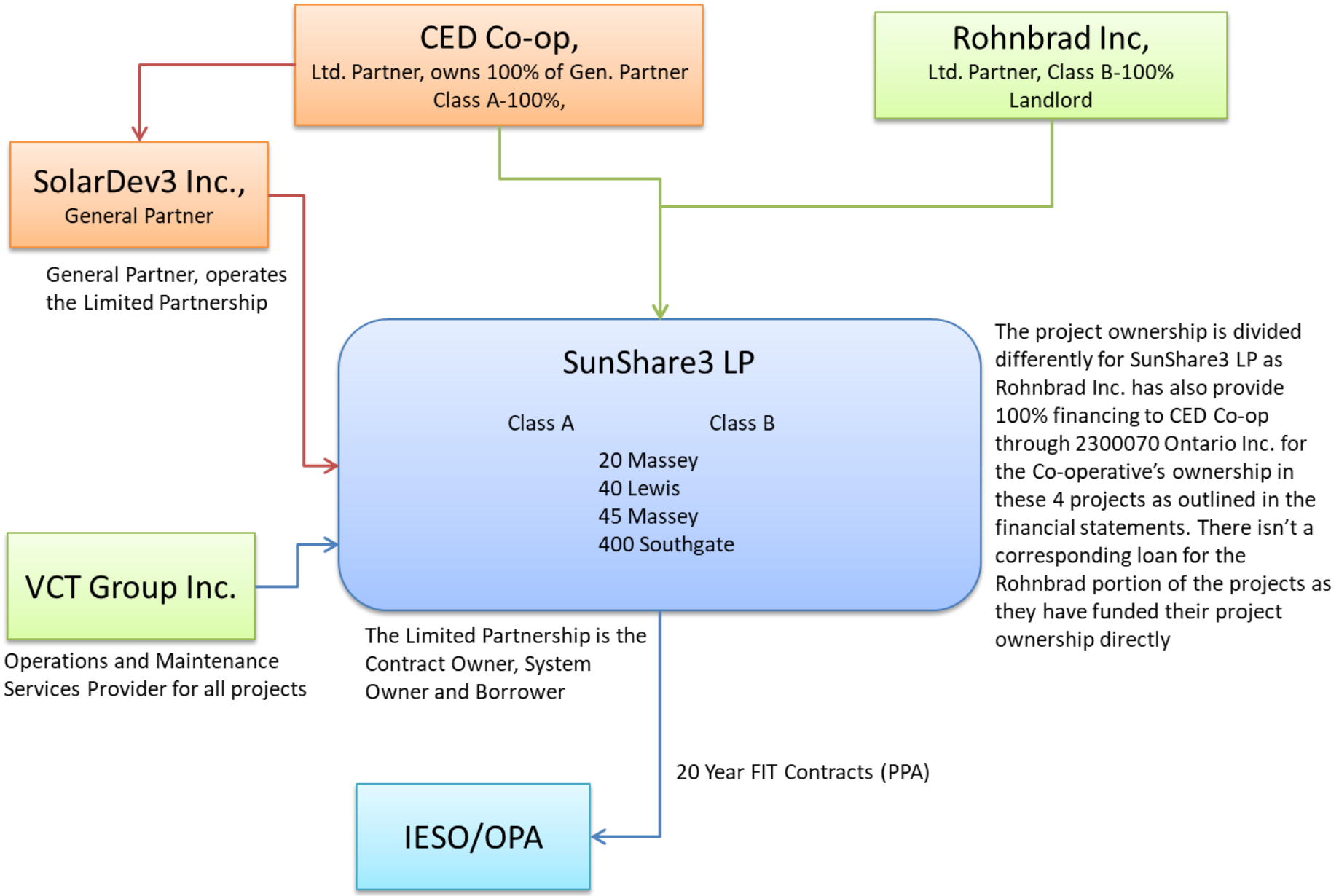
The development of the portfolio of projects has resulted in a number of legal and ownership structures including JVs, LPs, and OpCos. The organization and ownership structure for the projects that have been developed or acquired and operate in the FIT/microFIT business model is shown in the following diagrams:



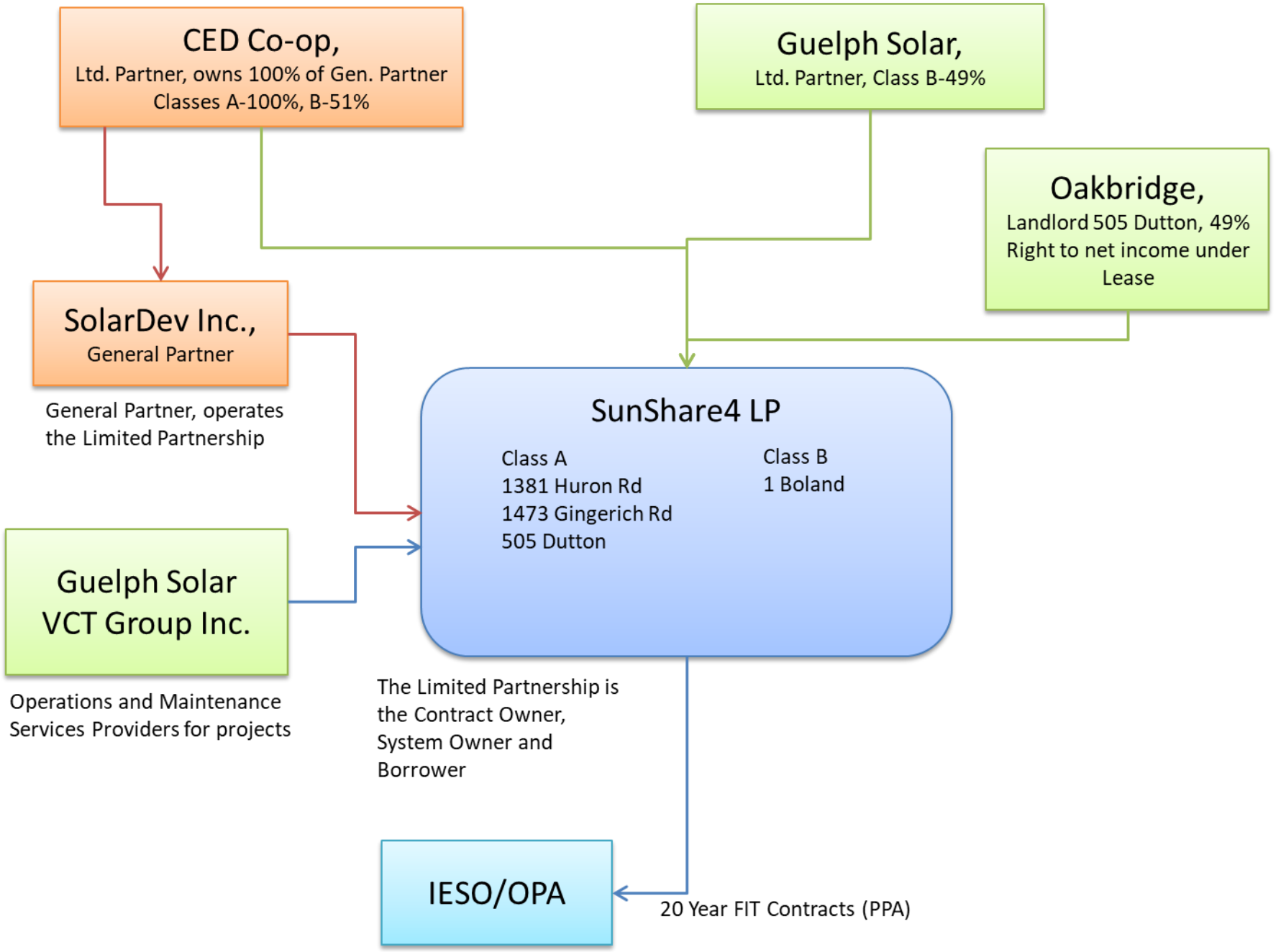

Community Energy Development Co-operative Ltd. (CEDCL)
Partnership Interests and Holdings
SolarDev1 Inc.,
General Partner, 100% owned, controlled by CEDCL
General Partner, operates the Limited Partnership
SolarDev2 Inc.,
General Partner, 100% owned, controlled by CEDCL
General Partner, operates the Limited Partnership
SolarDev3 Inc.,
General Partner, 100% owned, controlled by CEDCL
General Partner, operates the Limited Partnership
SolarDev Inc.,
General Partner, 100% owned, controlled by CEDCL
General Partner, operates the Limited Partnership
SunShare1 LP
CEDCL is a Limited Partner, owns Classes :
A-100%
B-51%
C-51%
D-100%
SunShare2 LP
CEDCL is a Limited Partner, owns Classes :
A-100%
B-51%
D-51%
E-51%
F-51%
SunShare3 LP
CEDCL is a Limited Partner, owns Classes :
A-100%
SunShare4 LP
CEDCL is a Limited Partner, owns Classes :
A-100%
B-51%
CEDC Turkey SunShare JV
Joint Venturer, holds 51% economic interest
PPA Projects
Owned directly by CEDCL
2117921 Alberta Inc., Operating as CED Solar
microFIT OpCo, 100% owned and controlled by CEDCL
1702782 Alberta Inc.,
Contract Manager, 100% owned and controlled by 2117921 Alberta Inc.
CEDC Oskam SunShare JV
Joint Venturer, holds 51% economic interest

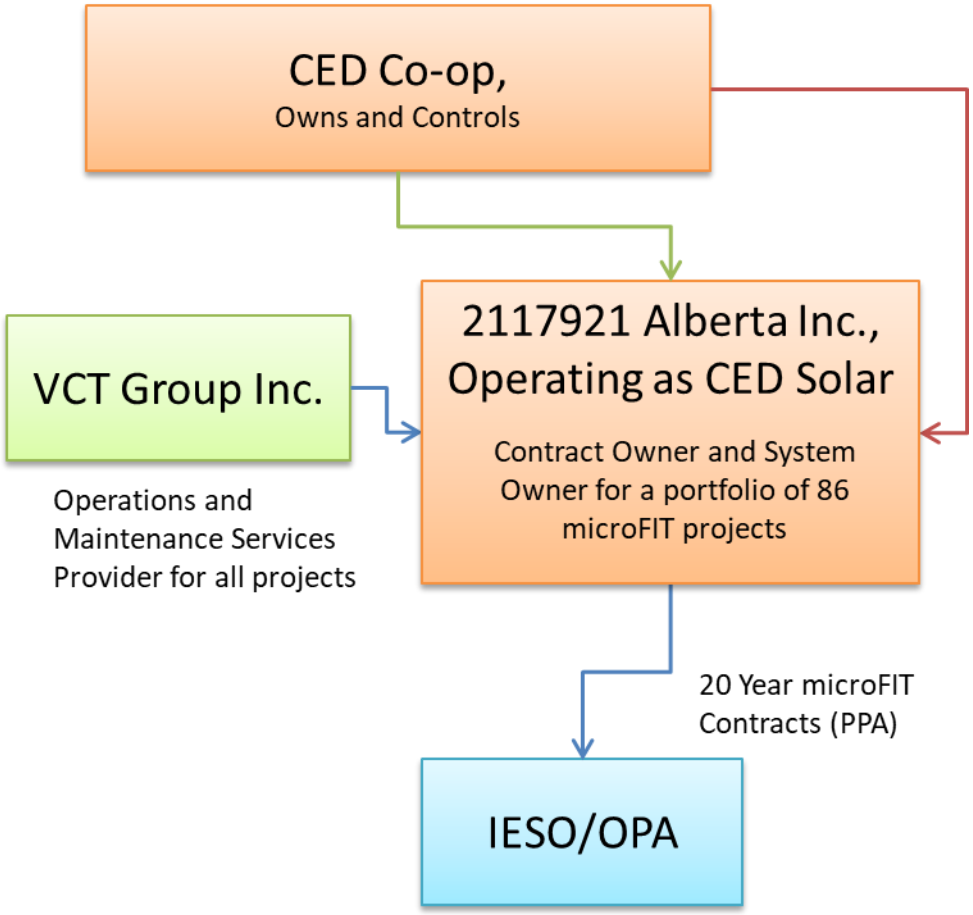

CED Co-op,
Ltd. Partner, owns 100% of Gen. Partner
Classes A-100%, B-51%, C-51%, D-100%
2321416 Ont,
Ltd. Partner, Class B-24.5%
Landlord 660 Superior
WAG-660,
Ltd. Partner, Class B-24.5%
Landlord 660 Superior
2141938 Ont,
Ltd. Partner, Class C-49%
Landlord 20 Crestview
SolarDev1 Inc.,
General Partner
General Partner, operates the Limited Partnership
SunShare1 LP
Class A
Solvation-V
Solvation-VF
Solvation-F
1004 Catherine St
1 Green St
4639 Lobsinger
5279 Ament Line
Class B
660 Superior Dr
Class C
20 Crestview
Class D
Shallow Lake Arena
Derby Arena
VCT Group Inc.
Operations and Maintenance Services Provider for all projects, Landlord for Solvation Projects
For Classes A, B and C, the Limited Partnership is the Contract Owner, System Owner and Borrower
IESO/OPA
20 Year FIT Contracts (PPA)

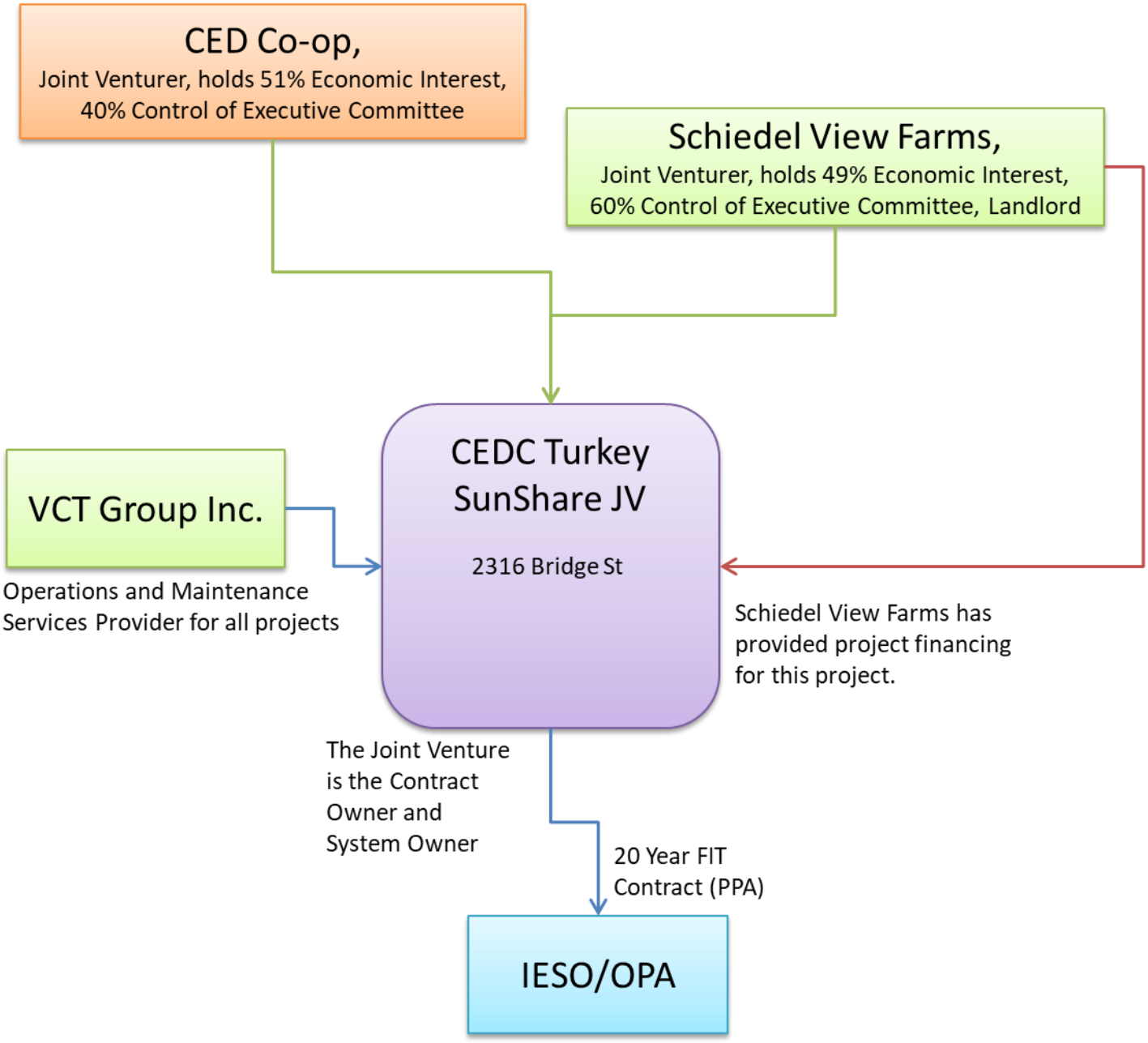

CED Co-op,
Ltd. Partner, owns 100% of Gen. Partner
Classes A-100%, B-51%, D-51%, E-51%, F-51%
Vigor Clean Tech,
Ltd. Partner, Class B-49%, C-100%
Landlord – Class C Projects
Dawvale,
Ltd. Partner, Class D-49%
Landlord 104 Dawson
Woodhouse,
Ltd. Partner, Class E-49%
Landlord 367 Woodlawn
5048846 Ont,
Ltd. Partner, Class F-49%
Landlord 1315 Hutchison
SolarDev2 Inc.,
General Partner
General Partner, operates the Limited Partnership
SunShare2 LP
Class A
50 Kent Ave
62 Janti Rd
30 Mumford
Class B
516 Simmons Pit3N
516 Simmons Pit3S
Class C
573 Government Rd
1675 River Rd
Class D
104 Dawson
Class E
367 Woodlawn
Class F
1315 Hutchison
VCT Group Inc.
Operations and Maintenance Services Provider for all projects
For Classes A, B, D, E, and F the Limited Partnership is the Contract Owner, System Owner and Borrower
For Class C, the Limited Partnership is the System Owner and Borrower, but leases the equipment to the contract holder, NSPG.
North Shore Power Group Inc.
IESO/OPA
20 Year FIT Contracts (PPA)

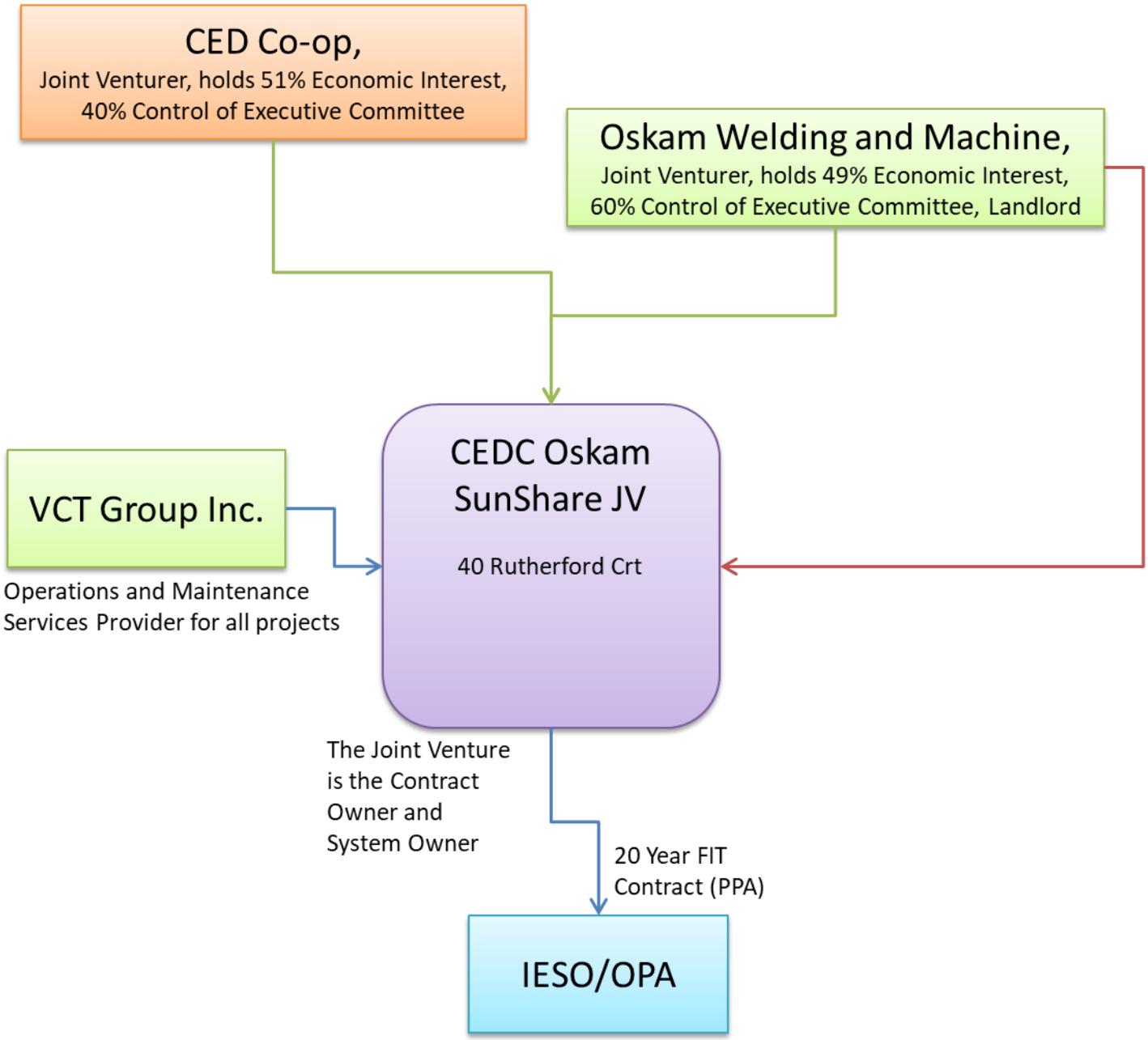


The project ownership is divided differently for SunShare3 LP as Rohnbrad Inc. has also provide 100% financing to CED Co-op through 2300070 Ontario Inc. for the Co-operative's ownership in these 4 projects as outlined in the financial statements. There isn't a corresponding loan for the Rohnbrad portion of the projects as they have funded their project ownership directly


CED Co-op,
Ltd. Partner, owns 100% of Gen. Partner
Classes A-100%, B-51%
Guelph Solar,
Ltd. Partner, Class B-49%
Oakbridge,
Landlord 505 Dutton, 49%
Right to net income under Lease
SolarDev Inc.,
General Partner
General Partner, operates the Limited Partnership
SunShare4 LP
Class A
1381 Huron Rd
1473 Gingerich Rd
505 Dutton
Class B
1 Boland
Guelph Solar VCT Group Inc.
Operations and Maintenance Services Providers for projects
The Limited Partnership is the Contract Owner, System Owner and Borrower
IESO/OPA
20 Year FIT Contracts (PPA)


CED Co-op,
Owns and Controls
VCT Group Inc.
Operations and Maintenance Services Provider for all projects
2117921 Alberta Inc., Operating as CED Solar
Contract Owner and System Owner for a portfolio of 86 microFIT projects
20 Year microFIT Contracts (PPA)
IESO/OPA

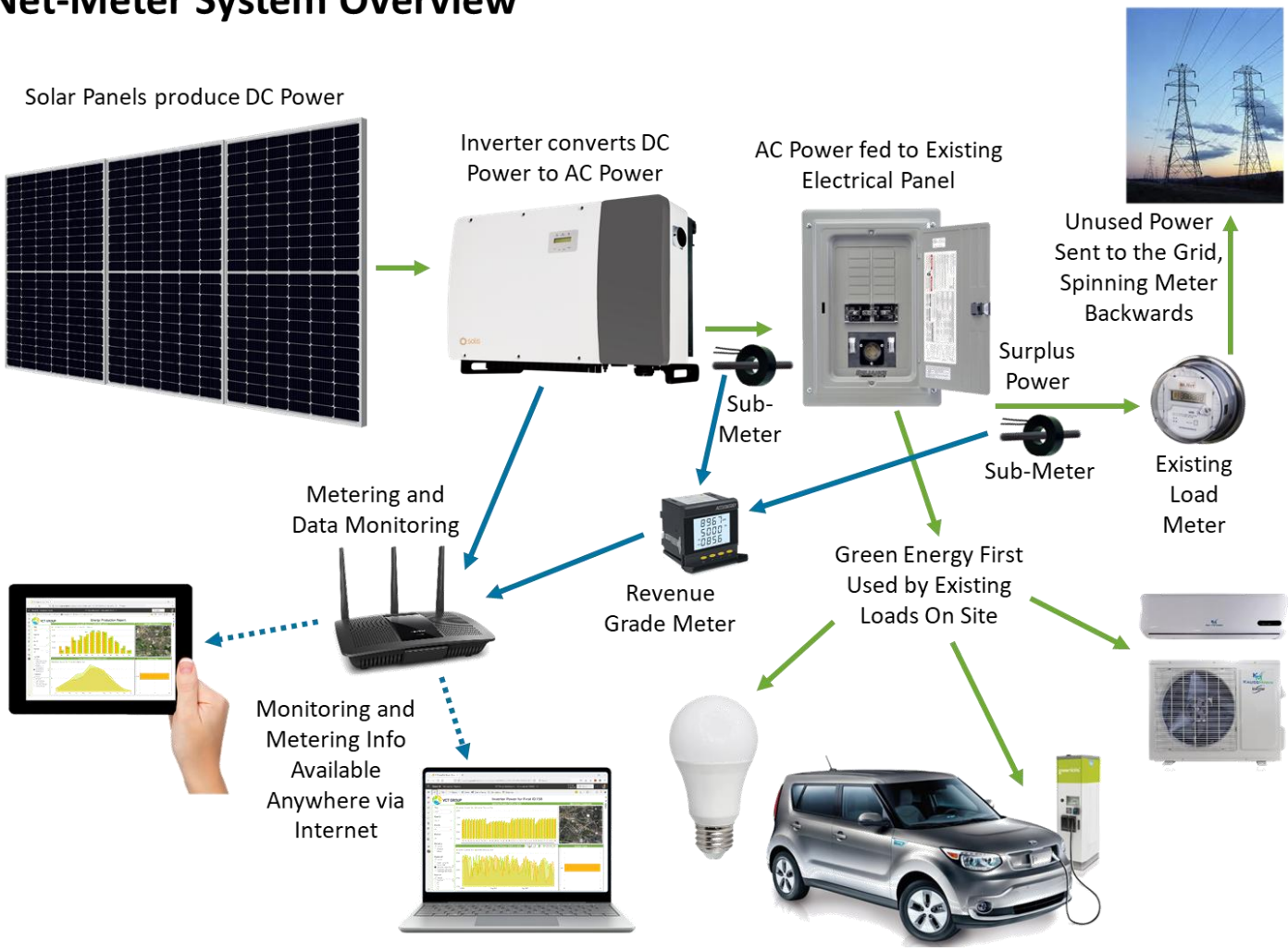

CED Co-op,
Joint Venturer, holds 51% Economic Interest, 40% Control of Executive Committee
Schiedel View Farms,
Joint Venturer, holds 49% Economic Interest, 60% Control of Executive Committee, Landlord
CEDC Turkey SunShare JV
2316 Bridge St
VCT Group Inc.
Operations and Maintenance Services Provider for all projects
Schiedel View Farms has provided project financing for this project.
The Joint Venture is the Contract Owner and System Owner
20 Year FIT Contract (PPA)
IESO/OPA


CED Co-op,
Joint Venturer, holds 51% Economic Interest, 40% Control of Executive Committee
Oskam Welding and Machine,
Joint Venturer, holds 49% Economic Interest, 60% Control of Executive Committee, Landlord
CEDC Oskam SunShare JV
40 Rutherford Crt
VCT Group Inc.
Operations and Maintenance Services Provider for all projects
The Joint Venture is the Contract Owner and System Owner
20 Year FIT Contract (PPA)
IESO/OPA

3.6.4. Business Models – Net-Metering under PPAs

The base model for ongoing solar project development in Ontario is called Net-Metering. As regulations evolve, various business structures and models based on this underlying structure are continuing to evolve.

Net-Meter System Overview



- A Net-Metering solar installation is constructed and connected to an existing electrical panel on the site, 'behind' the existing electrical meter from the grid standpoint.
- Part of this process ensures that the meter on site is a bi-directional meter.
- The solar installation produces power, and this power is first used on site by the loads within the building or on the site.
- If there is surplus energy, this electricity is exported to the grid, and the bi-directional meter spins backwards, building up credits.
- When the building is using more power than the solar installation is producing, the building brings in power from the grid, spinning the meter forward, using up credits (if they exist).
- If, at the end of the month, there has been more overall energy exported rather than imported, the result is a credit for the month on your bill. This credit is first used towards the transmission, distribution and delivery portions of the bill. If surplus credits remain, they can be carried forward and used in a subsequent month.
- Within each 12-month period, if the credits are not used up, they are zeroed out for no dollar value. For this reason, it is important to size a system in line with the amount of energy the building uses over the course of the year.
- In this structure, the Co-op would generate energy on site and sell the power to the building owner or tenant within the building under a PPA, using revenue grade sub-metering systems to measure and bill for the energy produced on site.

The rules, guidelines and procedures for these transactions with the LDC are outlined in a Net-Meter contract that is signed with the LDC. Through the recently expanded business scope of CED Co-op, various structures are enabled to support Net-Meter solar installations.

As outlined in Section 6 - Portfolio, in 2025 CED Co-op completed construction and commissioning of its first net-metering project under a PPA with Rockway Mennonite Collegiate. CED Co-op has funded, and owns, the solar installation on the roof of the school, and sells the power to the school under a PPA. Beyond this project, CED Co-op is in discussions with several other building owners regarding the potential for CED Co-op to develop a solar installation on the property and provide clean energy to those building owners and tenants. A summary of the current project development pipeline, including projects at various stages of negotiation, is provided in Section 6.2.

In order to achieve or exceed targeted returns, the Co-operative will need to continue to successfully negotiate agreements with facility occupants under a PPA which binds the facility occupant to buying all of the energy that is produced by the net-meter system. As outlined in Section 4.1.1, the federal Clean Technology Investment Tax Credit provides a refundable tax credit of up to 30% for solar projects, which is an important contributor to achieving thresholds for return on investment. The broad aspects of a power purchase agreement contract for negotiation are outlined below, however, they may vary materially from the details presented here:

Common Details

- CED Co-op to fund *[all, or a portion of, depending on site economics]* project costs, including Connection Cost Agreement with LDC,
- CED Co-op to fund all maintenance, repairs and monitoring of the solar installation,
- CED Co-op bears the risk and operations of production of the solar PV system (if the system doesn't produce energy as expected, the facility occupant simply buys more from the grid and CED Co-op earns less revenue),
- CED Co-op to maintain insurance – Property and Liability
- CED Co-op to lease project areas of property for nominal "consideration" (e.g. $2) throughout the term
- Notice of lease to be registered on title
- System ownership transfers to building owner at end of terms for nominal "consideration" (e.g. $2)
- CED Co-op to retain ownership and title to all system equipment until end of terms or buyout
- Buyout option on the anniversary date of commercial operation each year after 5 full years of operation have been completed
- Buyout schedule calculated at an NPV rate of forecast savings equating to a similar starting value as purchase price
- Term of *[TBD, pending project economics]* Years, typically 25 for rooftop, 40 for carport
- Cost of removals and replacements to facilitate roof, building or site repairs, if needed, to be funded on one occasion by CED Co-op
- Environmental attributes, renewable energy credits, and carbon offsets, allocation to be negotiated on a project-specific basis
- Power Purchase Agreement for electricity priced at a market-referenced rate, reset to the Facility occupant's actual electricity cost at five-year intervals, with prescribed escalation factors within each interval

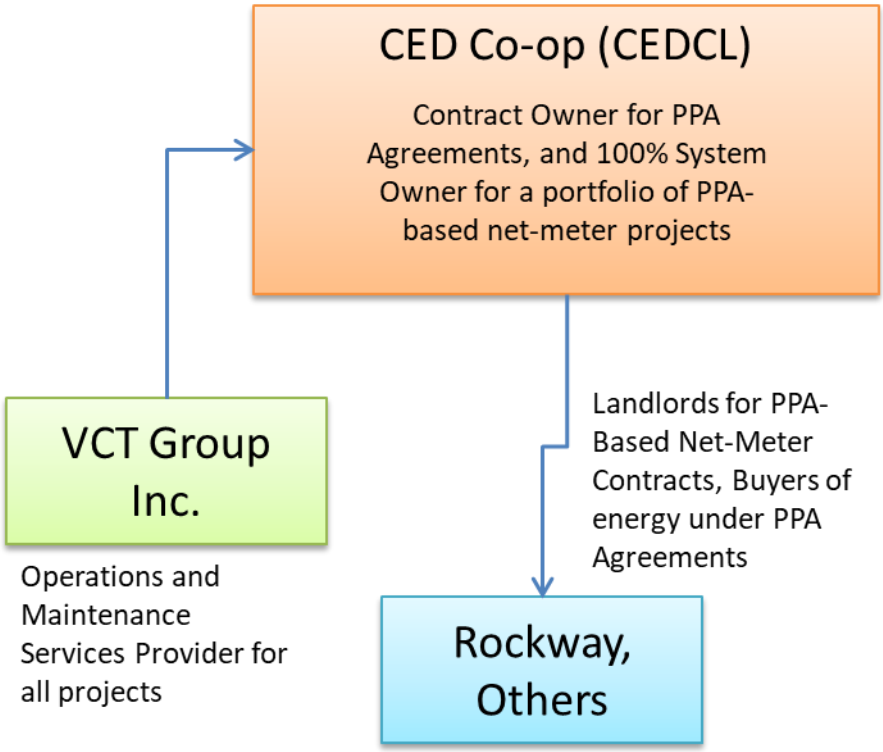
Other typical terms

- Facility occupant retains LDC account/metering and pays directly
- Facility occupant to realize demand savings
- Facility occupant to bear any costs of "stand-by charges"
- CED to retain value of any tax credits or financial incentives
- Facility occupant to realize snow-clearing savings (for solar canopies and carports)
- Facility occupant to realize benefits of parking revenues
- Facility occupant to realize savings of installation of EV Charging systems
- Facility occupant to realize revenues from EV Charging systems

Security and Financial Evaluation

- CED Co-op may seek, where feasible, to have a mortgage registration on property to the value of the system – CED Co-op cannot guarantee that it will be able to register a mortgage on the title of the property, and if it is able to, this registration may not be in priority to any or all other registrations;
- CED Co-op may seek, where feasible, to sign and register a general security agreement or lien on the facility occupant – CED Co-op cannot guarantee that it will be able to sign and register a general security agreement, and if it is able to, this registration may not be in priority to any or all other registrations;
- CED Co-op anticipates that it will seek to review, prior to entering into a contract, and periodically thereafter:
    - Title Search on the property
    - Credit bureau report on the facility occupant / counter party
    - PPSA lien registration search on facility occupant / counter party
    - Annual financial statements of the facility occupant / counter party

As of March 31, 2026, CED Co-op is an owner in 1 PPA-based Net-Metering project. The ownership structure for this project is as follows, which allows for more projects to be added in a growing portfolio:



Risks

There are a number of risks associated with this general operating structure, including, but not limited to the following. Each of these is described in detail in Section 5: Risk Factors.

- Business Prospects – No Guarantee of Projects
- Net-Meter – Electricity Market Pricing
- Net-Meter – Use of electricity produced on site
- Net-Meter – Market Structure Changes / Other Regulatory
- System/ Facility – Equipment Failures
- System/ Facility – Roof, Project Area, or Parking Lot Issues
- System/ Facility – Weather Variations and Snow Cover

3.6.5. Business Models – Enhanced Operations and Maintenance (Load Displacement)

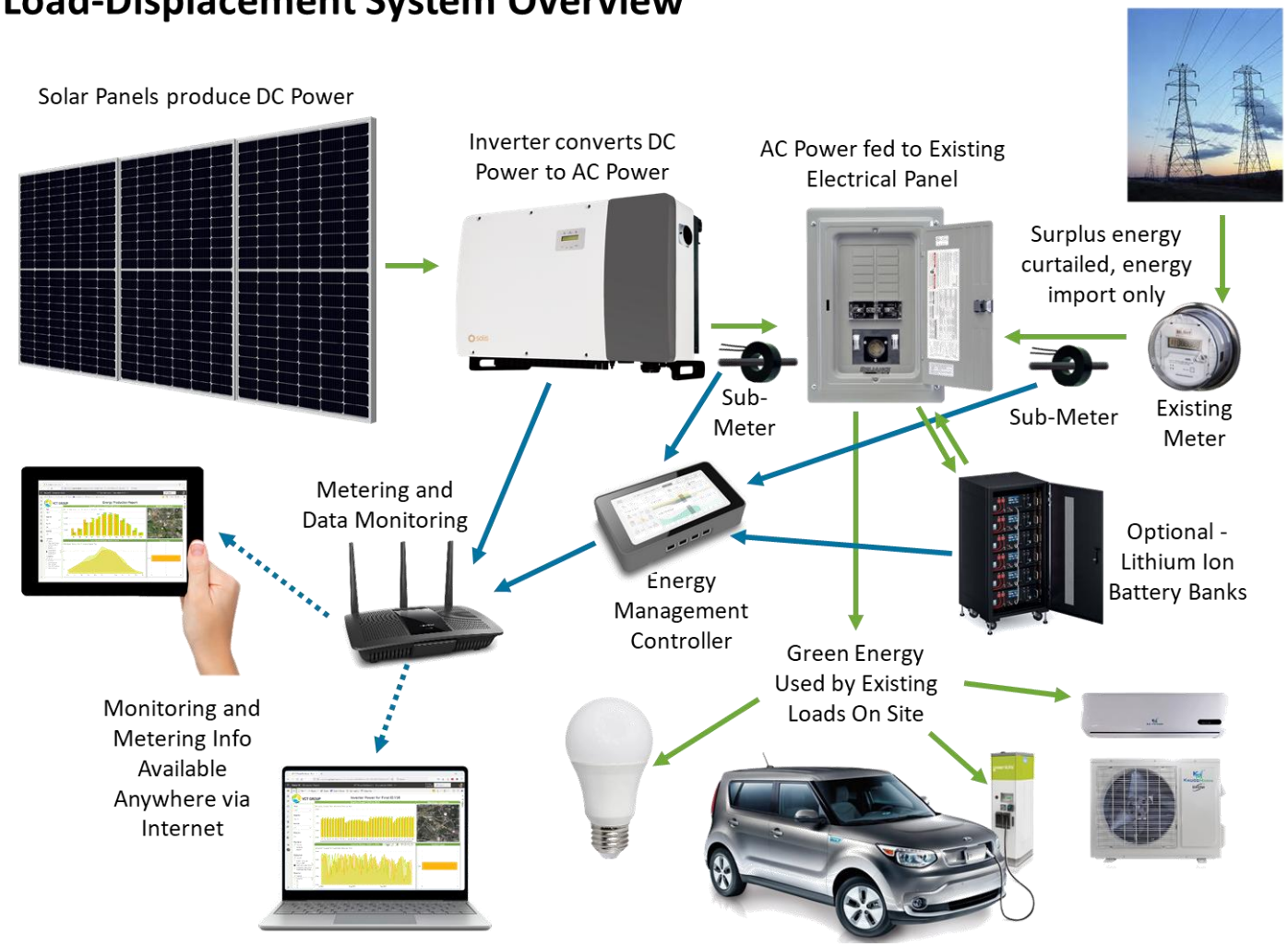
In addition to the net-metering PPA model described in Section 3.6.4, CED Co-op has developed an alternative project structure for commercial solar installations that is designed to access the IESO's Save on Energy Retrofit Program incentives. This structure is referred to as an Enhanced Operations and Maintenance (EOM) Agreement.

Background and Rationale

The Save on Energy Retrofit Program provides capital incentives of up to $860/kW-AC for behind-the-meter, load-displacement solar PV installations on commercial, institutional, and industrial buildings. However, the program requires that the entity that has their name on the metering account, the Facility occupant, own the solar PV system, enter directly into a Participant Agreement with the IESO, and operate the system exclusively for load displacement, with no export to the grid and no net metering. The Facility occupant is also eligible to claim the federal Clean Technology ITC (30% refundable credit) on the remaining project costs. Combined, these incentives can effectively cover up to 65% of total project costs.

These requirements are incompatible with the Co-operative's standard PPA model, under which CED Co-op owns the system and sells electricity through a net-metering arrangement. The EOM structure was developed to comply with the Save on Energy requirements while preserving CED Co-op's role as the active project developer and long-term operator, consistent with the Co-operative's bylaws, which expressly authorize CED Co-op to engage in construction, ownership, operation, and financing activities that directly support renewable energy projects.

Load-Displacement System Overview



- A load-displacement solar installation is constructed and connected to an existing electrical panel on the site, behind the electrical meter from the grid standpoint.
- Unlike a net-metering installation, the meter is not bi-directional and the system is configured so that no electricity is exported to the grid.
- The solar installation produces power that is used on site by the loads within the building as it is generated.
- If the building is using more power than the solar installation is producing, the building draws additional power from the grid in the normal way.
- If the solar installation is producing more power than the building is consuming, the excess can either be stored in an on-site battery system for use later in the day, or, if no battery is installed, the excess generation is curtailed. No electricity is exported to the grid under either configuration.
- Where a battery is integrated, excess solar generation can be stored and discharged during periods of higher grid pricing, during evening hours, or during the province's coincident peak demand hours to reduce Global Adjustment exposure for Class A customers. Battery integration increases the proportion of solar generation usefully consumed on site and can meaningfully improve project economics.
- The building owner's savings come directly from reduced electricity purchased from the grid. Every kilowatt-hour generated and consumed on site, whether immediately or via battery, is a kilowatt-hour not purchased from the utility.
- There are no credits, no carry-forward provisions, and no annual true-up as with net metering. The value is realized entirely through reduced grid consumption.
- System sizing should reflect the building's daytime demand profile. Without battery storage, this typically means sizing to minimum daytime load. With battery storage, the system can be sized more aggressively as surplus generation during peak solar hours can be captured and shifted to other periods of the day.

How the Structure Works

Under the EOM model, the Facility occupant retains legal ownership of the solar PV system and contracts with an EPC firm for installation. CED Co-op's role encompasses the full project lifecycle: identifying the opportunity, designing the system, specifying equipment, overseeing construction, managing the Save on Energy application, commissioning the system, and providing comprehensive long-term O&M services including continuous remote monitoring, preventive and corrective maintenance, warranty administration, performance optimization, and quarterly performance reporting.

At commencement, CED Co-op provides an upfront Inducement Payment to the Facility occupant, equivalent to the net project cost after anticipated incentives, to offset the Facility occupant's capital contribution. This is the mechanism through which member investment capital is deployed. The Inducement Payment is structured as a contract commitment payment, not as a loan or equity investment, and CED Co-op will seek to secure this through a mortgage registration or general security agreement on the Facility occupant's property or operating entity. The agreement includes an early termination buyout provisions to protect the Co-operative's capital.

The Facility occupant compensates CED Co-op on a performance-linked basis, paying a fee per kilowatt-hour of verified system generation each month. This fee is structured to provide the Facility occupant with immediate savings relative to grid electricity costs. For Class A customers, the agreement may also include a GA Coincidence Charge component through which CED Co-op shares in the value of Global Adjustment savings during peak demand hours. The agreement contemplates that the Facility occupant may apply Save on Energy and federal ITC proceeds toward a buy-down of the O&M fee rate. The O&M services are privately contracted outside of any incentive claim, as the Save on Energy Program Requirements expressly exclude post-installation maintenance from eligible costs.

CED Co-op's Role as Developer and Operator

CED Co-op bears meaningful operational risk under this model. Compensation is linked to actual generation, varying with weather, equipment performance, and facility occupancy. The Co-operative is responsible for all maintenance costs, emergency repairs, and warranty claims. If the system underperforms or the facility's consumption declines, CED Co-op's revenue declines. This risk profile is characteristic of an active operating business, consistent with the Co-operative's mandate to develop and operate renewable energy projects.

Key Differences from the PPA Model

Under the PPA model, CED Co-op owns the system, sells electricity through net metering, and claims CCA tax deductions. Under the EOM model, the Facility occupant owns the system, all generation is consumed on-site through load displacement, and the Save on Energy incentive and federal ITC accrue to the Facility occupant. CED Co-op does not receive CCA tax shielding under this model.

The two models serve different market segments. The PPA model suits facilities where generation may exceed real-time consumption or where credit sharing across multiple meters is beneficial. The EOM model suits facilities with high, consistent daytime electricity consumption and where the combined Save on Energy and federal ITC incentives materially improve project economics.

Typical agreements have an initial term of 10 to 20 years with extension options. The system must be operated in a load-displacement configuration for a minimum of 48 months as a requirement of the Save on Energy program.

In order to achieve or exceed targeted returns, the Co-operative will need to continue to successfully negotiate agreements with facility occupants. The broad aspects of an EOM agreement contract for negotiation are outlined below, however, they may vary materially from the details presented here:

Common Details

- Facility occupant to own and fund the solar PV system, including Connection Cost Agreement with LDC, and to act as Participant under the Save on Energy Retrofit Program
- Facility occupant to claim Save on Energy incentive (up to $860/kW-AC, capped at 50% of eligible project costs) and federal Clean Technology ITC (30% refundable credit on remaining eligible costs), effectively covering up to 65% of total project costs
- CED Co-op to provide an upfront Inducement Payment to the Facility occupant, equivalent to the net project cost after anticipated incentives, to offset the Facility occupant's capital contribution
- CED Co-op to serve as project developer: identifying opportunities, designing the system, specifying equipment, selecting and overseeing the EPC contractor, managing the Save on Energy application, and commissioning the system
- CED Co-op to provide all ongoing operations, monitoring, preventive and corrective maintenance, warranty administration, and performance reporting throughout the term
- CED Co-op bears the risk of production (if the system produces less energy than expected, the Facility occupant pays less and simply purchases additional electricity from the grid; CED Co-op earns less revenue)
- Facility occupant compensates CED Co-op on a performance-linked basis, paying a fee per kWh of verified system generation each month
- O&M fee may escalate annually at a fixed rate or indexed to CPI, as specified at the time of signing
- Facility occupant may elect to apply Save on Energy and/or federal ITC proceeds toward a buy-down of the O&M fee rate, reducing ongoing costs
- Early termination buyout provisions protects CED Co-op's capital if the Facility occupant terminates before the end of the term
- Facility occupant to grant CED Co-op non-exclusive, no-fee access rights to rooftop, electrical rooms, and other necessary areas for system operation and maintenance
- Facility occupant to maintain insurance on the system asset (property and liability); CED Co-op maintains its own liability and service coverage for its operations
- Facility occupant retains the LDC account and all demand, transmission, and delivery charge savings
- Environmental attributes, renewable energy credits, and carbon offsets, allocation to be negotiated on a project-specific basis
- Terms depend on project economics, though typically range from 10 to 20 years for rooftop systems; longer terms may be negotiated for carport installations

Other typical terms

- Facility occupant to bear any costs of stand-by charges, if implemented by the LDC
- Cost of removals and replacements to facilitate roof or site repairs to be allocated by contract, typically borne by the Facility occupant, with CED Co-op managing the removal and reinstallation process

- Facility occupant to provide a minimum of 6 months advance notice before roof replacement or major structural work
- Facility occupant to realize snow-clearing savings (for solar canopies and carports)
- Facility occupant to realize benefits of parking revenues
- Facility occupant to realize savings of installation of EV Charging systems
- Facility occupant to realize revenues from EV Charging systems

Security and Financial Evaluation

- CED Co-op may seek, where feasible, to have a mortgage registration on property to the value of the system – CED Co-op cannot guarantee that it will be able to register a mortgage on the title of the property, and if it is able to, this registration may not be in priority to any or all other registrations;
- CED Co-op may seek, where feasible, to sign and register a general security agreement or lien on the facility occupant – CED Co-op cannot guarantee that it will be able to sign and register a general security agreement, and if it is able to, this registration may not be in priority to any or all other registrations;
- CED Co-op anticipates that it will seek to review, prior to entering into a contract, and periodically thereafter:
    - Title Search on the property
    - Credit bureau report on the facility occupant / counter party
    - PPSA lien registration search on facility occupant / counter party
    - Annual financial statements of the facility occupant / counter party

As of March 31, 2026, CED Co-op does not have any signed engagements in this model, though is in active negotiations. A summary of the current project development pipeline, including projects at various stages of negotiation, is provided in Section 6.2.

Risks

There are a number of risks associated with this operating structure, including, but not limited to the following. Each of these is described in detail in Section 5: Risk Factors.

- Business Prospects – No Guarantee of Projects
- Load Displacement – Facility Consumption Risk:
- Load Displacement – Counterparty and Credit Risk
- Load Displacement – Incentive Program Risk
- Load Displacement – No CCA Tax Shielding
- System/Facility – Equipment Failures
- System/Facility – Roof, Project Area, or Parking Lot Issues
- System/Facility – Weather Variations and Snow Cover

3.6.6. Business Models – Virtual Net-Metering and Community Net-Metering under PPAs

The Ontario net-metering regulatory framework has evolved significantly since 2022 and continues to expand. Meaningful structural reforms have now been implemented that directly enable the business models CED Co-op is pursuing, including the formal enactment of a virtual net-metering framework for large commercial and industrial consumers. The key legislative and regulatory developments are summarized below.

Virtual Net-Metering

On June 5, 2025, the Ontario Ministry of Energy and Mines passed amendments to Ontario Regulation 429/04 under the Electricity Act, 1998, which came into force on July 1, 2025 as Ontario Regulation 101/25. These amendments formally establish a framework enabling Corporate Power Purchase Agreements (C-PPAs) for large electricity consumers, designated as Class A Industrial Conservation Initiative (ICI) participants, to offset their Global Adjustment (GA) charges by entering into PPAs with eligible clean energy generation facilities. Eligible technologies include wind, solar, hydroelectric, geothermal, biomass, biofuel and biogas. The generation facility does not need to be located on the consumer's premises; the electricity is delivered to the

local distribution system or provincial grid rather than supplied directly to the ICI consumer, making this a form of virtual net metering in all but name.

Under the C-PPA framework, ICI participants can reduce their calculated electricity demand in the top five peak hours of a base period by the amount of coincident generation under the eligible PPA. GA charges are calculated based on a participant's relative contribution to Ontario's five highest demand hours over a 12-month base period. If an eligible clean energy facility is generating during those peak hours, the ICI participant's GA exposure is reduced accordingly. This arrangement creates a strong commercial incentive for large industrial and commercial customers to enter into long-term PPAs with clean energy developers such as CED Co-op.

The regulatory consultation process that led to O. Reg. 101/25 began with a proposal posted November 2, 2023, and closed December 17, 2023. In May 2024 the Ministry issued a further proposal for public consultation, closing June 21, 2024. The final amendments were filed June 5, 2025 and came into force July 1, 2025. The IESO's Industrial Conservation Initiative base period for the first adjustment period under the C-PPA framework began May 1, 2025, with the first GA charge reductions available to eligible participants commencing July 1, 2025.

With the C-PPA framework now in force, CED Co-op is positioned to develop qualifying solar projects and enter into eligible purchase agreements with Class A industrial and commercial customers seeking to reduce their GA charges. Solar generation is an eligible technology under the framework. CED Co-op will evaluate C-PPA opportunities alongside its existing PPA and net-metering project development activities as part of its ongoing portfolio growth strategy.

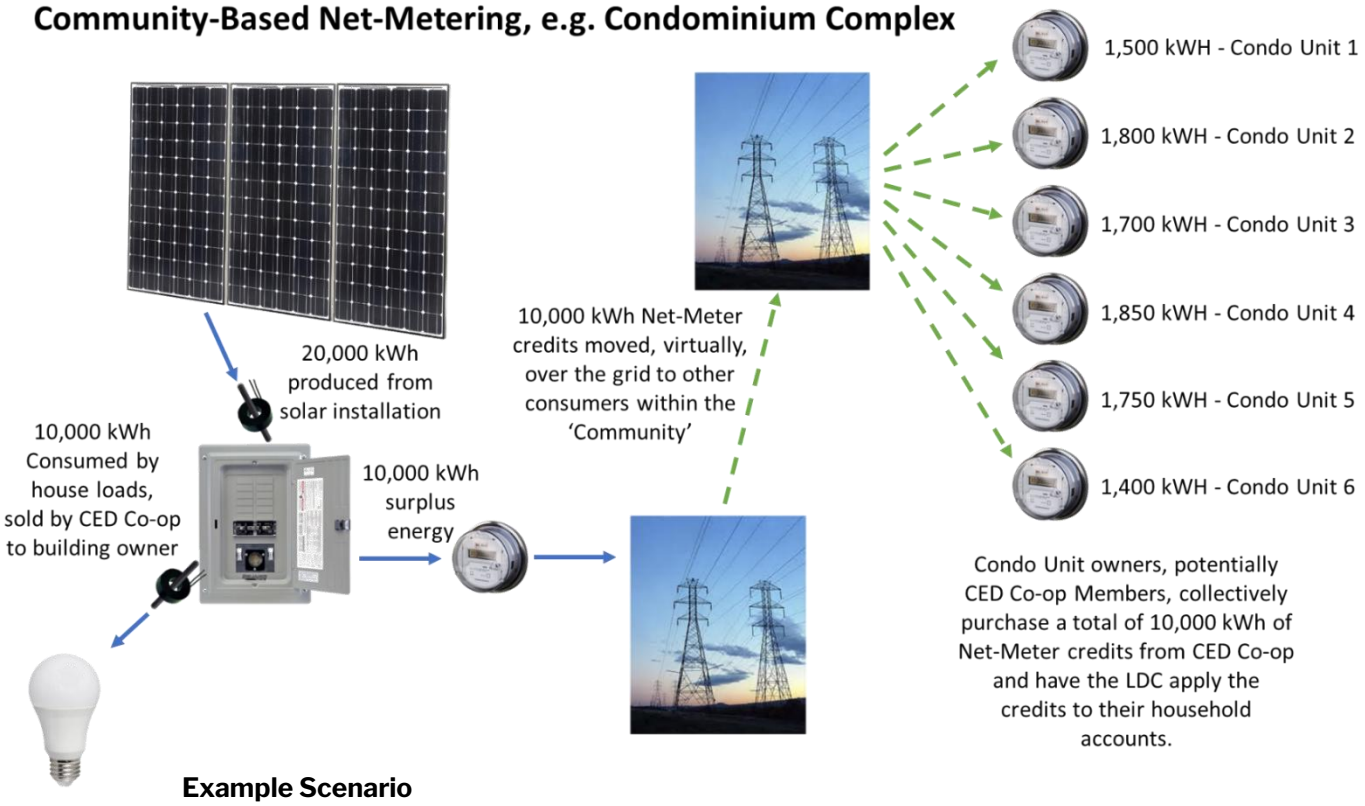
Reinforcing this regulatory direction, Bill 40, the *Protect Ontario by Securing Affordable Energy for Generations Act, 2025*, received Royal Assent on December 11, 2025. Among its key provisions, Bill 40 codifies 'economic growth' as a formal objective of both the Ontario Energy Board Act, 1998 and the Electricity Act, 1998, requiring the OEB and the IESO to consider economic growth in their planning and regulatory processes. This legislative signal strengthens the policy environment supporting new clean energy project development in Ontario.

Community Net-Metering

Regulations continue to improve for a structure called community-based net-metering. As a result of public consultations in which VCT engaged by providing input, Ontario filed regulatory amendments implementing improvements, effective January 1, 2024. Changes to O. Reg. 679/21 enable credit sharing in community net metering, supporting existing and new projects in advancing net-zero goals. Amendments to O. Reg. 389/10 exempt third-party generators such as CED Co-op from contract cancellation provisions, reducing financial risk and aligning policy. Clarifying requirements for third-party owned net metering through structures such as PPAs enhances customer access by providing additional funding and ownership structures for renewable energy installations. As of January 1, 2024, net metering customers also gained the ability to choose between Time-of-Use (TOU), Tiered, or Ultra-Low Overnight (ULO) price plans, providing further flexibility to optimize energy costs under a net-metering arrangement.

The Ontario Energy Board has also established standardized regulatory forms for third-party net-metering PPAs, including OEB-approved standard terms and conditions, Disclosure Statements, and Price Comparisons that must accompany any PPA entered into between an electricity retailer and a customer. These standardized forms provide a structured and transparent framework for the PPA arrangements that CED Co-op uses in its net-metering project model.

Under the community net-metering model, CED Co-op can develop a solar installation with surplus energy credits able to be transferred to other meters or account holders within a 'community'. It is through this business model, and other business models similar to this that are anticipated to develop, that CED Co-op is able to begin to conduct business with Members.



Example Scenario

- CED Co-op would develop and fund a large solar PV installation on a rooftop or series of rooftops such as that of an industrial complex, commercial complex or condominium complex where the electricity consumed behind any given meter is much less than the amount of energy that can be generated from the rooftop.
- The Facility would generate significant surplus net-meter credits at the existing meter on the site.
- As a multi-tenant area, the electricity would largely be used by neighbouring units, rarely needing any significant transmission out of the complex area.
- Through partnership with the LDC, the surplus credits could be divided and distributed to be applied virtually to the meters/ accounts of as many as are needed – participating community consumers.
- These participating community consumers, who may be eligible to become Members of CED co-op, would realize reductions in their bills as these credits are applied to their accounts, and at the same time, make payments to CED Co-op in proportion to the net-meter credits received. In this process CED Co-op could be transacting business with Members.
- Because there are significant economies of scale realized at larger solar installations, the power produced through the large-scale solar PV installation is able to be produced at or below the grid rate without the requirement of any grants or government funding.
- This provides the following benefits:
    - Underutilized rooftop space is used to generate clean energy. The shading of the rooftop provides reductions in air conditioning loads during the summer, providing a small additional benefit.
    - Energy is produced very near to where it is consumed with similar generation/demand profiles, providing all of the benefits of distributed energy resources.
    - The Investor-Members of the Co-operative are able to fund an efficient solar PV project and potentially realize a competitive return on investment.
    - The consumer-Members of the Co-operative are able to purchase clean energy from their own Co-operative for the same price as from the grid, or possibly below the price from the grid.

CED is working on developing project opportunities to take advantage of this new structure. In order for a project such as this to proceed, an application and approval process is required in order to be approved as a community net-meter project.

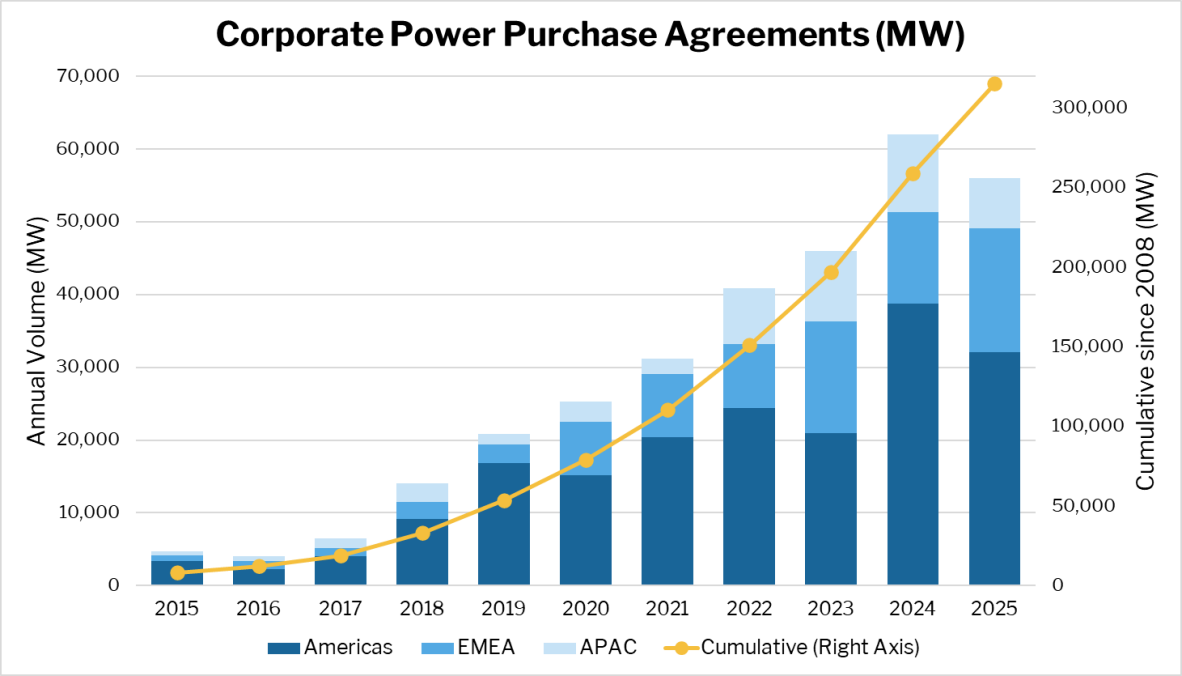
Risks

There are a number of risks associated with this general operating structure, including, but not limited to the following. Each of these is described in detail in Section 5: Risk Factors.

- Business Prospects – No Guarantee of Projects
- Net-Meter - Electricity Market Pricing
- Net-Meter - Market Structure Changes / Other Regulatory
- System/ Facility – Equipment Failures
- System/ Facility – Roof, Project Area, or Parking Lot Issues
- System/ Facility – Weather Variations and Snow Cover

Power Purchase Agreements

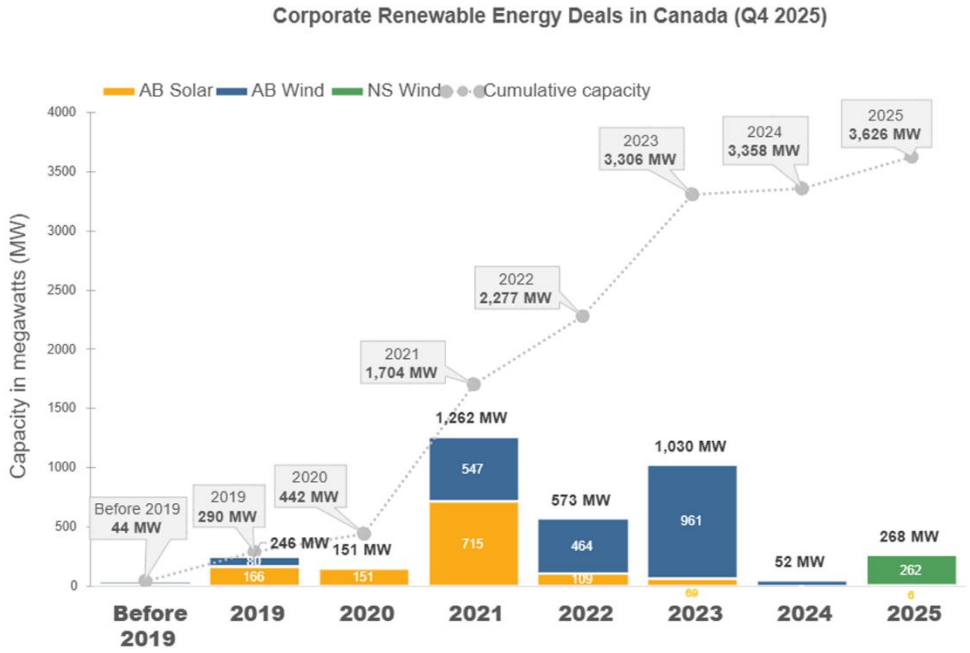
PPAs are pivotal in enabling large companies to transition to renewable energy sources, providing a pathway towards sustainability while managing costs. These agreements allow corporations to procure renewable energy directly from producers, typically through long-term contracts, ensuring a stable and often lower-priced energy supply compared to traditional sources.



Corporate PPAs have continued to grow globally, with 2024 setting an all-time annual record before a modest pullback in 2025. According to BloombergNEF, corporations announced 46 GW of solar and wind PPAs in 2023, a 12% increase over the prior year. In 2024, global corporate PPA volumes surged to approximately 62 GW, a new all-time high, with the United States signing a record 28 GW across 184 deals, driven primarily by AI-driven data centre demand from the technology sector. In 2025, global volumes eased to 55.9 GW, still the second-highest year on record, as policy uncertainty and power price dynamics tempered some markets. The Americas region led in 2025 at 32.1 GW, including 29.5 GW in the United States alone. Technology giants Meta, Amazon, Google and Microsoft accounted for 49% of all global PPA activity in 2025. Since 2008, corporations have cumulatively announced PPAs for over 315 GW of solar and wind capacity, greater than the total power generation capacity of France, the United Kingdom and South Korea combined. These are the mechanisms through which many companies are reaching their goals of being 100% renewably powered (see https://www.TheRE100.org/). Companies with 100% clean energy targets under the RE100 initiative will need an additional 105 GW of solar and wind by 2030 to meet those commitments.

In Canada, corporate PPA adoption has grown steadily, with activity concentrated primarily in Alberta but now expanding to other provinces. According to Business Renewables Centre Canada (BRC-Canada), from January 2019 to December 31, 2025, 3.63 GW of renewable energy have been purchased through corporate PPAs in Canada, enabling a total of 4.77 GW of project capacity. This represents $7.5 billion in capital investment, the

creation of 7,000 jobs, and enough energy to power 1.9 million homes per year. BRC-Canada has set a target of 10 GW of corporate renewable energy procurement across Canada by 2030, a goal it is on track to meet. In 2022, it hit its prior 2 GW target three years ahead of schedule. Notable recent deals include a 15-year VPPA between Capital Power and Saputo Inc. in Q1 2024, and Q1 2025 saw Nova Scotia's Green Choice Program deliver approximately 366 MW to 11 industrial buyers through six wind projects, all co-owned with Mi'kmaw communities. In Q3 2025, Saskatchewan recorded its first-ever corporate PPA, as K+S Potash Canada entered an agreement to purchase renewable energy from Wicehtowak Solar, a 32-MW, 100% Indigenous solar project near Regina. Alberta's deregulated electricity market continues to lead Canadian deal activity, and the province has driven the majority of BRC-Canada's tracked deal volume since 2019.



Ontario is now positioned to generate its own corporate PPA deal flow following the enactment of Ontario Regulation 101/25 on July 1, 2025, which enables ICI Class A customers to enter C-PPAs with eligible clean energy generators to offset Global Adjustment charges, a structure described in greater detail in the Virtual Net-Metering section above. With over 2,600 MW of installed solar capacity already in place, and CED Co-op actively developing solar projects under PPAs, the Co-operative is well positioned to participate in Ontario's emerging C-PPA market as a qualifying clean energy generator.

3.6.7. Business Models – Carbon Pricing and Carbon Offset Credits

On March 14, 2025, Prime Minister Carney announced the immediate elimination of the federal consumer carbon tax, effective April 1, 2025. This tax, introduced in 2019, had applied to fuels like gasoline, natural gas, diesel, and home heating oil, starting at $20 per tonne and increasing annually, reaching $65 per tonne at the time of its elimination with a planned trajectory to $170 per tonne by 2030. The tax aimed to encourage consumers and small businesses to reduce carbon emissions by making fossil fuels more expensive, with revenues returned to Canadians through quarterly rebates. The removal of this tax means that consumers and small businesses will no longer pay additional charges on these fuels; however, this also means the end of the associated rebates that offset these costs. Legislation to formally repeal the consumer fuel charge from the Greenhouse Gas Pollution Pricing Act is being advanced.

While the consumer carbon tax has been eliminated, the federal Output-Based Pricing System (OBPS), Canada's carbon pricing system for large industrial emitters, remains fully in force. The OBPS imposes charges on industrial facilities based on GHG emissions that exceed facility-specific output-based standards, creating a financial incentive to reduce emissions while protecting against carbon leakage risks. The federal excess emissions charge, which functions as the effective price ceiling, is set at CAD $95 per tonne in 2025 and will increase by CAD $15 per tonne annually until it reaches CAD $170 per tonne by 2030.

A significant federal benchmark review is scheduled for 2026, at which time the federal government will assess whether all provincial and territorial carbon pricing programs continue to meet the federal benchmark

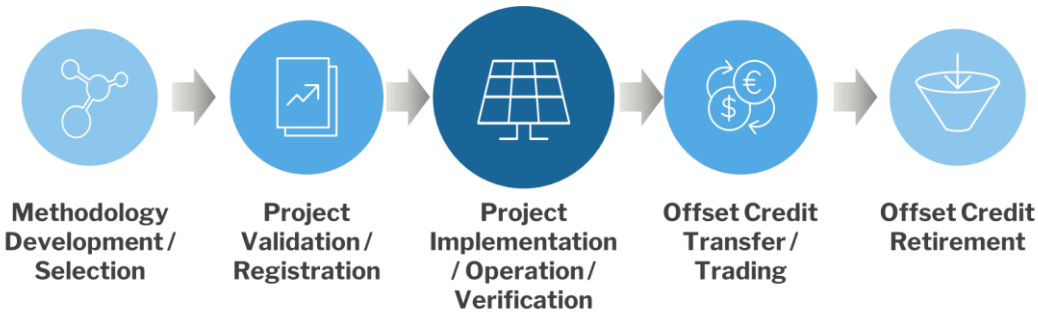
requirements for 2027 to 2030. This review is occurring against a backdrop of acknowledged fragmentation: the federal Budget 2025 recognized that the federal benchmark is not functioning as intended, with compliance credits in several provinces trading well below the federal benchmark price. For reference, recent provincial compliance credit prices have been: Alberta TIER offsets approximately $20 per tonne; British Columbia OBPS offsets approximately $15 per tonne; and Quebec-California cap-and-trade credits approximately $20 per tonne, all well below the federal benchmark of $95 per tonne. The Carney government's Made-in-Canada Competitiveness Strategy proposes to extend the OBPS framework to 2035, tighten the credit allowance over time, and develop a Canadian carbon border adjustment mechanism to protect the competitiveness of Canadian exports in international markets. Saskatchewan announced it was pausing its own industrial carbon pricing system effective April 1, 2025. Alberta froze its TIER fund contribution price at $95 per tonne in anticipation of the scheduled federal benchmark increase.

The EU Carbon Border Adjustment Mechanism (CBAM) entered its definitive phase on January 1, 2026. CBAM attaches a rising carbon cost to imports into the EU in sectors including iron and steel, aluminum, cement, fertilizers, hydrogen, and electricity. If a carbon price has already been effectively paid in the country of origin, that amount can be deducted from the CBAM obligation. This mechanism creates a direct commercial incentive for Canadian industrial exporters to demonstrate the carbon cost they pay domestically, and makes the maintenance of a credible Canadian industrial carbon pricing system increasingly important for export competitiveness. The 2026 federal benchmark review will need to consider CBAM alignment as a key factor in its design.

It is broadly recognized that dismantling large-emitter trading systems would create significant uncertainty for businesses and investors, and would jeopardize substantial credit values, upwards of $5 billion in Alberta alone. It would also undermine Canadian exports to priority trading partners such as the UK and EU, which are introducing carbon tariffs that give low-carbon producers a competitive advantage. The Co-operative therefore anticipates that carbon markets and carbon trading schemes will persist and strengthen in the local and global markets, supported by both domestic policy continuity and the rising pressure of international carbon border mechanisms.

The terms carbon offset and carbon offset credit are used interchangeably, though they can mean slightly different things. A carbon offset broadly refers to a reduction in GHG emissions, or an increase in carbon storage (e.g., through land restoration or the planting of trees), that is used to compensate for emissions that occur elsewhere. A carbon offset credit is a transferable instrument certified by governments or independent certification bodies to represent an emission reduction of one metric tonne of carbon dioxide, or an equivalent amount of other GHGs. The purchaser of an offset credit can "retire" it to claim the underlying reduction towards their own GHG reduction goals.

The carbon offset credit lifecycle is as follows:



1. **Methodology Development**
   Before any GHG reductions can be certified for use as carbon offsets, they must be shown to meet carbon offset quality criteria. This process requires a methodology or protocol that is specific to the type of offset project generating the reductions.

2. **Project Development, Validation, and Registration**
   An offset project is designed by project developers, financed by investors or project owners such as CED Co-op, validated by an independent verifier, and registered with a carbon offset program. Official “registration” indicates that the project has been approved by the program and is eligible to start generating carbon offset credits after it begins operation.

3. **Project Implementation, Verification, and Offset Credit Issuance**
   An offset project is implemented, then monitored and periodically verified to determine the quantity of emission reductions it has generated. The length of time between verifications can vary, though it is typically one year. A carbon offset program approves verification reports, and then issues a number of carbon offset credits equal to the quantity of verified CO2-equivalent GHG reductions.

4. **Offset Credit Transfer and Trading**
   After they are issued, carbon offset credits can be transferred into different accounts in an offset program's registry. Transfers are usually undertaken as a result of a purchase or trade. Offset credit buyers may then use the offset credits by retiring them or transferring them to other accounts. Offset credits may change hands multiple times before they are ultimately retired and used.

5. **Offset Credit Retirement**
   Offset credit holders must "retire" carbon offset credits in order to use them and claim their associated GHG reductions towards a GHG reduction goal. Retirement occurs according to a process specified by each carbon offset program's registry. Once an offset credit is retired, it cannot be transferred or used, meaning it is effectively taken out of circulation.

In principle, carbon offset credits offer a convenient and cost-effective way to reduce GHG emissions. Often, this means offset credits are used to compensate for (or "offset") an organization's GHG emissions, in lieu of reducing those emissions directly. For example, since most organizations find it impractical to completely eliminate their carbon footprint using only internal measures, carbon offsets offer the only practical way to claim "carbon neutrality."

CED Co-op is currently exploring processes and methodologies to aggregate, register and validate solar net-metering projects, and potentially other projects, for the purposes of generating carbon offset credits for sale into the markets through two mechanisms. Firstly, as outlined above, through the calculation of carbon reductions, and secondly, through the Ontario clean energy credit (CEC) registry system.

For Ontario, our methodology for the first option, working in carbon offsets, is briefly as follows:

1. Gather electricity generation data on an hourly interval basis, outlined by fuel type, as published by the Ontario grid operator,
2. Analyze the energy generation data to determine the hours in which fossil fuel generation is occurring, and could be reduced,
3. Calculate the marginal emissions factors for carbon emitting generators,
4. Gather energy production data from solar installations on an hourly interval basis,
5. Compare kWh energy production from solar PV systems to calculate the marginal emissions reductions for corresponding hours,
6. Verify this data with third party evaluators, for registration in a carbon market registry.

There are two distinct markets that exist for carbon offset credits, those being "Compliance" carbon offset programs and "Voluntary" carbon offset programs. Historically, governmental bodies certified offset credits for regulatory purposes under compliance programs while non-governmental organizations primarily served voluntary programs. More recently, both governmental and non-governmental organizations have begun to serve both types of carbon offset programs. Each carbon offset program issues its own labelled "brand" of credit.

A couple of examples of compliance and voluntary programs are as follows:

The California Compliance Offset Program operates under the California Cap-and-Trade program but covers much of the United States. Ontario, at one point, was partnered into this Cap-and-Trade program, along with Quebec, which further broadened its reach into parts of Canada. Ontario was withdrawn from this Cap-and-Trade program in 2018 with the change in governments.

The Alberta Emission Offset Program (compliance) was started more than 20 years ago. It is restricted in operations and projects to Alberta. The registry of offsets for this program is operated by the CSA Group.

The CSA Group also operates a voluntary registry called the GHG CleanProjects Registry. This is a registry that is available for projects that meet the ISO 14064 series of standards. Projects from around the world are eligible to be registered on this registry.

Ontario Clean Energy Credit (CEC) Registry

In follow up to commitments made to battery and electric vehicle manufacturers developing operations in Ontario, the province launched a voluntary Clean Energy Credit (CEC) registry on March 29, 2023. The CEC program, initiated by the IESO and administered through the Midwest Renewable Energy Tracking System (M-RETS), aims to assist Ontario businesses in achieving their environmental and sustainability objectives. CECs are digital certificates that verify the acquisition of clean energy from Ontario-based generators to fulfill voluntary targets. Each CEC represents 1 MWh of clean energy and is intended for exclusive purchase and retirement by load customers within Ontario. Eligible generators include biofuel, biogas, biomass, hydro, nuclear, solar, and wind sources.

The IESO published its first annual CEC Year-End Report in June 2025, covering the 2023 Program Year (January 1, 2023 to June 30, 2024). The report confirms that 2,874,439 CECs were created in the 2023 Program Year, of which 565,721 CECs were transferred and retired, a retirement rate of 100% for all transferred credits. The breakdown of CECs created by fuel type reflects Ontario's generation mix:

- nuclear 1,842,979
- hydro 428,210
- wind 598,968
- bioenergy 4,282

Notably, all CEC transactions in 2023 were in wind and bioenergy credits, nuclear and hydro CECs were created but not transferred, representing a significant pool of unsold inventory available for future buyers. Outside the registry, an additional 567,381 hydro credits were created, transferred and retired under a pre-2023 contract exemption.

In 2023, four organizations were registered as Ontario Transferors (sellers): Bruce Power, Evolugen Trading and Marketing LP, IESO, and Ontario Power Generation. Ten organizations were registered as Ontario Transferees (buyers): Bruce Power Inc., Cameco Corporation, Honda of Canada Mfg., Jefferson Elora Corporation, K-Line Insulators Ltd., Litens Automotive, Loblaws, Nexus Energy Inc., Ozery Pita Break Inc., and TG Minto. One of the earliest CEC transactions of note was a 10-year purchase agreement between OPG and Microsoft Canada, supporting Microsoft's goal to transition its Ontario data centres to carbon-free energy. The IESO has engaged Karbone Inc. as a third-party broker to support sales of IESO-owned CECs. Proceeds from IESO and OPG CEC sales are directed to the Future Clean Electricity Fund, which is intended to support clean energy projects and reduce ratepayer costs. The 2024 Program Year is now complete (January 1, 2024 to June 30, 2025); its Year-End Report is expected from the IESO in early 2026.

CEC pricing is negotiated bilaterally between buyers and sellers outside the registry, the M-RETS platform records and verifies transactions but does not set or publish prices. No standardized market price has been officially published for Ontario CECs. Pricing is influenced by fuel source, vintage year, buyer sustainability goals, and supply-demand dynamics. With over 1.8 million nuclear CECs created but not transferred in 2023, the market supply substantially exceeds current demand, a dynamic that is likely to be relevant to price formation as the program matures.

Participants in the Ontario CEC program, both generators and consumers, must register with M-RETS to manage the creation, transfer, and retirement of CECs. Organizations can utilize brokers such as Karbone Inc. or independently trade CECs, with all transactions registered and verified through the M-RETS platform. The IESO has provided a public training video and user guide to support program participants.

Ontario CECs and the Path to International Compliance Markets

Ontario CECs are currently restricted by regulation to retirement against electricity consumed by load customers within Ontario in the same calendar year in which the credits were created. This domestic-only restriction means that Ontario CECs cannot presently be used to satisfy international compliance obligations. However, several pathways could potentially enable future recognition of Ontario CECs in international markets:

- **Article 6 / Paris Agreement Crediting Mechanism (PACM)**: Article 6.4 of the Paris Agreement establishes a global crediting mechanism under which verified emission reductions from eligible projects can be issued as internationally transferable credits. For Ontario CEC-generating projects to access this pathway, Canada would need to authorize the underlying generation as an eligible PACM project, issue Corresponding Adjustments to prevent double-counting under Canada's Nationally Determined Contribution, and the buyer would need to operate in a jurisdiction that accepts PACM units for compliance. COP29 (November 2024) finalized the rules for Article 6, including a two-tier global registry system. Over 1,000 projects have been submitted for registration under PACM globally, but no Canadian electricity generation projects have yet been authorized under this pathway.
- **EU Carbon Border Adjustment Mechanism (CBAM)**: CBAM entered its definitive phase January 1, 2026, covering electricity and energy-intensive industrial imports into the EU. Under CBAM, if a carbon price has been effectively paid in the country of origin, it can be credited against the CBAM obligation. Ontario CECs, as voluntary clean energy certificates rather than compliance carbon prices, are not currently recognized as an 'effectively paid carbon price' under CBAM. Recognition would require a Memorandum of Understanding between Canada and the EU, confirmation that Canada's electricity market rules align with EU standards, and likely legislative changes in Canada to create a legal basis for the carbon price claim. This is not a near-term pathway.
- **CORSIA (Aviation sector)**: CORSIA, the international aviation carbon offsetting scheme, accepts certain credit types for airline compliance. Ontario CECs are not currently listed as CORSIA-eligible. Eligibility would require ICAO approval of a new methodology recognizing Ontario clean electricity generation as a qualifying offset project type.
- **M-RETS interoperability**: M-RETS, the registry platform hosting Ontario's CEC program, is technically interoperable with other North American REC and energy tracking systems. However, Ontario's program rules restrict retirement to Ontario consumption regardless of the M-RETS platform's broader capabilities. Any change to this restriction would require an amendment to the Ontario program rules under the Electricity Act, 1998.

In summary, while the technical infrastructure for international credit recognition is developing rapidly through Article 6, CBAM, and related frameworks, Ontario CECs remain a domestic voluntary instrument for the foreseeable future. The 2026 federal OBPS benchmark review and Canada's engagement in the Paris Agreement PACM process represent the most plausible near-term catalysts for change. CED Co-op will continue to monitor these developments as the regulatory landscape evolves.
For Ontario, CED Co-op's methodology for generating CECs is briefly as follows:

1. Register an eligible project on the MREST / CEC registry
2. Gather electricity generation data on a periodic basis, typically annually, in total MWh
3. Upload this production data to the MRETS / CEC registry
4. This generation data is validated and converted to CECs on a 1 CEC per 1 MWh of energy basis
5. Transact on the CECs with eligible buyers

As CED Co-op develops projects, the Co-operative may seek to register projects and offsets with both voluntary and compliance-based registries. Typically, the value or price of a carbon offset credit is higher and more stable in compliance-based programs. The value of carbon offset credits in the voluntary market is more volatile, and subject to market forces. Should CED Co-op engage in the development of carbon offset credits, it will seek to engage with compliance-based registries where possible, though will more likely need to participate in the voluntary markets for most projects and carbon offset credits.

Voluntary carbon market (VCM) pricing in 2024 showed continued divergence between credit types as market participants shifted toward higher-quality, higher-integrity credits. According to Ecosystem Marketplace's State of the VCM 2025 report, the average price across all VCM credits was $6.34 per tonne in 2024, down modestly from $6.71 per tonne in 2023 but well above historical averages from prior years. Transaction volumes fell approximately 25% from 2023, though 182 million tonnes of credits were retired in 2024, indicating that underlying demand remains stable even as the market restructures around quality. The price premium for removal credits over reduction credits widened to 381% in 2024, up from 245% in 2023, reflecting growing corporate preference for credits that permanently remove carbon from the atmosphere. Price by credit type in 2024: technology-based removal credits $200-$400 per tonne; nature-based removal credits $20-$25 per tonne; avoidance credits $1-$5 per tonne; high-rated (A to AAA) credits averaged $14.80 per tonne; low-rated (CCC to B) credits averaged $3.50 per tonne.

A significant structural shift is underway in the VCM: the Integrity Council for the Voluntary Carbon Market (ICVCM) has rejected all legacy renewable energy methodologies from its Core Carbon Principles (CCP) approval process. This means that solar and wind generation credits issued under older methodologies no longer qualify for the CCP label, the emerging standard of quality in the VCM. CED Co-op's methodology development for carbon offsets from solar net-metering projects will therefore need to be designed against current ICVCM standards and additionality requirements to achieve market recognition and competitive pricing. This represents both a constraint and an opportunity: projects designed to current standards will command a meaningful price premium over legacy credits.

In establishing the value or price of carbon offsets in voluntary markets, the pricing generally follows the perceived quality of the offset. The central idea behind a carbon offset is that it can substitute for GHG emission reductions that an organization would have made on its own. For this to be true, the world must be at least as well off when a carbon offset credit is used and retired by an entity as it would have been if the entity had reduced its own carbon footprint. The "quality" of a carbon offset credit therefore reflects the level of confidence one can have that the use of the credit will fulfil this basic principle.

A variety of terms are frequently used to define quality criteria for carbon offsets, including that associated GHG reductions must be evaluated against certain criteria as follows:

1. **Additionality**
   GHG reductions are additional if they would not have occurred in the absence of a market for offset credits. If the reductions would have happened anyway – i.e., without any prospect for project owners to sell carbon offset credits – then they are not additional.

2. **Quantifiability and Verifiability**
   If the quantity of emissions reduced or carbon sequestered can't be measured with some degree of reliability and accuracy, there is no way to award offset credits. Further, if the same credit can be issued multiple times or sold to multiple entities, it is not a 'quality' offset.

3. **Permanence**
   Sequestration or reduction projects need to ensure that emissions are kept out of the atmosphere for a reasonable and meaningful length of time. For example, carbon is drawn into and locked within a tree only as long as the tree is green and growing. Once it starts to decay, its carbon goes back into the atmosphere.

4. **Leakage**
   Leakage occurs when emissions are not truly reduced. The emissions can't just be moved somewhere else. For example, it's possible for companies to reduce their own emissions by outsourcing high-emission production to another country or region, but this does not reduce on a net basis.

5. **Social and Environmental Harms**
   For a project to produce high quality offset credits, it should not significantly contribute to social and environmental harms. For example, a project should demonstrate that it complies with all legal requirements in the jurisdiction where it is located.

Risks

There are a number of risks associated with the development and sale of carbon offset credits, including, but not limited to the following. Each of these is described in detail in Section 5: Risk Factors.

- Business Prospects – No Guarantee of Projects
- Business Prospects – Performance of Third Parties
- Carbon Offsets – Carbon Market Pricing
- Carbon Offsets – Market Structure Changes / Other Regulatory
- Carbon Offsets – Validation and Verification of Credits
- System/ Facility – Equipment Failures
- System/ Facility – Market Risks
- System/ Facility – Roof, Project Area, or Parking Lot Issues
- System/ Facility – Weather Variations and Snow Cover

3.6.8. Business Models – Energy Efficient Fleets, Buildings and Building Systems

As indicated by the figure in Section 3.6.1, road transportation contributes 26% and buildings contribute 20% of Ontario's GHG emissions. CED Co-op is actively pursuing investments that reduce GHG emissions in buildings and transportation systems. The regulatory and incentive environment for these project types has strengthened materially since 2023, creating a convergence of investment opportunity across EV charging, building electrification, and energy management systems. CED Co-op's portfolio approach and existing PPA financing model are well suited to extend into these adjacent project types.

EV Charging Infrastructure and Clean Fuel Regulations Credits

EV charging infrastructure is now one of the most financially compelling clean energy investment opportunities in Canada, driven by the federal Clean Fuel Regulations (CFR) which came into force July 1, 2023. Under the CFR, owners and operators of EV charging stations can register as Registered Creators and generate compliance credits for each tonne of CO2-equivalent emissions avoided through the delivery of electricity to electric vehicles. Each credit is sold on the open market to gasoline and diesel suppliers who are required to reduce the carbon intensity of their fuel supply. CFR credit prices have risen from CAD $127 per tonne (average) in 2023 to $157 per tonne in 2024, with spot prices reaching $350-$370 per tonne by late 2025, well above voluntary carbon market pricing and approaching federal industrial carbon pricing levels. At current prices, light-duty EV charging generates approximately $0.03-$0.06 per kWh of electricity dispensed, while heavy-duty fleet charging generates $0.15-$0.55 per kWh.

Ontario's increasing carbon profile for electricity generation maximizes the credit value per kWh dispensed, since CFR credits are calculated based on the carbon intensity of the provincial grid supplying the charging infrastructure. Revenue earned from the sale of CFR compliance credits by voluntary participants such as CED Co-op must be reinvested in further decarbonization activities, including deploying additional EV charging infrastructure or providing financial incentives for EV purchases, creating a self-reinforcing investment cycle aligned with CED Co-op's mandate.

A solar carport installation creates a particularly compelling stacked value proposition: a solar carport generates clean electricity sold under a PPA (Section 3.6.4), while EV charging stations installed under the same canopy structure generate CFR compliance credits on the electricity dispensed to vehicles. These two revenue streams are independent and stackable. CFR credits are registered and tracked through the Credit and Tracking System (CATS), administered by Environment and Climate Change Canada.

Electrification of Building Heating and Cooling - Heat Pump Systems

Air-source and ground-source (geo-exchange) heat pump systems are a natural extension of CED Co-op's building-based project model. A heat pump is a thermal energy multiplier, one unit of electricity input generates three or more units of usable heating or cooling output, making it one of the most energy-efficient technologies available for commercial building decarbonization. For buildings currently heated by natural gas or oil, switching to a heat pump-based system reduces both energy costs and GHG emissions substantially. The IESO's Save on Energy Retrofit Program provides incentives of up to 50% of eligible project costs for commercial HVAC upgrades including heat pump systems, through both Prescriptive and Custom funding streams. The IESO's 2025-2027 Demand Side Management Program Plan also introduces a new Commercial HVAC Demand Response program to be launched in 2026, which will provide further incentives for commercial heat pump installations that can contribute to grid demand management.

CED Co-op's ownership-and-operate financing model, proven in solar through its PPA structure, is directly applicable to commercial heat pump installations through an Energy Services Agreement (ESA), a variant of the Energy Performance Contract (EPC) model used by Energy Service Companies (ESCOs). Under this structure, CED Co-op would fund and install a heat pump system at a commercial or institutional facility, and the building owner or occupant pays CED Co-op a monthly service fee for the heating and cooling delivered, priced at a discount to their prior energy cost. CED Co-op retains ownership of the equipment throughout the contract term, bears the performance risk, and transfers ownership to the building at contract end for nominal consideration, exactly mirroring the solar PPA structure already operating at Rockway Mennonite Collegiate. The federal Clean Technology Investment Tax Credit provides a refundable 30% tax credit for eligible heat pump installations, reducing CED Co-op's capital outlay. Save on Energy Retrofit incentives of up to 50% of project costs further improve project economics. For building owners transitioning from fossil fuels to electric heat pumps, CFR credits for the fuel-switching activity provide an additional revenue stream that can be shared between CED Co-op and the facility occupant as part of the ESA terms.

Smart Energy, Lighting and Building Management Systems

Smart building energy management systems, LED lighting, and building controls represent a lower-capital entry point into the building efficiency market. These technologies deliver reliable, measurable energy reductions with short payback periods and are eligible for Save on Energy Retrofit Program incentives. CED Co-op may pursue these as standalone investments or as complementary measures bundled within a broader heat pump or solar project, improving the overall economics of a combined building decarbonization package.

Zero-Emission Vehicle Fleets

Zero-emission vehicle (ZEV) fleet ownership or operations, including electric commercial vehicles, yard trucks, and other off-road cargo handling equipment, represent an emerging project type. Heavy-duty electric fleet vehicles generate significantly higher CFR credit revenue per vehicle than light-duty vehicles, making fleet electrification attractive as a project asset class. CED Co-op may consider ownership or financing of ZEV fleet assets under long-term service arrangements structured similarly to its EV charging and heat pump ESA models.

Business and Operating Models

The business and operating models applicable across these project types mirror those already in use in CED Co-op's solar PPA portfolio, adapted for each technology: ownership of the asset with long-term service agreements under which the facility occupant pays for the energy service delivered; financing arrangements with fixed or variable terms; compensation based on measured energy or emissions reductions; and sale of associated environmental credits including CFR compliance credits and CECs. The federal Clean Technology Investment Tax Credit, providing a 30% refundable credit for eligible investments in solar, heat pumps, EV charging, and zero-emission vehicles, applies across all of these project categories and is an important contributor to achieving target returns on investment

Risks

The operation or financing of these projects or systems may include elements of Section 3.6.4 and Section 3.6.5. There are a number of risks associated with this general operating structure, including, but not limited to the following. Each of these is described in detail in Section 5: Risk Factors.

- Business Prospects – No Guarantee of Projects
- Clean Fuel Regulations – Market Structure Changes / Other Regulatory
- Net-Meter – Market Structure Changes / Other Regulatory
- System/ Facility – Equipment Failures
- System/ Facility – Market Risks

3.6.9. Business Models – Biochar Production and Electricity Generation

CED Co-op is currently in the investigative stages of potentially developing a biochar production and electricity generation facility. Biochar is a stable, carbon-rich material produced by the pyrolysis of organic biomass. Pyrolysis is the process whereby biomass is heated at high temperatures (300 to 700°C) in a controlled, low-oxygen environment. This thermochemical conversion releases volatile gases and leaves behind a solid carbon-rich product, biochar. The released gases can be captured and utilized for energy production.

The biochar and waste-to-energy sector has been growing as municipalities, agricultural operations, and industrial facilities seek alternatives to landfilling organic waste. Pyrolysis-based systems are now operating commercially across North America, processing feedstocks including wood waste, forestry residues, agricultural byproducts, and municipal organic waste. These systems typically produce biochar, recover heat for facility use or electricity generation through technologies such as Organic Rankine Cycle (ORC) generators, and may generate carbon credits through verified sequestration. One tonne of biochar sequestered in the ground can be equivalent to removing up to three tonnes of CO2 from the atmosphere.

The production and application of biochar provides the following benefits:

Carbon Sequestration and Climate Change Mitigation
- Biochar locks carbon in a stable form for centuries, reducing CO_2 emissions.
- Helps offset greenhouse gas emissions from agriculture and waste decomposition.

Waste Management and Biomass Utilization
- Converts agricultural, forestry, and organic waste into a useful product.
- Reduces methane emissions from decomposing biomass in landfills.

Soil Health and Fertility Improvement
- Enhances soil structure, water retention, and microbial activity.
- Reduces dependence on synthetic fertilizers, lowering nitrogen runoff and emissions.

Water Quality Protection
- Prevents nutrient leaching, reducing water pollution in rivers and lakes.
- Filters heavy metals and contaminants, improving groundwater quality.

Reduction of Air Pollution
- Controlled pyrolysis emits fewer pollutants than open burning of biomass.
- Reduces smoke and particulate matter, improving air quality in agricultural areas.

Renewable Energy Production
- Waste heat and syngas from biochar production can generate electricity.
- Provides a carbon-neutral energy source, replacing fossil fuels.

Desertification and Land Degradation Prevention
- Restores degraded soils, increasing agricultural productivity.
- Supports afforestation and sustainable land use in arid regions.

Saleable Products from a Biochar Facility

A biochar facility can generate multiple revenue streams by selling biochar and related byproducts, as well as earning carbon and energy credits. The key saleable products are as follows:

Biochar
- Primary Product: A carbon-rich material used to improve soil health, water retention, and nutrient availability.
- Markets: Agriculture, horticulture, wastewater treatment, and industrial filtration.
- Premium Variants: Enhanced biochar blends (e.g., nutrient-enriched biochar) command higher prices.
- Processing Option: Further treatment of biochar can produce activated carbon for filtration (water purification, air treatment, industrial processing).

Biochar-Based Carbon Credits
- Carbon Sequestration Credits or Carbon Offsets: Biochar is recognized as a long-term carbon storage solution, making it eligible for carbon offset credits under various voluntary and compliance markets.
- Market Value: Companies and governments purchase these credits to offset CO_2 emissions.

Electricity Generation and Sales
- Waste Heat Utilization: Pyrolysis produces syngas and waste heat, which can be captured through a boiler and converted to electricity using technologies such as Organic Rankine Cycle (ORC) generators.
- Revenue Source: Electricity can be sold to the grid or used to power facility operations under a Net-Metering arrangement, producing revenues, or reducing costs.

Clean Energy Credits (CECs)
- Renewable Energy Certificates (RECs): If the facility generates renewable electricity, it may qualify for RECs or Clean Energy Credits, which can be sold to enterprises seeking to meet sustainability goals.

Heat for Industrial and Commercial Use

- District Heating: Surplus heat from the process can be sold to nearby industries or used in greenhouses, drying facilities, or other heating applications.

Landfill Diversion and Tipping Fee Avoidance

- Waste Processing Revenue: Where a facility accepts waste that would otherwise be directed to landfill, tipping fee avoidance or waste processing fees represent an additional potential revenue stream.

It is likely, that, should CED Co-op enter into the development or ownership of a biochar production facility, that it would do so via a partnership to help bring the appropriate knowledge and experience into the operations. Partnerships may be structured similarly to the LP arrangements outlined in Section 3.6.3

Risks

The operation or financing of biochar projects and systems may include elements of Section 3.6.4 through Section 3.6.7. There are a number of risks associated with these general operating structures and facilities, including, but not limited to the following. Each of these is described in detail in Section 5: Risk Factors.

- Business Prospects – No Guarantee of Projects
- Carbon Offsets – Carbon Market Pricing
- Carbon Offsets – Market Structure Changes / Other Regulatory
- Carbon Offsets – Validation and Verification of Credits
- Net-Meter - Electricity Market Pricing
- Net-Meter - Market Structure Changes / Other Regulatory
- System/ Facility – Environmental Conditions
- System/ Facility – Equipment Failures
- System/ Facility – Lease Agreements
- System/ Facility – Market Risks
- System/ Facility – Technology Risk
- System / Facility – Feedstock Supply and Variability

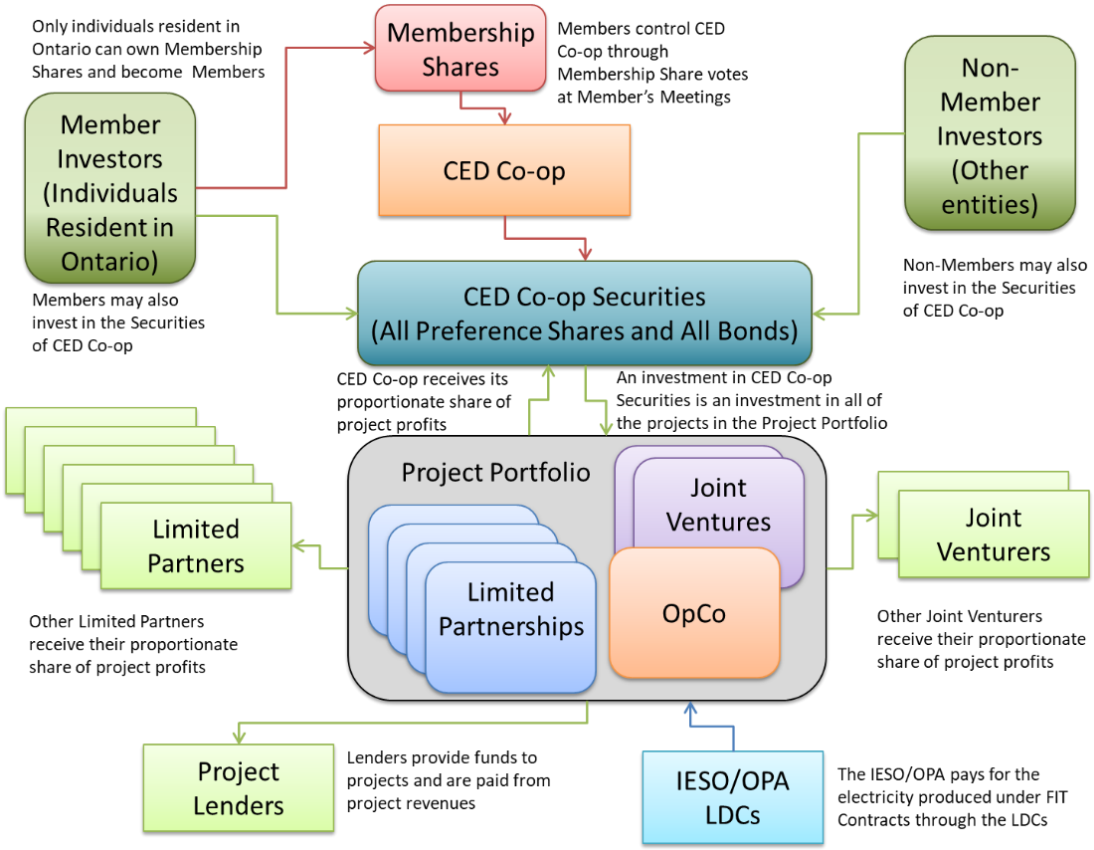
3.6.10. Business Models – Other Project Types and Technologies

CED Co-op has been focused on developing Solar PV projects, however, CED Co-op will review other opportunities and technologies to continue to grow the project portfolio and create new investment opportunities for members under the expanded scope of project options. As described in Section 3.6.9, CED Co-op has begun evaluating opportunities in biochar production and waste-to-energy. As these and other technologies and opportunities are evaluated, the Board will continue to ensure that investment objectives are maintained, and that the appropriate expertise is obtained for the evaluation.

3.6.11. Operating Models – Member Investments

CED Co-op has taken a portfolio approach to matching investments with projects. As such, an investment in any security of CED Co-op is backed by all of CED Co-op's ownership in the entire portfolio of Projects. The Securities available through this Offering will receive this same benefit, as outlined in the graphic below.

While all currently operating projects and all currently contemplated new projects are intended to provide the returns for the Securities available through this Offering, CED Co-op reserves the right to make a different offering at some point in the future where the securities available under the subsequent offering may have specific returns tied to specific future projects and the returns from those future projects may not be made available for the Securities that are offered through this Offering.



3.7 INDUSTRY MEMBERSHIPS

CED Co-op benefits from being an active member in the Ontario Co-operative Association (ON Co-op), and the Canadian Worker Co-op Federation (CWCF). These industry groups work together to help grow the profile of Co-operatives in Ontario and Canada.

3.8 INSURANCE

CED Co-op maintains Commercial General Liability and Property insurance for its property and project operations through BFL Canada insurance brokers, with the policies issued by AXIS Insurance. This coverage includes $5 million per occurrence and $5 million aggregate of Commercial General Liability, $18.4 million of Property coverage, and $6.1 million of Business Interruption coverage. The current policy has a renewal date of June 30, 2026. CED Co-op also holds Directors and Officers insurance through Zurich in the amount of $5 million, with a renewal date of June 30, 2026. It is expected that the constructors of the Projects will maintain insurance for the Projects and properties during the construction stage prior to reaching Commercial Operation.

3.9 REAL ESTATE

CED Co-op does not currently own any real estate, either directly or through any of its JVs or LPs. CED Co-op has entered into Lease Agreements for the purpose of developing FIT Projects. The operations of CED Co-op are currently managed through the offices of VCT, and CED Co-op does not hold a separate lease for office space at this time.

Leases for FIT Project Development

The following is a summary of the leases with the owners of the properties where FIT or microFIT Projects are being operated to which CED Co-op or its Sub-Entities are a party. The purpose of each Lease Agreement is to permit CED Co-op or its Sub-Entities to install and operate Solar PV Systems on the Property Owners' land or buildings. A separate Lease Agreement has been entered in to by CED Co-op or its Sub-Entities with the Property Owner for each Project or property.

CED Co-op and its Sub-Entities have, at this time, entered into or acquired the rights under 117 Leases with Property Owners. In a number of cases, the property owner is also a JV or LP partner.

The following is a summary of the material terms and conditions of the Lease Agreements:

(a) The legal description of the property
(b) The term of the Lease Agreement. The Lease Agreement is for twenty years for Solar PV energy Projects to coincide with the duration of the term of the FIT Contract, plus an estimate of the time taken to apply for the FIT Contract and bring the Project to Commercial Operation. This additional time could be up to 4 years.
(c) Access to the Property for the purposes of installation, maintenance, repair and decommissioning of the Project.
(d) Confirmation of tenant's (CED Co-op or JV's) ability to use the property for the purpose of PV installations.
(e) Renewal options for extending the lease beyond 20 years – many of the leases provide for the ownership of the assets to be handed over to the landowner at the end of 20 years.
(f) The base rent to be paid over the term and ancillary charges payable.
(g) Covenants of the tenant to install and operate the system in a prudent manner.
(h) Covenants of the Property Owner including provisions that the Property Owner will not do any act or thing that will result in any shading or obstruction of the sun, thereby impairing the Renewable Energy equipment's ability to generate electricity.
(i) A covenant that the Property Owner will obtain a non-disturbance agreement from any holder of a mortgage on the Property being leased.
(j) The Property Owner has the ability to terminate the Lease Agreement if the tenant has defaulted in its obligations to the Property Owner in the Lease Agreement.
(k) The insurance the parties are required to obtain for the Renewable Energy equipment and the property on which the renewable power equipment is situated.
(l) Terms and provisions regarding the transfer by a party of their interest in the Lease Agreement.
(m) It is intended that the parties would initially proceed to non-binding mediation followed by binding arbitration in the event the non-binding mediation did not result in a resolution of the issue.
(n) For building rooftop leases, terms under which a system, once installed, may be temporarily moved or relocated in order to facilitate any roof repairs required for the building.
(o) General indemnification provisions between tenant and Property Owner whereby one party agrees to indemnify the other for damages suffered by the other party as a result of the conduct of the one party.
(p) The location of the Renewable Energy equipment and ancillary equipment on the Property Owner's property.
(q) Options upon completion of lease term regarding removal of equipment or transfer of ownership.

Given site variations and the fact that Lease Agreements must be negotiated separately with each and every Property Owner, some variations exist within the current leases that have been executed and it is envisioned that not all future Lease Agreements will be uniform. This variation of leases is identified as a Risk Factor in Section 5: Risk Factors – System/Facility – Lease Agreements.

3.10 MARKETING

CED Co-op has a marketing strategy to attract Members and investment from both Members and Non-Members. More information on this plan is provided in Section 4 ("Business Plan") of this Offering Statement.

3.11 CO-OPERATIVE MANAGEMENT

CED Co-op is currently managed by its Board of Directors and does not have any employees. The Directors are elected for a three-year term, with the renewal of terms staggered so that not all directors' positions are vacated in a given year. If the Director is being elected to replace a Director who, for whatever reason, has failed to serve their entire term, the term of such replacement Director shall be for the balance of such Director's term. As outlined in the Co-op Act, there is no limit on the number of terms a Director may serve. The election of Directors occurs by vote of the Members at the annual general meetings of CED Co-op.

The current members of the Board have a broad range of business experience in start-ups, financial co-operatives, high-tech companies, construction, legal, finance, operations, and managing businesses as well as a proven track record of energy project development:

Alvin Doerksen, MBA, B.ED, B.SC – Director

Al is a retired senior executive with broad-based experience in business, international development, and education. He has spent over 6 years as a consultant to, and later CEO, at International Development Enterprises (Denver) and 7 years at Palliser Furniture (Winnipeg), including time in the role of Senior VP Operations. Al has also held leadership positions with Canadian Foodgrains Bank, Trojan Technologies (London/Europe), and MCC. His board experience includes serving on the Board of Ridge Townhomes, Concord College, and IDE Canada, and 4 terms on the CED Co-operative board including 7 years as Board Chair.

Brian Unrau, BED, MBA, FCUIC, CPA, CMA – President and Director

In addition to serving as President of CED Co-op, Brian is also the President of VCT. Brian studied energy efficient and environmental technologies in the Faculty of Architecture at the University of Manitoba, receiving his Bachelor of Environmental Design (BED). Following this he pursued further studies in computer science and began working for Convergys/AT&T. Brian then became a partner in a computer consulting firm, starting up a computer sales company alongside the consulting business, as well as teaching high school computer science courses. Brian left those endeavours to join the financial co-operative, Kindred Credit Union (formerly Mennonite Savings and Credit Union), in 2002 where he subsequently held several technical, lending, and management roles and earned the designation of Fellow of the Credit Union Institute of Canada (FCUIC). During this time Brian also obtained his Master of Business Administration (MBA) from Wilfrid Laurier University. Following this he pursued further studies in accounting, completing the Certified Management Accountant (CMA) program in 2011, and has subsequently received the designation of Chartered Professional Accountant (CPA). Brian is one of the founding members of CED Co-op and has served as the President of the organization since its incorporation in 2012. He has served on the Ontario Regulations and Legislation committee for the Ontario Co-operative Association as well as the boards of the Federation of Community Power Co-operatives and Enova Energy Corporation and is currently serving on the building committee and the board of directors of Beyond Housing, a charity engaged in providing affordable housing.

Brody Rebelo, CPA – Secretary and Director

Brody Rebelo brings a wealth of experience and expertise in financial reporting, analysis, and forecasting to the Board of CED Co-op. With a solid background in preparing annual financial statements for CEDC during his tenure as Director of Finance at VCT Group under the Management Services Agreement, Brody has an intimate understanding of the Co-op's financial landscape. Currently serving as the Director of Finance & Accounting at Kingsley Management Inc., he manages the full financial forecasting and financial reporting processes for a diverse portfolio of companies in Construction Services, Rental Equipment, and Hospitality. Additionally, his part-time consulting engagements with small businesses, where he prepares detailed financial statements and business plans, further attest to his broad financial acumen. Brody's extensive experience and developed relationships in his professional career bring valuable perspectives and insights to the Board, aiding in strategic planning, investment decisions, financing, and prudent financial management, thereby benefiting all members of the Community Energy Development Co-operative.

Christopher Derksen Hiebert, MA – Board Chair and Director

Chris brings over twenty-five years of advocacy experience and leadership, with a focus both in Canada and globally. Holding an MA in Political Science from Carleton University, he spent a decade at Mennonite Central Committee, including four years directing the Ottawa government relations office. At World Vision Canada since 2001, he initially served as a Policy Advisor on Peacebuilding and Conflict, transitioning to Director of Advocacy and Education in 2007. He currently serves as Senior Director of Public Policy for World Vision International, providing strategic guidance on issues like child rights and climate security, representing the organization at major forums like the G7, G20, COP27, and the UN.

Chris is a dedicated educator, having taught undergraduate advocacy courses at Conrad Grebel University College. He has served on multiple Boards of Directors, including Project Ploughshares and Geneva-based Child Rights Connect. Passionate about climate justice, Chris actively integrates his beliefs into both his

personal and professional life. He and his wife have embraced sustainable practices, such as participating in the Ontario Micro-fit program and implementing solar panels on their home.

John Brubacher, B.Sc. – Director

John has been involved in business operations through work with Martin Mills Inc. and the pet food divisions of HJ Heinz and Del Monte. His responsibilities included purchasing, operations, logistics, sales, and budgeting. John holds a BSc and has attended Risk Reduction Management programs from the Chicago Board of Trade (now CME). John is taking a slower pace in business as a real estate agent, committing more of his time and expertise to Boards, including CED Co-op. John is an active investor in a number of solar, wind and other renewable energy companies.

Jordan Smith, BA, MA – Director

Jordan brings a strong background in economics and finance, along with deep experience in community development and Indigenous economic empowerment. He holds a Bachelor of Economics from Brock University and a Master of Economics with a Finance specialization from the University of Guelph. As Senior Loans Manager and Acting CEO at Two Rivers Community Development Centre (TRCDC), Jordan plays a key role in advancing Indigenous prosperity through business financing and community economic development across Southern Ontario. He oversees loan approvals and presents recommendations to the Board, and has been identified as the successor to the outgoing CEO. Jordan also serves on the Board of Directors for Community Futures Ontario, representing all CFDCs in Ontario, and sits on the Boards of Community Futures Western Ontario and the Indigenous Financial Institutions of Ontario. He is a member of the City of Toronto's Indigenous Procurement Advisory Committee. Jordan's extensive experience in finance, community development, and Indigenous economic empowerment brings valuable insight and leadership to the CED Co-op Board.

Kimberley Charlesworth, BA, LL.B – Director

Kimberley brings a strong commitment to sustainability, community development, and public service. With decades of experience in public administration, non-profit leadership, and governance, she offers strategic insight and operational expertise rooted in a passion for local resilience and renewable energy. She co-founded and chaired the Kootenay and Boundary Food Producers Co-op, supporting local food systems in British Columbia, and held governance roles with the West Kootenay EcoSociety and the Centre for Innovative and Entrepreneurial Leadership (CIEL). As a Service Delivery Manager with Service Canada, she led budgets, operations, and regional teams. At the Nelson Food Cupboard, she managed fundraising, policy, and HR. Earlier in her career, she held roles in administration and marketing with Seamark Asset Management and practiced law in Halifax, Nova Scotia. Kimberley holds a BA and LL.B from Dalhousie University, has completed the Canadian Securities Course, and trained in permaculture and adult education. A former Nelson City Councillor, her background in policy, financial oversight, and nonprofit leadership brings essential perspective to the CED Co-op Board.

Martin Sellar Voll, B.A., MES – Director

Martin is the Director of Human Resources and IT with Centurion Canada, part of the Centurion Group which is a global leader in the supply of critical services to the energy and resource industries. Since joining the company in 2007, Martin has worked in various capacities of operations management. He has held senior roles throughout the company's nine business acquisitions since 2017, including three in 2023. He continues as the chair of the company's global water group. Martin also has previous work experience with on and off-grid PV systems up the 10kW, real estate development, property management, and community economic development. He has previous board experience. Martin holds a Bachelor's degree in International Development with minors in Business and Economics, and he also holds a Master's Degree in Applied Environmental Studies from the University of Waterloo.

Paul Hildebrand, B.Math, B.Ed. – Treasurer and Director

Paul is a retiree of the Waterloo Region District School Board where he taught Mathematics, Computer Science, and Business Studies, at the secondary level, for 28 years. Prior to that, he worked for 7 years in the Information Technology sector with the Prudential Assurance Company. He holds two degrees; the first, a Bachelor 's Degree in Mathematics majoring in Accounting and Computer Science, from the University of

Waterloo, and the second, a Bachelor of Education degree from the University of Western Ontario. Blending the technical and the interpersonal has been the cornerstone of Paul's career. Whether it be leading teams of programmers in software project development, or inspiring students in a classroom setting, he is at home working both individually or in a group setting and is an experienced public speaker.

Ryan Parton, C.E.T. – Director

Ryan is a co-owner of Crescent Ridge Services and sits on its board. Ryan has organizational development experience, having grown sales from average of $1M to $1.5M to $4M-6M per year in past 3 years. A significant amount of his management teamwork consists of providing ideas; reviewing and collaborating to come to the best solution/idea for the business and their customers. On the financial side Ryan takes care of all financial aspects; budgeting for capital expenditures, managing operational expenses and optimizing wherever possible as well as dealing with HST and Payroll remittances to CRA. From his previous roles at BlackBerry, Ryan has a wealth of knowledge on reverse logistics/RMA, manufacturing, product, and hardware engineering, regulatory and compliance and certification, Lean/Six Sigma/Kaizen and electrical testing. During his time at VCT Group he grew from having little knowledge on how solar panels and associated power electronics worked, to managing over 8MW of PV projects and becoming a technical leader on the topic. His every day goal was and still is to ensure that his projects were working and performing for his customers. He took the trust that CED put in VCT Group to build the projects very seriously and always did his best to put the projects first. Ryan is pragmatic and considers himself a common-sense person when it comes to issues of finance and investment details.

Steven Chomyc, P. Eng, MBA – Vice Chair and Director

Steve has an extensive solar PV background in both technical and project development. He has built and designed his own installation from scratch and was also responsible for EPC execution of the FRV/SunEdison Apex Solar development in North Las Vegas, NV. Steve has also held several general management positions, both with ABB and with Plexal Group in Perth, Australia. At Plexal Group, Steve reported to the board of directors and interacted extensively with them including navigating the business through the Global Financial Crisis and managing cash reserves very tightly. Typically, Steve is part of the front-end development of opportunities. He brings strong risk management/mitigation skills and to ensure that, once secured, the opportunity can be delivered with predictable and desired outcomes. Steve has been a licensed Professional Engineer (PEO) since 1988 and completed his MBA in 2012, while working full-time. He likes the challenge of a difficult problem and brings his diverse background and collaborative nature to his assignments.

3.12 ON DISSOLUTION OF THE CO-OPERATIVE

Upon dissolution and after the payment of all debts and liabilities, including any dividends declared and not paid, and the purchase for cancellation or redemption of all outstanding Shares, CED Co-op's remaining property shall be distributed equally among its Members irrespective of the number of Shares or amount of Bonds or loans, if any, held or made by a Member.

4. BUSINESS PLAN

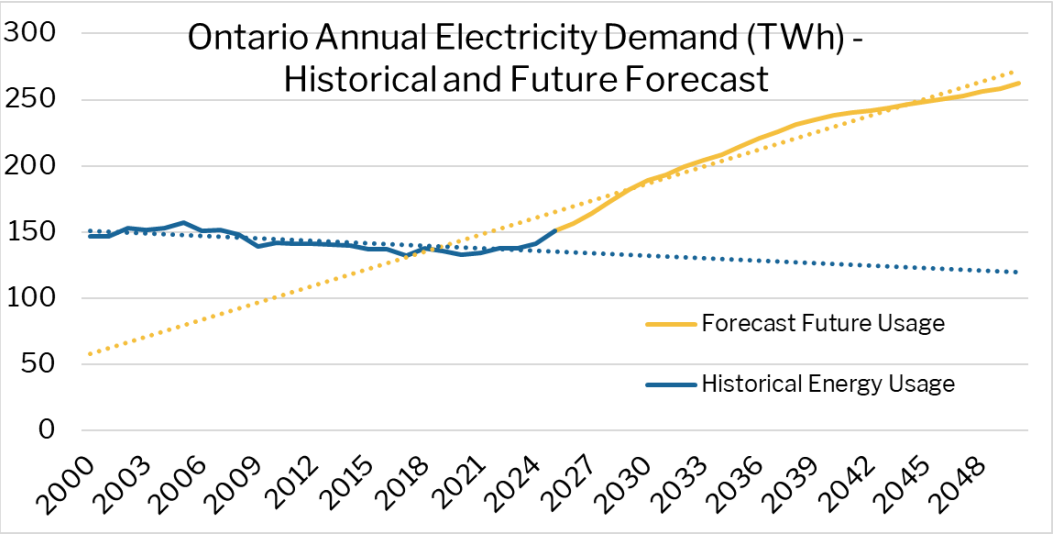
In the artificial market of the FIT and microFIT program, project opportunities relied on the grid operator's forecast needs for power generation capacity and structured procurements for energy supply from various generating types. Further, within these procurements, the FIT Program required unparalleled dedication to timeliness and accuracy, with some procurements seeing the capacity taken up with applications submitted within the first day of application window opening, and applications being rejected for issues as small as single typographic errors.

Under the broader scope of business opportunities now available to CED Co-op, the Co-operative is operating in more natural market structures, working directly with consumers of energy rather than those that procure energy on behalf of the Province.

Notwithstanding this change in target market structures, CED Co-op will still need to rely on a favourable regulatory environment that continues to introduce legislation and regulation that favours the addition of distributed energy generation, energy resiliency, clean energy, and cost-effective energy generation.

4.1 ONTARIO ELECTRICITY MARKET AND BEYOND

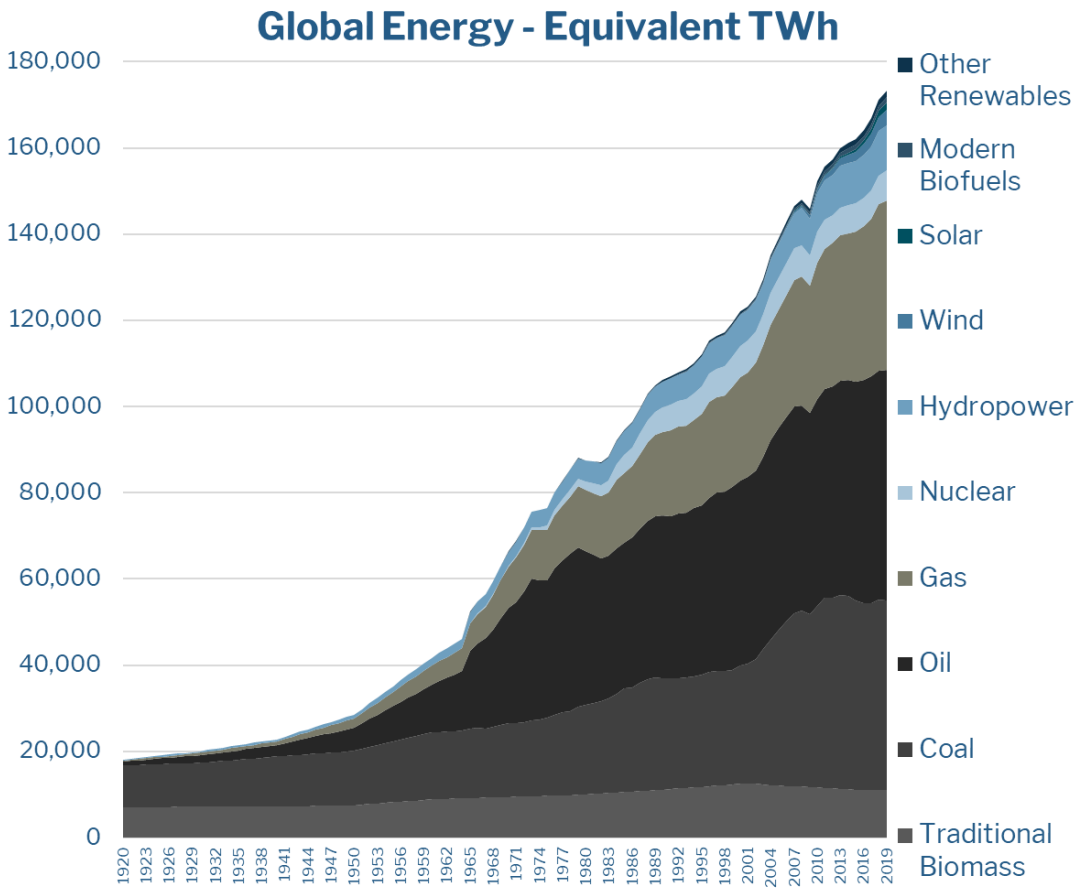
As outlined in Section 3.6.1, the IESO has released forecasts for energy demand in Ontario. The province is at an inflection point in its electricity markets. Economic growth, along with electrification in many sectors, is driving energy use up across the province, and these forecasts are higher than what has been shared in previous planning documents. The IESO's 2025 Annual Planning Outlook (APO), published in April 2025, forecasts that system-level net annual energy demand will grow 75% to 262 terawatt-hours (TWh) by 2050, a significantly higher increase than the 60% growth forecast in the 2024 APO within the same timeframe. Demand is expected to rise from approximately 151 TWh in 2025 to 262 TWh by 2050, a compound annual growth rate of approximately 2.2%.



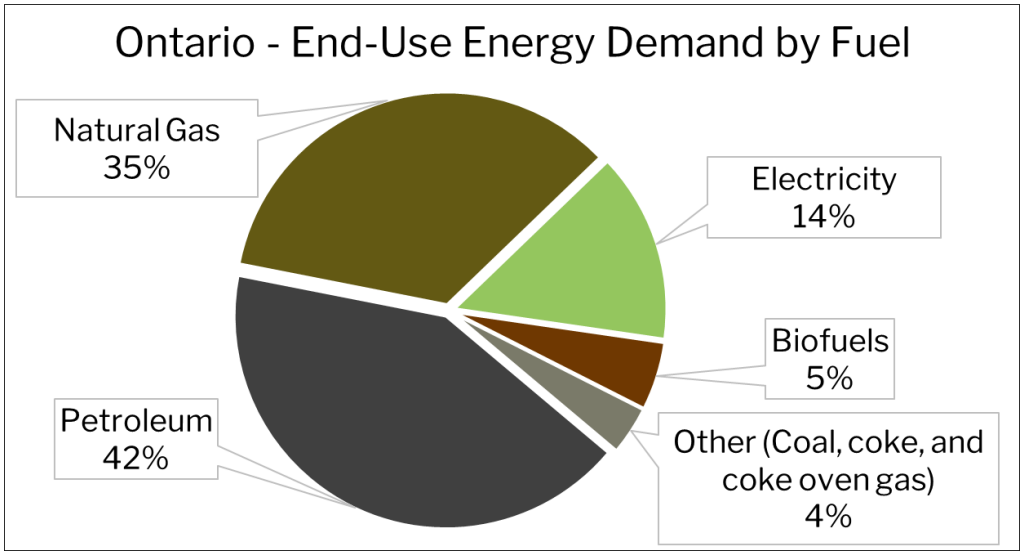
The accelerated pace of demand growth in this forecast is primarily attributed to the industrial sector, which includes additional electric vehicle supply chain manufacturing and energy-intensive data centres, a trend emerging rapidly around the world to support the proliferation of artificial intelligence. An increasing population and a focus on electrification are other factors continuing to escalate electricity demand across the province. The IESO expects Ontario to become a dual-peaking jurisdiction by the 2030s, with both summer and winter electricity peaks being comparable, driven by growing adoption of electric vehicles and electric space heating.

While this is somewhat in alignment with actions needed to reduce emissions, it still falls short of what will be required to achieve our climate goals. Over the past century, on a global scale, energy consumption has been consistently increasing at a compound annual growth rate of 2.3% while the population has been growing at a compound annual growth rate of about 1.4%. Our energy usage both in absolute values and on a per capita

basis is increasing significantly. This increase in energy usage is shown in the graph below, which outlines 100 years of increasing energy consumption, from 1920 to 2020, along with the sources of energy.

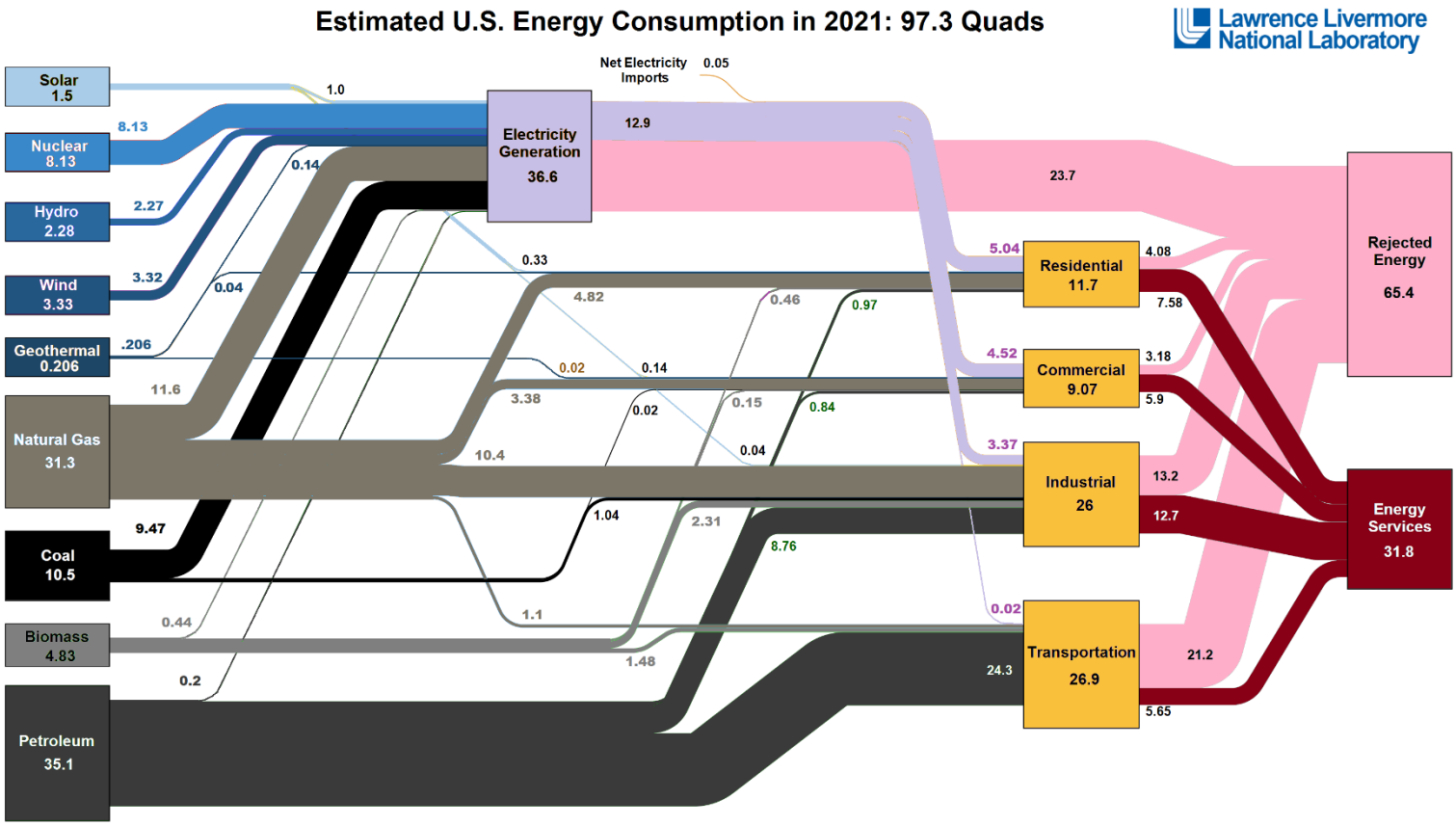


The lower 4 areas, including biomass, coal, oil and gas are all combustion based, making up more than 85% of energy consumption. While this outlines energy sources at the global level, the Ontario situation is similar. Only 15% of energy consumed in Ontario is through clean, electrified sources, while 85% continues to be supplied from combustion.



This outlines the immense task ahead. With 75% of emissions coming from energy consumption, and 85% of energy coming from emitting sources, an entire rebuild of the global energy systems is needed.

The good news, if it can be called such, is that more than 67% of the energy used is wasted due to inefficiency and heat escape, known as rejected energy.

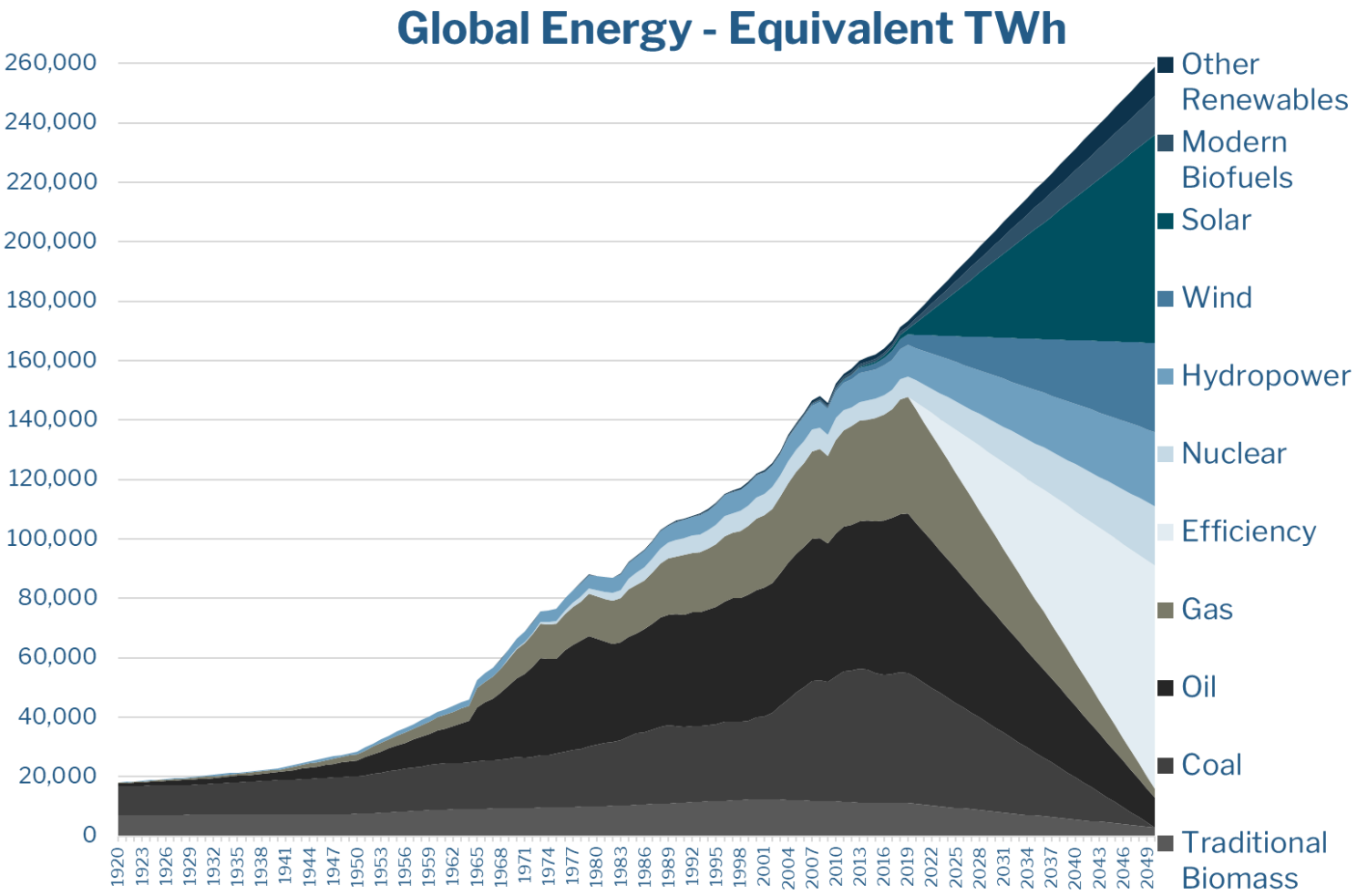


This diagram, from the Lawrence Livermore National Laboratory (LLNL), is for the US, but Canada is similar. Inefficiency, waste energy and heat escape are included in "rejected energy", represented by the large pink box on the upper right. The real work energy, what is truly needed and used, is the lower, darker red box. Of the current energy consumption, from all sources, and through all uses, twice as much energy is lost to "rejected energy" than what actually gets used productively.

For example, in transportation, the bottom orange box, in examining the efficiency of an internal combustion engine-based vehicle, 80% of the energy is lost to inefficiency, compared to a battery-based electric vehicle that loses only 11% to inefficiency. If all road vehicles were electrified as battery-electric vehicles at this same efficiency, to deliver the same productive energy of 5.65 Quads (quadrillion BTUs equivalent energy) for transportation, the orange box would shrink from 26.9 to 6.35, and the large pink pipe would shrink from 21.2, down to about 0.7.

Another example, in home heating, whereas the top furnaces have efficiencies in the high 90 percents, still less than 1:1, a heat pump is actually a multiplier of energy. Through most of its operating range, one unit of energy going into a heat pump creates 3 units of heat energy out, 1:3, or more. Even at its worst is still better on a percentage basis, and most importantly, involves no combustion. Heat pumps, as energy multipliers, almost entirely eliminate rejected energy.

If we apply the technology of electric vehicles, heat pumps and other market tested technologies, we can take the challenge of electrifying global energy needs down by more than half. If these energy efficient technologies are implemented (grey area in the graph below), and the current growth rates of solar, wind, other renewable energy sources and energy storage technologies continue, the transition away from fossil fuel based energy can largely be completed by 2050 while meeting the growing energy demand.



Natural Gas / Methane

Below ground methane has benefitted tremendously from fortunate branding that occurred more than a century ago, in it becoming known as 'natural gas', but it should be recognized for what it is. Methane is approximately 80 times more potent as a heat-trapping greenhouse gas than carbon dioxide over a 20-year period. Further, methane emissions in Canada have been known to be understated for many years, with emissions likely exceeding what is being reported by a significant multiple. This would indicate that the reported methane emissions, currently recorded as 13% of Canada's total greenhouse gas emissions, are likely several times this amount. Natural gas (methane) is not something that should be treated as a transition fuel.

A comprehensive study published by Stanford University and Lawrence Berkeley National Laboratory in March 2024, which used airborne sensors to monitor oil and gas infrastructure across six of the nation's most productive regions, concluded that methane emissions from US oil and gas operations are approximately three times higher than government estimates. In the New Mexico portion of the Permian Basin, more than 9% of all methane produced was being leaked into the atmosphere. This is more than 6 times the estimates from the Environmental Protection Agency of 1.4%. Separately, in July 2024, the MethaneSAT project confirmed that oil and gas producers across the US are emitting methane at over four times the rates estimated by the EPA for those same areas, with an aggregate loss rate of 1.6% across 12 major production basins, which is 8 times higher than the industry's own widely touted 0.2% emissions intensity target. Further, it is more than 3 times the level at which coal-based power plants have a lower emissions profile than natural gas (methane) power plants.

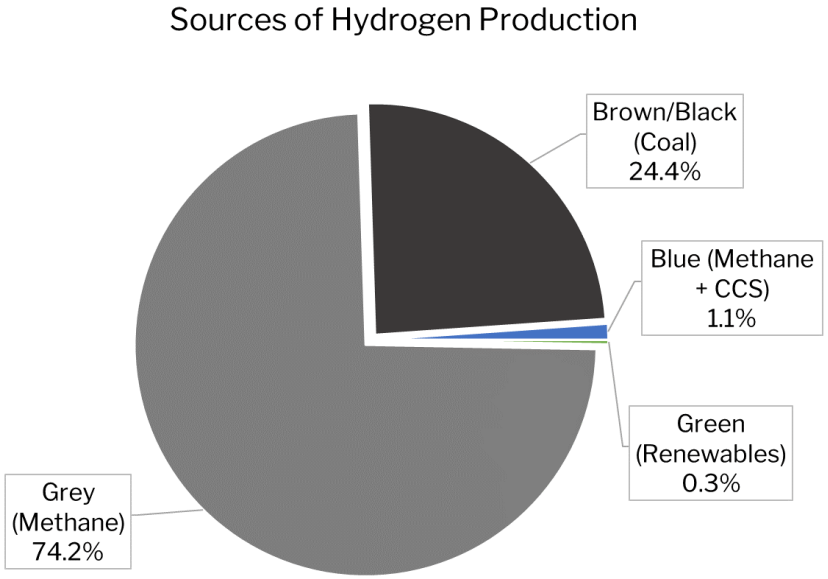
A single methane leak from extraction occurring in 2022 near Lloydminster, on the border between Alberta and Saskatchewan, saw gas escaping into the atmosphere at a rate similar to the emissions from 1.75 million passenger vehicles.

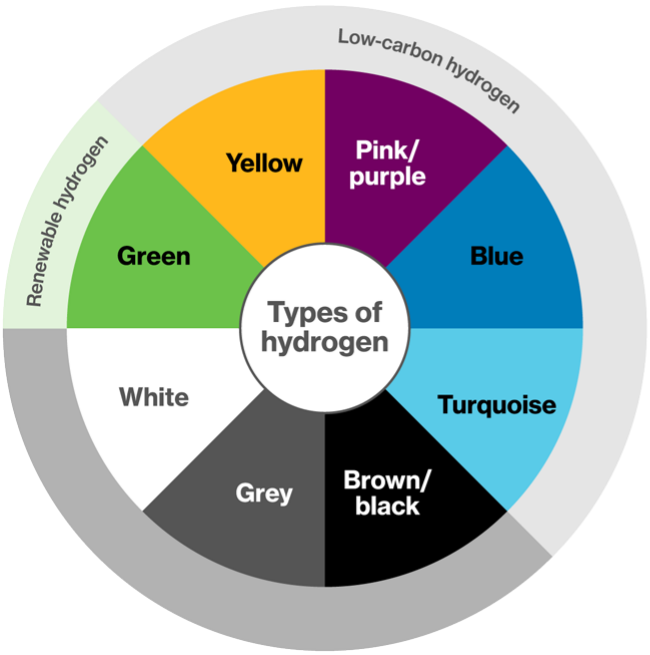
Hydrogen Alternative – Black, Grey, Blue, Green…

Based on currently commercialized technologies and processes, hydrogen is not a suitable alternative for most energy applications. Production of hydrogen largely comes from steam reformation of methane, and further the heat to supply the steam comes from the combustion of methane. This is known as 'grey hydrogen'. Studies confirm that hydrogen produced from methane not only has a larger carbon footprint than simply continuing to use methane, but also is double the cost.

Adding in carbon capture and storage processes to the creation of hydrogen from methane is known as 'blue hydrogen'. While carbon dioxide emissions can be lower for blue hydrogen, fugitive methane emissions for blue hydrogen are higher than for grey hydrogen because of an increased use of natural gas to power the carbon capture. In aggregate, the greenhouse gas footprint of blue hydrogen is more than 20% greater than burning methane or coal for heat and 60% greater than burning diesel oil for heat.

While hydrogen can be produced from renewable powered electrolysis, known as 'green hydrogen', it remains significantly more expensive than fossil fuel alternatives, with costs ranging from 1.5 to 6 times that of conventional hydrogen depending on region and renewable energy costs. On a system price and efficiency basis, green hydrogen simply cannot compete with the cost of direct electrification, especially with solar bringing the costs of new electricity generation lower and lower. While improvements are being made in green hydrogen, so too are improvements made in solar, wind and battery technologies, which further challenge the likelihood of large-scale green hydrogen for general energy use. According to the International Energy Agency's 2025 Global Hydrogen Review, low-emissions hydrogen still accounts for less than 1% of total global hydrogen production despite record demand of 100 million tonnes in 2024. Over 80% of recent project cancellations have been in the electrolysis (green hydrogen) space, where rising capital costs and high electricity prices have slowed deployment.





Green
Produced from 100 percent renewable energy sources, such as wind and solar, generating zero emissions.

Yellow
Produced from a mix of energy sources, such as renewables and fossil fuels.

Pink/purple
Produced using nuclear power.

Blue
Extracted from natural gas using steam-methane reforming, where CO_2 is captured and either stored or repurposed.

Turquoise
Produced from methane. Instead of CO_2, solid carbon is produced.

Brown/black
Extracted from coal using gasification.

Grey
Extracted from natural gas using steam-methane reforming.

White
Produced as a byproduct of industrial processes.

Other challenges for hydrogen exist in the overall delivery infrastructure. The methane pipeline infrastructure that exists across Ontario and Canada, which brings methane to most homes, is not able to manage a full conversion to hydrogen. The delivery pipes, along with the household appliances they feed (water heaters, furnaces, fireplaces, stoves, clothes dryers), can generally support no more than 20% hydrogen content, meaning 80% will still have to be methane in order to keep the current infrastructure of pipelines and appliances. Even this 20% limit carries significant risk. Under pressure, hydrogen molecules dissociate into individual atoms at the steel surface, and these atoms are small enough to diffuse directly into the metal's crystalline lattice structure. Once inside, hydrogen atoms migrate to grain boundaries, micro-cracks, and other stress concentration points where they accumulate and recombine into molecular hydrogen, generating internal pressure that weakens the steel from within. This process, known as hydrogen embrittlement, reduces the steel's ductility and fracture toughness, and can lead to sudden brittle failure under loads that the pipe would otherwise handle safely. Research on X80 pipeline steel, a grade commonly used in high-pressure gas transmission, has found that even at a 5% hydrogen blend by volume, the fatigue life of the steel can be reduced by more than 90% compared to a hydrogen-free environment, and fatigue crack growth rates can increase by an order of magnitude or more. Weld seams and heat-affected zones in pipelines are particularly vulnerable, as residual stress from the welding process can increase hydrogen accumulation at those points by nearly three times compared to the base metal. These effects are not theoretical; they are well-documented across decades of peer-reviewed materials science research and present a fundamental challenge to the safe repurposing of existing natural gas infrastructure for hydrogen transport. Further, the density of energy in hydrogen is much lower than current fuels. An entire transport trailer is needed to transport the annual energy needs of 1 fuel cell electric vehicle, versus a regular transport trailer hauling enough gasoline for 25 gasoline-powered vehicles.



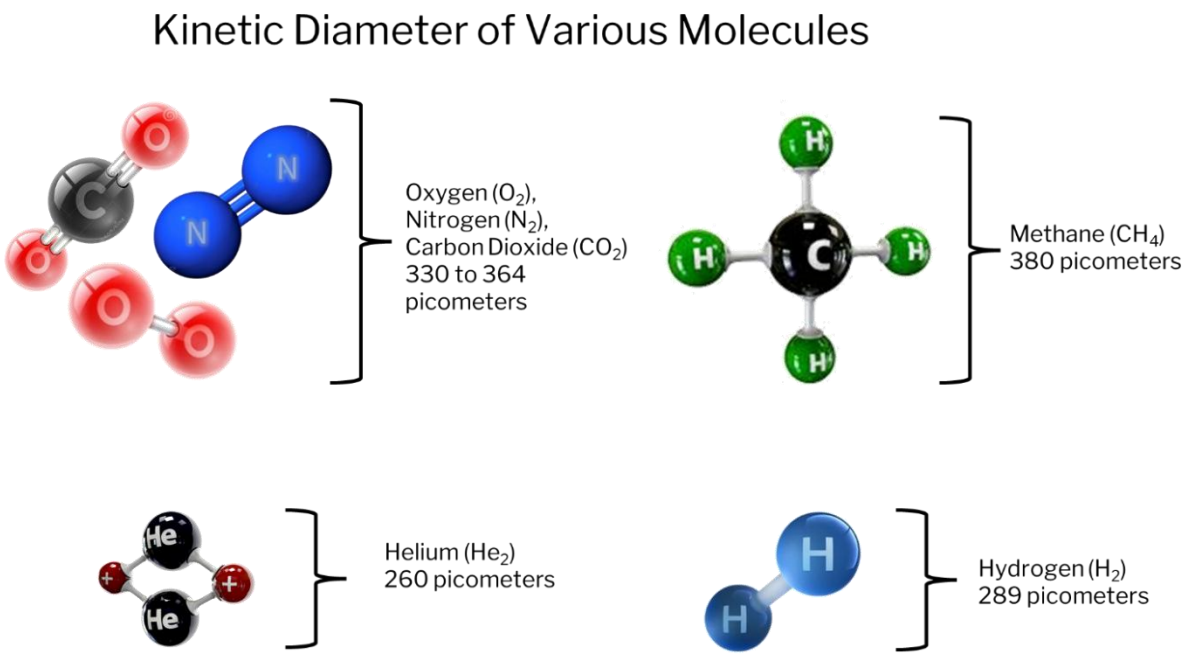
Transport Trailer - Hydrogen
- Hauling 300kg of Compressed Hydrogen
- Enough hydrogen to power **1** average hydrogen FCEV vehicle for 25,000 kms



Transport Trailer - Gasoline
- Hauling 44,000 litres of gasoline
- Enough gasoline to power **25** average gas vehicles for 25,000 kms

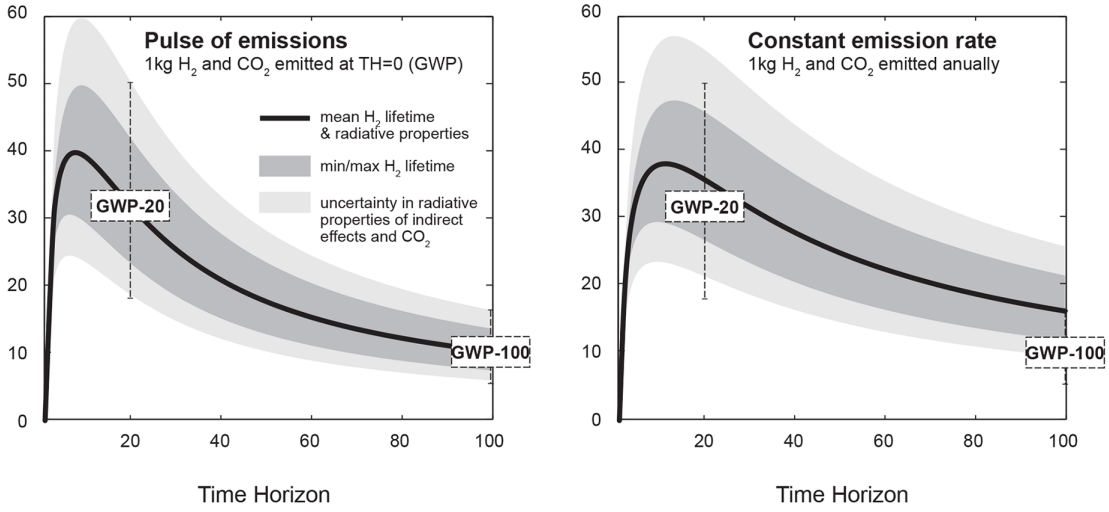
The challenges of hydrogen are not merely ones of cost or technology waiting for a breakthrough. They are rooted in the fundamental laws of thermodynamics. The energy content of 1 kilogram of hydrogen is 39.4 kWh on a higher heating value basis, or 33.3 kWh on a lower heating value (practically recoverable) basis. A theoretically perfect electrolyzer operating at 100% efficiency would require a minimum of 39.4 kWh of electricity to produce that same kilogram. In reality, commercial electrolyzers consume 50 to 55 kWh of electricity per kilogram of hydrogen produced. This means that for every unit of hydrogen energy created, at least 25% to 65% more electrical energy must be consumed in the process, and this gap cannot be engineered away because it is dictated by the laws of physics, not by the maturity of the technology. If that same 50 kWh of electricity were used directly, whether to power a heat pump, charge an electric vehicle, or run industrial equipment, more useful work would be delivered than could ever be recovered by first converting the electricity to hydrogen and then converting the hydrogen back to work. Each additional conversion step, from electricity to hydrogen, to compression or liquefaction for transport, and back to electricity or mechanical energy through a fuel cell or combustion, introduces further thermodynamic losses. By the time hydrogen is produced, compressed, transported, and converted back to useful energy, the round-trip efficiency can be as low as 25% to 35%, compared to 85% to 90% for direct electrification through batteries. As one researcher summarized, the question is not whether electrolyzers will become more efficient, but whether producing a kilogram of hydrogen is a better use of a megawatt-hour than simply putting that electricity onto the grid. In almost every application where direct electrification is feasible, the answer is no.

Beyond efficiency, hydrogen presents significant infrastructure challenges. It is already a challenge keeping methane molecules securely in pipelines and transportation infrastructure, with much of it leaking into the atmosphere. Hydrogen represents an even bigger challenge with it being so much smaller a molecule. The size of a hydrogen molecule is similar in relation to methane as the size of a helium molecule is to the air we breathe. When balloons are filled with helium, it typically only takes a day or two for most of the helium to leak out versus those that are filled with breath. It is likely that pipelines and transportation infrastructure for hydrogen will face similar challenges.



While the combustion of hydrogen (H_2) generally results in the creation of water (H_2O) as the byproduct, it isn't the burning of hydrogen that is problematic. Once again, it is the fugitive emissions. Hydrogen, too, is a fairly powerful greenhouse gas. While it is less potent than methane, which has a global warming potential over a 20-year period (GWP-20) that is 80 times carbon dioxide, the GWP-20 of hydrogen averages 32 times that of carbon dioxide.

Global Warming Potential of Hydrogen – Pulse vs Constant Emissions



Renewable Natural Gas Alternative

Renewable natural gas (methane from landfills and bio-waste), while not being extracted from below ground, is not a significantly better alternative. Even the gas industry's own data demonstrates the scale of the shortfall. Canada's total end-use demand for natural gas was approximately 4,254 petajoules in 2021. By the end of 2025, total RNG production capacity across Canada was approximately 17 petajoules per year, representing roughly 0.4% of national demand, despite the industry's aspirational target of 5% by 2025 set back in 2017. The Canadian Gas Association has since set a further aspirational target of 10% RNG blending by 2030, but the gap between aspiration and reality is vast. Even under optimistic resource assessments, total feasible RNG production potential in Canada could meet at most 5% to 10% of current gas consumption, with the upper end of that range dependent on gasification technologies for forestry and agricultural waste that are not yet commercially proven at scale. The practical, near-term accessible supply from landfills, wastewater, and farm digesters is significantly smaller. Further, the pipeline and transport systems would remain unchanged, leading to continued leaks and fugitive methane emissions. Methane is methane, whether from bio-waste or from below ground, and fugitive emissions of renewable methane are just as harmful to the atmosphere.

These "solutions" of hydrogen and renewable methane, at least within current technological processes and capabilities, are misdirects and distractions. They are further deepening and extending overall societal reliance on methane and fossil fuel extraction, just as ethanol and biofuels misled people in the 1990s to believe that the process to clean up gasoline was able to happen without having to change habits. This has resulted in increasing overall reliance on oil and gas. In British Columbia, where FortisBC has been among the most aggressive proponents of RNG, in-province suppliers filled only 14% to 17% of the utility's RNG demand as recently as 2022, with the remainder sourced from outside the province, raising serious questions about the credibility of RNG as a meaningful decarbonization pathway.

Nuclear Alternative

Despite the debates about capital costs, safety, terrorism, nuclear arms proliferation, insurance and others, historical experience and track records indicate that it is largely too late for nuclear power to have a meaningful impact on near-term climate targets. The Ontario experience of the construction of nuclear plants has historically not been strong. The Darlington original build saw timelines 50% longer than planned at 15 years, and costs were 4 times the budget. This 15 years also doesn't include the design, planning and permitting time, which adds several more years. More recently, while the Ontario government announced in February 2026 that the Darlington Refurbishment Project was completed "ahead of schedule and under budget," OPG's concurrent application to the Ontario Energy Board for a 72.6% increase in its nuclear energy price reveals a different picture. During the refurbishment process, OPG discovered deteriorated steam generator moisture separators, generator stator insulation degradation requiring full rewinds on two units, and turbine rotor cracking requiring replacement, none of which were part of the original $12.8 billion refurbishment budget. These additional projects total approximately $3.3 billion, bringing the actual refurbishment cost to approximately $16 billion, a 25% overrun, with the turbine rotor replacements not expected to be completed until July 2032, six years after the refurbishment's original completion date. Despite

spending $38 million on a dedicated mock-up and training facility, OPG was unable to accurately anticipate conditions even in components outside the reactor core.

This experience is not unique. The most recent large-scale nuclear projects in the Western world have followed similar patterns. In the United States, Vogtle Units 3 and 4 in Georgia, which entered commercial service in 2023 and 2024, were seven years late and approximately 100% over budget, with a total cost of approximately US$35 billion. In Finland, Olkiluoto 3 entered commercial service 17.5 years late. In the United Kingdom, Hinkley Point C has been delayed from 2025 to at least 2031, with costs rising from an original estimate of £18 billion to approximately £48 billion.

Small modular reactors (SMRs) have been promoted as the solution to these cost and schedule challenges, but the global track record to date provides limited evidence. As of early 2026, only three SMRs have been constructed globally, each in a different country, and none have demonstrated the cost reductions promised by the concept. In November 2023, NuScale Power and the Utah Associated Municipal Power Systems terminated what was to be the first commercial SMR project in the United States, the Carbon Free Power Project in Idaho. The project was cancelled after the estimated cost of electricity surged by 53%, from US$58 per MWh to US$89 per MWh, and the project was unable to secure sufficient subscriber commitments. In the United Kingdom, Rolls-Royce SMR, which is developing a 470 MW design, reported in 2023 that its programme funding would run out by end of 2024 and has since required additional investment, including a stake purchase by Czech utility ČEZ. The UK's broader SMR competition has been repeatedly delayed, with winners originally expected in 2024. Russia's two floating SMRs, which began commercial operation in 2020 after significant delays and cost overruns, achieved load factors of only 45% and 18% respectively in 2021. A 2024 analysis of proposed SMRs at 300 MW or less found that none were fit for the rapid decarbonization timeline needed, due to availability constraints and economic challenges.

An independent study by the Ontario Clean Air Alliance, using data from the IESO alongside real-world capital costs and performance measures, found that the Darlington SMRs will cost up to eight times as much as onshore wind, almost six times as much as utility-scale solar, and 2.7 times as much as offshore wind in the Great Lakes after factoring in the federal investment tax credit. The study placed the unsubsidized levelized cost of electricity from SMRs in 2030 at $214 to $319 per MWh, compared to $33 to $51 for onshore wind and $54 for utility-scale solar.

Ontario Power Generation is now actively constructing the first of four planned GE Hitachi BWRX-300 MW SMRs at its Darlington facility. The Canadian Nuclear Safety Commission granted OPG a Licence to Construct in April 2025, and the Province of Ontario approved construction the following month. The published cost of the project is $7.7 billion for the first reactor, including $1.6 billion for infrastructure and administrative buildings, and $20.9 billion to complete the series of four. In October 2025, the federal and provincial governments announced an equity commitment to finance the project through the Canada Growth Fund. OPG intends to apply lessons learned from the Darlington refurbishment project to the SMR construction, and from the first unit to the subsequent three units. The first unit is scheduled to come online by the end of 2030. If the four-unit fleet is ultimately completed, it would deliver approximately 1,200 MW of low-carbon baseload capacity. The project also introduces a geopolitical consideration, as the BWRX-300 requires enriched uranium sourced from a US supplier, creating a dependency on a trading partner whose reliability has been called into question by recent tariff actions.

In the United States, TerraPower received a construction permit from the NRC in early 2026 for its 345 MW Natrium sodium-cooled fast reactor in Kemmerer, Wyoming, with an estimated budget of approximately US$4 billion and a target completion date of 2030 to 2031, representing a 5 to 7 year delay from the original DOE timeline of 2025 to 2027. The Tennessee Valley Authority has submitted a construction permit application for a BWRX-300 at its Clinch River site, though it remains early in the regulatory process.

While these projects represent progress, the broader point remains that new nuclear cannot meaningfully contribute to near-term emissions reduction targets. Guidance from the International Panel on Climate Change indicated that global emissions needed to be reduced by nearly 50% by 2030 in order for warming to be kept to 1.5°C, a deadline that has already passed, and net zero by 2050. Even with construction now underway at Darlington, the first SMR unit will not deliver power until 2030 at the earliest, with the full four-unit fleet not likely operational until the mid-2030s. The International Energy Agency estimates SMR overnight costs in the EU at around US$10,000 per kW, compared to US$6,600 per kW for traditional nuclear, which is itself already among the most expensive forms of new electricity generation. While proponents argue that costs will decline with serial production, this remains theoretical, as there is not yet enough global

construction experience to validate the learning-curve assumptions. Any significant volume of additional new nuclear capacity beyond currently committed projects would require further planning, licensing, and construction timelines that would push operations into the 2040s, a point at which a 60% to 70% reduction in ghg emissions must already be realized.

Efficiency of Electricity

Electricity travels through wires at approximately 270,000 km/s, traversing the country in the literal blink of an eye, and a single high voltage transmission line can carry enough electricity to provide up to 10% of Ontario's peak electricity consumption (20% of night-time consumption). Instead of building pipelines, it appears to be much more forward thinking to be building transmission lines and energy storage.

The cost comparison is striking. The Trans Mountain pipeline expansion, which went into commercial service on May 1, 2024, came in at approximately $34 billion, more than six times its original estimate of $5.4 billion. It carries fossil fuels that must still be combusted, creating emissions, and its economic viability is already being questioned as tolls rise and oil demand is forecast to peak. By contrast, the estimated cost of building out interprovincial electricity transmission infrastructure to connect Canada's fragmented provincial grids into a cohesive national network is approximately $24 billion, according to research by Environmental Defence and the David Suzuki Foundation, with other grid experts placing the figure at roughly $35 billion for a comprehensive pan-Canadian system. For less than the cost of a single oil pipeline, Canada could build the backbone of a national clean electricity grid capable of moving renewable hydro, wind, and solar power across time zones, balancing supply and demand from coast to coast. Modelling suggests that even a $1.7 billion federal investment in interprovincial transmission could unlock $6.6 billion in immediate private sector investment and a further $95 billion over 10 years for new renewable energy generation. HVDC (high voltage direct current) transmission technology, which is more efficient than conventional AC lines for long distances, is already being deployed globally at scale, with China building massive transmission corridors linking renewable generation in the west to demand centres in the southeast, and Sub-Saharan Africa studying 10,000 km HVDC interconnectors across a dozen countries.

Prime Minister Carney has described the construction of an east-west electricity grid as a "historic nation-building project" and the 2025 federal budget removed restrictions that previously prevented provincial Crown utilities from accessing clean electricity investment tax credits, including a 15% ITC for interprovincial transmission projects. Provincial reservoir systems in Quebec, Manitoba, and British Columbia already act as vast passive batteries, capable of ramping output to balance intermittent renewable generation. Connecting those provinces through HVDC corridors would allow Canada to use that flexibility at a continental scale, turning the variability of wind and solar into stability by leveraging time zone differences and geographic diversity.

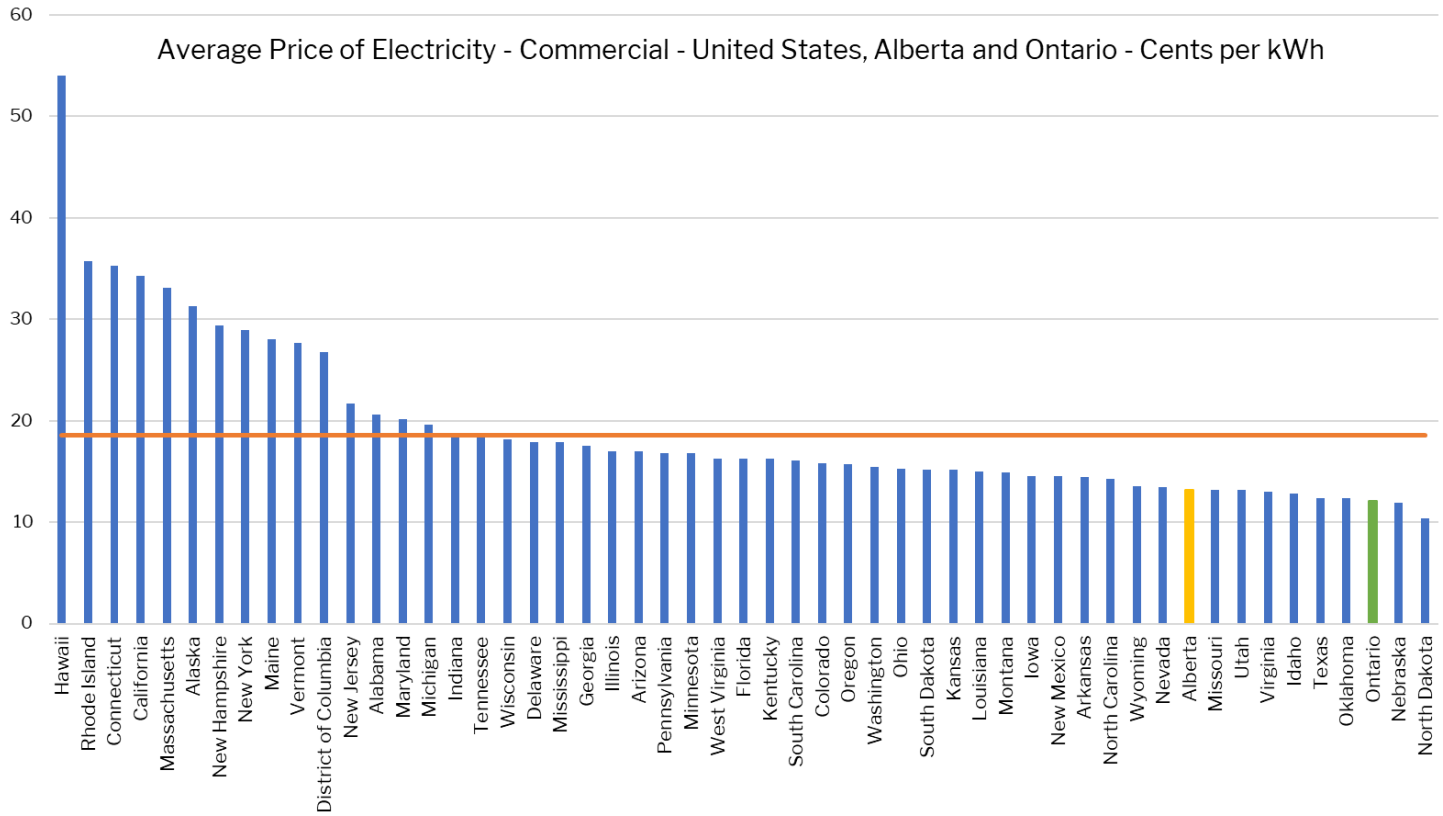
It is clear that the projects CED Co-op intends to undertake align with the goals of the grid operator. Specifically, it is expected that regulations introduced over the coming years will favour increases in generation capacity, distributed energy generation, renewable energy generation, flexible forms of energy generation, energy storage and consumer choice.

4.1.1. Cost Effective Electricity – Solar Net-Meter Generation

The core target market for project development is known as a Class B electricity consumer. This is a cohort that generally has peak monthly demands for electricity between 50 kW and 1,000 kW of power and uses anywhere from 250,000 kWh to 5,000,000 kWh of energy on an annual basis. This consumer pays electricity commodity rates as a combination of an energy market price and Global Adjustment (GA). Effective May 1, 2025, the IESO launched its Market Renewal Program (MRP), replacing the legacy Hourly Ontario Energy Price (HOEP) with the Ontario Electricity Market Price (OEMP). The MRP moved Ontario from a two-schedule market to a single-schedule market that incorporates locational marginal pricing, day-ahead scheduling, and a load forecast deviation adjustment, aligning Ontario with major independent system operators across North America. For Class B customers, the energy component of their bill is now based on the Day-Ahead Ontario Zonal Price plus the Load Forecast Deviation Adjustment, rather than the real-time HOEP. For consistency with historical data in this section, we continue to reference the combined commodity rate (energy market price plus GA). The average combined price of energy in 2024 was approximately $0.13/kWh to $0.14/kWh, with solar production hours tending to align with periods of higher commodity pricing. In July 2025, Class B

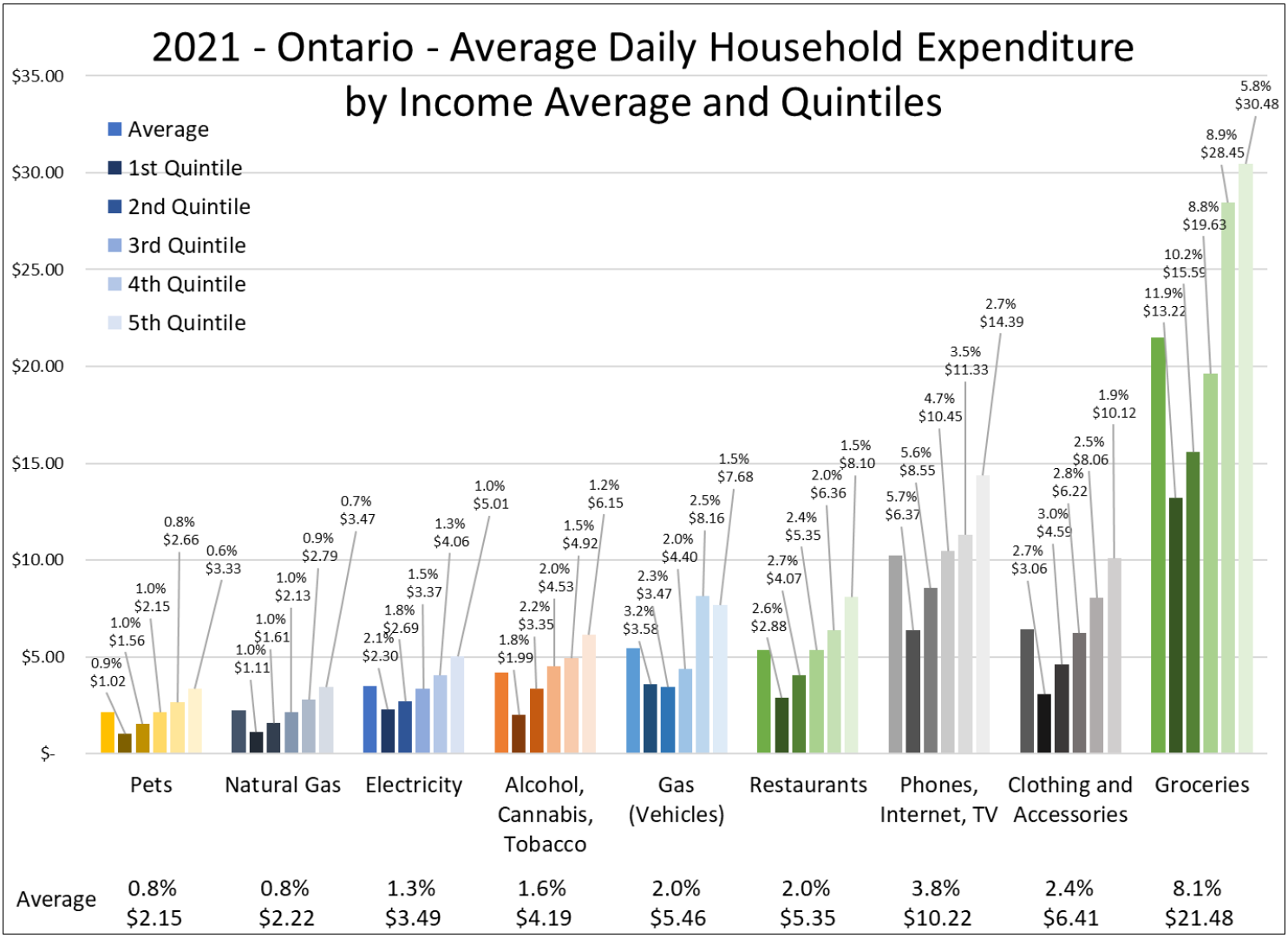
customers experienced notably higher rates during a period of record-breaking heat-driven demand across the province.

In the years from 2010 through to 2020, the combined cost of HOEP and GA increased at an average of 6.9% per year. The subsidization implemented in 2021 has made it difficult to identify the current trend. The IESO's 2025 Annual Planning Outlook scenario modelling projects that per-unit electricity costs in real terms (2024 dollars) could decline to approximately $155 per MWh by the late 2030s as new supply comes online. However, there is reason to view this projection with caution. In December 2025, Ontario Power Generation filed an application to the Ontario Energy Board (EB-2025-0297) seeking a 72.6% increase in its regulated nuclear energy price. Under OPG's proposed rates, the nuclear generation commodity cost alone would rise from $111/MWh in 2026 to over $206/MWh in 2027, reaching $220/MWh by 2031. These nuclear costs reflect the combined revenue requirements of OPG's existing Darlington and Pickering facilities along with the Darlington New Nuclear Project (SMRs). Even when blended with OPG's lower-cost regulated hydroelectric generation, the weighted average payment to OPG would rise from $77.75/MWh in 2026 to $141.55/MWh by 2031, a year-over-year increase of 41.5% in the first year alone. This blended OPG rate represents only the regulated generation component of the total commodity cost, before adding in the cost of all other contracted and market-priced generation (including wind, solar, gas, and biomass paid through the Global Adjustment), IESO system administration costs, transmission, and distribution. It is therefore more likely that the combined commodity rate for Class B customers will continue to increase over this period, rather than declining as the APO scenario suggests, making the economics of behind-the-meter and net-metered solar generation increasingly favourable for electricity consumers.



Notwithstanding the expected trajectory of electricity costs in Ontario, contrary to popular sentiment, Ontario has among the lowest electricity costs in North America. According to Hydro-Quebec's 2024 annual comparison of electricity prices across major North American cities, seven of the eight lowest-cost cities for residential electricity in the study were Canadian. A 2025 Fraser Institute study of 22 major Canadian and US cities found that ten of the twelve major Canadian cities had electricity costs below the cross-border average of 22.84 cents per kWh. Business electricity rates in Canada, at approximately $0.145/kWh, are roughly 47% of the North American average. Data above is shown in $CAD for electricity prices in the United States (blue), the Province of Alberta (yellow) and Ontario (green). The average cost across the states is shown by the orange line.

Further to the above, for residential customers, again contrary to popular sentiment of electricity costs putting people in poverty, household spending data does not support the idea that electricity is expensive. Shown below, we see average daily household expenditures for a variety of items. There are 6 columns for each category of spending, with the first column showing the average across all income levels, with the following 5 columns dividing households by income quintiles, lowest income quintile through to highest quintile.



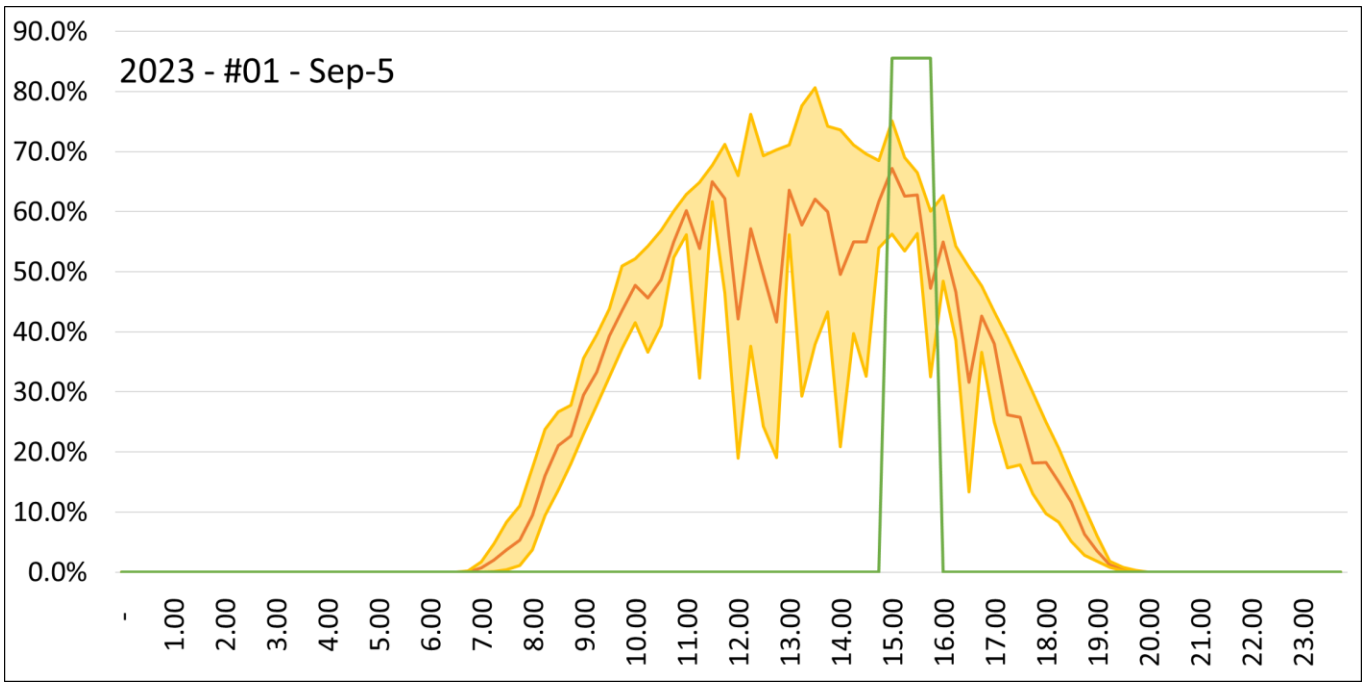
In the above, we see average household spending on electricity averages 1.3% of household income, with electricity still representing only 2.1% of spending amongst the lowest income earners. On average, even with lingering effects from COVID, more working from home, more shopping and interactions online, spending on gasoline is 56% more than that of electricity, and spending on phones, internet and TV (which don't work without electricity) is nearly triple that of electricity.

Class A Electricity Consumers

In addition to Class B customers, Class A customers are turning their attention to solar more and more. Class A customers generally have peak monthly demands greater than 1,000 kW of power and are considered the heavy users of energy. Class A customers pay for most of their electricity costs based on their electricity usage concurrent with the 5 peak hours of consumption experienced by the Ontario grid as a whole, throughout the entire year. The economics of this market structure are such that reducing energy consumption during any one of these 5 peak hours by 1 kWh results in significant savings. Based on Edgecom Energy's September 2025 analysis of IESO data, the projected value of each megawatt of demand reduced across all five coincident peak hours in the 2025 base period is approximately $405,000 per year. To put this in perspective, a Class A customer consuming 1 MW of power during each of these 5 peak hours uses 5,000 kWh across those hours. At $405,000 in annual GA exposure, the effective cost of each kilowatt-hour consumed during a peak hour is approximately $81.00, roughly 580 times the combined commodity rate paid

by a Class B customer. This figure is projected to increase further, with industry analysis suggesting it could reach $518,000 per MW or higher by 2030 under a business-as-usual scenario, driven by the cost of nuclear refurbishments, new capacity procurements, and the phase-out of the provincial GA subsidy that has been in effect since 2021.

One of the core drivers of grid peaks in the province is hot sunny days, generally also good days for solar energy. In analysis of historical solar project production, it is found that systems have consistently generated between 45% and 55% of their rated capacity during these peak hours. The graph below shows the average (dark orange line) and the range (shaded area) of solar project production across 5 different solar installations on the highest peak day of energy use in Ontario in 2023, September 5th. The green line shows the peak hour for that day, from 3:00pm to 4:00pm eastern daylight time.



On this particular day, the solar installations averaged output of 60% of their rated capacity. This means that a 100kW system would have been producing an average of 60kW during this peak hour. Based on historical performance, the economics of solar installations are more favourable than battery-based systems in reducing coincidental peaks. This is opening up new opportunities to target Class A customers for CED Co-op, as outlined in section 3.6.5, through electricity generated off-site and sold to Class A customers through PPAs under virtual net-metering structures.

Solar Installation Pricing

After a couple of years of solar panel price increases, especially during the pandemic due to a combination of shipping costs and a significant increase in the price of polysilicon, global prices of solar panels have decreased substantially. According to IRENA's Renewable Power Generation Costs in 2024 report, total installed costs for utility-scale solar fell 87% between 2010 and 2024, from approximately $7,300/kW to $950/kW (CAD), with module prices accounting for 60% of that decline. Panel module prices going into 2026 are near historic lows, roughly 50% to 70% lower than their 2022 peaks at the module level, and approximately 95% lower than 2010 levels. European spot prices reached all-time lows in late 2025, with some early 2026 stabilization as Chinese manufacturers implement production cuts to address global oversupply, though prices remain well below historical norms. In Canada, trade tariffs on imported solar components are creating some short-term pricing uncertainty, but global manufacturing overcapacity continues to exert strong downward pressure on module costs.

Beyond pricing, the industry has undergone a major technology transition. The dominant cell technology has shifted rapidly from P-type mono-PERC to N-type TOPCon (Tunnel Oxide Passivated Contact), which is projected to account for 60% to 70% of global production by the end of 2026. Commercial TOPCon modules routinely achieve efficiencies of 22% to 23%, compared to 20% to 21% for the PERC technology they are

replacing. In February 2026, researchers published a new industrial TOPCon cell efficiency record of 26.66% in Nature Energy, reaching 83.8% of the theoretical efficiency limit, demonstrating that further gains remain achievable. Premium back-contact module designs are approaching 25% commercial efficiency. In the laboratory, perovskite-silicon tandem cells have exceeded 34% efficiency, with limited commercial availability expected by 2027 to 2028.

Panel sizes are increasing to lower the part count and labour for installations. Panels are also now predominantly available as bifacial panels, meaning that the panel is prepared in such a way that ambient light and the light that is reflected to hit the back of a panel is also able to contribute to power production. With the shift to TOPCon, bifacial capability has become standard rather than a premium option, with bifaciality factors of 80% to 91% now common. The effectiveness of bifacial gain varies from site to site, depending on the Albedo factor of the surfaces around the panel as well as the distance or height between those surfaces and the panel. The Albedo factor is the proportion of the incident light or radiation that is reflected by a surface. Bifacial gains are most significant for ground-mount systems, solar carports over light-coloured pavement, and installations in snowy environments, where gains of 10% to 30% are achievable. Premium panels now also guarantee 92% to 93% of original output at year 25, up from 80% a decade ago, with degradation rates as low as 0.25% to 0.4% annually.

These efficiency gains and cost reductions have driven the global weighted average LCOE for utility-scale solar PV down to approximately $0.059/kWh (CAD) in 2024, making solar 41% cheaper than the least-cost fossil fuel alternative globally. Many of the project development costs are more fixed in nature, including structural and electrical engineering, building permits, connection impact assessments, and mobilization expenses. This results in significant cost benefits as projects scale larger in size.
In comparing the relative costs of electricity produced from various sources, it is helpful to use the levelized cost of energy (LCOE). The LCOE is derived as the sum of all of the capital costs to develop the projects as well as all of the operating costs for the system, and then dividing that number by the kWh produced by the system over a comparable time frame. Typically, the time frame is the estimated lifespan of the system.

Canada, Investment Tax Credits and International Context

In August of 2022, the landmark Inflation Reduction Act (IRA) was passed into law in the US, offering Investment Tax Credits (ITCs) of up to 30% of the development and construction costs for renewable energy projects. With certain siting, project partnerships and domestic content requirements, credits were stackable up to 60%, and could be further layered over top of state and local programs. Project developers and owners were also able to retain environmental attributes of projects for further monetization of carbon offsets.

On July 4, 2025, President Trump signed the "One Big Beautiful Bill Act" (OBBBA) into law, significantly curtailing the IRA's clean energy provisions. The legislation eliminated the 30% residential solar tax credit (Section 25D) for systems installed after December 31, 2025. For commercial and utility-scale solar and wind projects, the production tax credit (Section 45Y) and investment tax credit (Section 48E) are eliminated for projects that begin construction after July 4, 2026 and are not placed in service by December 31, 2027. Projects that commenced construction before 2025 are grandfathered under pre-IRA rules, and battery storage, hydropower, geothermal, and other zero-emission technologies retain eligibility for full credits through 2033 before a phasedown begins. The legislation also introduced broad restrictions on projects involving "foreign entities of concern," effectively prohibiting any material assistance from Chinese-controlled entities beginning in 2026. While the US retreat from solar and wind incentives may reduce competitive pressure on Canadian incentive programs, it simultaneously underscores the importance of Canada's own ITC framework in maintaining the country's attractiveness for clean energy investment.

The IRA had created global pressure for similar support for renewable energy. In November of 2022, the federal government of Canada announced that it too would develop an ITC program, which was launched on March 28, 2023 with the release of the federal budget. Canada's Clean Technology ITC, providing a 30% refundable tax credit to tax-paying corporations investing in renewable energy projects including solar, wind, and battery storage, was signed into law on June 20, 2024 as part of Bills C-59 and C-69. This program satisfies the required eligibility conditions including prevailing wage and apprenticeship requirements to receive the full credit rate. This 30% ITC has been factored into the financial scenarios outlined below.

In addition to the 30% Clean Technology ITC, the federal government has also introduced a Clean Electricity ITC, which provides a refundable 15% tax credit for the capital cost of eligible investments in clean electricity

generation equipment, stationary electricity storage systems, and inter-provincial electricity transmission equipment. Critically, the Clean Electricity ITC extends eligibility beyond tax-paying corporations to include certain non-taxable entities such as provincial and territorial Crown corporations, and it is also available for project retrofits, not only new construction. This is significant for entities that may not have sufficient taxable income to utilize the 30% Clean Technology ITC. The Clean Electricity ITC legislation is included in Bill C-15, the Budget 2025 Implementation Act, which was introduced in the House of Commons on November 18, 2025. Bill C-15 passed report stage on February 25, 2026 and is currently proceeding through third reading debate in the House. The Senate has conducted a pre-study of the bill. The Clean Electricity ITC would apply retroactively to eligible property available for use as of April 16, 2024, for projects that began construction after March 27, 2023. In February 2026, the Department of Finance also launched consultations on the possibility of introducing domestic content requirements for both the Clean Technology and Clean Electricity ITCs, signalling the government's interest in ensuring that these credits support Canadian manufacturing.

There is broad cross-party support in Canada for clean energy investment tax credits. While the specific mechanisms and rates may evolve with changes in government, the underlying policy direction of incentivizing renewable energy investment has been endorsed across the political spectrum, and the clean economy ITCs are expected to survive any federal election. This stands in contrast to the situation in the United States, where clean energy incentives have become significantly more partisan. Canada's clean energy ITC framework, combining the 30% Clean Technology ITC for tax-paying entities with the 15% Clean Electricity ITC for a broader range of eligible participants, positions the country favourably for continued investment in renewable energy infrastructure.

Ontario, Provincial and Municipal Incentives

At the provincial level, the IESO's Save on Energy Retrofit Program now includes dedicated solar photovoltaic incentives for commercial, industrial, and institutional buildings. The program provides direct capital incentives of $1,000/kW-DC for micro-generation systems up to 10 kW, and $860/kW-AC for small and medium systems from 10 kW to 1 MW. Systems larger than 1 MW are eligible, though the incentive is capped at 1 MW and at 50% of total eligible project costs including labour and materials. Eligible participants include building owners and lessees of commercial spaces such as offices, malls, municipal buildings, universities, colleges, schools, hospitals, hotels, multi-residential buildings, and industrial facilities. Solar PV must be mounted on building rooftops or walls and configured for behind-the-meter load displacement. Applications must be submitted through the Save on Energy Retrofit portal before entering into any binding commitment for the solar PV project. This program is a meaningful development for CED Co-op's target market, as it directly reduces the capital cost of the types of rooftop solar installations the Co-operative develops, improving project economics for both the Co-operative and its customers.

Beyond direct solar incentives, the broader regulatory and financing environment in Ontario is increasingly supportive of high-performance buildings that incorporate renewable energy. CMHC's MLI Select program, while federal in scope, has particular relevance for Ontario's multi-unit residential market. MLI Select is a points-based mortgage loan insurance product for multi-unit residential properties of five or more units that rewards investments in affordability, accessibility, and energy efficiency with enhanced financing terms. Projects that incorporate solar PV and other energy-efficiency measures can qualify for up to 95% loan-to-value financing, amortization periods of up to 50 years, and reduced insurance premiums. As of July 2025, CMHC overhauled its premium structure to more directly link premium discounts to the level of social outcomes achieved, with energy efficiency being one of three scoring categories. For developers and building owners considering solar installations as part of a broader building performance strategy, MLI Select can meaningfully improve the financial viability of the overall project.

At the municipal level, a growing number of Ontario municipalities have adopted or are developing Green Development Standards that either require or incentivize on-site renewable energy generation. The City of Toronto's Toronto Green Standard (TGS), in effect since 2010, is the most mature example. Under TGS Version 4, Tier 1 requirements mandate that new buildings be designed to accommodate connections to solar PV or solar thermal technologies. Tier 2 requirements go further, requiring that a minimum of 5% of a building's annual energy consumption come from renewable sources, with a preference for on-site solar. The TGS uses a tiered system in which the lowest tier is dropped every four years, progressively raising the mandatory baseline toward the city's target of near-zero emissions by 2030. Toronto and the Town of Whitby currently have mandatory tiered green building standards, while the Town of Halton Hills and the Town of Ajax also have mandatory tiered standards. Brampton, Markham, and Vaughan use a points-based approach with a

menu of compliance options. Many other municipalities in the Greater Toronto and Hamilton Area are actively pursuing similar standards after declaring climate emergencies.

The relationship between municipal green standards and the Ontario Building Code is an area of active regulatory tension. In June 2025, the Ontario government indicated that Bill 17 (the Protect Ontario by Building Faster and Smarter Act) would limit municipalities' ability to enforce green building requirements that go beyond the Ontario Building Code. The City of Toronto maintains that its green standard operates under separate municipal planning authority and remains enforceable. The Residential Construction Council of Ontario (RESCON) also launched a legal challenge against the TGS in November 2024. Regardless of the outcome of these disputes, the underlying market demand for high-performance, energy-efficient buildings continues to grow, driven by tenant preferences, institutional ESG commitments, and the economics of rising energy costs. For CED Co-op, these standards create a growing pipeline of new construction projects where solar PV is either required or strongly incentivized as a compliance pathway, expanding the addressable market for the Co-operative's services.

Summary Scenarios – Solar PV Rooftop Installations

Forecast budgetary project development costs are shown below for various sizes of solar rooftop installation and solar carport installations. The LCOE for each system has been calculated for each project size and type. It has been calculated both on an unleveraged basis, paying for all costs up-front, as well as on a leveraged basis, adding time value of money calculations to reflect carrying costs for the system.

	LARGE HOUSE 800 SQFT OF ROOF	SMALL OFFICE 10,000 SQFT	MEDIUM SHOP 22,000 SQFT	LARGER FACILITY 35,000 SQFT	STORE/WAREHOUSE 50,000 SQFT
					
SYSTEM SIZE	12kW (19 panels)	100kW (160 panels)	200kW (320 panels)	400kW (640 panels)	600kW (960 panels)
INSTALLED $/W	$2.50/Watt	$2.25/Watt	$1.80/Watt	$1.65/Watt	$1.75/Watt
SYSTEM COST	$30,000 (+HST)	$225,000	$360,000	$660,000	$930,000
SYSTEM COST – NET OF ITC	$30,000 (+HST)	$160,000	$252,000	$462,000	$651,000
ELECTRICITY	$0.13/kWh	$0.13/kWh	$0.13/kWh	$0.13/kWh	$0.13/kWh
ANNUAL PRODUCTION	13,000 kWh	105,000 kWh	210,000 kWh	420,000 kWh	630,000 kWh
INVESTMENT HORIZON	25 years	25 years	25 years	25 years	25 years
CARBON REDUCTIONS	200 Tonnes	1,560 Tonnes	3,100 Tonnes	6,200 Tonnes	9,300 Tonnes
LCOE - UNLEVERAGED	$0.201/kWh	$0.090/kWh	$0.071/kWh	$0.063/kWh	$0.059/kWh
PAYBACK (EXCL. OFFSETS)	18.7 years	10.9 years	8.8 years	8.0 years	7.5 years
UNLEVERAGED IRR	3.00%	9.10%	12.80%	13.30%	14.20%
LCOE - LEVERAGED	$0.284/kWh	$0.131/kWh	$0.110/kWh	$0.093/kWh	$0.087/kWh
LEVERAGED IRR AFTER TAX	n/a	30.00%	40.00%	47.40%	51.10%

For rooftop solar installations, 25 years is the investment horizon or project lifespan utilized, due to the estimated lifespan of roofing materials rather than the lifespan of the solar equipment. The majority of solar panel manufacturers now provide energy production warranties of 30 years, and a solar panel can last much longer than that. With the transition to N-type TOPCon cell technology, degradation rates have improved to as low as 0.25% to 0.4% annually, and premium panels now guarantee 92% to 93% of original output at year 25, up from 80% a decade ago. Maxeon, a company that has been manufacturing solar panels since 1985, provides production warranties of 40 years for their panels. This supports the modelling that, for the solar carports, an investment horizon of 40 years is selected, with the all-aluminum structure and solar panels likely to have a service life even beyond this time period.

The LCOE calculated on an unleveraged basis reflects the effective cost of generation by the Co-operative as CED Co-op will be fully funding the projects from member investments at inception rather than leveraging the projects. The LCOE on an unleveraged basis for the projects above ranges from $0.201/kWh on the high end

for residential projects, down to $0.059/kWh for larger commercial rooftop projects. In light of OPG's proposed rate increases, these costs are increasingly competitive. At $0.059/kWh for larger projects, solar generation is already below the current blended OPG regulated rate of $0.078/kWh in 2026, and less than half of where blended OPG rates are headed by 2031 at $0.142/kWh, before any other system costs are added. As grid commodity prices continue to rise, driven in significant part by the cost of nuclear refurbishment and new nuclear construction, the gap between solar LCOE and grid prices will widen, representing increasing savings for electricity consumers and increasing returns for the Co-operative. In addition, the IESO's Save on Energy Retrofit Program now provides capital incentives of up to $860/kW-AC for commercial solar installations up to 1 MW, which can further reduce the effective project cost and improve LCOE for eligible projects.

Summary Scenarios – Solar PV Carport Installations

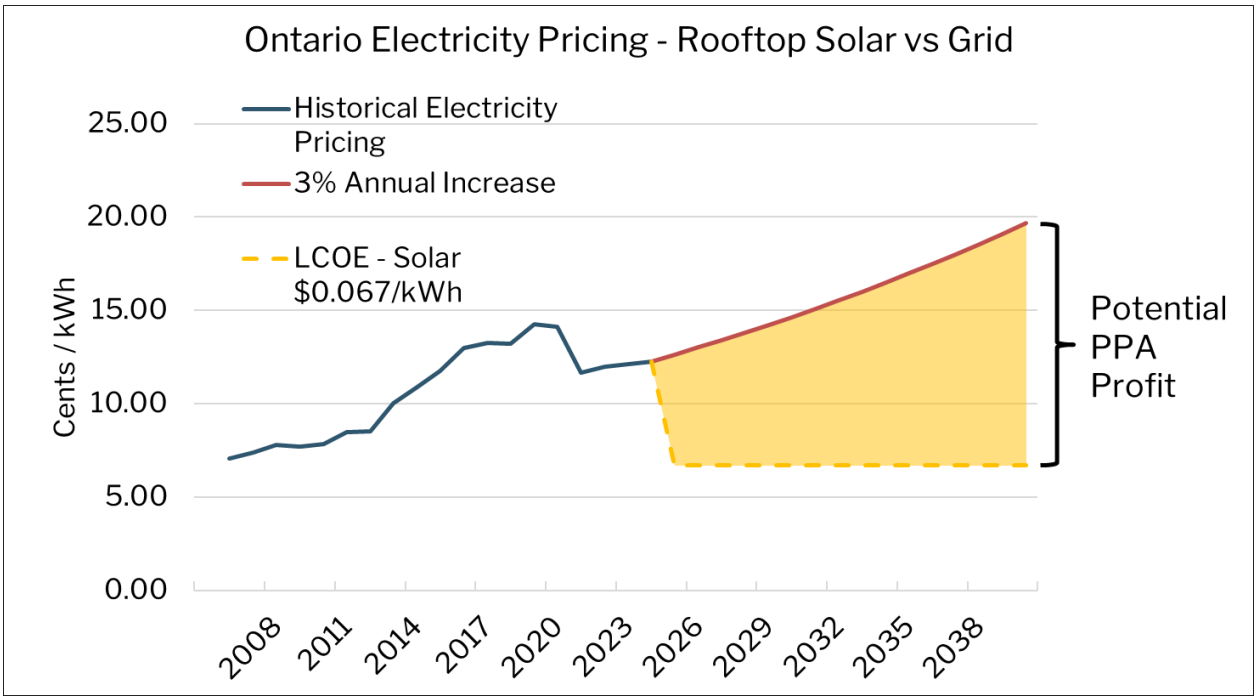


PARKING LOT SPACES (VEHICLES)	8 PARKING SPACES	20 PARKING SPACES	60 PARKING SPACES	100 PARKING SPACES	200 PARKING SPACES	400 PARKING SPACES
SYSTEM SIZE	48kW	120kW	360kW	600kW	1,200kW	2,400kW
INSTALLED $/W	$4.65	$4.00	$3.75	$3.65	$3.50	$3.40
SYSTEM COST	$223,500	$480,000	$1,350,000	$2,200,000	$4,200,000	$8,160,000
SYSTEM COST – NET OF ITC	$156,500	$336,000	$945,000	$1,540,000	$2,950,000	$5,712,000
ELECTRICITY	$0.13/kWh	$0.13/kWh	$0.13/kWh	$0.13/kWh	$0.13/kWh	$0.13/kWh
ANNUAL PRODUCTION	57,500 kWh	144,000 kWh	432,000 kWh	720,000 kWh	1,440,000 kWh	2,880,000 kWh
INVESTMENT HORIZON	40 years	40 years	40 years	40 years	40 years	40 years
CARBON REDUCTIONS	790 Tonnes	2,090 Tonnes	6,500 Tonnes	10,800 Tonnes	21,600 Tonnes	43,200 Tonnes
LCOE - UNLEVERAGED	$0.132/kWh	$0.103/kWh	$0.091/kWh	$0.088/kWh	$0.084/kWh	$0.081/kWh
PAYBACK	18.7 years	15.8 years	14.7 years	14.3 years	13.8 years	13.4 years
UNLEVERAGED IRR	5.70%	7.10%	7.70%	8.00%	8.30%	10.20%
LCOE - LEVERAGED	$0.179/kWh	$0.144/kWh	$0.126/kWh	$0.125/kWh	$0.119/kWh	$0.116/kWh
LEVERAGED IRR AFTER TAX	8.10%	12.80%	15.40%	16.50%	18.10%	19.30%

Aluminum prices have increased sharply over the past twelve months, driven by a convergence of US trade policy, geopolitical supply disruptions, and structural production constraints. The LME benchmark aluminum price has risen approximately 30% year-over-year, reaching approximately $3,500 USD per tonne in March 2026, near a four-year high. More significantly for North American buyers, the US Midwest Premium, the surcharge paid above the LME benchmark for physical delivery in the region, has surged from approximately $500 USD per tonne at the start of 2025 to approximately $2,200 to $2,500 USD per tonne, driven primarily by the US increasing Section 232 tariffs on aluminum imports to 50% in June 2025. Canada supplied

approximately 70% of US primary aluminum imports in 2024, and these tariffs have caused a sharp decline in cross-border volumes, draining US inventories and decoupling North American pricing from global benchmarks. The all-in delivered cost of aluminum in North America now exceeds $5,300 USD per tonne, more than double the levels seen at the start of 2025. While CED Co-op sources aluminum for carport structures within Canada, the broader North American pricing environment has been affected by these tariff dynamics and by global supply concerns including Middle East instability affecting approximately 9% of global aluminum production, and China approaching its domestic production cap of 45 million tonnes. These factors have pushed up the development costs for solar carports and canopies. For these solar carport projects, the LCOE calculated on an unleveraged basis now ranges from approximately $0.10/kWh for larger projects to $0.13 to $0.15/kWh for smaller projects, even after accounting for the 30% federal Clean Technology ITC. While these costs are higher than for rooftop installations, they remain competitive with the trajectory of grid electricity prices, particularly as OPG's blended regulated generation rate alone is projected to reach $0.142/kWh by 2031 before any other system costs are added. The Co-operative will monitor aluminum market conditions closely, as a normalization of trade relations or tariff reductions under the USMCA review process (scheduled for July 2026) could meaningfully reduce carport development costs and improve project economics. The returns for these types of projects are also multi-faceted, and can be derived from a combination of Class A demand savings, snow-clearing savings, reduced installation costs of EV charging systems, enhanced parking revenues, carbon offset credits, and more. With these other factors of snow clearing savings, parking revenues and additional savings considered, it may be possible for the Co-operative to achieve higher project returns, but it is not guaranteed.

CED Co-op will seek to develop projects among the larger scales to achieve better economies and lower LCOE costs in order to enable higher profit margins in selling the power produced. This will need to be balanced with the availability of capital from member investments. This is shown in the graph below as the area between the dotted yellow line, representing the leveraged LCOE for larger scale solar development and the red line, the forecast electricity price for the coming years.



The business model for developing these types of projects is outlined in Section 3.6.4 Business Models – Net Metering and Section 3.6.5 Business Models – Enhanced Operations and Maintenance (Load Displacement). Continuing with solar installations builds on much of the knowledge that has been gained by CED Co-op. It utilizes similar systems, similar equipment, similar operations, though with slightly different metering connections, and a different customer for the energy. With more than 10 years of ownership of similar systems, CED Co-op understands the economics of these types of projects.

The ideal property or building as well as ideal customer would have the following characteristics:

- Useable roof area of 35,000 square feet or larger for solar rooftops, or
- Parking lot with 200+ spaces in double rows (nose to nose, or nose to nose over median) for solar carports
- Rooftop or parking lot is in good condition – new or recently refurbished
- Facility occupied by a Class B electricity customer with relatively high electricity consumption (>500,000 kWh/year), or a Class A electricity customer (>1,000 kW of average monthly demand)
- Facility occupant is environmentally conscious and forward thinking – wants to be renewably powered and show their values through their building, integrating solar with their communications and outreach
- Facility occupant is a long-term successful enterprise in a stable industry, or an organization that is enduring in nature such as condominium corporations or municipal and publicly funded entities including municipalities, universities, schools, hospitals and other similar facility operators.
- Facility occupant employees are environmentally aware, interested in becoming part owners of the solar facility on site through investment in CED Co-op

The target for CED Co-op is to develop 3 to 4 large scale projects per year with investments ranging in size from $600,000 to $5,000,000, as capital permits. Targeted returns to the Co-operative will be a minimum of 9% on an IRR calculation, ideally higher. Historically, while the Co-operative was active in growing the Portfolio, CED Co-op developed/acquired projects at a rate of approximately 8 Projects per year, with an average increase in Portfolio value of approximately $10 million per year.

Value Proposition

For the facility occupant, the benefits are as follows:

- No capital investment
- Operational savings
- Achieving particular goals of using renewable energy in their operations
- Reducing carbon footprint, potentially utilizing carbon offsets
- Employee and customer engagement
- Facility improvement

CED Co-op is in the process of negotiating terms with a number of different property/building owners. At this time, CED Co-op has not entered into any binding agreements, but anticipates that there will be project commitments gained to meet the financial forecasts for 2026 and beyond.

4.1.2. Carbon Offset Credit Markets

As outlined in detail in Section 3.6.7, CED Co-op is exploring two mechanisms for generating revenue from the environmental attributes of its solar projects: carbon offset credits registered through voluntary or compliance market registries, and Ontario Clean Energy Credits (CECs) registered through the IESO's M-RETS platform.

The voluntary carbon market (VCM) reached a peak of approximately $2 billion in 2021 but has since undergone significant structural change. According to Ecosystem Marketplace's State of the VCM 2025 report, 182 million tonnes of credits were retired in 2024 at an average price of $6.34 per tonne, with transaction volumes down approximately 25% from 2023 as the market restructured around credit quality and integrity. The price premium for removal credits over reduction credits widened to 381% in 2024, and the Integrity Council for the Voluntary Carbon Market (ICVCM) has rejected all legacy renewable energy methodologies from its Core Carbon Principles approval process. This means that solar generation credits issued under older methodologies no longer qualify for the emerging quality standard in the VCM, and any methodology CED Co-op develops will need to meet current ICVCM additionality and integrity requirements to achieve competitive pricing.

Despite these shifts, the underlying demand for verified environmental attributes continues to grow. More and more global corporations, countries, regions, and cities are committing to be 100% renewably powered or net-zero, as demonstrated in the following registries, many of whom are using carbon offset credits and renewable energy credits to achieve these goals:

The RE100 (https://www.there100.org/), more than 430 companies committed.
Net Zero Tracker (https://zerotracker.net/), more than 4,000 companies and governments committed.
Science Based Targets (https://sciencebasedtargets.org/), more than 7,000 companies committed.

In surveys of Members, it was found that a significant number are already purchasing carbon offsets to reduce individual carbon footprints. One investor in particular sized their investment based on the estimated carbon impact of the Portfolio currently held by CED Co-op. The market for selling carbon offsets in the voluntary market could include current Members as well as other individuals and entities. The potential channel for selling carbon offsets would be through the CED website.

For an individual project, the return on efforts to certify a solar net-metering project as a carbon offset would be marginal. However, in the spirit of additionality, it may be enough of a return to allow a project to proceed that might not otherwise have strong enough economics.

As discussed in Section 3.6.7, on March 14, 2025, Prime Minister Carney announced the immediate elimination of the federal consumer carbon tax, effective April 1, 2025. The industrial Output-Based Pricing System (OBPS) remains fully in force at $95 per tonne in 2025, rising to $170 per tonne by 2030, and the EU Carbon Border Adjustment Mechanism (CBAM) entered its definitive phase on January 1, 2026. These developments create a complex and evolving landscape for carbon credit valuation. While the elimination of the consumer carbon tax has introduced uncertainty about the trajectory of carbon pricing in Canadian consumer markets, the continuation of industrial carbon pricing domestically and the introduction of carbon border mechanisms internationally suggest that the demand for verified environmental attributes will persist and potentially strengthen over time.

In the near term, CED Co-op's most practical pathway for monetizing environmental attributes is through Ontario's CEC registry. As outlined in Section 3.6.7, the IESO's CEC program allows eligible generators to register solar and other renewable energy projects, upload verified generation data, and receive CECs on a 1 CEC per 1 MWh basis. These CECs can then be traded to Ontario-based load customers seeking to meet voluntary sustainability commitments. The CEC registration and trading process is simpler and less costly than developing a full carbon offset methodology, and provides a near-term revenue pathway while the Co-operative continues to evaluate opportunities in voluntary and compliance carbon markets. Ontario CECs are currently restricted to domestic retirement, though several potential future pathways to international recognition exist, including through the Paris Agreement Article 6 crediting mechanism and M-RETS interoperability, as described in Section 3.6.7.

In other jurisdictions where similar clean energy credit or renewable energy certificate markets have been established, prices range from $3 to over $300 per MWh depending on the jurisdiction, the technology, and the buyer's specific sustainability requirements. CED Co-op will analyze available registries as these markets evolve to determine where the best value may be obtained for either carbon offsets or clean energy certificates.

Market	Bid	$/kWh
California SRECs	$3	$0.003
Maryland SRECs	$53	$0.053
Massachusetts SREC-II	$230	$0.230
New Jersey SRECs	$186	$0.186
Ohio SRECs	$3	$0.003
Pennsylvania SRECs	$24	$0.024
Virginia SRECs	$23	$0.023
Washington, DC SRECs	$373	$0.373

As at March 1, 2026

In summing the cumulative opportunity across the anticipated and potential portfolio of net-meter and load-displacement solar installations for CED Co-op over a number of years, this could represent a meaningful increase in the amount of funds the Co-operative could channel into further project development. For the purposes of the financial forecast included as Appendix A, it has been assumed that projects would be registered on Ontario's CEC registry through M-RETS, and the CECs would be traded at a net value of $10 per MWh after expenses.

4.1.3. Community Net-Metering

As outlined in Section 3.6.6, Ontario's net-metering regulatory framework has evolved significantly, with two distinct structures now available that expand the types of facilities and customers that represent project development opportunities for CED Co-op.

Community Net-Metering

Community-based net-metering enables surplus energy credits generated at one meter on a site to be transferred to other meters or account holders within a defined community. Regulatory amendments effective January 1, 2024 (O. Reg. 679/21 and O. Reg. 389/10) enabled credit sharing, exempted third-party generators such as CED Co-op from contract cancellation provisions, and gave net-metering customers the ability to choose between Time-of-Use, Tiered, or Ultra-Low Overnight price plans. The Ontario Energy Board has also established standardized forms for third-party net-metering PPAs, providing a structured and transparent regulatory framework.

This structure expands the addressable market for CED Co-op by reducing the risks related to any single facility occupant's electricity consumption, occupancy, and financial viability. Underlying the community net-metering project is a standard net-metering installation as outlined in Section 3.6.4, with surplus energy from one meter on a site made available for distribution to community participants. For the best economic opportunities, CED Co-op is pursuing large-scale developments. Project examples include large commercial complexes, industrial complexes, and condominium-style complexes.

Virtual Net-Metering (Corporate PPAs for Class A Customers)

As described in Section 3.6.6, Ontario Regulation 101/25, in force July 1, 2025, established a framework enabling Corporate Power Purchase Agreements (C-PPAs) for Class A Industrial Conservation Initiative (ICI) participants to offset their Global Adjustment charges by entering into PPAs with eligible clean energy generators. Under this structure, the generation facility does not need to be located on the consumer's premises, and eligible technologies include solar, wind, hydroelectric, geothermal, biomass, biofuel, and biogas.

This virtual net-metering framework represents a significant new market opportunity for CED Co-op. As outlined in Section 4.1.1, the projected value of each megawatt of demand reduced across the five coincident peak hours is approximately $405,000 per year at current levels, and could reach $518,000 per MW or higher by 2030 under a business-as-usual scenario. Solar generation has historically produced between 45% and 55% of rated capacity during peak demand hours. The combination of the C-PPA framework and the high value of peak-hour generation creates a compelling commercial incentive for Class A customers to enter into long-term agreements with clean energy developers such as CED Co-op, and positions the Co-operative to develop solar projects that serve both the physical electricity needs and the GA reduction objectives of large industrial and commercial customers.

Value Proposition

For the facility occupant hosting a community net-metering installation, the benefits are as outlined in Section 4.1.1. For the other participants in the community net-metering arrangement, the benefits are as follows:

- Community members are able to take advantage of lower-cost solar generation through larger project development and economies of scale
- Community members are able to potentially purchase electricity at a lower rate than from the grid
- Community members may achieve sustainability goals by virtually using renewable energy
- Community members can reduce carbon footprints, potentially utilizing carbon offsets or clean energy credits
- Community members can support renewable energy and help better utilize larger facilities

For Class A customers entering into C-PPAs under the virtual net-metering framework, the benefits include:

- Reduction in Global Adjustment charges based on coincident generation during the province's five peak demand hours

- Long-term price certainty through a fixed or predictably escalating PPA rate
- Achievement of corporate renewable energy and net-zero commitments without requiring on-site installation
- Access to Clean Energy Credits (CECs) or other environmental attributes as negotiated

CED Co-op has held preliminary discussions with a number of different property and building owners regarding community net-metering arrangements and is evaluating C-PPA opportunities with Class A customers, but has not signed any binding agreements under either structure at this time.

4.2 GHG AND CARBON EMISSIONS – OTHER PROJECTS AND INDUSTRIES

The Co-operative continues to evaluate the setting of formal GHG and carbon reduction targets. The measurement of environmental impact involves significant methodological complexity, including ongoing debate within the scientific community about the appropriate Global Warming Potential time horizon for methane (GWP20 versus GWP100), and substantial variation in estimates of actual fugitive methane emissions from fossil fuel infrastructure, as discussed in Section 4.0. CED Co-op anticipates establishing measurable goals for the portfolio's environmental impact as measurement standards and methodologies continue to mature and converge.

In addition to measures of sustainability, as CED Co-op develops new project opportunities, it is the goal of the Co-operative to achieve diversification in the following areas:

Diversification of Customers

Historically, the only customer of CED Co-op was the IESO, and by extension the Province of Ontario, through the FIT Contracts held in the existing portfolio. CED Co-op has now entered into its first Power Purchase Agreement with Rockway Mennonite Collegiate, and intends to develop further projects under PPA, Enhanced O&M, and virtual net-metering structures as described in Sections 3.6.4 through 3.6.6. As the Co-operative's project development activity increases, the customer base will diversify across commercial, institutional, industrial, and potentially Class A electricity consumers. This diversification will reduce the concentration risk associated with a single counterparty and revenue source, though the FIT Contracts with the IESO continue to represent the majority of current portfolio revenues. The specific risks associated with customer concentration are outlined in Section 5: Risk Factors.

Diversification of Technology / Revenues

Throughout the operating portfolio of the Co-operative, the main technology in use, and hence the source of revenues, is producing electricity from solar equipment. While CED Co-op has developed strong knowledge and understanding of this technology and plans to continue to develop more projects using it, revenues are entirely dependent on sun hours, snowfall (or lack thereof) and ongoing maintenance of these systems. Broadening the sources of revenues for the Co-operative will help reduce systemic risk related to the use of a singular technology. In addition to electricity generation revenues, the Co-operative is pursuing revenue from Clean Energy Credits through Ontario's CEC registry, carbon offset credits through voluntary and compliance markets, and performance-linked O&M service fees under the EOM model described in Section 3.6.5.

Diversification of Cash Flow Structures

Solar projects are known to have a degradation rate in their performance, meaning that systems, outside of variations in climate conditions, will produce slightly less energy year after year. CED Co-op has historically modelled this degradation rate at 0.4% per year, which approximates current power performance warranties from solar panel manufacturers. With the transition to N-type TOPCon cell technology, degradation rates have improved to as low as 0.25% per year for premium panels. With fixed-rate FIT Contracts, project revenues are expected to follow this downward trend, leading to a higher rate of decline in project values over time. As CED Co-op develops new project opportunities, the Co-operative will seek projects with increasing, rather than decreasing, cash flows. This is the case with solar net-metering, where project revenues are expected to increase over time as electricity market inflation rates outpace degradation. As outlined in Section 4.1.1, OPG's blended regulated generation rate alone is projected to rise from $0.078/kWh in 2026 to $0.142/kWh by 2031, before any other system costs are added, which supports the expectation of increasing revenues for net-metering projects priced against grid rates. This is also the case with EOM projects, where the

performance-linked fee escalates annually at a fixed rate or indexed to CPI, while the Facility occupant's grid electricity costs are expected to rise at a faster rate, increasing the value of the on-site generation over time.

Within annual cash flows, solar projects are very seasonal, with project revenues in July often being five or more times what they are in December. As CED Co-op contemplates new investments, diversifying cash flows to be less seasonal will be part of the consideration of new project investments.

Diversification of Asset Values

As noted above, solar projects have declining energy output over time, which translates into declining project values. As CED Co-op evaluates new project opportunities beyond solar net-metering, the Co-operative intends to seek out project opportunities that either hold their value, or potentially appreciate over time. This will help ensure long-term value relating to the par value preference shares of CED Co-op is maintained.

Diversification of Ownership

Contributing to the declining asset values of the Projects within the current portfolio is the expiry of leases, with the Project assets, and any remaining value thereof, transferring to the landowner at the conclusion of the lease. During the terms of these Projects, CED records significant non-cash expenses of depreciation. As CED Co-op explores new project development and investment opportunities, CED will explore revenue streams that either allow for long-term ownership rather than lease arrangements, which may include the acquisition of properties to ensure the ability to retain long-term value, or revenue opportunities that do not require the acquisition of assets, such as the opportunity to market carbon offset credits and clean energy credits. The EOM model described in Section 3.6.5 represents another example of this approach, where the Co-operative earns long-term revenue through performance-linked service agreements without requiring ownership of the generation asset.

Diversification of Geography

At this time, all of the operations of CED Co-op remain in Ontario, and are subject to the weather patterns thereof. As CED evaluates new project and investment opportunities, it would be beneficial to expand the geographic basis for operations. As noted in the pricing of carbon offset credits in Section 3.6.7, Alberta's carbon market offers potential value for carbon offset credits due to the higher annual sun hours in the province and the higher emissions displaced per kilowatt-hour on a more carbon-intensive grid. However, provincial compliance credit prices in Alberta and other provinces have recently been trading well below the federal benchmark, and the 2026 federal benchmark review will assess whether provincial programs continue to meet federal requirements. CED Co-op is monitoring developments in the United States, where the policy environment for renewable energy has shifted following the curtailment of the Inflation Reduction Act's solar and wind tax credits in July 2025. CED Co-op is currently researching various electricity and energy markets across Canada and may contemplate investment in other geographic regions in the future.

4.2.1. Evaluation of Project Investment Opportunities

As new project investment opportunities arise, all projects must yet be evaluated and approved prior to proceeding. These evaluation criteria apply to all project structures the Co-operative may pursue, including direct ownership under PPA arrangements, EOM service agreements, and virtual net-metering or C-PPA structures. As CED Co-op continues to develop new project opportunities, it is anticipated that the Board will review the merits of each individual Project using the following criteria:

Return on investment: The Board will prepare, or cause to be prepared, Financial Projections in respect of any potential Project and will assess the projected returns and cash flow dynamics of any potential Project to ensure that the returns to security holders are maintained at satisfactory rates. As noted above, the Board is seeking to diversify project opportunities, seeking long-term project values along with the required returns on investments.

Engineering: If a Project has already been constructed, the Board will assess, or cause to be assessed, the technical expertise exhibited in the design and construction of the system to ensure consistent quality standards. For new Project opportunities, the Board will engage the appropriate technical experts to evaluate and advise on the design and construction of Projects and to ensure that relevant operations and maintenance experience is either available within the Co-operative or available to the Co-operative.

Component Quality: As it is anticipated that CED Co-op will be owning, operating, or providing long-term services for projects for significant portions, if not all of the economic life of assets, the Board will assess, or cause to be assessed, the quality of components used in the Facility. This may include, but not be limited to, whether a Project is designed or constructed using products from reputable manufacturers that have a track record of reliable products, a financially stable operating history and have been reviewed by independent engineering groups and/or reputable industry publications. CED Co-op's more than 10 years of direct operating experience with solar PV systems informs the Board's assessment of component reliability and manufacturer quality.

Risk: The Board will evaluate the risk profile of any future potential Project and compare that to the risk profile of the Projects within the current Portfolio as well as those set out or described in this Offering Statement. Both technical and financial risk will be investigated. It is anticipated, but cannot be guaranteed, that this will include the financial position and reliability of customers, available security, potential regulatory changes, potential market changes, and many of the other risk factors that have been identified throughout this Offering Statement.

Bankability and Salability: The Board will consider whether financing or divestment opportunities may be available, and the terms upon which a sale opportunity or financing may be available. The purposes for which this evaluation will be undertaken is to potentially fund a portion of the Project in order to help lever the returns available from the Project, or to provide alternatives to member investments for Project financing, or possibly financial returns to members, should an attractive market develop for Projects.

Suitability: The Board will determine and ensure that any Project is consistent with the mandate, objectives and reputation of CED Co-op, and will not approve any Project that the Board determines, in its discretion, is not acceptable to the Board. This will include measures of sustainability including the reduction of GHG emissions, consistent with the Co-operative's bylaws which restrict the business of the Co-operative to renewable energy generation, energy efficiency, and enabling the transition from greenhouse gas emitting energy sources.

The Board shall report to the Members from time to time, by newsletter, and at Members' meetings, on its Project development work and decisions.

4.3 FIT PROGRAM

From time to time, CED Co-op is made aware of existing, operating, projects that are made available for sale under various circumstances. The Co-operative is currently evaluating the purchase of a few existing FIT project acquisition opportunities, and has made offers to purchase projects and/or portfolios. This could lead to the acquisition of additional operating FIT projects. The Co-operative remains open to acquiring more projects of this type and will continue to seek further acquisition opportunities.

4.3.1. Background and History of the FIT Program

The Government of Ontario passed the Green Energy and Green Economy Act into law on May 14, 2009. As noted by the Green Energy Act Alliance, the vision of the act was to make Ontario a global leader in the development of Renewable Energy technologies, clean distributed energy and conservation, creating jobs and providing economic prosperity, energy security, and climate protection. According to the Green Energy Act Alliance, the purpose of the act was to facilitate the development of a sustainable energy economy that protects the environment while streamlining the approvals process, mitigating climate change, engaging communities and building a world-class green industrial sector.

The Green Energy and Green Economy Act was comprehensive as it amended more than 15 existing statutes and laid the foundation for specific programs that were implemented by regulations and directives issued by the Minister of Energy. Specifically, it called for the implementation of a FIT Program, the creation of Renewable Energy Co-operatives as a type of co-operative, streamlined approvals, the creation of a Renewable Energy facilitation office, mandatory connection to the Grid by local distribution companies, conservation programs, the implementation of a smart electrical Grid, Building Code amendments and energy efficiency requirements.

On October 1, 2009, in partnership with IESO, the provincial government launched the FIT Program for projects that have a peak generating capacity over 10kW, and the microFIT Program for projects that have a peak generating capacity of 10kW or less. They are called feed-in-tariff programs because a premium tariff is

paid for feeding Renewable Energy to the Grid. These programs replaced the previous Renewable Energy Standard Offer Program, providing higher payment rates for clean electricity, streamlined processes for approvals and connections, and Ontario manufacturing content requirements. Through the FIT Program, power purchase contracts are offered that allow the Supplier to sell every kWh of Renewable Energy produced at a set payment rate that is outlined in the FIT Contract. Once a solar FIT Contract is initiated, this rate is fixed for the entire 20 years of the contract.

4.3.2. Cancellation of the FIT Program

On July 12, 2018, Ontario's newly elected Progressive Conservative government announced the cancellation of 758 renewable energy contracts which were yet to be constructed. The government further tabled Bill 34, the Green Energy Repeal Act, on September 20, 2018. This bill received royal assent and went into effect on December 6, 2018. The repeal of the Green Energy Act as it relates to the FIT Program is largely symbolic as the final round of the FIT program closed to Applications on November 25, 2016 and no new contract application opportunities had been anticipated since that time.

The contracts of CED Co-op were not affected in any way by the cancellation of the 758 contracts nor by the repeal of the Green Energy Act. All of the FIT and microFIT Projects owned by CED Co-op have their Contracts, rules, terms and conditions remaining in effect, as anticipated.

There have been announcements by the Government of legal reviews of the FIT contracts and possibly legislating against the FIT contracts to further cancel obligations. No further legislative action has been taken on this matter to date. This is named as a Risk Factor in Section 5: Risk Factors – FIT Contracts – Government and Regulatory. The Government of Ontario obtained a legal review of the FIT contracts with regards to termination rights. While the conclusion reached in the legal review is that "None of the Reviewed Contracts provide the IESO with the right to terminate the contract for convenience once the facility has achieved commercial operation.", the Co-operative is not aware of whether this has been tested in a court. This legal review is included as Appendix L: Legal Review of FIT Contract Termination Rights.

While the reviewed legal paths do not indicate opportunities to terminate contracts, cancellation outside of these paths remains a possibility. CED Co-op believes that any legislated or alternative actions along these lines is unlikely to be successful. There are more than 30,000 active microFIT contracts, and more than 3,200 active FIT contracts. Though some of these contracts are held by foreign entities and financial firms, many of these contracts are held by the people and institutions of Ontario, including homeowners, farmers, schools, hospitals and municipal organizations. The political backlash would not be contained to a single sector and would directly hurt the provincial government's economics in other ways given the ownership of systems by publicly owned and funded institutions. Further, many of the larger projects have been financed by some of the largest financial institutions operating in Canada, whose legal resources would equal those of the Government. As demonstrated in the few contract cancellations that have occurred, should further cancellations occur, it is unlikely that it could happen without significant compensation to contract holders.

4.3.3. Major Features of the FIT Program

As CED Co-op continues to operate its current FIT and microFIT Contracts, and evaluates further opportunities to acquire more FIT Contracts, the following provisions remain relevant.

Rules Versions

The FIT Program began with Version 1.0 of the rules and contracts being released on September 24, 2009. This became known as FIT 1. Due to the overwhelming response to the program, while many contracts were issued under FIT 1, the majority of the applications for FIT Contracts were never processed, and a second version of the FIT Program was launched in order to help manage the volume of applications as well as make a number of other modifications to the program. CED Co-op does not have any FIT 1 projects at this time, however all of the microFIT contracts owned by CED Co-op are from version 1 of the FIT Program.

Version 2 of the rules and contracts under the FIT Program were amended through several feedback processes with the final documents being made available as version 2.1 on December 14, 2012. Known as FIT 2 (or FIT 2.1), this version introduced set periods in which applications could be submitted, known as Application Windows, it introduced procurement targets to cap the size of the program and also made a shift towards broader community ownership through capacity set-asides and incentives for broader participation. The Application Window for FIT 2 began on December 14, 2012 and applications were received for a period of 35

days until January 18, 2013. FIT 2 Contracts were awarded in July of 2013. CED Co-op holds ownership in four operating FIT 2 Contracts as outlined in Section 6: Portfolio.

FIT 3 began with the rules being released on October 9, 2013 and applications were received from November 4, 2013 through to December 13, 2013. Contracts were awarded to FIT 3 applications on July 30, 2014 with contract version 3.0.1. Because of delays in the program, the FIT 3 round of the program was extended on August 29, 2014 with an additional 100MW of contracts being granted to FIT 3 applications through a resubmission process with a version 3.1 contract and a slight decrease in contract rates. These contracts were awarded on December 19, 2014. This second round was referred to as extended FIT 3 or FIT 3.1. CED Co-op has 12 operating FIT 3 projects and 10 operating FIT 3.1 Projects.

FIT 4 was launched with rules and contract version 4.0.1 on September 17, 2015 with an Application Window from October 5, 2015 through to October 23, 2015. Contracts were awarded on June 29, 2016 with version 4.0.2 of the FIT Contract. CED Co-op has 4 operating FIT 4 Projects.

FIT 5 was launched with rules and contract 5.0.1 on September 21, 2016. Applications were received from November 7, 2016 through to November 25, 2016. CED Co-op did not submit any applications for FIT 5.

Pricing

The contract rates represent a premium over the wholesale electricity price. From the launch of the program through to the wind-up with FIT 5, the rates have seen substantial decreases for Solar projects as follows, on average being reduced by an average of approximately 67% to 1/3rd of the starting prices.

Technology	Size	FIT 1	FIT 2	FIT 3a	FIT 3b	FIT 4	FIT 5	Total Change
Solar (PV) (Rooftop)	<=10kW	80.2	54.9	39.6	38.4	29.4	28.8	-64.1%
Solar (PV) (Rooftop)	>10kW to <=100kW	71.3	54.8	34.5	34.3	24.2	22.3	-68.7%
Solar (PV) (Rooftop)	>100kW to <=500kW	63.5	53.9	32.9	31.6	22.5	20.7	-67.4%
Solar (PV) (Non-Rooftop)	<=10kW	80.2	44.5	29.1	28.9	21.4	21.0	-73.8%
Solar (PV) (Non-Rooftop)	>10kW to <=500kW	44.3	38.8	28.8	27.5	20.9	19.2	-56.7%

There is the ability to receive a further bonus on some of the rates outlined above through the various Contract Capacity Set-Aside or CCSAs. Specifically, for the Community based CCSA where >50% Economic Interest is held by a Co-operative, ground mounted solar projects would receive an additional $0.01/kWh. This adder is not available to rooftop solar Projects.

FIT Price Adders	**Community Participation Level**	
Participation Level (Equity)	>50%	>=15%<=50%
Price Adder (¢per kWh)	1.00	0.50

Priority Points and Contract Capacity Set Aside

Starting with FIT 2, Priority Points were introduced in order to give an advantage to applications that included broader ownership by community (represented by co-operatives), aboriginal or municipal groups. In addition to broader ownership, projects that had the support of municipal councils, support of aboriginal groups, or were situated on properties owned by municipal or public-sector entities received Priority Points. Later rounds of the FIT program reduced some of these opportunities to gain Priority Points but introduced a bid-down mechanism where Priority Points could be gained by taking a 4%, 8% or 12% reduction in the Contract price. In awarding contracts, applications with more Priority Points were evaluated ahead of projects with fewer Priority Points, and only within applications that had the same number of Priority Points was the order of submission taken into consideration.

Further to the Priority Points structure, there was an ability to achieve an elevated priority through the CCSA stream of the FIT Program which specifically mandates a community, municipal or aboriginal participation level

of greater than 50% of the Economic Interest in the Project. In order to count as a Community Participation CCSA Project, the Community Economic Interest of greater than 50% must be held by a co-operative incorporated in Ontario, and the members of the co-operative must include a minimum of 50 members who are landowners (continuously for a period of two years or longer) within the municipality in which the project is to be developed. This means that CED Co-op is required to maintain 50 or more Members who are qualifying landowners in each municipality in which a FIT Project is operated for the duration of the FIT Contract. This need to maintain membership levels is identified as a Risk Factor in Section 5: Risk Factors – FIT Contract, Community Investment Member Status. For clarity, CED Co-op can develop or own Projects within multiple municipalities, a new co-operative is not needed for each municipality, and when Investors put their money into CED Co-op, they are investing in the Project Portfolio which can include Projects from many municipalities.

The Community Participation for the FIT Contracts held by CED Co-op is outlined for each FIT Contract in Section 6: Portfolio.

Domestic Content

Part of the FIT 1 and FIT 2 Program rules was the requirement for specific levels of Ontario Manufacturing Content to be used in the construction of FIT Projects. Ontario was not successful in defending the domestic content rules to the World Trade Organization challenge that was launched in 2011, and the final ruling came out in mid-2013 forcing the domestic content requirements to be eliminated. Those Projects that CED Co-op is building under FIT 2 contracts contain domestic content provisions, and this is noted as a Risk Factor in Section 5: Risk Factors – FIT Contracts - Ontario Domestic Content Requirements. Notwithstanding the provisions outlined in the FIT 2 contracts, the IESO has communicated its position regarding domestic content requirements to FIT Contract holders as of June 25th, 2015, and this letter is included as Appendix K: IESO Position Clarification Regarding Domestic Content.

As per the IESO announcement of August 14th, 2014, there are no domestic content requirements for the FIT 3 or later contracts held by CED Co-op.

4.4 KEY RELATIONSHIPS

CED Co-op presently has relationships with the following:

Legal

CED Co-op has its primary legal relationship with Gowling WLG. Gowling WLG is an international law firm with over 700 lawyers and 7 offices in Canada. Matters relating to Co-operatives and the Co-operative Corporations Act and Co-op Regulations are reviewed in consultation with Dale Holland. Further legal consultation regarding securities and the Tax Act has been conducted through Gowling WLG and other advisors as needed.

Accounting

In 2025, the Co-operative conducted a further request for proposals for audit and advisory services. KPMG was invited to bid and participated in the process. Following the evaluation, CED Co-op elected to switch to MNP LLP beginning with the 2025 audit year. MNP LLP is one of the largest national accounting, tax, and business consulting firms in Canada, with over 130 offices across the country. MNP will serve as the Co-operative's auditors, accounting advisors, and tax advisors going forward.

Engineering and Design

CED Co-op utilizes the services of a number of engineering offices for various aspects of the design and construction of the Projects. These include Local Impact Design and McNeil Engineering and Construction Inc. for structural engineering analysis of roof systems, GEI Consultants and Tatham Engineering Ltd. for foundation designs and structural designs, Burnside Engineering for structural analysis of tracker bases, Tatham Engineering Limited for high voltage electrical engineering as well as Fortech Engineering Ltd. for additional electrical engineering.

Insurance

CED Co-op maintains its insurance relationships through BFL Canada insurance brokers. Founded in 1987 by Barry F. Lorenzetti, BFL Canada is one of the largest employee-owned and operated commercial insurance

brokerage and consulting services firms in Canada. The firm has a team of over 1,450 professionals located in 27 offices across the country. BFL Canada is independent and has the freedom to collaborate with all insurers, and is approved by Lloyd's of London. BFL Canada's professionals include specialists in sectors such as Directors and Officers Liability, Construction, Surety Bonds, Real Estate, and other specialized areas. In addition to being employee-owned since its foundation, BFL Canada has received strategic investment from the Caisse de depot et placement du Quebec. Through its Local International Office Network (LION) of independent brokers, BFL Canada provides clients with access to insurance partners internationally. BFL Canada places and manages CED Co-op's Commercial General Liability, Property, Business Interruption, and Directors & Officers insurance policies with appropriate underwriters. Further details of insurance coverage are provided in Section 3.8.

FIT Contract Compliance, Project Management, Operations and Maintenance

CED Co-op is presently working primarily with VCT for FIT Contract compliance, project management, and new project development. VCT is a privately held renewable energy developer based in Kitchener, Ontario. Incorporated in 2008, VCT's primary experience is in solar photovoltaic energy generation. Their team has installed microFIT and FIT projects for individuals, businesses, and charities, as well as commercial net-metering and load-displacement systems. Their projects include over 400 ground mounted trackers, as well as rooftop solar on buildings of all shapes and sizes, having constructed and managed approximately 30 MW of installations.

In addition to being developers, VCT also owns several solar installations and is a project ownership partner in several of the projects in the CED Co-op portfolio. VCT is also the operations and maintenance service provider for CED Co-op's existing portfolio and is anticipated to serve in this capacity for new projects developed under both the PPA and EOM models described in Sections 3.6.4 and 3.6.5. VCT continues to design every installation to very high specifications, ensuring they are built with the mindset of long-term ownership and long-term operational performance.

Having started in the solar industry by building smaller systems and since then having grown into managing, designing and constructing larger commercial systems, VCT is an ideal development partner for CED Co-op in developing profitable solar projects. The personnel of VCT have gained expertise through more than 16 years of installing, operating and monitoring systems based on micro-inverters, string inverters, optimizing technologies and central inverters. This has given VCT substantial insight into designing systems with high performance and high reliability. It is because of the experience gained in developing projects across a wide range of scales that VCT is able to reduce costs by managing many of the finer details of engineering, procurement and construction processes in-house rather than subcontracting portions of the project development process to other firms. Together with its customers, VCT has generated well over 300 million kilowatt hours of clean energy.

4.5 MANAGEMENT AND ADMINISTRATION

CED Co-op does not have any employees at this time. Management of the Co-operative has been performed by VCT and the Board of Directors of the Co-operative.

CED Co-op and VCT have entered into an agreement wherein VCT provides management services to CED Co-op. The form of this agreement is attached as Appendix J.

The Board of Directors plays an active role in the governance and operations of the Co-operative beyond its formal governance responsibilities. Directors bring professional expertise spanning accounting, finance, engineering, public policy, operations management, technology, real estate, and public service. The Board has established a number of working groups to support specific areas of the Co-operative's activities, including fleet performance oversight and monitoring, technical and financial evaluation of new project opportunities, nominations, and business development and marketing. These working groups allow Directors to contribute their professional skills directly to the operations of the Co-operative and ensure that project development decisions, portfolio performance, and strategic direction receive informed and ongoing attention from the Board. This level of direct Board engagement in the Co-operative's operations is consistent with the co-operative principle of member participation in the enterprise, as described in Section 3.6.2.

4.6 FORECAST PROJECT PORTFOLIO REVENUES

Projected Financial Statements have been prepared for the lifespan of the FIT Contracts as well as the revenues and expenses related to anticipated projects through this same time period, as well as periodic points in time following the end of the FIT Contracts. These are included as Appendix A.

As outlined in Section 3.2: Business of the Co-operative, it is anticipated that CED Co-op can and will be able to exist in perpetuity, no longer limited to only participating in, or operating under, any specific governmental programs. To help illustrate this, the forecast includes a series of new projects to be developed under natural market mechanisms through the 9-year time period from 2026 through 2034, each with a 25-year operating lifespan. These projects are forecast to be a combination of solar net-metering projects under PPA arrangements and solar load-displacement projects under EOM agreements, but the Co-operative is also able to develop other types of projects using other renewable and sustainable technologies.

The projections assume that after the conclusion of FIT Contracts in 2038, revenues will continue to be generated from ongoing Net Metering and EOM solar projects and future renewable energy projects. For clarity, these post-FIT revenues are based on **anticipated project development** under prevailing market conditions and customer agreements with private and public-sector off-takers. Beyond the project at 110 Doon, **no further project commitments have been signed at this time, and this remains entirely speculative**. This is a Risk Factor that is identified in Section 5: Risk Factors – Post-FIT Revenue Risk. A summary of the current project development pipeline, including projects at various stages of negotiation, is provided in Section 6.2. The anticipated customers for these revenues are expected to include host-site commercial clients under Power Purchase Agreements (PPAs), Enhanced Operations and Maintenance Agreements (EOMs), and potentially Class A industrial customers under virtual net-metering C-PPA structures, rather than the IESO. These revenues, along with the operating expenses that relate to these speculative projects, have been separated in the Financial Forecast in Appendix A, shown in the lines titled “Revenue – Anticipated Projects”, “Expenses – Anticipated Projects” and “Operating Income – Anticipated Projects”, the net operating margin anticipated to be generated from these speculative projects.

Beginning in 2034, it is forecast that the cash flows of the projects are used to repurchase the Class C Preference shares outstanding. The Co-operative may well be able to develop new projects and continue to grow the portfolio in 2035 and beyond, but it is not guaranteed that the repurchase of Class C Preference shares will follow this financial forecast.

As outlined in Section 6.1.3: Financial Statements and Reporting to Members, it is anticipated that new projects brought into the portfolio of the Co-operative will put negative pressure on net income as reported in the financial statements of CED Co-op for the first several years of operations, though it is expected that these projects will continue to produce positive cash flows from operations throughout their operating lifetime.

These projections are a forecast and cannot be guaranteed. This is a Risk Factor that is identified in Section 5: Risk Factors – Projections and Forward-Looking Information.

The projections have been prepared assuming that all of the project revenues and expenses have been consolidated into a single set of financial statements showing both CED Co-op's and the various partner's total revenues, expenses, assets and liabilities.

The following assumptions are used in the financial modelling:

Financial

- Debt payment reserves and maintenance reserves will earn interest at 2.5% (the approximate current rate being paid on these deposits)
- Free cash on hand earning 0% (no) interest
- Income Tax rate of 26.5%
- Long term debt renewal rate of 6.9% (a conservative estimate; the current renewal rate based on bond rates as of February 28, 2026 is approximately 6.50%)
- Cash Dividends on Class A Preference Shares of 9.0% per annum, with shares being repurchased over a 20-year time frame from original investment
- Cash Dividends on Class B Preference Shares of 7.0% per annum, with shares being repurchased over a 15-year time frame from original investment

- Stock Dividends on Class C Preference Shares of 6.0% per annum, with shares being repurchased beginning in 2034 as the market for projects is too difficult to predict beyond the anticipated Investment Tax Credit program, anticipated to end in 2034
- Projected Class C Preference Share investments as outlined in the table below, net of redemptions (i.e., for $3 million of shares to be issued net of redemptions, if $1 million of shares is redeemed in a period, $4 million must be issued to result in a net of $3 million of investments)
- Amortization is done on a straight-line basis over the life of the asset, the Co-op will no longer revalue its assets on an annual basis.

Solar FIT, microFIT and/or Net-Meter Project Operations

- Solar Portfolio Performance Degradation at 0.5% per year
    - Current production warranties from premium panel manufacturers warrant 0.25% to 0.4% per year for N-type TOPCon technology
- Utility and Internet expenses will increase at an inflationary rate of 2.0%
- Operations and Maintenance expenses will start at $850 per year per inverter and increase at an average rate of 1.5% to account for increases in labour costs, but decreases in materials costs
    - This is in line with current maintenance costs experienced by CED Co-op.

Net-Meter Power Purchase Agreement – Based Projects

- Annual development of projects split at 80% solar rooftop and 20% solar carport on a kW project size basis.
- Revenues for new Projects begin in the year following investment/construction.
- PPAs for electricity start at $0.125/kWh for 2026 and increase annually at a rate of 3% throughout the contract. PPAs begun in 2027 and later start at a rate 3% per year higher than the 2026 starting rate
- No EOM agreements have been included at this time due to the variability in terms across Class A and Class B customer models
- PPAs based on a 25-year term
- Energy generation forecast to be 1,050 kWh/kW in year 1
    - The existing CED Co-op portfolio of fixed (rooftop) systems performed at 1,061 kWh/kW in the 12 months ended December 31, 2024, though the average age of the systems at that time was 8 years old, and these do not utilize bi-facial solar panels.
- Solar PV rooftop projects developed at an all-in cost of $1.40/W (excluding ITC refundable credits)
- Solar PV carport projects developed at an all-in cost of $3.50/W (excluding ITC refundable credits)
- Projects are eligible for a 30% Investment Tax Credit, with the refundable tax credit to be received in the year following project development
- CECs start at a net value of $10/MWh, increasing over the following 5 years to $20/MWh and remaining at that value

Anticipated solar project development and corresponding share offerings

	Project Investments	Share Investments (Repurchases)
2026	$ 2,000,000	$ 2,000,000
2027	$ 3,000,000	$ 3,000,000
2028	$ 4,000,000	$ 2,750,000
2029	$ 4,000,000	$ 2,250,000
2030	$ 4,500,000	$ 2,100,000
2031	$ 4,500,000	$ 2,500,000
2032	$ 5,000,000	$ 1,500,000
2033	$ 5,500,000	$ 2,000,000
2034	$ 6,000,000	$ (6,000,000)
2035	$ -	$ (3,250,000)
2036	$ -	$ (2,000,000)
2037	$ -	$ (2,250,000)
2038	$ -	$ (4,400,000)
2039	$ -	$ (4,000,000)
2040	$ -	$ (3,750,000)

The amount shown as invested in projects is the total value invested in a year. As long as the average all-in costs as outlined above are maintained, this could be accomplished through the development of any number of projects adding up to the total value. As outlined in Section 4.1.1, CED Co-op is targeting the development of 3 to 4 large scale projects per year with investments ranging in size from $600,000 to $5,000,000.

Though only solar PPA and CEC/carbon offset credit revenues are shown in the forecasts, CED Co-op believes that there may be more and different types of projects that are developed and brought into the Portfolio, including EOM based projects, virtual net-metering C-PPA projects serving Class A customers, and projects utilizing other renewable and sustainable technologies as described in Sections 3.6.5 through 3.6.9.

Though no net new subscriptions for Class C Preference Shares are forecast beyond 2033 and repurchases are shown, and with this, no additional projects are forecast to be developed beyond 2034, the Co-operative believes that there are likely further project and investment opportunities that will exist at that time.

It is the belief of the Board that the Project Portfolio of the Co-operative will be able to support the annual operations of CED Co-op and the targeted returns are expected to be able to be maintained from the cash flows of these Projects.

4.7 PORTFOLIO INVESTMENT AND FINANCE

The loan to project value ratio in providing the necessary capital for the acquisition of the Projects has historically averaged approximately 70% funded from more traditional lending sources and structures, and 30% funded from the Bonds and Shares of CED Co-op. For the purposes of these ratio calculations, the project value used is the cost of acquisition of the Projects. For the FIT 4 projects, the funding of construction came entirely from Investors, and moving forward for future projects the Co-op may vary the level of project finance employed in the development or acquisition of projects.

The full loan amount for the SunShare1 LP, SunShare2 LP and 2117921 – CED Solar tranches of projects within the portfolio has been advanced. The lender for these tranches is CWB, and further details on loan balances and upcoming payments are provided in Section 7: Securities and Other Debt Obligation of CED Co-op. The terms of this financing are outlined below.

CWB has registered security on the contracts and assets of SunShare1 LP, SunShare2 LP and 2117921 – CED Solar, respectively as security for the financing outlined above. Further description of the Credit Agreements for these respective loans is included in Section 7.1 – Credit Agreements – CWB.

Long Term Financing Terms – SunShare1 LP	
Total Original Loan Amount	$14,593,941 ($14,315,034 CED Co-op portion)
Amortization of the Loan	17 years
Original Term of the Loan	10 years
Interest Rate	5.39%
Loan to Project Value Ratio at Advance	68% Loan vs Project Value
Minimum Debt Service Coverage Ratio	1.25 (EBITDA / Annual loan payment)

As of December 31, 2025, the loans outstanding to SunShare1 LP totaled $8,380,656. The book value of the Projects, which is the acquisition cost of the projects less the accumulated amortization, held in SunShare1 LP on December 31, 2025, is $11,795,460. The ratio of the outstanding loan balance to the book value of the related assets on December 31, 2025, was 71% (2024, 71%).

Long Term Financing Terms – SunShare2 LP	
Total Original Loan Amount	$6,850,414 ($3,872,835 CED Co-op portion)
Amortization of the Loan	17 years
Term of the Loan	10 years
Interest Rate	5.73%
Loan to Project Value Ratio at Advance	76% Loan vs Project Value
Minimum Debt Service Coverage Ratio	1.25 (EBITDA / Annual loan payment)

As of December 31, 2025, the loans outstanding to SunShare2 LP totaled $4,398,583. The book value of the Projects, which is the acquisition cost of the projects less the accumulated amortization, held in SunShare2 LP on December 31, 2025, is $5,277,099. The ratio of the outstanding loan balance to the book value of the related assets on December 31, 2025, was 83% (2024, 82%).

Long Term Financing Terms – 2117921 – CED Solar	
Total Original Loan Amount	$4,050,000 ($4,050,000 CED Co-op portion)
Amortization of the Loan	10 years
Term of the Loan	10 years
Interest Rate	6.21%
Loan to Project Value Ratio at Advance	63% Loan vs Project Value
Minimum Debt Service Coverage Ratio	1.25 (EBITDA / Annual loan payment)

As of December 31, 2025, the loans outstanding to 2117921 Alberta Inc. totaled $1,362,678. The book value of the Projects, which is the acquisition cost of the projects less the accumulated amortization, held in 2117921 Alberta Inc. on December 31, 2025, is $3,144,137. The ratio of the outstanding loan balance to the book value of the related assets on December 31, 2025, was 43% (2024, 47%).

Rohnbrad Inc. has supplied project financing for the projects in SunShare3 LP to which they are a Partner. This financing is provided through one of their related companies, 2300070 Ontario Inc:

Long Term Financing Terms – SunShare3 LP	
Total Original Loan Amount	$1,484,120 ($1,484,120 CED Co-op portion)
Amortization of the Loan	15 years
Term of the Loan	15 years
Interest Rate	5.00%
Loan to Project Value Ratio at Advance	100% Loan vs Project Value

As of December 31, 2025, the loans outstanding to CED Co-op for the ownership held of the SunShare3 LP Projects totaled $728,939. The book value of the Projects, which is the acquisition cost of the projects less the accumulated amortization, held in SunShare3 LP. on December 31, 2025, is $1,113,290. The ratio of the outstanding loan balance to the book value of the related assets on December 31, 2025 was 66% (2024, 71%).

CED Co-op did not pursue financing from lenders for the Projects that are held in SunShare4 LP. The book value of the Projects, which is the acquisition cost of the projects less the accumulated amortization, held in SunShare4 LP on December 31, 2025, is $1,260,207.

Schiedel View Farms Inc. has provided project financing for the project in which they are a JV Partner as follows:

Long Term Financing Terms – CEDC Turkey SunShare JV	
Total Original Loan Amount	$525,000 ($294,000 CED Co-op portion)
Amortization of the Loan	15 years
Term of the Loan	15 years
Interest Rate	5.50%
Loan to Project Value Ratio at Advance	71% Loan vs Project Value

As of December 31, 2025, the loan outstanding to CED Co-op for the ownership held of the CEDC Turkey SunShare JV Project totaled $119,676. The book value of the Project, which is the acquisition cost of the projects less the accumulated amortization, held in the CEDC Turkey SunShare JV on December 31, 2025, is $213,649. The ratio of the outstanding loan balance to the book value of the related assets on December 31, 2025 was 56% (2024, 60%).

4.8 RESP, RRSP, RRIF, FHSA AND TFSA ELIGIBILITY

In 2013 and 2014, CED Co-op undertook a detailed review of how its investment securities could be structured to qualify as eligible investments for registered plans under the Tax Act and Tax Regulations. Working in consultation with multiple legal and accounting firms, the Co-operative developed a comprehensive plan to align its share and bond offerings with the requirements applicable to public corporations under Canadian tax law.

This process involved mapping the legislative framework that defines which types of securities may be held within Registered Retirement Savings Plans (RRSPs), Registered Education Savings Plans (RESPs), Registered Retirement Income Funds (RRIFs), and Tax-Free Savings Accounts (TFSAs), as well as, later, Tax-Free First Home Savings Accounts (FHSAs).

In 2015, after completing the necessary legal and structural steps, CED Co-op executed this plan, positioning its securities to qualify as "*prescribed investments*", and therefore as "*qualified investments*", within the meaning of the Tax Act and Tax Regulations.

CED Co-op has obtained a current legal opinion from a qualified external lawyer confirming that its investment securities, including the Class C Preference Shares and Series S1 Bonds, qualify as eligible investments for registered plans under the Tax Act and Tax Regulations. The legal opinion along with the corresponding consent letter authorizing the inclusion of a summary of this opinion in this Offering Statement are included as Appendices M and N respectively.

Qualified Investments Defined in the Tax Act

Each type of registered plan defines the term "*qualified investment*" within its own section of the Income Tax Act, but all defer to the Regulations to prescribe the specific types of eligible investments.

Registered Plan	Tax Act Reference	Clause Referring to "Prescribed" Investments
RRSP – Registered Retirement Savings Plan	Section **146(1)(d)**	"such other investments as may be prescribed by regulations of the Governor in Council"
RESP – Registered Education Savings Plan	Section **146.1(1)(e)**	"a prescribed investment."
RRIF – Registered Retirement Income Fund	Section **146.3(1)(c)**	"such other investments as may be prescribed by regulations of the Governor in Council"
TFSA – Tax-Free Savings Account	Section **207.01(1)(c)** (by cross-reference from 146.2(1))	"a prescribed investment."
FHSA – Tax-Free First Home Savings Account	Section **207.01(1)(c)** (by cross-reference from 146.6(1))	"a prescribed investment."

In each case, the Tax Act itself provides only the broad enabling language and general authority, and section 4900 of the Tax Regulations specifies the detailed list of investments that qualify.

Connection to the Tax Regulations – Section 4900(1)

The relevant prescription occurs in Tax Regulations, section 4900(1).

It explicitly ties back to all the subsections listed above, confirming that this provision applies simultaneously to RRSPs, RESPs, RRIFs, TFSAs, and FHSAs.

Section 4900(1) states:

> "*For the purposes of paragraph (d) of the definition qualified investment in subsection 146(1) of the Act, paragraph (e) of the definition qualified investment in subsection 146.1(1), paragraph (c) of the definition*

qualified investment in subsection 146.3(1), paragraph (d) of the definition qualified investment in subsection 146.4(1), paragraph (h) of the definition qualified investment in section 204, and paragraph (c) of the definition qualified investment in subsection 207.01(1) of the Act, each of the following investments is prescribed as a qualified investment for a plan trust at a particular time if at that time it is…"

Within the list that follows, these are the key items:

Paragraph *4900. (1) (b)*:

- *"A share of the capital stock of a public corporation other than a mortgage investment corporation";*

Paragraph *4900. (1) (c.1)*:

- *"A bond, debenture, note or similar obligation of a public corporation other than a mortgage investment corporation";*

These provisions establish that shares and debt obligations of a public corporation are prescribed investments and therefore qualified investments for all major registered plans, including RRSPs, RESPs, RRIFs, TFSAs, and FHSAs.

Summary of the Legal Chain

1. Tax Act (sections 146, 146.1, 146.3, 207.01):

   Each plan defines "qualified investment" and defers to "prescribed" investments to be defined in the Tax Regulations.

2. Tax Regulations (section 4900(1)):

   Prescribes, among other things,

   - shares of public corporations, and
   - bonds or similar debt obligations of public corporations,

   as qualified investments.

3. As a public corporation under the Tax Act, CED Co-op's Class C Preference Shares and Series S1 Bonds fall under this prescription.

The legal opinion obtained by CED Co-op concludes that:

- CED Co-op is a public corporation under subsection 89(1) of the Tax Act.
- Its Class C Preference Shares qualify as "shares of a public corporation" under Regulation 4900(1)(b).
- Its Series S1 Bonds qualify as "debt obligations of a public corporation" under Regulation 4900(1)(c.1).
- Accordingly, both securities are qualified investments for RRSPs, RRIFs, RESPs, TFSAs and FHSAs.

Broader Context of Registered Plan Eligibility

The Co-operative notes that the eligibility of public corporation securities for inclusion in registered plans represents an established and widely used component of the Canadian investment system. Based on information published by the Canada Revenue Agency and industry sources:

- It is estimated that approximately 23 to 25 million Canadians, or about 80 percent of adults, hold at least one registered investment account.
- The total value of assets held within these registered plans is estimated to exceed two trillion dollars.
- There are approximately 4,000 to 4,500 public companies listed in Canada, and industry analysts estimate that 30 to 50 percent of Canadian equities are held through registered plans.

Accordingly, the Co-operative believes that the legislative framework allowing securities of a public corporation to qualify as eligible investments for registered plans is an established and integral part of Canadian capital markets. However, as with all legislation, future amendments to the Tax Act or Tax

Regulations could alter the eligibility of particular securities. Investors should refer to **Section 5: Financial – Registered Account Eligibility Risk** for a discussion of this potential risk.

Election to be a Public Corporation (Form T2073)

To establish its public corporation status, CED Co-op completed and filed an Election to be Treated as a Public Corporation (Form T2073) in accordance with subsection 89(1) of the Tax Act.

This election allows a corporation that meets the prescribed conditions in the Income Tax Regulations (notably Regulation 4800) to be recognized as a public corporation even if its shares are not listed on a stock exchange.

The Canada Revenue Agency (CRA) reviewed CED Co-op's election and accompanying documentation. After completing its review, the CRA issued a written acknowledgment confirming that CED Co-op met the requirements for public corporation status. The CRA's letter states:

"*This corporation is considered to be a public corporation as of June 19, 2015.*"

This marks the effective date from which CED Co-op has been treated as a public corporation for all purposes of the Tax Act. A copy of this confirmation letter is included as Appendix E: CRA Approval of Public Corporation Status.

Conditions and Ongoing Compliance

The CRA noted that this recognition is:

"subject to the restrictions described in the definition found under subsection 89(1) of the Tax Act."

This means that CED Co-op must continue to satisfy the conditions of a public corporation—specifically those relating to share ownership dispersion and public availability of its investment shares—under the Tax Act and Tax Regulations.

Conditions for Ceasing to Be a Public Corporation

Under paragraph (c) of the definition of "public corporation" in subsection 89(1) of the Tax Act, a corporation that has previously qualified as a public corporation may later cease to have that status. This can occur in either of two ways:

- The corporation files an election with the Minister of Revenue to no longer be treated as a public corporation; or
- The Minister (through the Canada Revenue Agency) issues a written notice designating that the corporation is no longer a public corporation.

For either change to occur, the corporation must meet the prescribed conditions in section 4800(2) of the Tax Regulations. These conditions describe a situation in which the company's securities are no longer publicly held. Specifically,

- insiders of the corporation must hold more than 90 percent of the outstanding shares of the class that made the corporation public,
- there must be fewer than 100 public shareholders of that class, and
- no class of shares remains qualified for distribution to the public.

If these conditions are met, the corporation may elect, or the CRA may designate, that it has ceased to be a public corporation. From the effective date of such an election or designation, its shares and bonds would no longer qualify as securities of a public corporation under Regulation 4900(1), and therefore would no longer be eligible investments for registered plans such as RRSPs, RRIFs, RESPs, TFSAs, or FHSAs.

CED Co-op monitors its share ownership structure and trading eligibility on an ongoing basis to ensure that the requirements of section 89(1) and Regulation 4800 continue to be met.

Reference to the Definition of a Cooperative Corporation

Section 136 of the Tax Act provides a specific definition of "cooperative corporation." Under subsection 136(2), a corporation qualifies as a cooperative corporation if it is incorporated under cooperative legislation for purposes such as marketing members' goods or providing supplies or services to members, and if at least 90 percent of both its members and its shares are held by:

(a) individual members, other cooperative corporations, or corporations or partnerships that carry on the business of farming; or

(b) registered plans (RRSPs, RRIFs, TFSAs, FHSAs or RESPs) belonging to those members.

A cooperative corporation that meets these criteria is deemed not to be a private corporation under subsection 136(1), but it is also excluded from making an election to become a public corporation under Regulation 4800(1).

CED Co-op does not meet the definition of a "cooperative corporation" in subsection 136(2) because, provision of described products or services aside, more than 10 percent of its shares are held by persons who are not members/individuals described above. As a result, CED Co-op is not a "cooperative corporation" for the purposes of the Tax Act and Regulations.

This distinction is significant because Regulation 4800(1) excludes cooperative corporations defined in section 136 from making an election to become a public corporation. Since CED Co-op does not fall within that definition, it was eligible to elect under subsection 89(1)(b)(i) and did so successfully in 2015. The Canada Revenue Agency accepted CED Co-op's election, confirming that it met the prescribed conditions for public corporation status. CED Co-op's shares and bonds therefore qualify as "shares and debt obligations of a public corporation" under Regulation 4900(1)(b) and (c.1), and are eligible investments for registered plans.

Summary

CED Co-op is recognized as a public corporation for the purposes of the Income Tax Act effective June 19, 2015. To maintain this status, it must continue to meet the public ownership and distribution conditions set out in subsection 89(1) of the Income Tax Act and section 4800 of the Income Tax Regulations.

CED Co-op continues to file, on an annual basis, its corporate income tax returns identifying the Co-operative as a public corporation. The Canada Revenue Agency continues to assess and accept these filings on that basis. CED Co-op has not, subsequent to the filing of its election,

(a) elected not to be a public corporation for purposes of the Tax Act, nor

(b) received notification from the Minister of National Revenue that it has been designated not to be a public corporation for purposes of the Tax Act.

If the prescribed conditions were no longer met and CED Co-op were to cease being a public corporation, its securities would no longer qualify as "shares or debt obligations of a public corporation" under Regulation 4900(1), and would therefore cease to be eligible investments for registered plans.

As of the date of this Offering Statement, CED Co-op remains in good standing with the Canada Revenue Agency as a public corporation, and CED Co-op therefore believes that its investment Securities continue to qualify as eligible investments for inclusion in registered plans.

Additional Disclosure Regarding Specific Securities and Registered Plan Eligibility

CED Co-op has obtained a legal opinion confirming that both its Class C Preference Shares and its Series S1 Bonds qualify as eligible investments for registered plans. As a result, both securities are available for purchase within registered plans.

Security	Can be held in Registered Plans
Class C Preference Shares	Yes
Bonds Series S1	Yes

CED Co-op believes that its previously issued securities, including the Class C Preference Shares, will continue to qualify as eligible investments for registered plans, provided the Co-operative maintains its public corporation status under the Tax Act and Tax Regulations.

While CED Co-op has obtained a current legal opinion, the final determination of whether a specific security may be held in a registered plan rests with the plan trustee or administrator, who must be satisfied that the investment meets all applicable requirements. CED Co-op has been able to provide satisfactory supporting documentation, including CRA confirmations, copies of its election as a public corporation, relevant corporate resolutions, and previously developed legal opinions, to registered plan administrators, including Olympia Trust and the CWCF.

CED Co-op's ability to provide supporting documentation, such as additional legal or accounting opinions if required, may affect the acceptance of any future securities by registered plan administrators. This consideration is discussed further under Section 5: Risk Factors – Financial – Registered Account Eligibility Risk.

Investors who already hold CED Co-op securities within registered plans will continue to receive all payments directly to those accounts. This includes principal and interest payments on bonds, dividend payments on Class C Preference Shares, and any share repurchase proceeds. These payments will continue to preserve the registered status and related tax advantages for those investors.

While CED Co-op believes that its securities, including the Class C Preference Shares and Series S1 Bonds, qualify as eligible investments for registered plans based on its current public corporation status, **the Co-operative does not provide any assurance, warranty, or guarantee that any particular security will continue to qualify as an eligible investment under the Tax Act or Tax Regulations.**

The ultimate responsibility and risk for determining and maintaining eligibility rests with the investor and the registered plan trustee or administrator, who must make their own determinations in accordance with applicable tax laws and regulatory requirements. If, at any time, the CRA, a plan trustee, or another authority were to determine that a CED Co-op security is not a qualified investment, **the investor may be subject to adverse tax consequences, disqualification of plan holdings, or other penalties** as prescribed under the Tax Act.

Investors are therefore encouraged to **obtain independent tax, accounting, or legal advice** regarding the eligibility of CED Co-op securities for their own registered plans. Further discussion of this risk is provided in **Section 5: Risk Factors – Financial – Registered Account Eligibility Risk.**

4.9 MARKETING PLAN

There are two prongs to the marketing plan for CED Co-op. The first is in the area of Project development, and the second is continuing to bring in investments to enable funding of further Projects.

Project Development

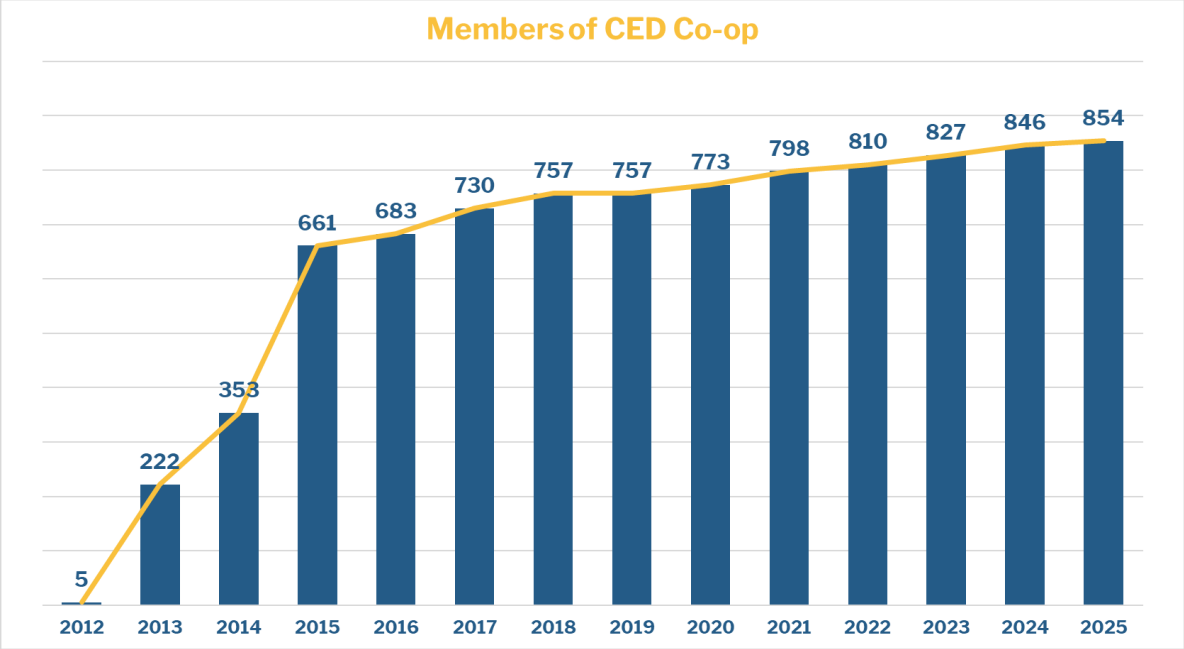
CED Co-op is actively pursuing project development opportunities in Ontario across the full range of business models described in Sections 3.6.4 through 3.6.9. These include solar net-metering installations under PPAs (Section 3.6.4), Enhanced Operations and Maintenance agreements for load-displacement projects accessing Save on Energy and federal ITC incentives (Section 3.6.5), virtual net-metering and community net-metering arrangements including Corporate PPAs for Class A customers (Section 3.6.6), carbon offset credits and Clean Energy Credits (Section 3.6.7), EV charging infrastructure, heat pump systems and building efficiency projects (Section 3.6.8), and biochar production and electricity generation (Section 3.6.9). The Co-operative is also beginning preliminary investigation for the potential to develop projects outside of the Province.

CED Co-op continues to work primarily with VCT to develop a pipeline of projects across these business models, while also welcoming projects brought by other reputable companies in the industry, such as Crescent Ridge Services, Arcadian Projects and Guelph Solar Mechanical. There continues to be strong and growing interest in solar and clean energy projects from landowners and building owners across Ontario.

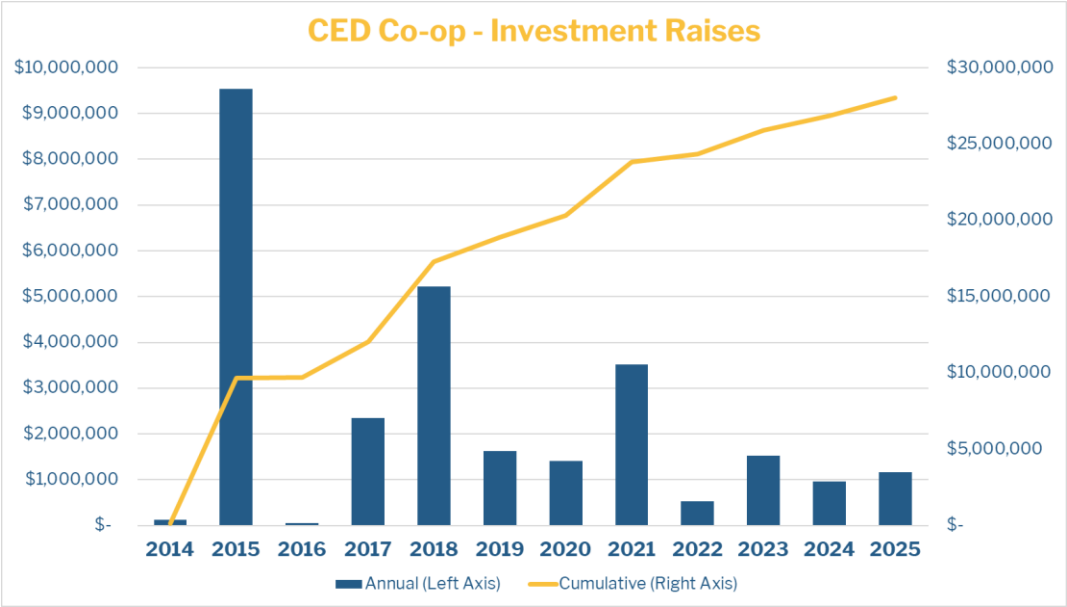
Investment Growth

For investment growth, CED Co-op is only marketing to residents of Ontario, though with the global reach of websites, from time to time, investment interest comes from outside of Ontario, and CED Co-op will allow non-residents of Ontario to make investments in the Class C Preference Shares and hold Securities other than Membership Shares. This is a risk factor identified in Section 5: Risk Factors – Financial – Eligibility to Hold Securities as a Non-Resident of Ontario.

CED Co-op has expanded its member and investor base steadily through its history of operations. The following chart shows the growth of the membership and investor base over time.



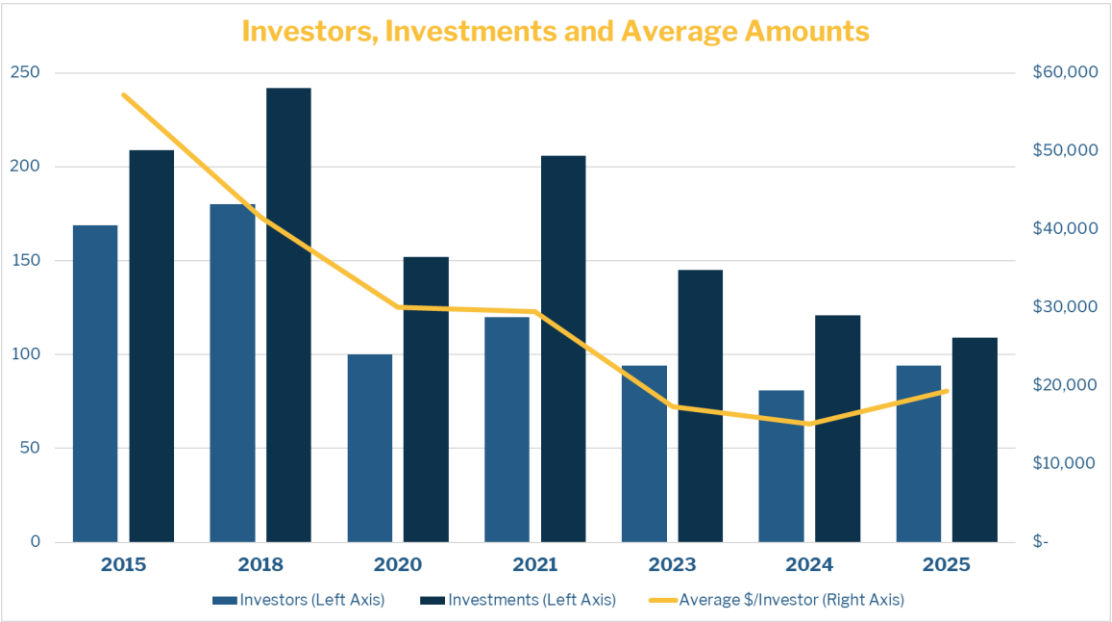
Through seven prior offerings, the Co-operative has raised more than $28 million in cumulative investments, as shown in the following chart.



The earlier offerings coincided with active FIT Program project development, which provided immediate deployment opportunities for capital raised. With few project opportunities available following the conclusion of the FIT Program application rounds, the Co-operative scaled back its capital-raising efforts. With new project opportunities now emerging under the business models described in Sections 3.6.4 through 3.6.8, the Co-operative anticipates that more active efforts to raise capital will be needed for this Offering. CED Co-op anticipates being able to develop $3,000,000 or more of new projects in each of the next several years.

Investment Trends

The following chart shows the number of investors, number of individual investment transactions, and average investment amount per investor across each offering period.

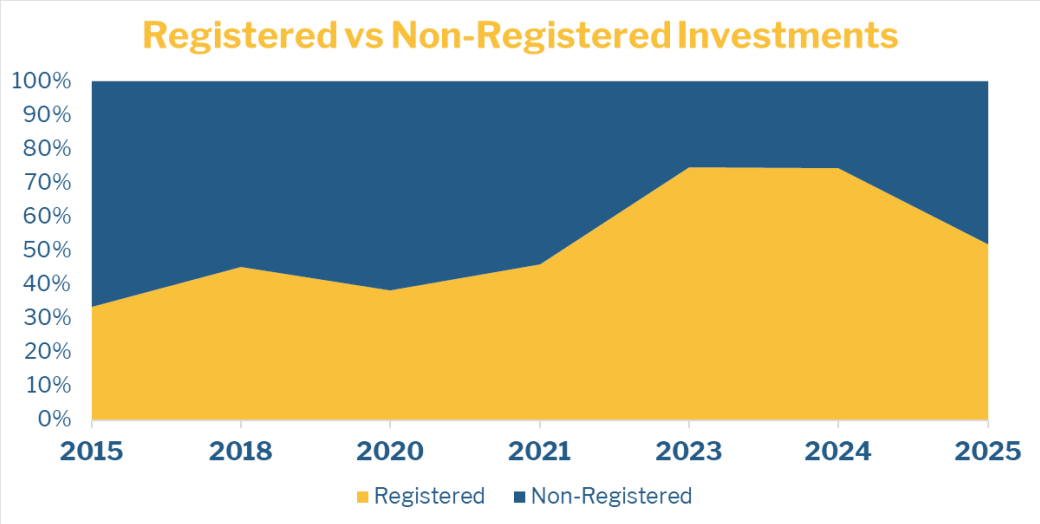


The average investment per investor has declined from approximately $57,000 in the first offering to more modest levels in recent years, reflecting the broadening of the investor base and the growing proportion of investments made through Registered Plans, which are often subject to individual contribution limits. In the prior 2024–2025 offering, average investment per investor increased approximately 28% from the prior offering, the total number of participating investors increased, and new investors accounted for approximately 41% of funds received — all positive reversals of trends seen in recent years and indicative of growing interest in the Co-operative's expanding project pipeline.

It will be important for CED Co-op to continue to grow both its member base and its investor base for the volume of projects anticipated to be developed in the coming years.

Registered Plan Investments

As shown in the following chart, the proportion of investments made through Registered Plans has grown significantly over the history of the Co-operative's offerings, rising from approximately one-third of investments in 2015 to a peak of approximately 75% in 2023 and 2024. In the most recent 2024–2025 offering period, the registered plan share moderated to approximately 55%, though it remains well above the levels seen in earlier offerings. This sustained shift toward registered plan investing underscores the importance of offering Securities that are eligible to be held in Registered Plans, as discussed in Section 4.8. Many investors hold multiple positions in Class C Preference Shares across both non-registered and Registered Plan accounts including TFSAs, RRSPs, RRIFs and Spousal RRSPs.



Reinvestment and Distributions

During 2026, CED Co-op is expecting to make payments of approximately $1.4 million to current Members and Investors through dividends, interest, and principal repayments. Historically, a meaningful portion of these distributions has been reinvested in subsequent offerings, and it is anticipated that this pattern will continue with the purchase of new Securities through this Offering. CED Co-op views its existing investor base as the foundation of its capital-raising strategy — investors who have experienced reliable returns and transparent reporting are the Co-operative's most effective advocates and a primary source of referrals for new members.

Marketing Channels

CED Co-op employs a multi-channel marketing strategy designed to reach both prospective investors and prospective project partners. On the investment side, the Co-operative utilizes targeted social media campaigns, direct mailings, email communications, community events, and presentations to sustainability-focused groups, faith communities, and professional networks. CED Co-op also participates in industry events and co-operative sector gatherings to raise awareness among aligned audiences. On the project development side, CED Co-op and VCT engage directly with building owners, facility operators, property managers, and institutional decision-makers through tailored proposals, site assessments, and in-person presentations that demonstrate the financial and environmental benefits of on-site solar and clean energy installations.

The Co-operative is continuing to develop its securities management platform and website to provide a more streamlined investment process, enhanced reporting and transaction services for members, and an improved

digital experience intended to reduce administrative burden and attract a wider demographic of members and investors. With a reduction in administration, CED Co-op may be able to reduce the minimum investment amount for future offerings, further lowering the barrier to entry for new participants.



It is believed that the maximum limit of funds could be raised through these channels, though as outlined in Section 6.2: Use of Proceeds of the Offering, CED Co-op does not require achieving this maximum in order to move ahead with project acquisitions or developments.

4.10 TAXATION

As previously outlined, CED Co-op is a Public Corporation for Tax Act purposes. As a result, the dividends paid by CED Co-op to its Shareholders on CED Co-op's Class A Preference Shares, Class B Preference Shares and Class C Preference shares are considered "eligible dividends" and qualify for a lower income tax rate than "non-eligible dividends".

As a Public Corporation, CED Co-op is not able to claim the small business deduction that can be claimed by Canadian Controlled Private Corporations (CCPC) which reduces the tax rate on the first $500,000 of active business income to a rate which is currently 12.2% (combined federal and Ontario rate). In addition, in becoming a Public Corporation, CED Co-op and its shareholders are not able to take advantage of other benefits available only to private corporations, including, but not limited to, the following:

Subject to certain restrictions, individuals in Canada are eligible to claim a limited exemption on capital gains realized on the disposition of shares of Qualified Small Business Corporations (QSBC). One of the conditions that a corporation must meet in order to be a QSBC is that it must be a CCPC. As a result, shareholders in the CED Co-op will not be entitled to claim an exemption from taxation on capital gains realized on the sale of shares of the CED Co-op. This is likely not to affect the Investors of CED Co-op since the Shares of CED Co-op are par value shares, and no change in value of the Shares is anticipated.

CCPC's may generally return paid up capital to their shareholders free of personal income tax; return of paid-up capital by a Public Corporation will generally be a dividend.

However, as a Public Corporation, CED Co-op will not be subject to the additional tax on certain forms of investment income to which CCPC's are subject.

The income tax rate currently in effect that would be applicable to the income of CED Co-op is 26.5% (combined federal and Ontario rate). It is uncertain if corporate income tax rates will fluctuate over the time frames that are forecast in the Projected Financial Statements included in Appendix A.

In order to maximize tax efficiency, historically, CED Co-op has offered both bonds and shares as general investment types. The Co-operative anticipates that it will continue to offer various securities and may vary the structure and types of future securities offered for investment by investors.

The Bonds will be earning interest-based returns for Investors, and the interest expense paid by the Co-operative qualifies as a pre-tax expense, which reduces the Co-operative's amount of taxable income while providing returns. The interest portion of the return to Bondholders is expected to be taxable income to the Bondholder. The return of principal to Bondholders is not considered to be taxable income to the Bondholder.

The Shares will earn dividend income which comes from the after-tax revenues for the Co-operative. The dividends paid to Shareholders are expected to be taxable income to the Shareholder. The Preference Shares will also be repurchased over the course of the FIT Contracts. The return of capital in the form of Share repurchases is not considered to be taxable income to the Shareholder.

THE INFORMATION CONTAINED HEREIN DOES NOT CONSTITUTE LEGAL OR TAX ADVICE. ALL POTENTIAL SECURITY HOLDERS OF THE CO-OPERATIVE SHOULD CONSULT WITH THEIR LEGAL AND TAX ADVISORS TO CONFIRM THE TAXATION IMPLICATIONS OF THE INVESTMENT AND RETURNS FROM THESE SECURITIES PRIOR TO MAKING AN INVESTMENT.

The Co-operative and its various operating entities are HST registrants, and as such will be collecting HST on the electricity that is sold to the LDCs as well as the various other taxable supplies that are made under new business models. As an HST registrant, the HST that is paid on eligible expenses will be claimed as an input tax credit and netted against the amount of HST that is remitted to CRA. At the time of the acquisition of a Project, the ability to claim the HST paid on the purchase of the Project will result in a significant credit for the Co-operative that is refundable. The values that have been used for Financial Projections show Project costs net of the expected return of HST. This is a cash flow issue that the Co-operative will have to manage. A staggered acquisition or development of projects will help to mitigate the effects of this cash flow issue.

The acquisition or development of Projects creates an asset for the Co-operative that is held in various classes as described in the Tax Act. The Solar PV Project assets are held in Class 43.1 of the Tax Regulations for the purposes of Capital Cost Allowance depreciation for income tax purposes under the Tax Act. Class 43.1 assets are typically allowed to be depreciated at a rate of 30% per year on a declining balance with only half of the deduction allowed in the year of acquisition.

Bill C-15, the Budget 2025 Implementation Act, substantively enacted on February 26, 2026, reinstated 100% immediate expensing for eligible clean energy equipment in Class 43.1 acquired after January 1, 2025 and available for use before 2030. Under these provisions, the full cost of qualifying solar PV equipment can be deducted in the year the property becomes available for use, with the half-year rule not applying. This 100% immediate expensing is phased out for property that becomes available for use in 2030 or 2031 (75% first-year allowance), and further reduced for property available for use in 2032 or 2033 (55% first-year allowance). The immediate expensing is no longer available for property that becomes available for use after 2033, at which point the regular Class 43.1 rate of 30% declining balance with the half-year rule applies.

In addition to the rules for Class 43.1, the Projects may be subject to specified energy property rules. The specified energy property rules require that each Project be maintained in a separate asset class within the 43.1 Class and generally limit the amount of CCA deduction that can be claimed in a tax year to the amount that would reduce taxable income from that Project to $0. Since the principal business of CED Co-op is the sale of electricity and the provision of energy services, the Co-operative will be allowed to take the full deduction to create a loss for tax purposes or to use the CCA from one Project to shield the income from other revenue realized by the Co-operative from other Projects or other sources. Should a loss for tax purposes be created, this loss is not eligible to be flowed through to any of the Security Holders of the Co-operative.

For EOM projects where the Facility occupant owns the solar PV system, the CCA deductions accrue to the Facility occupant rather than to CED Co-op. The Co-operative does not receive CCA tax shielding for its Inducement Payment investment under the EOM model. This is described further in Section 3.6.5.

New Project types and asset types will fall under various other classes for the purpose of CCA under the Tax Act and Tax Regulations. In general, it is anticipated that the CCA deductions, combined with the other allowable expenses (including interest on Bonds), are expected to eliminate the payment of income tax for the first 15 years of operations of the Co-operative.

5. RISK FACTORS

The Co-operative and its Investors will be subject to a number of risks common to business ventures in general and will also be subject to risks involved in the development and operation of Renewable Energy Projects under the FIT Program and the operations of other types of projects in various other business models. The failure to prevent or mitigate any of the following circumstances could jeopardize Investors' investments in the Co-operative and could have a negative impact on the Co-operative's financial returns and solvency.

Before investing, prospective purchasers should carefully consider, in light of their own financial circumstances, the Risk Factors set forth below as well as the other information contained in this Offering Statement. Some of the Risk Factors have been grouped into themes by heading. This is for organization and readability and is not meant to imply that these risks cannot, or do not, relate to other operations and business areas of the Co-operative.

Projections and Forward-Looking Information: This Offering Statement and the Business Plan contain forward-looking statements and projections, including the Financial Projections attached as Appendix A, which involve numerous assumptions, hypotheses, risks and uncertainties including, among others, those set out herein as Risk Factors. These Risk Factors impact future events including future operating results, prospects and future financial performance and condition, results of operations, business strategy and financial needs. These statements can be identified by terminology such as "may," "will," "expect," "anticipate," "future," "intend," "plan," "believe," "estimate," "is/are likely to" or similar expressions. Actual results of operations will vary, perhaps materially and adversely, from the projections contained in this Offering Statement. No representations or warranties are given that these projections will actually be achieved. The assumptions and hypotheses upon which these projections are based may change on account of circumstances beyond the control of the Co-operative. The projections made should be viewed as estimates only.

Business Prospects – No Guarantee of Projects: The Co-operative is raising funds for future projects on a speculative basis. No formal agreements for future projects have been signed at this time. The Co-operative cannot guarantee that the projects currently being contemplated will be developed, or that alternative or additional project opportunities will materialize.

Business Prospects – Performance of Third Parties: The Co-operative's financial performance is, to some degree, dependent upon the performance of its JV and LP Partners. It is possible that the unprofitability and/or insolvency of JV or LP Partners could negatively impact upon the Co-operative and its financial results. It is also possible that JV Partners may be unable to meet their financial obligations toward the Projects, which could put the Projects at risk.

Business Prospects - Political Risk: The viability of the Co-operative's current or future plans, to generate or sell Renewable Energy, develop energy efficiency projects, or develop carbon reduction projects, depends, in large measure, upon the existing energy market structures. Energy markets are highly regulated and are subject to the changes in legislation and regulation that may be enacted from time to time, at potentially federal, provincial, or even municipal levels. This may result in changes, whether owing to a change in the persons or parties in positions of leadership or otherwise, that could have a negative impact on the Co-operative's operations.

Business Prospects - Regulatory Approval and Permits: The Co-operative has outlined its expectations based on the existing rules and regulatory requirements of the existing FIT Program, net-meter regulations, electrical codes, building codes, and other regulatory requirements. If any of these requirements change, this may impose additional costs to the Co-operative not contemplated in the Co-operative's current Business Plan. The Co-operative is also required to be compliant with various rules and requirements held by the various LDCs. These rules and requirements may change which could require modifications to operating FIT Projects or other projects that impair the economics of the Co-operative.

Carbon Offsets – Carbon Market Pricing: In alignment with the prescribed rates for carbon emissions from the Government of Canada, the Co-operative anticipates that the market price for carbon offset credits will continue to increase over time. As with many aspects of the forecasts of the Co-operative, CED Co-op cannot guarantee that prices will continue to increase at any particular rate, increase at all, or that prices will not decrease. This could have a negative effect on the profitability of carbon offset credits or other projects that rely on the market price of carbon offsets.

Carbon Offsets – Market Structure Changes / Other Regulatory: The Co-operative may enter into compliance-based or voluntary-based carbon offset sales structures with various customers and partners that are dependent upon certain carbon offset market characteristics or pricing structures. These market characteristics and pricing structures may change over time, including through legislation or other industry and market effects. The Co-operative cannot guarantee that changes to market characteristics and pricing structures will not have adverse effects on the revenues or profitability of the Co-operative.

Carbon Offsets – Validation and Verification of Credits: The sale of carbon offsets relies on validation of projects and verification of greenhouse gas reductions in compliance with various standards and processes. The evaluation and confirmation of these is performed by third parties, outside of the control of the Co-operative. CED Co-op can not guarantee that evaluation criteria will remain unchanged, or that, in the opinion of a validator, the operations and projects have or will produce the anticipated outcomes required for the validation and verification of Projects and carbon offsets.

Clean Fuel Regulations – Market Structure Changes / Other Regulatory: As described in Section 3.6.7, the Co-operative may develop EV charging infrastructure and other projects that generate compliance credits under the federal Clean Fuel Regulations (CFR). The value of CFR credits is determined by the carbon intensity of the electricity grid supplying the charging infrastructure and by the prevailing market price for compliance credits. The CFR credit market structure, pricing, and program rules may change over time, including through legislative amendments, regulatory revisions, changes to credit calculation methodologies, or other industry and market effects. The federal government may alter the Clean Fuel Regulations, modify the credit generation or trading framework, or introduce new regulations that affect the value of credits earned by voluntary participants such as CED Co-op. Additionally, changes to Ontario's electricity grid carbon intensity, whether through the addition of natural gas generation or changes in grid mix, could affect the volume or value of credits generated per kilowatt-hour dispensed. The Co-operative cannot guarantee that changes to the CFR market structure, credit pricing, program rules, or grid carbon intensity will not have adverse effects on the revenues or profitability of projects that rely on CFR credit revenue.

Financial - Ability to Pay Dividends and Surplus: There can be no assurances the Co-operative will be able to pay dividends or distributions of Surplus according to the Business Plan and as set forth in this Offering Statement. The payment of dividends and distributions of Surplus will be in the discretion of the Board, who will assess the Co-operative's ability to pay and the Co-operative's financial position and needs at such time.

Financial – Acceleration or Non-Renewal: In the circumstance that an event of default occurs, as described in Section 7.1 Credit Agreements - CWB, and the lender elects to accelerate any or all obligations owed by a borrowing entity (SunShare1 LP, SunShare2 LP and 2117921 Alberta Ltd.), or, if a lender elects to not renew any loan amount at the expiry of the term, the Co-operative, via the respective borrowing entity, would endeavour to pay out the balances owing by drawing from the related payment reserves, maintenance reserves and other cash balances on hand. Further, the Co-operative would look for alternative financiers if the funds were not already raised by investors and available to pay loan balances remaining. Should balances remain following repayment from available resources, it is likely that one or more projects would need to be sold. Under an event of default, the lender may or may not allow the borrowing entity or the Co-operative to conduct the sale, the lender could take possession of the associated project assets, and attempt to liquidate (sell) the projects in an effort to pay off loan balances. These loans are considered to be non-recourse financing and the security of the respective loan is limited to the solar projects existing within the borrowing entity (SunShare1 LP, SunShare2 LP and 2117921 Alberta Ltd.) at the time of the default. The specific Projects that are held within each respective entity are outlined in Section 3.6.3. Business Models – FIT and microFIT Contracts. Should balances be left owing to the lender after the liquidation of all Projects and assets held by the respective borrowing entity, there would be no further recourse to CED Co-op. If any proceeds remain from the sale of assets after paying off all amounts owing to the Lender, these funds would be made available to CED Co-op and any other project partners. If there are limited, or no, proceeds available to CED Co-op, it is possible that CED Co-op may not be able to maintain payments on Bonds, payments of Dividends, or have sufficient capital to repurchase the Preference Shares outstanding, and Investors may receive reduced returns, or may not receive their invested funds returned to them.

Financial - Availability of Debt Financing: No assurances can be given that any of the loan facilities that require renewal will be renewed by the current lender or alternate financing will be obtained or, if capable of being obtained, will be obtained on acceptable terms. If the loans are obtained but are subject to higher interest rates than those projected in Section 4: Business Plan and in Appendix A, then the revenues flowing to

the Co-operative from the Projects will be reduced and the Co-operative's financial projections will not be accurate.

Financial - Change in Dividend Policy: The Board is responsible to manage the business and affairs of the Co-operative. As described in Section 3: Description of the Business of CED Co-op, the Board may at some future date elect to alter the Co-operative's dividend policy, which could result in a smaller proportion of the profits of the Co-operative being received by Shareholders.

Financial – Debt Load: The Co-operative has incurred a significant debt load. Total debt, including all loan and bond obligations, as of December 31, 2025 amounted to approximately $19.1 million, a reduction of approximately $1.9 million from $21.0 million at December 31, 2024 and a reduction of approximately $4.1 million from $23.2 million at December 31, 2023. 2025 interest charges on bank debt amounted to $890,878 (2024, $928,102; 2023, $1,025,502) and interest charges on bank debt is expected to be approximately $789,000 in 2026. The continuing reduction of the Co-operative's total debt and debt servicing charges is very important to the long-term financial stability of the Co-operative. The breakdown of the $19.1 million of debt remaining includes approximately $2.1 million of current liabilities and $17.0 million of long-term debt. A full breakdown of the loans and bonds is provided in Section 7 – Securities and Other Debt Obligations of CED Co-op with further details and descriptions provided in Note 8 of the 2025 Consolidated Financial Statements, included as Appendix B.

As noted in Section 7, in 2022, Per the terms of the lending agreement, the conditions required for equity distribution were not met during that year, indicating a breach of these conditions. Upon becoming aware of the situation, the Co-operative obtained a waiver from the lender CWB. Per the lending agreement, since this waiver was issued within the cure period, this did not result in an event of default for Sunshare2 LP or the Co-operative and the potential acceleration of repayments of the loan was automatically annulled. The Co-operative was not required to make changes to the lending agreement in exchange for the waiver, and no further implications resulted from this situation.

Financial – Eligibility to Hold Securities as a Non-Resident of Ontario: The Co-operative has not registered itself nor this Offering document with any regulators outside of the Province of Ontario. CED Co-op does not guarantee the eligibility of investors to hold the Securities of the Co-operative by non-residents of Ontario. It is the responsibility of the prospective purchaser or holder of Securities to apprise themselves of the risks and requirements of investing in the Co-operative, or holding the securities of the Co-operative, while not resident in Ontario.

Financial - Long Term Investment: There is no market into which these securities may be sold. Purchasers of the Securities offered herein should be aware of the durations of the terms of the Securities. The terms of many of the Securities may not be suitable for Investors who may need to sell their Securities quickly in order to raise money. Members are not entitled to demand the redemption of these Securities as explained in "Material Attributes of Authorized Capital" at the end of Section 8: Capital Structure. Any redemption of these Securities will occur at the sole discretion of the Board.

Financial - Market for Securities: There is presently no market for the Securities being offered nor is a market expected to develop. This is an illiquid security. It is unsuitable for any purchaser who may wish to sell the security. Purchasers may not be able to resell Securities purchased pursuant to this Offering Statement, if they need to, regardless of the need, or if they want to. Transfers of all Securities requires Board approval. Management will use its best efforts to match buyers and sellers, but no guarantee is offered that holders of the Securities will be able to sell them.

Financial - No Sinking Fund or Reserve: No sinking fund or reserve has been established to redeem the Securities of the Co-operative. It is the present intention of the Co-operative to redeem the Preference Shares and Bonds on a respective schedule outlined in Section 9: Description of Securities of the applicable Offering. However, there can be no guarantee this will be possible for the Co-operative, whether under the Co-op Act or otherwise. Members are not entitled to demand the redemption of the Securities of the Co-operative. Any redemption of these Securities will occur at the sole discretion of the Board of the Co-operative.

Financial - Post-FIT Revenue Risk: The Co-operative's financial forecasts assume the successful development of additional renewable energy projects between 2026 and 2034 and revenue generation beyond the expiration of current FIT contracts in 2038. These financial projections are based on a Board-approved growth strategy. While the Co-operative remains confident in this direction, supported by emerging

opportunities and current market demand, there is no guarantee that all planned projects will proceed as expected. If growth targets are not met, the Co-operative may need to reduce expenditures, delay or scale back fundraising efforts, restructure operations, or consider the sale of assets. These actions could materially affect the Co-operative's financial performance and its ability to meet obligations to Members and Investors.

Financial - Priority of Lenders: The net proceeds from the Securities offered herein will be utilized to capitalize the Co-operative, which will in turn use this capital for the development of Renewable Energy Facilities, energy efficiency projects and for other purposes described herein. These proceeds will be subordinate to any funds received from secured term and/or working capital lenders and all other secured creditors of the Co-operative, who will rank in priority to all Bondholders who will in turn rank in priority to all Shareholders. Any such secured lenders and creditors will have priority with respect to the payment of interest and principal and secured lenders and creditors will hold a secured position over all of the assets of the Co-operative in priority to its Bondholders and Shareholders. It is anticipated these secured lenders will place certain conditions and restrictions upon the Co-operative's ability to make distributions to, or redeem the Securities of, its Bondholders and Shareholders. These conditions could require the Co-operative to allocate all or part of any excess cash flow generated by the Co-operative's operations to the pre-payment of its indebtedness, thereby eliminating or reducing the amount of cash that could otherwise be available for payment to Bondholders or distribution to Shareholders. The ability of the Co-operative to pay interest on or redeem Bonds, or pay dividends on or redeem Shares, will depend both on the success of the Co-operative and its Projects and on the terms and conditions imposed by the Co-operative's lenders.

Financial - Profitability and Solvency: There is no certainty the Co-operative will be profitable and able to pay interest on or redeem Bonds, pay dividends on or redeem or repurchase Shares of the Co-operative, nor is there any certainty the Co-operative will be viable and solvent. In addition, there can be no guarantee the Co-operative will be able to meet the solvency test mandated by the Co-op Act when a request is made by a Shareholder to redeem their Shares or when Membership ceases.

Financial - Registered Account Eligibility Risk: While CED Co-op believes, as a public corporation under the Tax Act, that its securities, including the Class C Preference Shares and Bonds Series S1, are eligible to be held in registered plans, and has received professional advice supporting this position, the Co-operative cannot guarantee this eligibility or that it will continue.

The Canada Revenue Agency (CRA) and the trustee or administrator of each registered plan have sole authority to determine whether a security is a qualified investment. These determinations are beyond the control of CED Co-op. If the CRA or a plan trustee were to determine that a CED Co-op security is not, or has ceased to be, a qualified investment, the investor could face adverse tax consequences, including:

- deregistration of the security from the plan;
- inclusion of the fair market value of the investment in the investor's taxable income for that year; and
- possible penalties or special taxes under the Tax Act.

Some financial institutions or plan administrators may choose not to accept or continue holding CED Co-op securities in registered plans or may require additional documentation or professional opinions.

The responsibility and risk for determining and maintaining eligibility rest entirely with the Investor and the registered plan trustee or administrator. Investors should obtain independent tax, accounting, or legal advice before purchasing or holding CED Co-op securities in registered plans.

Financial – Security: As outlined in Section 9.4, Ranking of Investments, and further described in the Rank paragraphs of Sections 9.2 Class C Preference Shares and 9.3 Bonds Series S1, security for the Class C Preference Shares and Membership Shares ranks behind the following obligations:

- principal and interest on all secured loans,
- principal and interest on all unsecured loans,
- principal and interest on all Bonds (including Series S1 Bonds),
- dividends declared but unpaid on all classes of Preference Shares,
- Class A Preference Shares, and
- Class B Preference Shares.

The Series S1 Bonds rank behind principal and interest on all secured loans, but ahead of the Class C Preference Shares and Membership Shares, as described in Section 9.4.

In the event of a default (which may result from a payment default or a covenant breach), creditors with higher-ranking claims would be entitled to exercise their rights under applicable lending agreements to satisfy their obligations in full before any payments are made to lower-ranking investors. Under such circumstances, holders of the Class C Preference Shares and Membership Shares—and, if secured creditors were not paid in full, holders of the Series S1 Bonds—would not receive any payments unless all prior ranking obligations have been fully satisfied.

Financial -Taxation: Financial Projections assume that Renewable Energy generation assets owned by the Co-operative are eligible for accelerated capital cost allowance under Class 43.1 or Class 43.2 of the Tax Regulations. Together with other deductible expenses, it is anticipated these provisions would limit the tax paid by the Co-operative while these expenses are deducted from revenues. The Co-operative's Financial Projections are also based on the current tax rate in effect for the income of a Public Corporation of 26.5% which is the tax rate has been used in Financial Projections. Corporate tax rates have changed significantly over time, and it is expected this tax rate will change in the future. It is also possible other tax provisions may be changed in the future and could result in higher taxation for the Co-operative, thereby affecting the profitability of the Co-operative.

FIT Contracts – Community Investment Member Status: Some of the Projects that the Co-operative intends to develop require Community Investment Member status (as outlined in the Glossary of Terms and Section 3.4.1 Membership Requirements) as it relates to a particular Project. If the Co-operative loses its status as a Community Investment Member, through reductions in qualifying Memberships, or through other events, as it relates to a specific Project, and the Co-operative cannot either sell the Project to a qualifying Community Investment Member or regain Community Investment Member status within a 6-month time period, the FIT Contract for that particular Project will be considered in default and the FIT Contract will be at risk of termination.

FIT Contracts – Contract Risk: The Co-operative has endeavoured to comply with the FIT Rules and the FIT Contracts and continues to do so. Where CED Co-op finds the FIT Rules and FIT Contracts appear to be unclear, the Co-operative has sought interpretation advice from the IESO as well as legal advice to confirm interpretations of the FIT Rules and FIT Contracts. The IESO is the primary authority on the interpretation and application of the FIT Rules and deemed compliance with the FIT Contract, and it is possible that the IESO may interpret and apply rules and contract clauses differently than the FIT Rules and FIT Contracts were understood and executed upon by the Co-operative. Further, the FIT Contract contains a number of clauses which generally favour the IESO over the Supplier. This includes the ability for the IESO to terminate a FIT Contract for convenience prior to the FIT Contract being granted the Notice to Proceed. The FIT Contract also specifies a large number of factors (in the FIT Contract the "events of default") that may be outside of the Co-operative's control such as a reduction in the number of Members as it relates to Community Investment Members status. This may result in unexpected periods of lost revenue while achieving compliance or unexpected legal expenses in asserting the Co-operative's interpretation of the FIT Rules and FIT Contracts. Any event of default that could not be remedied according to the terms of the FIT Contract could result in the early termination of the FIT Contract at the option of the IESO, which would have a detrimental impact on the Co-operative's financial position. The Co-operative is aware of the grounds for termination in the FIT Contract and intends to carefully monitor its Membership numbers, FIT Contract operation processes and other factors to ensure ongoing compliance with the FIT Contract, but cannot guarantee Membership numbers or FIT Project compliance.

FIT Contracts – Government and Regulatory: In addition to cancelling some FIT Contracts that were in development stages, the Government of Ontario has, at various times, mentioned the prospects of further legal reviews of FIT Contracts, renegotiation of FIT Contracts, and further cancellations. Any renegotiations or cancellations of the FIT Contracts could have a serious negative effect on the financial prospects of the Co-operative. The Government of Ontario obtained a legal review of the FIT contracts with regards to termination rights (included as Appendix L). While the conclusion reached in the legal review is that "None of the Reviewed Contracts provide the IESO with the right to terminate the contract for convenience once the facility has achieved commercial operation.", the Co-operative is not aware of whether this has been tested in a court.

FIT Contracts – Ontario Domestic Content Requirements: There are some requirements in a few of the FIT Contracts to maintain "Domestic Content" both for initial construction as well as for ongoing warranty and replacement parts. While the IESO has issued a clarification position regarding the interpretation of Domestic Content as it pertains to FIT Contracts, included as Appendix K: IESO Position Clarification Regarding Domestic Content, this is not binding on the IESO, and is open to some level of interpretation regarding Bona

Fide reasons for replacing equipment. Because of the limited number of manufacturers of solar materials in Ontario, there could be difficulties in acquiring solar panels or other equipment that meet the Domestic Content requirements under the FIT Contract. As a result, the Co-operative's Projects may be unable to have the materials of choice, or any materials, for ongoing repairs or parts replacement. Also, the IESO does not pre-approve products as meeting Domestic Content requirements. While the Co-operative has performed significant due diligence in confirming the qualifications of components selected for Domestic Content requirements, ultimate approval for products meeting Domestic Content requirements is held by the IESO and is subject to their audit of the manufacturer and all product documentation following the completion of construction of the Project. The failure of a component to meet Domestic Content Requirements would be an event of default under the Contract.

Load Displacement – Counterparty and Credit Risk: Under the Enhanced Operations and Maintenance (EOM) model described in Section 3.6.5, CED Co-op provides an upfront Inducement Payment to the Facility occupant, equivalent to the net project cost after anticipated incentives, to offset the Facility occupant's capital contribution. CED Co-op's recovery of this investment depends on the Facility occupant's continued solvency and its ongoing payment of performance-linked O&M fees over the term of the agreement, which may range from 10 to 25 years. If the Facility occupant becomes insolvent, ceases operations, defaults on its payment obligations, or otherwise fails to honour the terms of the EOM agreement, CED Co-op may not recover all or part of its Inducement Payment investment. While CED Co-op intends to include early termination clawback provisions and may seek security registrations as described in Section 3.6.5, there can be no assurance that these protections will be sufficient to fully recover the Co-operative's investment in the event of a counterparty default. The financial impact of a counterparty default on a project with a significant Inducement Payment could materially affect the profitability and financial position of the Co-operative.

Load Displacement – Facility Consumption Risk: Under the Enhanced Operations and Maintenance (EOM) model described in Section 3.6.5, the solar PV system is configured exclusively for load displacement, with no export of electricity to the grid and no net-metering arrangement. CED Co-op's compensation under this model is linked to actual system generation consumed on site by the Facility occupant. If the Facility occupant's electricity consumption falls below the system's generation capacity, or if the facility experiences reduced occupancy, vacancy, operational changes, or reduced operating hours, CED Co-op's revenue from the project may be reduced, as excess generation cannot be exported or credited under a load-displacement configuration. Unlike the net-metering PPA model, where surplus credits can be carried forward within a 12-month period, there is no mechanism under the load-displacement model to recover the value of electricity generated in excess of real-time consumption. A sustained reduction in the Facility occupant's electricity consumption could materially diminish the financial returns of the project and adversely affect the profitability of the Co-operative.

Load Displacement – Incentive Program Risk: Under the Enhanced Operations and Maintenance (EOM) model described in Section 3.6.5, the project economics rely in part on the Facility occupant receiving both the IESO's Save on Energy Retrofit Program incentive (up to $860/kW-AC, capped at 50% of eligible project costs) and the federal Clean Technology Investment Tax Credit (30% refundable credit on remaining eligible costs). These incentives are paid to the Facility occupant, not to CED Co-op, following verification of eligibility and completion requirements. If either incentive is not received, is reduced, is delayed, or is clawed back by the granting authority due to non-compliance with program requirements, changes in program rules, or other reasons, the Facility occupant's effective project cost may increase, and the project economics upon which CED Co-op's Inducement Payment was calculated may be adversely affected. Additionally, the Save on Energy program requires that the system be operated in a load-displacement configuration for a minimum of 48 months; failure to maintain this requirement could trigger a clawback of the incentive. Changes to these incentive programs, including reductions in incentive rates, changes to eligibility criteria, or the discontinuation of either program, could affect the viability of future EOM projects and the Co-operative's ability to develop new projects under this model.

Load Displacement – No CCA Tax Shielding: Under the Enhanced Operations and Maintenance (EOM) model described in Section 3.6.5, the Facility occupant, rather than CED Co-op, owns the solar PV system. As a result, the Capital Cost Allowance (CCA) deductions available under Class 43.1 of the Tax Regulations, including the immediate expensing provisions for eligible clean energy equipment as described in Section 4.10, accrue to the Facility occupant and not to the Co-operative. CED Co-op does not receive any CCA tax shielding for its Inducement Payment investment under the EOM model. This means that, unlike the PPA model where CED Co-op owns the system and benefits from CCA deductions that reduce its taxable income in the early years of a project, the Co-operative's Inducement Payment investment under the EOM model does not generate CCA

deductions and the full return on investment must be realized through the performance-linked O&M fees received over the term of the agreement. This results in a different after-tax return profile for EOM projects compared to PPA projects and could affect the overall tax position of the Co-operative.

Net-Meter - Electricity Market Pricing: In line with forecast from the IESO, the Co-operative anticipates that the market price for electricity in Ontario will continue to increase over time. As with many aspects of the forecasts of the Co-operative, CED Co-op cannot guarantee that prices will continue to increase at any particular rate, increase at all, or that prices will not decrease. This could have a negative effect on the profitability of Net-Meter and other projects that rely on the market price of electricity.

Net-Meter - Market Structure Changes / Other Regulatory: The Co-operative may enter into Net-Meter structures with various customers and partners that are dependent upon certain electricity market characteristics or pricing structures. These market characteristics and pricing structures may change over time, including through legislation or other industry and market effects. The co-operative cannot guarantee that changes to market characteristics and pricing structures will not have adverse effects on the revenues or profitability of projects.

Net-Meter – Use of electricity produced on site: Current regulations allow for the value of electricity produced from net-meter systems to be realized only for that which is also consumed on site within a 12-month period. If the electricity consumer counterparty to an agreement with the Co-operative is unable to use all electricity that the Co-operative produces from a system within a 12-month period, and is unable or unwilling to continue to purchase the energy, the financial profitability of a project may be diminished. Factors that could affect this include, but are not limited to, system production exceeding forecasts, energy consumption lower than forecasts and vacancy of the facility.

System/ Facility – Environmental Conditions: The Co-operative does not have active knowledge of any environmental concerns that could deter proceeding with the installation, operation or acquisition of the Project Portfolio, or new Projects at this time. Environmental activity and sector registry processes have been completed for the ground mounted Projects under contract, and the Co-operative anticipates that all future Projects will continue to meet environmental compliance requirements. At this time, Ontario requires no environmental assessment for rooftop Solar PV Facilities. However, there can be no assurances given that the IESO or other Government bodies will not review or change the environmental requirements of Projects owned or operated by CED Co-op.

System/ Facility – Equipment Failures: The Solar PV and other Renewable Energy equipment the Cooperative intends to install is expected to be low maintenance and trouble-free. Solar panels are typically covered by warranty for 10 years against manufacturer's defect and 30-40 years for the performance of the Solar Panel. Inverters are expected to be covered by a minimum warranty for 7-12 years with DC optimizers and other power electronics warranted for up to 20 years. The dual-axis tracker systems typically carry a 2-year warranty. Should issues with the solar panels, inverters, trackers and/or other equipment installed within a Facility develop, there could be a loss of energy production and/or associated revenues for the period of time that a failure occurs. This loss may not be covered by warranty or insurance, which may lower the Co-operative's profitability. The Co-operative shall seek to remedy this through insurance, but such insurance may not be available; it may, in the Co-operative's discretion, be cost-prohibitive to obtain or may not provide coverage in all circumstances.

System / Facility – Feedstock Supply and Variability: As described in Section 3.6.8, the Co-operative is evaluating biochar production and electricity generation from the pyrolysis of organic biomass. The operation of a biochar facility is dependent upon a reliable supply of suitable feedstock, which may include wood waste, forestry residuals, agricultural waste, or other organic materials. The availability, quality, moisture content, and cost of feedstock may vary over time due to seasonal factors, competing demand from other processors or industries, changes in waste management regulations, changes in forestry or agricultural practices, transportation costs, and other factors outside the control of the Co-operative. A sustained shortage, quality deterioration, or cost increase in feedstock supply could reduce production volumes, increase operating costs, or render the facility uneconomical. The Co-operative may seek to enter into long-term feedstock supply agreements to mitigate supply risk; however, there can be no assurance that such agreements will be available on acceptable terms or that counterparties to such agreements will be able to fulfil their obligations. The variability and uncertainty of feedstock supply could materially affect the revenues, profitability, and viability of any biochar or waste-to-energy project undertaken by the Co-operative.

System/ Facility – Lease Agreements: The Co-operative, the JVs, OpCo and the LPs in which the Co-operative holds an interest are parties to a number of executed Lease Agreements. Lease Agreements in which the Co-operative holds an Economic Interest have, or will be, negotiated on a Property Owner by Property Owner basis and the final form of the Lease Agreement to be entered into with each Property Owner could vary, perhaps materially, from one another, and from the summary of the terms of the Lease Agreement as described in Section 3.9. It is also envisioned that many Property Owner's properties will be subject to a mortgage or mortgages. If a Property Owner's property were sold under power of sale or were foreclosed upon, then such proceedings may terminate the Lease Agreement prematurely. The Co-operative shall seek to ensure that a non-disturbance clause is included in each Lease Agreement to ensure that any mortgagee must permit the Co-operative to remain in possession in the event that a Property Owner's property is sold under power of sale or foreclosed upon. However, Property Owners and/or mortgagees may be unwilling to enter into such non-disturbance agreements. The Co-operative may nevertheless elect to proceed with Projects under such a risk.

System/ Facility – Market Risks: As the Co-operative contemplates entry into new market opportunities, there are a number of risk factors that affect the development of new business models as well as the development of projects, whether based on existing or new technologies. These include, but are not limited to; customer risks such as defaulting on payments, defaulting on contract terms, misuse of equipment or facilities, customer solvency, changing customer base, vacancy and availability of customers; geographic risks such as the location/transportability of assets, access to customers or markets, evolving zoning, electrical safety code and building code requirements and changing electrical grid requirements; and product or service risks such as market fit, pricing, suitability, reliability, warranty, services costs, liability and other risks. Each of these could cause material negative effects on the financial results of the Co-operative.

System/ Facility – Roof, Project Area, or Parking Lot Issues: The Co-operative, or agents of the Co-operative, have reviewed or intend to review the conditions of rooftops, land areas, parking lot areas, or other areas of facilities and properties prior to the installation of equipment. The Co-operative cannot guarantee that the areas in which systems or equipment may be installed will remain suitable for the installation. This may require interventions including, without limitation, temporary removal and reinstallation, modifications to the system or its capabilities, or permanent removal of some or all of the system or equipment. This may cause additional operating expenses, maintenance expenses or diminished revenues including loss of all revenues from a project.

System/ Facility – Structural Damage upon installation: It is the intention of the Co-operative to ensure that operating entities controlled by the Co-operative maintain insurance that would cover any damage caused during the construction or installation of Projects. Additionally, the Co-operative intends that all contractors hired to perform the installation work will be required to have appropriate insurance in place. Nevertheless, the cost of the Facilities could increase if damage occurs during installation where the cost to repair the damage is higher than the amount that will be covered by insurance. This would have a negative impact on the profitability of the Co-operative, as would any increase in insurance policy costs owing to insurance claims made.

System/ Facility – Technology Risk: Renewable Energy technology remains in its early stages in the Province of Ontario. It is anticipated this technology will evolve and improve rapidly and that future technology will become more efficient and more reliable. It is further anticipated that the technology available at the time of this Offering Statement and used as the basis of the Business Plan will be, when compared to new technology, less efficient and may, during the 20-year term of the FIT Contracts, or the lifespan of the net-meter or other Facilities, become obsolete. With the development of new technology, the maintenance, costs and availability of replacement parts for existing systems or for new systems may vary significantly from forecasts for operations and maintenance expenses.

System/ Facility – Weather Variations and Snow Cover: The forecasts generated by the Co-operative and its suppliers are based on long-term climate averages. Significant variations from averages can and do occur. The Co-operative, along with the general public, is aware that climate and climate averages are changing and that those changes are difficult to predict on a micro-climate basis. Some of the potential effects of this are described as follows, though this is not an exhaustive list: Increases in temperatures negatively affect solar panel production, increases in humidity and cloud cover can reduce irradiance and sun hours, increasing winds can force solar tracking equipment to spend more time in safe modes which are less productive, variations in humidity, temperature and wind can cause increases in snow and ice accumulation on systems which shade panels, and smoke from forest fires can darken the skies and reduce irradiance. As the financial forecasts rely

on long-term financial prospects of Facility productivity and project revenues, changes to climate may adversely affect the profitability of the Co-operative.

Unknown Risk Factors: The Co-operative may also be subject to Risk Factors that are currently unknown, and which could potentially affect its profitability and solvency. These Risk Factors could include but are not limited to failure to comply with governing statutes, increased competition and other factors that limit the Co-operative's future growth and investment prospects. While the Board does not view these Risk Factors as of an immediate concern, potential adverse changes in these areas may limit the Co-operative's solvency and/or its ability to pay interest on or redeem Bonds, or pay dividends on or redeem Shares.

6. PORTFOLIO, HISTORICAL PERFORMANCE AND USE OF PROCEEDS OF THE OFFERING

The 2025 audited financial statements of the Co-operative are included as Appendix B. The current Portfolio of Projects of CED Co-op is outlined below.

CED Co-op is currently an owner in 29 of the 31 operating FIT Contracts in the Portfolio. The 2 projects with no CED Co-op ownership are projects numbered 21 and 22 below. These are held via class C units within the LP. These have been included within the SunShare2 LP structure for financing convenience as they are owned by VCT, who also holds some of the class B units of the LP, sharing ownership with CED Co-op on these related projects (numbers 19 and 20 in the list below). This is further outlined in the organization charts located in Section 3.6.1. - Business Models – FIT and microFIT Contracts.

#	Name	Portfolio	KW-AC	Install-Type	FIT-Rate	FIT-Versio	Co-Op Owns	Community CCSA	Domestic Content	Geographic Area	Contract End Date
1	97A Dev - Solvation-V	SunShare1 LP	500	Ground 2-Axis	$ 0.802	2.11	100%	None	60%	Blind River	31/Aug/36
2	97C Dev - Solvation-VF	SunShare1 LP	490	Ground 2-Axis	$ 0.683	2.11	100%	None	60%	Blind River	31/Aug/36
3	97E Dev - Solvation-F	SunShare1 LP	330	Ground 2-Axis	$ 0.792	2.11	100%	None	60%	Blind River	31/Aug/36
4	1004 Cath - Wellesley Arena	SunShare1 LP	300	Rooftop	$ 0.329	3.01	100%	>50%	None	Waterloo Region	1/Mar/36
5	1 Green - St Clements Arena	SunShare1 LP	200	Rooftop	$ 0.329	3.01	100%	>50%	None	Waterloo Region	10/Dec/35
6	4639 Lobs - Wellesley Twn Off	SunShare1 LP	100	Rooftop	$ 0.345	3.01	100%	>50%	None	Waterloo Region	10/Dec/35
7	5279 Ament - Linwood Comm Ctr	SunShare1 LP	100	Rooftop	$ 0.345	3.01	100%	>50%	None	Waterloo Region	29/Feb/36
8	660 Superior - Salus Marine	SunShare1 LP	160	Rooftop	$ 0.329	3.01	51%	>50%	None	Waterloo Region	10/Dec/35
9	20 Crestview - J Hallman	SunShare1 LP	100	Rooftop	$ 0.345	3.01	51%	>50%	None	Waterloo Region	10/Dec/35
10	550 Princess - Shallow Lake Arena	SunShare1 LP	250	Rooftop	$ 0.329	3.01	100%	None	None	Owen Sound	2/Mar/36
11	137534 Conc Rd 7 - Derby Arena	SunShare1 LP	100	Rooftop	$ 0.345	3.01	100%	None	None	Owen Sound	2/Mar/36
12	2316 Bridge - Schiedel View Farms	CEDC Turkey	250	Rooftop	$ 0.329	3.01	51%	>50%	None	Waterloo Region	8/Feb/36
13	50 Kent - MCC Ontario	SunShare2 LP	200	Rooftop	$ 0.329	3.01	100%	>50%	None	Waterloo Region	27/Feb/36
14	62 Janti - Cyr	SunShare2 LP	250	Ground 2-Axis	$ 0.398	2.11	100%	>50%	60%	Greater Sudbury	21/Aug/36
15	104 Dawson Rd - M Balnar	SunShare2 LP	250	Rooftop	$ 0.316	3.1	51%	>50%	None	Guelph	9/Oct/36
16	367 Woodlawn Rd - M Balnar	SunShare2 LP	80	Rooftop	$ 0.343	3.1	51%	>50%	None	Guelph	12/Jun/36
17	1315 Hutchison Rd - Leis Pet	SunShare2 LP	250	Rooftop	$ 0.316	3.1	51%	>=15%	None	Waterloo Region	18/Oct/36
18	30 Mumford - Perfetto Mfg	SunShare2 LP	180	Rooftop	$ 0.316	3.1	100%	>=15%	None	Greater Sudbury	22/Oct/36
19	516 Simmons - PIT 3 North	SunShare2 LP	250	Ground 2-Axis	$ 0.298	3.01	51%	>50%	None	Greater Sudbury	12/Jul/37
#	516 Simmons - PIT 3 South	SunShare2 LP	250	Ground 2-Axis	$ 0.298	3.01	51%	>50%	None	Greater Sudbury	16/Jul/37
21	1665 River - Pichette (NSPG)	SunShare2 LP	250	Ground 2-Axis	$ 0.298	3.01	0%	None	None	Greater Sudbury	1/Sep/37
#	1689 River - Beland (NSPG)	SunShare2 LP	250	Ground 1-Axis	$ 0.298	3.01	0%	None	None	Greater Sudbury	1/Sep/37
#	40 Rutherford Crt - J Oskam	CEDC Oskam	100	Rooftop	$ 0.343	3.1	51%	>=15%	None	Guelph	22/Oct/36
#	20 Massey Rd - RohnBrad	SunShare3 LP	250	Rooftop	$ 0.316	3.1	51%	>=15%	None	Guelph	20/Oct/36
#	45 Massey Rd - RohnBrad	SunShare3 LP	250	Rooftop	$ 0.316	3.1	51%	>=15%	None	Guelph	22/Oct/36
#	400 Southgate Dr - RohnBrad	SunShare3 LP	250	Rooftop	$ 0.316	3.1	51%	>=15%	None	Guelph	22/Oct/36
#	40 Lewis Rd - RohnBrad	SunShare3 LP	250	Rooftop	$ 0.316	3.1	51%	>=15%	None	Guelph	31/Aug/36
#	1 Boland Dr - Erin Community Ctr	SunShare4 LP	250	Rooftop	$ 0.225	4.02	51%	>50%	None	Wellington County	24/Feb/38
#	1473 Gingerich Rd - Erb Transport	SunShare4 LP	500	Rooftop	$ 0.225	4.02	51%	>50%	None	Waterloo Region	7/Mar/38
#	1381 Huron Rd - Crystal Brook	SunShare4 LP	150	Rooftop	$ 0.225	4.02	51%	>50%	None	Waterloo Region	14/Mar/38
31	505 Dutton Dr - Oakbridge	SunShare4 LP	150	Rooftop	$ 0.225	4.02	51%	>50%	None	Waterloo Region	7/Mar/38
	31 FIT Systems Total		7,240 kWs Total								

In addition to these FIT Contracts, CED Co-op operates 86 microFIT projects, a summary of which is as follows:

Description	Portfolio	KW-AC	Install-Type	FIT-Rate	Co-Op Owns	Geographic Area
27 microFIT Systems	2117921 - CED Solar	10 kW / System	Ground - Seasonally Adjustable	$ 0.802	100%	Fort Frances, ON
4 microFIT Systems	2117921 - CED Solar	10 kW / System	Ground - Seasonally Adjustable	$ 0.642	100%	Thunder Bay, ON
11 microFIT Systems	2117921 - CED Solar	10 kW / System	Ground - Seasonally Adjustable	$ 0.642	100%	Dryden, ON
22 microFIT Systems	2117921 - CED Solar	10 kW / System	Ground - Seasonally Adjustable	$ 0.802	100%	Rainy River, ON
6 microFIT Systems	2117921 - CED Solar	10 kW / System	Ground - Seasonally Adjustable	$ 0.642	100%	Dorion, ON
16 microFIT Systems	2117921 - CED Solar	10 kW / System	Ground - Seasonally Adjustable	$ 0.802	100%	Dorion, ON
86 microFIT Systems		860 kWs Total				

CED Co-op has completed construction, commissioning and startup of its first net-metered installation, located on the roof of Rockway Mennonite Collegiate in Waterloo Region, under a PPA as described in Section 3.6.4 – Business Models – Net-Metering under PPAs. This project reached commercial operation in 2025.

Description	Portfolio	KW-AC	Install-Type	PPA Rate	Co-Op Owns	Geographic Area
110 Doon	CED Co-op - PPA	375	Rooftop	$0.115/kWh +3%/yr	100%	Waterloo Region
Total - 1 System		375 kWs Total				

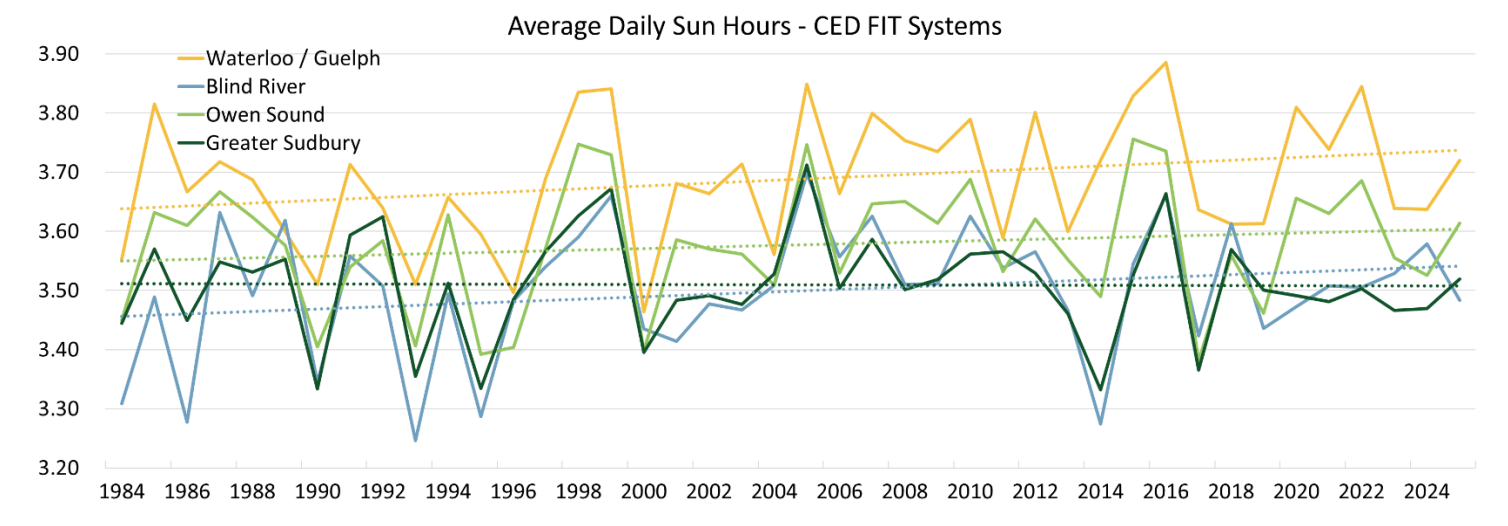
6.1 FINANCIAL AND OPERATING PERFORMANCE OF THE CO-OPERATIVE

As expected, the weather continues to have a significant effect on the overall performance and revenue from the portfolio. The Co-operative believes that this represents the greatest ongoing risk to the financial performance of CED Co-op.

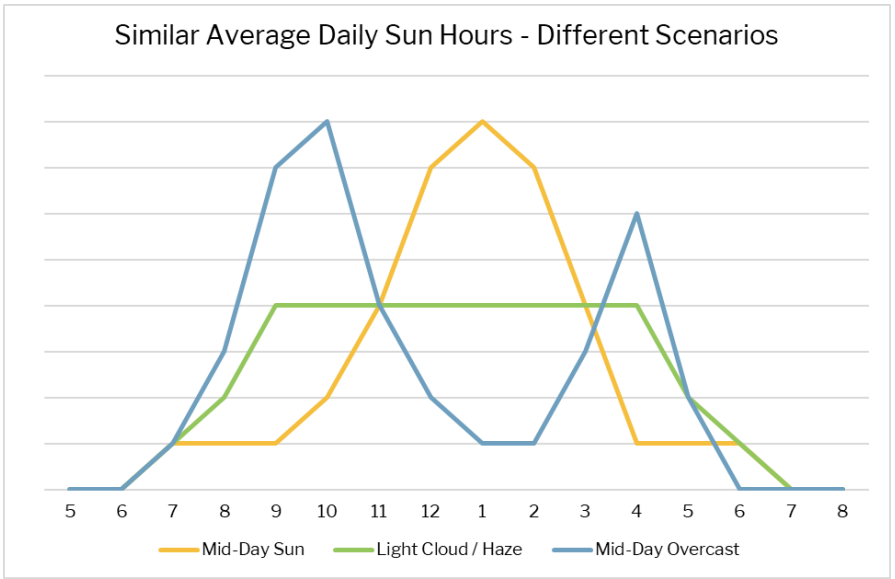
6.1.1. Impacts of Weather

The following graphs show the historical average daily sun hours for several regions of the province from 1984 through to the end of 2025 - 42 years of data.

These are the areas of the province in which the FIT Projects operated by CED Co-op are located.



This data is obtained through the RETScreen application produced by Natural Resources Canada, with much of the data and analysis being sourced from the NASA Prediction of Worldwide Energy Resources (POWER) program. The trendline for each region has been added as a dotted line. As shared in previous years, there continue to be further refinements on analysis and processing of historical weather data, resulting in changes to the historical averages. The granularity of the available data further continues to represent challenges with irradiance data being smoothed into averages. An example of this is outlined below. In examining 3 sample scenarios, that can all result in a similar average number of sun hours throughout a day, but result in markedly different kWh of energy generation from a solar installation.



The three scenarios are further described as follows:

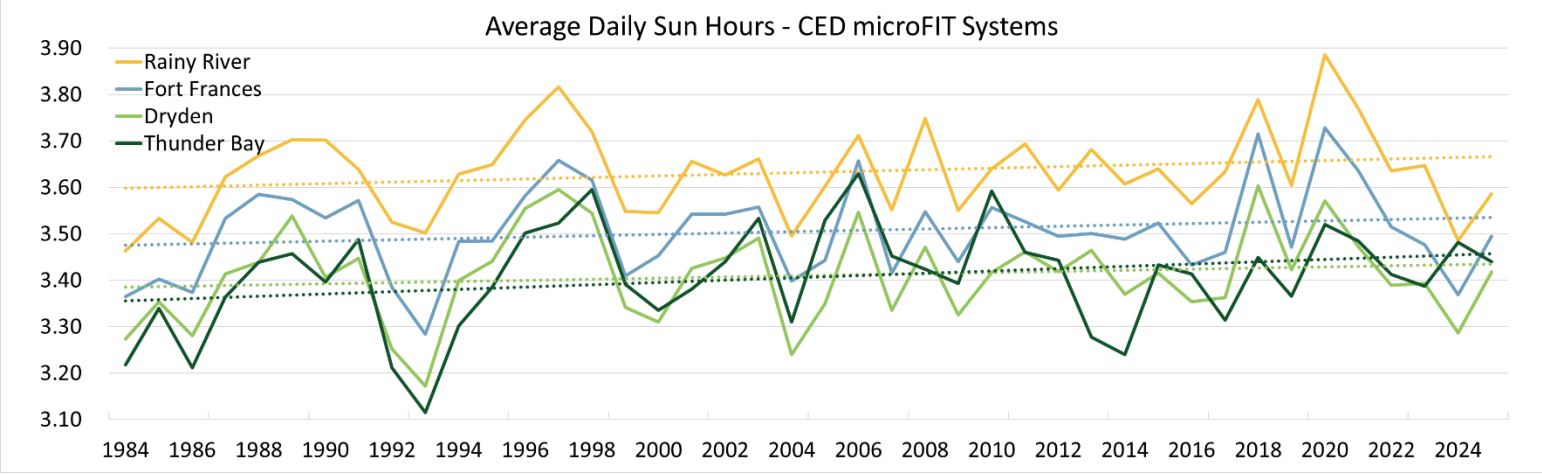
Mid-Day Sun – Despite an overcast or cloudy start and end of the day, the sun breaks through the cloud during the part of the day when it is in best alignment with the solar panels. This results in energy generation above the expected amount based on the average sun hours for the day.

Light Cloud / Haze – The sky is predominantly cloudy with light/wispy clouds and haze throughout the entire day. The production is typically in line, corresponding with the sun hours for the day.

Mid-Day Overcast – Full sun early and late in the day, but dark overcast clouds or rain showers come in for the middle part of the day. When the sun is in its more optimal alignment with the panels, very little is making its way through the clouds, and results in fewer kWh of energy production.

In analyzing site production through the above scenarios, solar installations have demonstrated a +/- range of approximately 20% in energy generation on days with identical average sun hours. This is further supporting the need for more granular weather data in order to better understand what performance should be expected from sites given actual site conditions.

The following is the updated irradiance data for the areas of the Province in which the microFIT projects operated by CED Co-op are located:



The trendline has again been added for each region as a dotted line. The sun hour variations here demonstrate a pattern in that all regions seemed to follow each other more closely in the first half of this data period, but now seem to exhibit much more regional variation in recent years. In general, the trendlines are showing consistent, or increasing sun hours across these regions, which is a positive for energy generation. As seen in the graphs, most of these areas were slightly above average sun hours for the 2025 year.

In addition to variations in sun hours, the amount and types of snowfall continue to be a challenge to understand and model. Differences in temperature, humidity, wind speed and wind direction create different types of snow events, allowing for the same amount of snow to, at certain times, slide off of the solar panels, while at other times stick to the surfaces and frames and form into ice, impacting performance.

It is in the context of these factors that CED is working with VCT to develop a more in-depth production modeling system with its own sources of irradiance and weather data. It is planned that a first version of this platform will be launched in late 2026.

At this time, CED Co-op is not able to make any definitive determinations in terms of where actual energy production at the various sites will go in the long-term in the context of the production forecasts of CED Co-op. Climate studies have indicated that the standard deviation in annual sun hours is approximately 4% to 6%. This would indicate that ~70% of the time, revenue fluctuations resulting from variance in sun hours will be within a plus or minus of $360,000 from plan based on the operations of the current portfolio. The Co-operative expects that there will continue to be years that are above average, and years that are below average, with the belief that the long-term average will be in line with forecasts.

Summarizing the data for recent years, the following are the variances in regional sun hours providing the weighted average for the systems in production that are operated by the Co-operative:

		Sun Hours								
Projects	Climate Area	2017	2018	2019	2020	2021	2022	2023	2024	2025
FIT	Blind River	(5.23%)	0.67%	(4.04%)	(5.69%)	(1.96%)	(5.26%)	(2.02%)	(2.06%)	(0.37%)
FIT	Greater Sudbury	(7.84%)	(2.04%)	(2.62%)	(5.43%)	(3.09%)	(6.96%)	(3.93%)	(2.46%)	0.49%
FIT	Guelph	(2.92%)	(3.17%)	(3.40%)	2.07%	0.40%	0.41%	(0.91%)	(0.73%)	0.93%
FIT	Owen Sound	(7.22%)	(2.99%)	(5.79%)	(0.19%)	(1.28%)	1.36%	(2.62%)	(0.80%)	0.93%
FIT	Waterloo Region	(2.92%)	(3.17%)	(3.40%)	2.07%	0.40%	0.41%	(0.91%)	(0.73%)	0.93%
microFIT	Dryden		(2.41%)	(0.70%)	3.43%	0.60%	(6.44%)	(3.80%)	(3.50%)	0.42%
microFIT	Fort Frances		(2.91%)	(1.43%)	5.97%	3.20%	(5.65%)	(2.11%)	(4.52%)	(0.03%)
microFIT	Thunder Bay		(5.25%)	(2.04%)	2.13%	1.11%	(3.38%)	(4.12%)	3.14%	1.15%
microFIT	Rainy River		(1.61%)	(0.77%)	7.23%	3.84%	(3.01%)	2.11%	(5.37%)	(0.99%)
	Weighted Average	**(4.02%)**	**(1.44%)**	**(3.18%)**	**(1.37%)**	**(0.62%)**	**(3.62%)**	**(1.98%)**	**(1.77%)**	**0.24%**

Adjusting performance targets from the forecast revenues based on modeling from climate averages to the expected revenues based on actual sun hours, the following is the performance of the Portfolio over the past several years:

Revenues	2017	2018	2019	2020	2021	2022	2023	2024	2025
Forecast Revenues	$3,389,340	$4,411,445	$5,801,438	$5,810,023	$5,713,650	$5,565,036	$5,453,735	$5,432,613	$5,255,263
Actual Revenues	$3,119,666	$4,361,841	$5,426,354	$5,477,560	$5,556,309	$5,227,932	$5,097,530	$5,138,786	$5,150,505
Variance	**($269,674)**	**($ 49,604)**	**($375,085)**	**($332,463)**	**($157,341)**	**($337,104)**	**($356,205)**	**($293,827)**	**($104,758)**
Favourable/(Unfavourable)	(7.96%)	(1.12%)	(6.47%)	(5.72%)	(2.75%)	(6.06%)	(6.53%)	(5.41%)	(1.99%)
Irradiance Adjusted									
Expected Revenues	$3,253,027	$4,347,752	$5,616,771	$5,730,328	$5,677,969	$5,363,342	$5,345,985	$5,336,705	$5,267,929
Actual Revenues	$3,119,666	$4,361,841	$5,426,354	$5,477,560	$5,556,309	$5,227,932	$5,097,530	$5,138,786	$5,150,505
Variance	**($133,362)**	**$ 14,090**	**($190,417)**	**($252,768)**	**($121,661)**	**($135,410)**	**($248,454)**	**($197,919)**	**($117,424)**
Favourable/(Unfavourable)	(4.10%)	0.32%	(3.39%)	(4.41%)	(2.14%)	(2.52%)	(4.65%)	(3.71%)	(2.23%)

Operating Expenses	2017	2018	2019	2020	2021	2022	2023	2024	2025
Forecast Expenses	$1,648,481	$ 992,259	$1,148,545	$1,255,063	$1,287,061	$1,402,545	$1,446,867	$1,461,263	$1,461,263
Actual Expenses	$1,725,796	$ 908,525	$1,216,167	$1,319,150	$1,401,695	$1,458,890	$1,466,053	$1,456,116	$1,424,439
Variance	**$ 77,315**	**($ 83,734)**	**$ 67,622**	**$ 64,087**	**$114,634**	**$ 56,345**	**$ 19,186**	**($ 5,147)**	**($ 36,824)**
(Favourable)/Unfavourable	4.69%	(8.44%)	5.89%	5.11%	8.91%	4.02%	1.33%	(0.35%)	(2.52%)

In aggregate across the Portfolio, on a weighted average basis, the sun hours were slightly above plan in 2025. As identified above, there are known problems with the accuracy and relevancy of the sun hour data currently being used in calculations, and CED looks forward to developing more accurate sources and analysis. Commentary on the previous years' performance has been provided in management reports presented at the respective annual general meetings. For the 2025 results, there are several factors that affected results, as outlined here below.

6.1.2. Specific Items Affecting Performance

Snow Cover

The CED Co-op solar portfolio is concentrated in three regions of the province: Waterloo Region, Greater Sudbury, and northwestern Ontario (Thunder Bay, Rainy River, Fort Frances, Dryden). All three regions experienced significant snow cover impacts during the 2025 calendar year, particularly during the first two months and again in November and December.

In Waterloo Region, the University of Waterloo's E.D. Soulis Memorial Weather Station reported 180 centimetres of snow during January and February 2025, compared to a normal of approximately 120

centimetres for those two months - 50% above the historical average. The weather station coordinator confirmed it was the snowiest January-February period the region had seen in approximately 15 years, comparable to winters experienced in the 1970s. Critically, the weather station noted that a series of snowstorms, particularly in February, brought the bulk of the accumulation and there was no thaw between them. This lack of intermittent melting is the key factor for solar generation: without daytime temperatures rising above freezing between storm events, snow that accumulated on panels remained in place for extended periods, in some cases weeks, rather than softening and sliding off within a day or two as it would in a more typical winter.

In northwestern Ontario, communities across the portfolio area experienced extreme cold warnings and heavy snowfall throughout January and February 2025. Temperatures in the Dryden, Fort Frances, and Rainy River areas routinely remained well below -10 degrees Celsius during the day, with wind chills reaching -25 to -35 degrees Celsius for extended periods during January. Environment Canada issued extreme cold warnings for the region during the period of January 19 to 22, 2025, with daytime highs of -15 to -21 degrees Celsius across Dryden, Fort Frances, and surrounding areas. At the end of February, an additional 15 to 25 centimetres of snow was forecast for Thunder Bay and areas west toward the Manitoba border, including Red Lake and Sioux Lookout. In these northern locations, where average January temperatures are already significantly below freezing and the sun angle is low, heavy snow on panels can persist for weeks or months without any natural clearing.

Extended snow cover on solar panels directly reduces generation by blocking sunlight from reaching the cells. Unlike rain or cloud, which allows diffuse light to reach the panels, snow that adheres to panel surfaces eliminates generation entirely until it slides off or is cleared. The duration and adhesion of snow cover varies significantly with temperature, humidity, wind speed, and panel tilt angle. In a typical Ontario winter, even in the colder regions, periodic warming above freezing allows snow to soften and slide from tilted panels between storm events. The January-February 2025 conditions were materially different: the combination of above-normal snowfall volumes and sustained below-normal temperatures meant that snow accumulated in heavier layers and persisted for significantly longer periods. Heavy, wet snow followed by sustained freezing temperatures formed ice layers that did not melt or slide off for days or, in some cases, weeks. Repeated storm events with no intervening thaw added new layers before prior accumulations had cleared, compounding the effect.

The pattern repeated at the close of the calendar year. By late November 2025, La Niña conditions drove an abrupt shift to winter, with The Weather Network describing "a cold start to the season with more winter weather leading up to and through the holidays across southern Ontario than we have been accustomed to seeing in recent memory," and colder-than-normal temperatures expected well into January 2026. December 2025 was the second coldest December in Waterloo Region in the past 20 years, according to the University of Waterloo weather station. The Farmers' Almanac characterized late December 2025 as "unsettled weather with snow, sleet, and freezing rain" across the province. Once again, snow that accumulated on panels in late November and December persisted through year-end under sustained freezing temperatures.

CED Co-op's FIT portfolio consists of fixed-tilt rooftop and ground-mount installations without automated snow-clearing systems, making these installations particularly sensitive to persistent snow and ice conditions. The Co-operative expects that the combination of the extraordinary January-February 2025 snow cover, the late April 2025 storm, and the aggressive early-winter onset in November-December 2025 all contributed to below-plan generation, compounding the impacts of the wildfire smoke conditions experienced during the summer months described below.

Wildfire Smoke

The 2025 Canadian wildfire season was the second worst on record, with approximately 8.8 million hectares burned nationally, an area roughly the size of New Brunswick. Ontario alone recorded 643 wildfires burning 597,654 hectares, nearly three times the province's 10-year average of approximately 210,000 hectares. Smoke from these fires, combined with smoke transported from the massive Prairie fires in Manitoba and Saskatchewan, affected all three regions in which CED Co-op's portfolio is concentrated.

Northwestern Ontario was the most directly and persistently affected. With 54 wildfires burning simultaneously across the northwest in late July 2025, and with active fires in the Red Lake, Kenora, and Sioux Lookout areas near several of the Co-operative's microFIT installations, the region experienced weeks of

degraded air quality during the peak summer generation months. As early as June 3, 2025, Environment Canada issued air quality warnings for the Red Lake, Pickle Lake, and Sandy Lake areas, and special air quality statements for Thunder Bay and Sioux Lookout, with wildfire smoke from Ontario and Manitoba fires expected to remain in the region for several days. By late July, the situation had worsened. On July 29, 2025, air quality statements and warnings were in effect from Geraldton westward through the City of Thunder Bay and across to the Manitoba border. Environment Canada stated that "poor air quality is expected to persist through Wednesday for most areas." These were not isolated events; smoke conditions recurred throughout June, July, and into August across the entire northwestern region.

Greater Sudbury experienced multiple rounds of smoke impacts throughout the summer. On July 13, 2025, Public Health Sudbury and Districts issued a public advisory regarding wildfire smoke affecting air quality in the region. By July 14, 2025, the Air Quality Health Index for Greater Sudbury reached 9, or "high risk," as smoke from forest fires in northern Ontario drifted into the area. Environment Canada warned that "westerly winds will continue to bring smoke from forest fires over Northern Ontario to the area, causing the air quality to deteriorate" and that "the poor air quality may persist through the day and possibly into Tuesday." A further advisory was issued on July 29, 2025, and again on August 1, 2025, as smoke from Prairie wildfires moved back into northeastern Ontario. On August 2, 2025, CBC reported that the Ontario government forecast the poorest air quality conditions in the province in North Bay, Sault Ste. Marie, and Sudbury, where expected Air Quality Health Index levels were at 7 or "high risk."

Waterloo Region, while further from the fire sources, was not spared. On June 5 and 6, 2025, Environment Canada issued air quality warnings for the Waterloo Region as the Air Quality Health Index reached 11, or "very high risk," the most severe category. CKMS Radio Waterloo reported that the last three years are the first to have had days in Waterloo Region with Air Quality Health Index peaks over 10. On June 6, 2025, CTV News reported poor air quality due to wildfire smoke across southwestern Ontario, including Waterloo Region, Guelph, and Brant County, from fires burning in the Prairies, British Columbia, and northern Ontario. On July 31, 2025, CBC reported that smoke from Prairie wildfires was again moving into Waterloo Region, Guelph, and Wellington County, prompting another air quality warning from Environment Canada with conditions including reduced visibility. On August 3, 2025, Toronto's Air Quality Health Index reached level 7 (high health risk) and the city was briefly ranked among the ten most polluted cities in the world by the IQAir monitoring service.

The impact of wildfire smoke on solar photovoltaic generation is well documented in the scientific literature. A study by the U.S. National Renewable Energy Laboratory (NREL) found that smoke from wildfires led to a 10% to 30% reduction of solar power production during peak hours. A multi-site analysis across 53 utility-scale PV plants showed an average 8.3% reduction in solar PV performance due to wildfire-related smoke. The U.S. Department of Energy reports that among PV sites in the western United States, wildfire smoke caused measured drops ranging from 9.4% to 37.8% in power production. Research from South Dakota School of Mines found that widespread smoke can reduce the output of individual solar panels by nearly 50%, even on days when smoke is present at high altitudes and ground-level air quality is not significantly impacted. A 2025 study published in Nature Communications found that while large reductions in global horizontal irradiance (GHI) are possible close to fires, the average GHI decline from transported smoke, the type most relevant to Waterloo Region given its distance from fire sources, is typically less than 5%. For the northwestern Ontario installations, which were within or adjacent to active fire zones, the impact would be expected to be at the higher end of these ranges. According to Solcast (a DNV company), clear sky irradiance in affected areas of Canada and the Eastern US was reduced by as much as 10% compared to conditions in the prior year as wildfire aerosols scattered and absorbed incoming sunlight.

Unlike clouds, which tend to pass through a region in hours, wildfire smoke can settle over a region for an extended period, creating sustained reductions in generation rather than intermittent dips. Aerosol-laden skies not only reduce direct irradiance but also accelerate soiling on solar panels, compounding generation losses. For CED Co-op's northwestern Ontario installations in particular, where smoke conditions persisted for weeks during the peak summer generation months of June through August, the cumulative generation impact is expected to have been material. These effects are difficult to quantify precisely without site-level irradiance monitoring, which is part of the rationale for the production modeling platform currently under development with VCT as described above.

The Co-operative recognizes that as wildfire seasons intensify, with 2023, 2024, and 2025 all among the ten worst fire seasons in Canadian federal records going back to 1972, the frequency of smoke-related generation

losses may increase. This represents an emerging dimension of weather risk that is not fully captured in the long-term climate averages used for production forecasting.

SolarEdge Inverters

Failures of SolarEdge equipment remain at elevated levels, continuing a pattern that has persisted since 2020. In 2025, there were 180 service cases opened with SolarEdge, involving the failure and replacement of 376 optimizers and 80 inverters across the FIT portfolio. With approximately 12,000 optimizers and 329 inverters remaining in operation on SolarEdge systems, this represents a failure rate of approximately 3.1% of optimizers and over 24% of inverters. The inverter failure rate has now exceeded the 20% threshold in multiple consecutive years. This volume of replacement continues from 244 service cases and over 230 equipment authorizations in 2024, 158 in 2023, and 140 in 2022. In many cases, multiple site visits were conducted prior to gaining authorizations to replace equipment, and many cases included the replacement of multiple components (optimizers and inverters) as part of a single authorization.

In response to this ongoing reliability challenge, CED Co-op undertook a partial retrofit to one of its largest systems, Solvation-F, in 2023, replacing SolarEdge inverters with a Solis inverter. Analysis confirmed that the retrofit was returning significantly more revenue. CED Co-op then proceeded to fully retrofit both the Solvation-F and Solvation-V projects, removing all SolarEdge equipment from these two systems. In total, approximately 1,650 pieces of SolarEdge equipment were eliminated and replaced with 37 inverters, a 98% decrease in the part count of power electronics components. The retrofits were completed over the course of July and August 2024. At the same time, further service work was completed on the Solvation-VF project in an effort to increase the reliability of the SolarEdge equipment remaining on that site.

With 17 months of post-retrofit performance data now available (August 2024 through December 2025), the results clearly validate the retrofit strategy and underscore the continuing underperformance of the remaining SolarEdge equipment at Solvation-VF.

Over the 17-month post-retrofit period, Solvation-F (retrofitted to Solis inverters) generated 862,311 kWh, compared to 718,023 kWh in the equivalent 17-month pre-retrofit period, an increase of 144,288 kWh or 20.1%, representing approximately $114,276 in additional revenue. Solvation-V (retrofitted to Fronius inverters) generated 1,312,254 kWh compared to 1,140,910 kWh in the pre-retrofit period, an increase of 171,344 kWh or 15.0%, representing approximately $137,418 in additional revenue. The combined incremental revenue from the two retrofitted projects over this 17-month period is approximately $251,694.

By contrast, Solvation-VF, which remains on SolarEdge equipment with targeted service work completed, generated 1,249,637 kWh over the same 17-month post-retrofit period compared to 1,180,385 kWh in the prior period, an improvement of only 69,252 kWh or 5.9%, representing approximately $47,299 in additional revenue. While this improvement reflects the benefit of the service work completed, it stands in stark contrast to the 15-20% gains achieved at the retrofitted sites.

The divergence is further illustrated by comparing all three projects against their generation plans for the 2025 calendar year. Solvation-V finished 2025 at 0.3% below plan and Solvation-F finished at 1.7% below plan on a weather-adjusted basis. Both retrofitted projects experienced the same adverse weather conditions (snow cover, wildfire smoke) described above, and their below-plan performance is consistent with the portfolio-wide impacts of these weather events. Solvation-VF, however, finished 2025 at 8.2% below plan, a variance nearly five times greater than either of the retrofitted projects, despite being subject to the same weather conditions. The additional shortfall at Solvation-VF is attributable to the ongoing reliability issues with the SolarEdge equipment at that site.

The total cost of the retrofits performed on the Solvation-F and Solvation-V projects was $341,534. With $251,694 in incremental revenue generated in the first 17 months following the retrofit, the projects are on pace to fully recover the retrofit investment within approximately 23 months of commercial operation, well ahead of the useful life of the replacement equipment.

Based on the strength of this evidence, the CED Co-op board has approved a full retrofit of the Solvation-VF project, replacing all remaining SolarEdge equipment with Fronius inverters, consistent with the technology deployed successfully at Solvation-V. The estimated cost of this retrofit is $239,500. This expenditure is expected to be eligible for the federal Clean Electricity Investment Tax Credit (CEITC) of 15% once the

enabling legislation is passed into law, which would reduce the net cost to approximately $203,575. The retrofit will be undertaken in 2026 as soon as materials are available. Based on the 8.2% plan variance observed at Solvation-VF in 2025, and the demonstrated performance recovery of 15-20% at the previously retrofitted sites, the Co-operative expects that the Solvation-VF retrofit will result in a material improvement in generation and revenue from this project, further strengthening the overall performance of the portfolio.

Rebuild of Single-Axis Trackers - Massey Field

In addition to SolarEdge inverter challenges, the one project in the portfolio that was constructed using single-axis trackers has faced ongoing mechanical challenges. Design errors in the product were identified by the manufacturer, and a plan was developed to rebuild many of the linkages and mechanical fastening methods at the masts, bearings and drive motors.

The rebuild work faced significant challenges through 2024 due to supply chain failures and inadequate support from the manufacturer and connected consultants. Despite promises, key components did not arrive on schedule, while others had incorrect dimensions requiring on-site modifications and alternate sourcing. The consultant's commitment to two weeks of on-site assistance was reduced to less than one week. A renewed plan was developed to mitigate supplier reliability and part delivery issues, and through a series of site visits, the majority of the planned mechanical rebuild work was completed by late 2025.

However, following completion of the rebuild, the bushings on many of the tracker bearings failed. This has introduced a new scope of remediation work that was not anticipated in the original rebuild plan. CED Co-op is currently in the process of retrofitting all bushings across the tracker system in 2026 to resolve this issue. In addition to the mechanical challenges, CED Co-op is evaluating the replacement of the SolarEdge inverters at Massey Field, consistent with the retrofit strategy that has been successfully demonstrated at the Solvation projects. The combination of tracker mechanical issues and SolarEdge equipment reliability has resulted in this project performing well below plan for multiple consecutive years: approximately $30,000 below plan in each of 2023 and 2024, and approximately $20,000 below plan in 2025. While the 2025 result represents some improvement, the project continues to underperform. The total cost of the tracker rebuild work completed to date is $126,345.

Given the persistence of mechanical and electrical reliability issues at this site, CED Co-op is taking a comprehensive approach to restoring performance: completing the bushing retrofit, completing any remaining recommissioning of tracking capabilities, and evaluating the scope and timing of a potential inverter retrofit. The Co-operative expects that the combination of these remediation efforts will be necessary to bring this project back in line with its generation targets.

Service Work on Dual-Axis Trackers – 516 Simmons – Pit 3 North and Pit 3 South

Again, beyond SolarEdge inverter and optimizer failures, there has grown a list of mechanical issues at the 516 Simmons, Pit 3 North and Pit 3 South projects. These are the two projects that faced storm damage in August of 2021. In 2023, these two projects performed approximately $50,000 below plan, in 2024 approximately $68,000 below plan, and in 2025 approximately $60,000 below plan on a combined basis, with approximately one-third of the shortfall attributable to Pit 3 North and two-thirds to Pit 3 South. Service work originally planned for Q2 of 2025 was re-evaluated and reduced in scope as the Co-operative assessed the appropriate extent and prioritization of the required refurbishments. Sufficient work was completed to stabilize the systems and prevent further deterioration, including addressing immediate motor failures, loosening of bolts, and failures of control cards, as well as failures of SolarEdge equipment. However, more fulsome refurbishments are still required. The scope and scale of this remaining work is currently being re-evaluated in the context of broader SolarEdge-related evaluations across the portfolio, and the tracker control systems are also being considered for upgrade. Updated cost estimates for the expanded scope are to be determined.

CED Solar microFIT portfolio communications

As outlined in previous offerings, the CED Solar microFIT portfolio was largely lacking real-time system monitoring and site communications. CED Co-op invested in the design, testing and acquisition of communications boxes to be fitted at each of the sites. Installation of the communications and monitoring systems has been completed, and data is available remotely at all locations. This has enabled better monitoring of the systems to understand when production problems are arising. While some planned work on

communications devices remains to be completed in 2026, the monitoring infrastructure has been instrumental in improving portfolio performance.

In analyzing the performance of the systems in the portfolio, 2025 represents the strongest year of performance since the monitoring systems were deployed. In 2021, the median performance of the systems was just slightly above the sun-hour adjusted target for the portfolio, and 51% of the projects performed at or above the adjusted target for the year. In 2022 and 2023, the median system performed at 4.7% and 4.4%, respectively, above the sun-hour adjusted target, and 68% (2022) and 66% (2023) of the projects performed at or above the adjusted target. In 2024, performance dipped slightly, with the median only about 2.0% above the adjusted target and 56% of projects beating the adjusted target. In 2025, performance rebounded strongly: the median system performed at 1,134 kWh/kW, which is 8.1% above the sun-hour adjusted target of 1,049 kWh/kW, and 71% of the projects performed at or above the adjusted target for the year, the highest percentage since monitoring began.

With sun hours across the areas in which the microFIT systems are located coming in at 0.14% above average in 2025, the base target of 1,047 kWh/kW is adjusted upward only marginally, providing an adjusted target of 1,049 kWh/kW. As shown below, the median system performance of 1,134 kWh/kW is 8.3% above the unadjusted target and 8.1% above the adjusted target, while the average system performance of 1,087 kWh/kW is also comfortably above both benchmarks. Of the 86 systems, 61 performed above the adjusted target and 25 performed below.

While the overall performance is good, there remains opportunity to capture further revenues from the portfolio. Once again, there were a number of systems with extended outages and challenges that reduced the revenue from the portfolio overall. Overall, however, the microFIT portfolio had a strong year, finishing approximately $40,000 above plan. CED Co-op is continuing to explore methods to reduce the downtime of outages and restore projects more quickly, and will be completing planned work on communications devices in 2026 to further improve monitoring reliability.

Target (kWh/kW)	**1047**		
Actual SunHours	**0.14%**	**Median**	**1,134**
Adjusted Target	**1049**	**Average**	**1,087**
kWh/kW	**Systems**		
1254.1-1305	8		
1203.1-1254	11		
1152.1-1203	18		
1101.1-1152	15		
1050.1-1101	9	**61 Systems**	
999.1-1050	4	**25 Systems**	
948.1-999	7		
897.1-948	2		
846.1-897	4		
795.1-846	5		
<= 794.1	3		
% of projects above adj target		**71%**	

6.1.3. Financial Statements and Reporting to Members

CED Co-op prepares its financial statements in accordance with IFRS. The revenue recognition policies and expense recognition policies for accounting purposes are outlined in the notes to the financial statements. Audited financial statements for the year ended 2025 are included as Appendix B.

The Co-op Act requires that all co-operatives that have more than 50 members, and that have any securities issued (including Membership Shares), are required to have the financial statements audited by an external auditor. As such, CED Co-op will continue to provide audited financial statements to Members on an annual basis prior to the AGM. Each year, the audited financial statements will be presented at the AGM for discussion and a vote will be held by the Members on the acceptance of the auditor's report. The Members will further have the right to appoint the auditor for the following year's financial statements by means of a vote at the AGM.

Non-IFRS Measures

There are a number of points of difference between the presentation of the financial forecasts that have been provided as Appendix A, and the presentation of the financial statements, as have been provided in Appendix B. The information presented in the financial forecasts include certain non-IFRS financial measures such as "Adjusted Revenues", "Adjusted Expenses", "Adjusted Cash Flow from Operations", and "Adjusted EBITDA", among others. Further, the financial forecasts do not conform to IFRS because the Co-operative has chosen to apply accounting policies that are not in accordance with IFRS in a number of areas including consolidation, investments in associates, lease accounting, depreciation, amortization of issuance of issuance costs, amortization of financing expenses, and potentially others. See further discussion in the sections and pages that follow. These measures and accounting policies are not recognized under IFRS and do not have standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures and accounting policies are provided to give a further understanding of our results of operations from management's perspective. Accordingly, these measures and accounting policies should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. Selected differences are outlined here, including items affected through consolidation method vs equity method for accounting for investments in associates and leasing costs. Other differences exist in amortization of financing expenses, amortization of issuance costs and potentially others.

Investments in Associates

Investment in Associate refers to the investment in an entity in which the Co-operative has significant influence but does not have full control. Accounting for investment in associates is done using the equity method. In the equity method, only the proportionate share of net income earned by the Co-operative is shown on the single line. This net income takes the Project revenues and subtracts all operating expenses, including non-cash items such as amortization, and multiplies this by the ownership share. The financial forecasts are prepared using the full consolidation method, where all Project revenues and expenses are shown in the relevant areas of the statement of operations, with the proportionate share of net income related to the other party being included in the non-controlling interest. This will result in higher forecast revenues, expenses and depreciation, among other items, in the financial forecast than are expected to be shown on the financial statements. There are two Projects held in structures that are reported under investment in associates at this time, though more could be developed in the future.

Lease accounting under IFRS

In January 2016, the International Accounting Standards Board (IASB) published a new standard, IFRS 16 Leases, that sets out the principles for the recognition, measurement, presentation and disclosure of leases, with an implementation requirement beginning on January 1, 2019. This attempts to treat all leases similarly and reduces any opportunities for companies to perform "off balance-sheet" purchasing or financing, in an effort to make companies' financial performance more comparable.

For CED Co-op, this has implications in that there are a number of projects wherein the land or rooftop underlying a solar project has been leased. The biggest change introduced by the new standard is that assets and liabilities created through leasing will be brought onto CED Co-op's balance sheet as if the 'right to use' the land or rooftop under the solar project were purchased and financed with debt.

As a result of this change, lease expenses are no longer recorded as an operating expense, representing actual cash amounts being paid to landowners. Rather, it will be represented through the amortization of the asset value on a straight-line basis with an equal amount expensed each year (Amortization of Right-Of-Use Assets). Further to this, there will be an additional notional financing expense (Accreted Interest on Leasing Obligations) to represent an interest-like expense on fictitiously borrowing money to purchase the right-to-use assets, as described above.

In preparing the financial forecasts, the lease expenses have been shown as the direct cost rather than in accordance with IFRS 16. As a result, there will be further differences in presentation between the financial forecast and the financial statements.

For direct amounts, on the Statement of Operations, in 2025 these combined amounts result in a total expense to be recognized of $346,351, when actual payments on leases only totaled $307,500, increasing expenses for accounting purposes by about $39,000, and further reducing the Net Income of the Co-operative within the Financial Statements. The nature of straight-line amortizations, combined with financing expenses (notional or real), is that CED Co-op will be recognizing significantly more accounting vs actual expense in the early years of this structure with the trend reversing over time, and ending with the Co-operative having less accounting vs actual expense in the waning years of the leases, netting out to zero over the long term.

In addition to this, there are three lines on the Statement of Financial Position that are notional, in connection with IFRS 16 presentation of Lease arrangements. The first is an asset line for the leases; 'Right-of-Use Assets' of $1,887,183 which represents the remaining value of the right to use the rooftops and land areas beneath the solar projects within the current leases. Accompanying and largely offsetting this are the lines 'Current Portion of Leasing Obligations' and 'Leasing Obligations' which combine to equal $2,159,253 which has been calculated as the present value of the lease payments using a discount or financing rate. This has resulted in a deterioration to the equity of CED Co-op for accounting purposes of approximately $272,000, in addition to the Net Income implications outlined above.

Depreciation vs Principal Repayment

As per previous forecasts, including the first offering launched in 2015, the Co-operative has expected that net income, as shown on financial statements, will be negative for the first several years following the addition of assets to the portfolio. This is mainly due to the difference between cash flow and net income as measured using traditional accounting models, now made even slightly more challenging with the changes in accounting for leases under IFRS. The Co-operative has, between loans, bonds and shares, effectively financed 100% of asset development and acquisition. As such, when payments are made on these amounts, more interest (and dividends) is paid in early years than is paid towards the principal (and shares repurchased). Financial statements are prepared using depreciation as a means of spreading the expense of an asset over its useful life rather than reflecting principal repayment, though all of the interest expense is included as it is incurred by the organization, rather than being similarly spread over the life of the asset. As outlined above, this same model is now being applied to how lease expenses are recognized.

The following is a high-level example for illustration purposes only. There are notable differences between this example and the actual circumstance of the Co-operative, and this should not be viewed as a forecast.

Starting Assumptions:

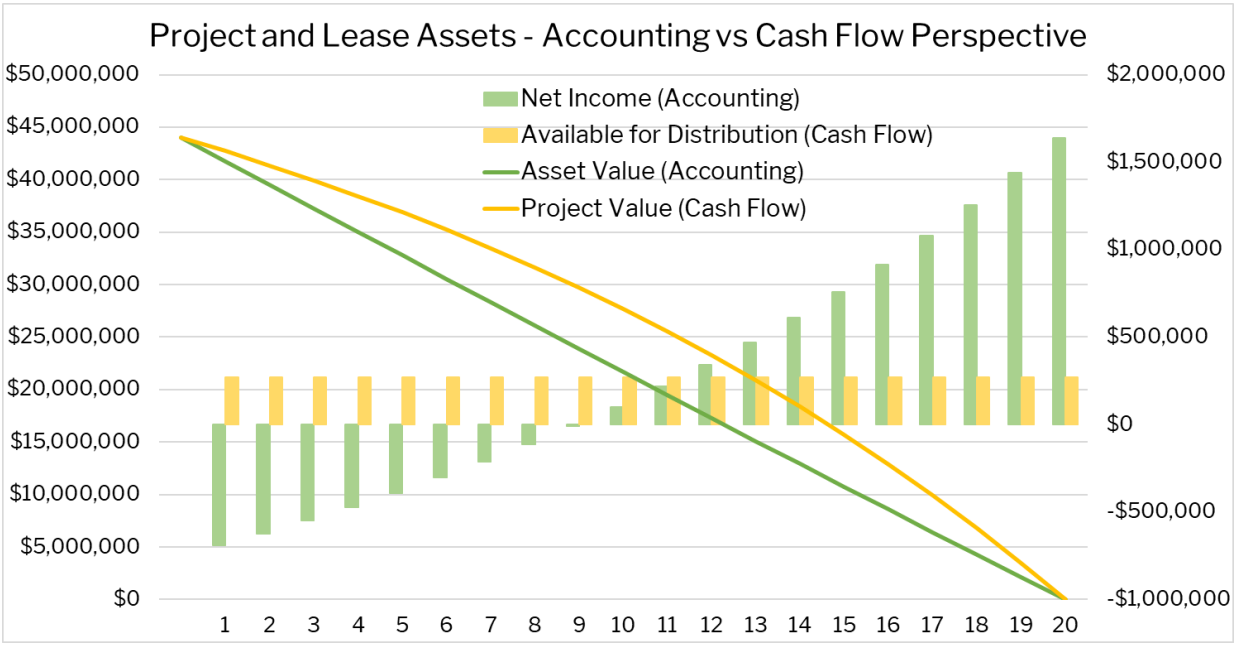
- $40,000,000 value of a portfolio of projects
- $2,293,984 value of Right-of-use assets (Leases - present value of payments discounted at 6.0%)
- 20-year useful life of project and lease assets (depreciate 5% per year straight line over 20 years)
- 10.5% revenue on assets over 20 years (gross revenue before any expenses)
- 6.0% average cost of capital, a loan repaid over 20 years
- Notional interest cost of $137,639 for Right-of-Use Assets (6.00% of $3,000,000 lease value)
- Actual Lease expenses of $200,000 per year
- Actual Operating expenses of $550,000 per year
- Actual Administrative expenses of $350,000 per year

With the numbers in the starting assumptions outlined above, the following scenario is created for Year 1:

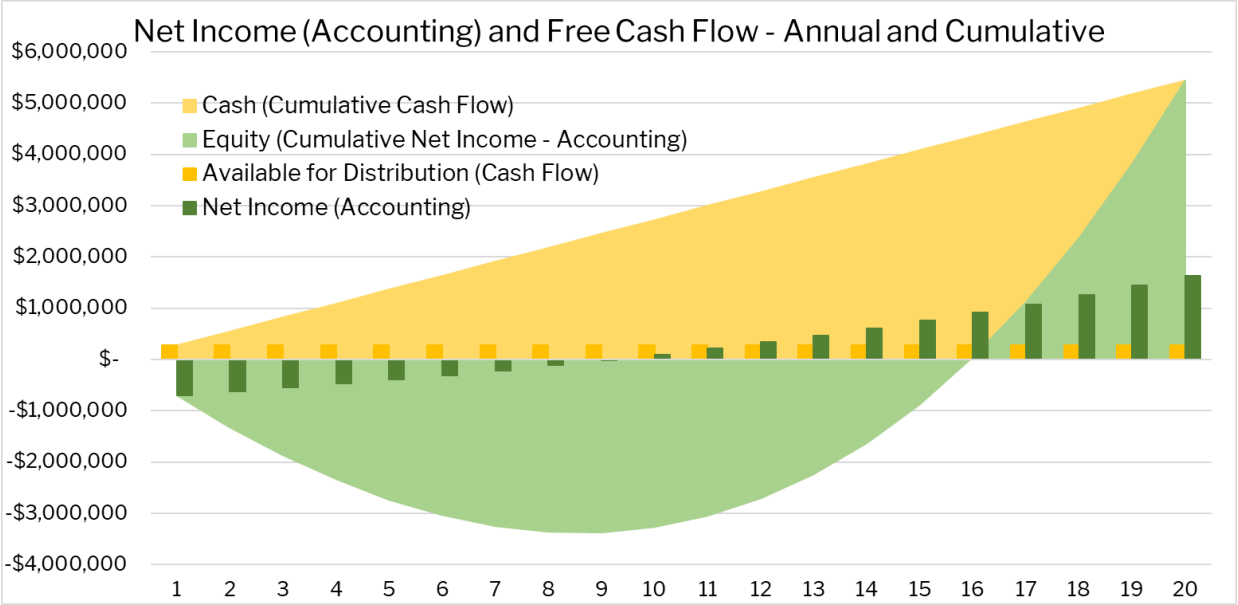
	Accounting	Cash Flow
Revenue	$ 4,859,731	$ 4,859,731
Project Costs	$ (550,000)	$ (550,000)
Administrative Expenses	$ (350,000)	$ (350,000)
Interest	$ (2,400,000)	$ (2,400,000)
Proceeds	**$ 1,559,731**	**$ 1,559,731**
Amortization of Right-of-Use (Accounting)	$ (114,699)	
Accretion of Lease (Accounting)	$ (137,639)	
Lease Expense (Cash Flow)		$ (200,000)
Depreciation (Accounting)	$ (2,000,000)	
Principal Repayment (Cash Flow)		$ (1,047,119)
Net Income (Accounting)	**$ (692,607)**	
Available for Distribution (Cash Flow)		**$ 312,612**
Difference in Accounting vs Cash Flow		**$ 1,005,219**

As noted in the example above, there is more than a $1 million difference between depreciation and amortization of right-of-use assets in the accounting perspective, and principal repayment and lease payments in the cash flow perspective in the first year.

Over time, this difference narrows and eventually reverses as the portion of principal repayment increases while interest decreases, and a similar reversal occurs within the accounting for lease payments. The cumulative Depreciation and Amortization of Right of Use and the cumulative Principal Repayment and Lease payments finally equalize at the end of the life of the projects, as outlined in the graph below.



Over time, these accounting losses accumulate, significantly decreasing the equity as presented on the financial statements of the Co-operative before the reversal begins and equity begins to turn towards positive around the 9th year. As shown above, this amounts to a timing difference as the end points for the asset values and cumulative amounts equal out at the end.



It was for this reason, the Co-op elected to perform an asset revaluation, bringing the carrying value of the assets to market value at the end of each year. This results in financial statement adjustments that increased the holding value of the assets of the Co-operative to match the market value, to better reflect the equity position of CED Co-op counteracting some of the notional accounting losses.

Revaluation of Assets

Under IFRS, asset revaluation refers to the process of adjusting the carrying value of a tangible asset to its fair value. The purpose of asset revaluation is to ensure that the asset is recorded on the balance sheet at an amount that reflects its current market value, rather than its historical cost.

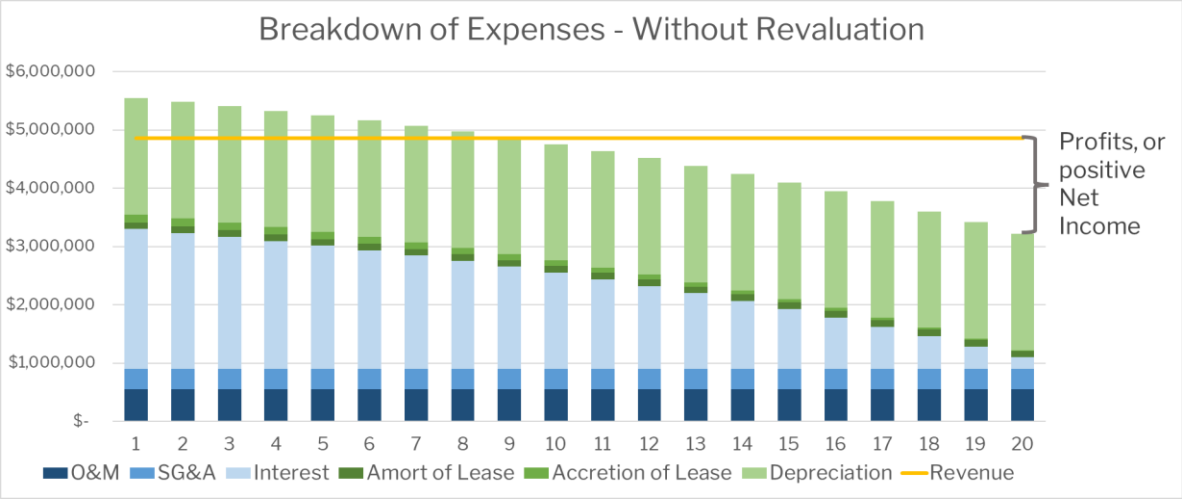
The primary goal of asset revaluation is to provide users of financial statements with more relevant and up-to-date information about the value of the company's assets. By revaluing assets to their fair value, companies can better reflect changes in market conditions, such as fluctuations in real estate values or changes in the value of investment properties.

In alignment with this, CED Co-op adopted the revaluation model in 2018 as it was presented to management as a way to value the assets at what a market participant might purchase them for, and therefore should account for them in this method if CED Co-op was considering selling them at any point in time. In applying the revaluation model, the Co-operative measured the fair value of its energy generation equipment as the present value of the expected future cash flows that a potential seller could expect to receive for the assets. The main inputs into the valuation are 1) Projected future revenues; 2) Projected future operating costs; 3) After-tax cash flows; and 4) Discount rate.

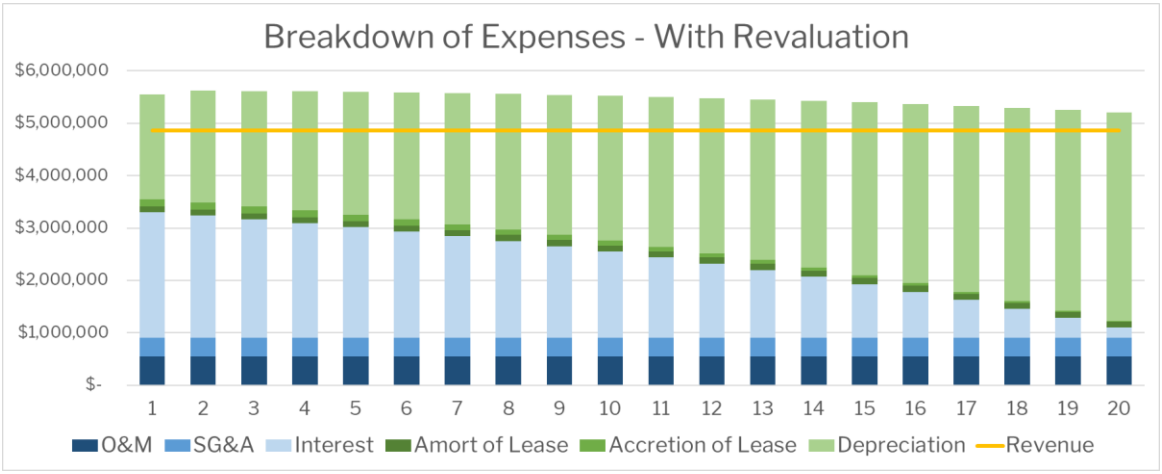
It was also positioned that accounting for the gains and losses from revaluation would all flow through the Statement of Other Comprehensive Income, and that the net income from the Statement of Operations would not be affected by revaluation.

After adoption, management learned that the losses from revaluation flow through the Statement of Operations as well as a larger amount of annual depreciation from the revaluation model. Management as well as the Board feels these aspects incorrectly reflect the true annual operations of CED Co-op as they recognize more expense through net income, without any revenue recognition changes. Further, because the assets of CED Co-op have a finite ending value of $0, as the FIT contract terms end, as assets were revalued to market value, this would typically increase the value of the assets and therefore the amount of annual depreciation that must be claimed.

Extending from the prior example of accounting versus cash flows, under the accounting perspective without revaluation, while depreciation remains consistent under a straight line method, interest expenses decrease over time, and profits are recognized.



Applying the revaluation model, however, the co-operative has experienced increasing annual depreciation expense.



It can be seen that the increases in depreciation are forecast to consistently take away any accounting profits, or net income. While the increases in depreciation are a result of recognizing increases in the carrying value of assets, and gains shown on the Statement of Other Comprehensive Income, it is believed by the board and management that this does not fairly represent the operations of the Co-operative. As a result, in 2023, the Co-operative elected to discontinue the process of revaluation of assets, and the financial statements, beginning with the year ended December 31, 2023, have been prepared on that basis.

6.1.4. Financial and Portfolio Performance

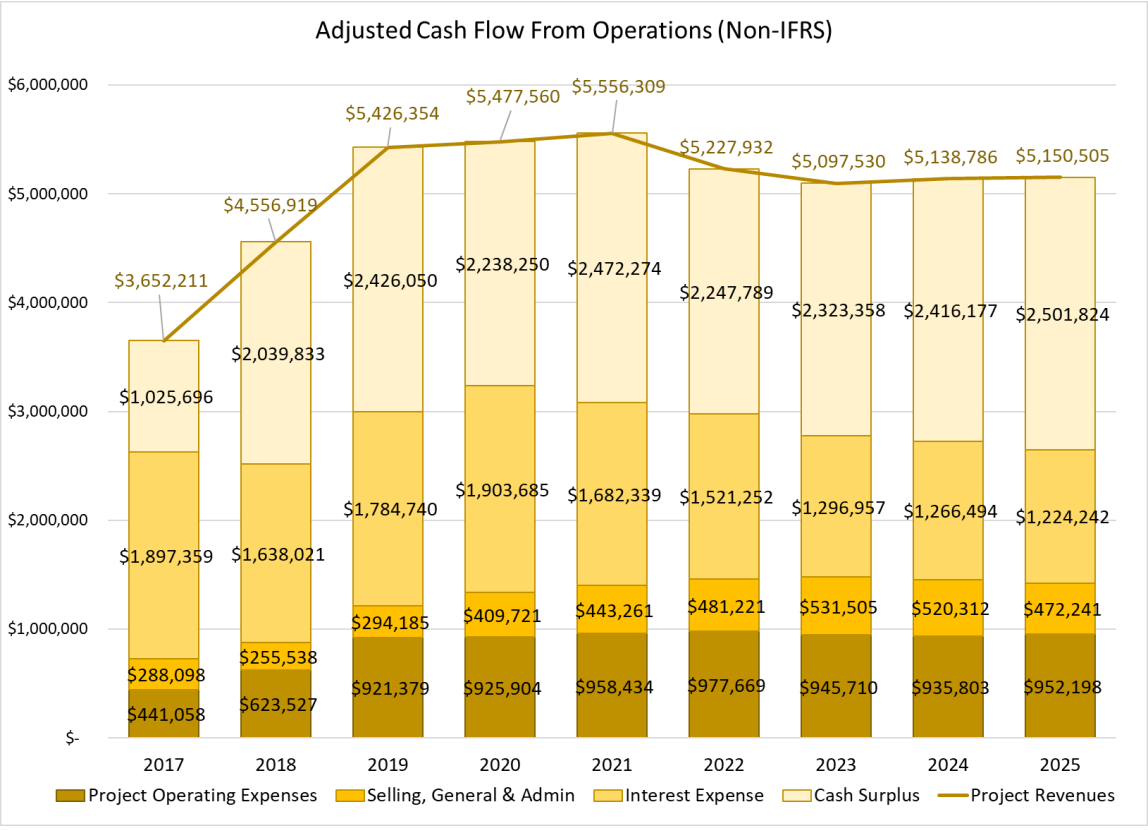
As outlined above, CED Co-op expects the first several years of each project to have a negative net income for accounting purposes. With CED Co-op having brought projects into the portfolio in each of 2015, 2016, 2017 and 2018, and with the anticipation of new projects being developed, it is anticipated that the Co-operative may continue to have negative net income showing on its financial statements for the next several years, depending on how quickly additional Projects are developed.

Notwithstanding expecting negative net income, financial results for the year ended December 31, 2025 are slightly below plan. Revenues were about $105,000 below budget, though project expenses were about $37,000 below budget resulting in a net shortfall of $68,000. A number of factors outlined above have affected the financial performance of the Portfolio for 2025, including adverse weather conditions, wildfire smoke, elevated SolarEdge inverter and optimizer failure rates, and ongoing mechanical issues at the dual-axis tracker sites. Specifically, the 2025 Canadian wildfire season was the second worst on record, with smoke events reducing solar irradiance across multiple regions in which the Co-operative operates. Waterloo Region

experienced its snowiest January-February period since 2008 in early 2025, followed by aggressive early winter onset in late 2025 with December being the second coldest in 20 years. SolarEdge equipment continued to experience failure rates above 20% for inverters, with 180 service cases and 80 inverter failures during 2025. The Solvation-VF site, which remains on SolarEdge equipment, finished 2025 approximately $72,000 below plan, nearly five times worse than the retrofitted Solvation-F and Solvation-V sites despite experiencing the same weather conditions. The Massey Field tracker site finished approximately $20,000 below plan, an improvement from prior years but still reflecting outstanding bushing and potential SolarEdge replacement needs. The 516 Simmons dual-axis tracker projects finished approximately $60,000 below plan on a combined basis.

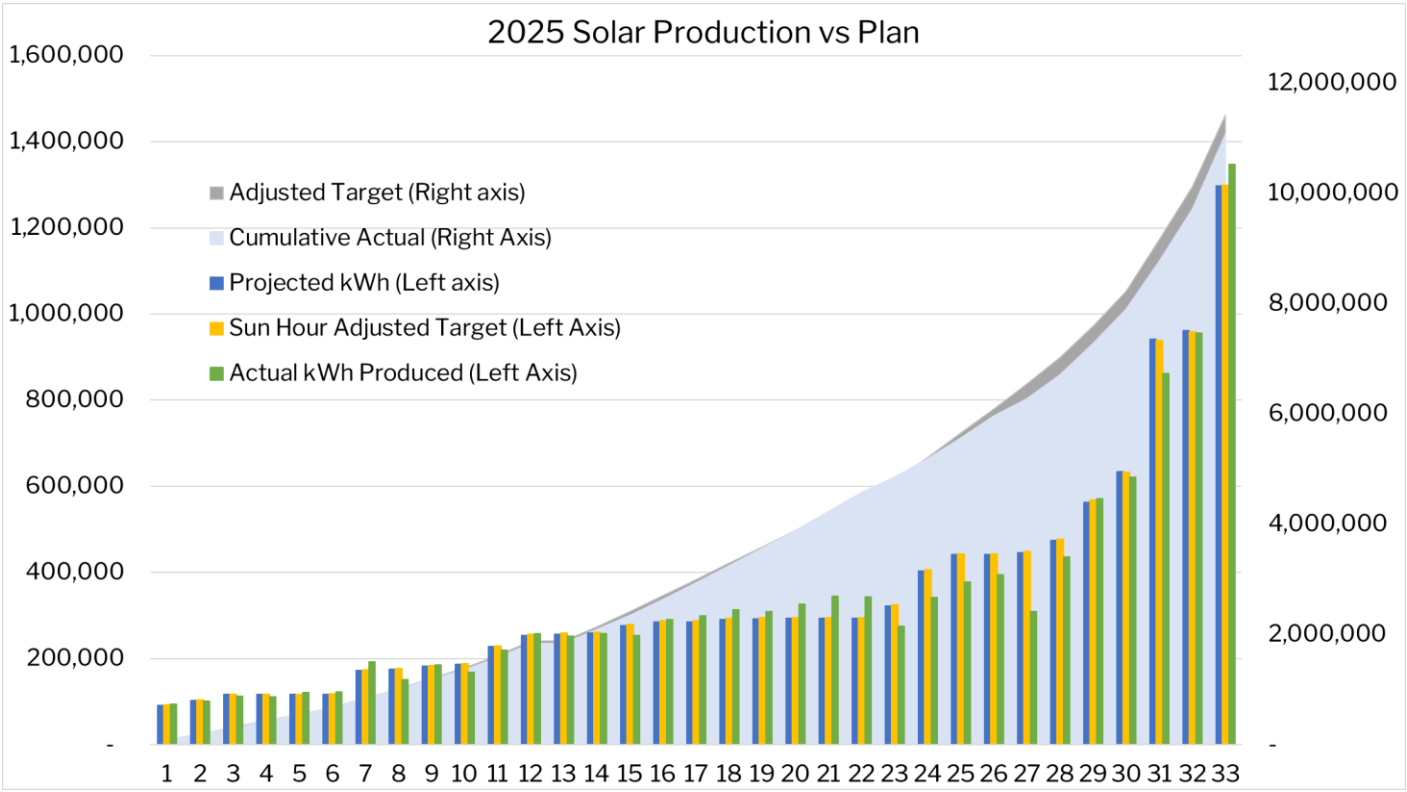
CED Co-op has taken, and is intending to take, a number of steps to restore performance of the Portfolio to be in line with expectations going forward. The Board has approved a full retrofit of the Solvation-VF site from SolarEdge to Fronius inverters in 2026, at a cost of approximately $239,500, as soon as materials are available. This retrofit is expected to be eligible for the federal Clean Energy Investment Tax Credit at 15% once legislation is passed, reducing the effective net cost to approximately $203,575. The decision to proceed was supported by the demonstrated success of the Solvation-F and Solvation-V retrofits completed in 2024, which have delivered combined incremental revenue of approximately $251,694 over their first 17 months of operation, putting the $341,534 retrofit investment on track for full payback in approximately 23 months. Refurbishment work at the Massey Field tracker site is continuing, with bushing replacements underway and SolarEdge inverter replacement under evaluation consistent with the Solvation strategy. At the 516 Simmons dual-axis tracker sites, the scope and scale of remaining refurbishment work is being re-evaluated in the context of broader SolarEdge-related evaluations across the portfolio, and the tracker control systems are also being considered for upgrade. The microFIT portfolio delivered its strongest year of performance since monitoring was deployed, with median production of 1,134 kWh/kW, 8.1% above the adjusted target, and 71% of systems exceeding target. In addition to improving the performance of the existing portfolio, CED Co-op is actively working to grow the portfolio with profitable and reliable projects, applying learnings from its operating experience to the selection process.

In further response to revenue shortfalls, the Board has declared dividends on the Class A Preference Shares and Class B Preference Shares at a lower rate from the beginning of 2020 through to the end of 2025 than that which was originally forecast. The Co-operative has and will continue to be working to achieve portfolio performance in line with their full capabilities. Based on the best year's performance of each of the Projects in the Portfolio, adjusting for the sun hours experienced in those years, the Projects have achieved $5,794,000 of annual revenues.



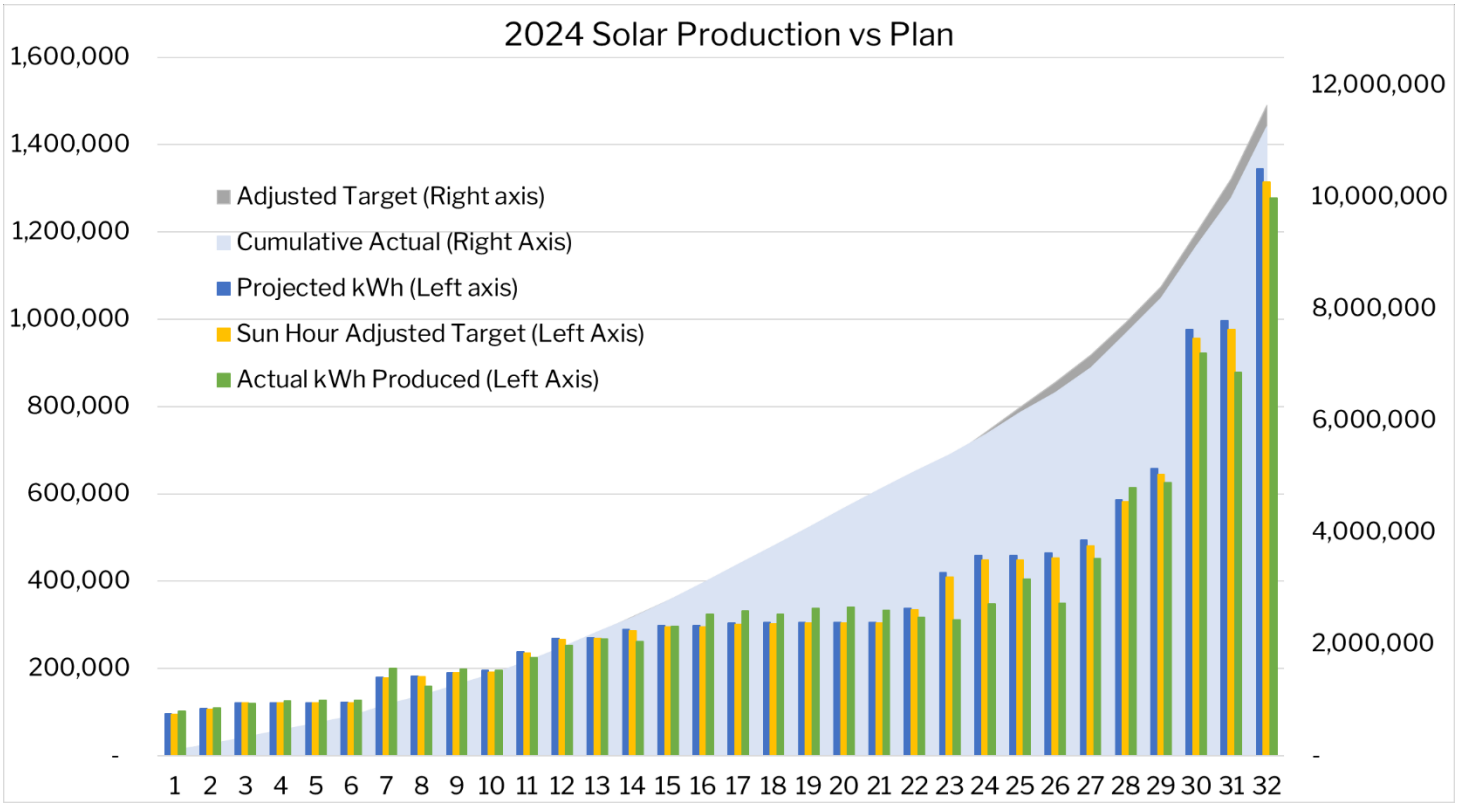
The Co-operative believes that consistent annual revenues approaching this level is reasonably achievable with the Projects currently in the Portfolio, despite using lower values for budgeting purposes. The Co-operative expects to meet all borrowing covenants and pay all debt obligations as agreed, even with lower revenues. Total debt, including all loan and bond obligations, decreased to approximately $19.1 million as of December 31, 2025, a reduction of approximately $1.9 million from December 31, 2024. Operating cashflows continue to be positive and have increased over time.

Project Portfolio performance for 2025, and 2024 for comparison, is shown in the charts below. Prior years are shared in previous offering statements and in AGM reports.



Legend

#	Site Name	Vs. Plan	#	Site Name	Vs. Plan
1	367 Woodlawn	1.8%	18	45 Massey	6.6%
2	20 Crestview	-2.6%	19	2316 Bridge St	4.9%
3	5279 Ament Line	-4.1%	20	400 Southgate	10.5%
4	Derby Arena	-4.8%	21	40 Lewis	16.6%
5	4639 Lobsinger Line	3.6%	22	20 Massey	15.9%
6	40 Rutherford	4.2%	23	1004 Catherine	-15.2%
7	505 Dutton Dr	10.4%	24	1689 River Rd	-15.5%
8	1381 Huron Rd	-14.5%	25	Dowling North	-15.0%
9	660 Superior	0.4%	26	1665 River Rd	-11.0%
10	30 Mumford	-10.8%	27	Dowling South	-31.2%
11	1 Green St	-4.6%	28	62 Janti Rd	-8.8%
12	110 Doon	0.7%	29	1473 Gingerich Rd	0.6%
13	Shallow Lake Arena	-2.8%	30	Solvation F	-1.7%
14	50 Kent	-1.0%	31	Solvation VF	-8.2%
15	1 Boland	-9.1%	32	Solvation V	-0.3%
16	104 Dawson	0.8%	33	CED microFITs	3.7%
17	1315 Hutchison	4.0%			



Legend

#	Site Name	Vs. Plan	#	Site Name	Vs. Plan
1	367 Woodlawn	7.1%	17	45 Massey	10.2%
2	20 Crestview	2.1%	18	2316 Bridge St	7.3%
3	5279 Ament Line	-0.5%	19	400 Southgate	11.0%
4	Derby Arena	3.8%	20	40 Lewis	12.1%
5	4639 Lobsinger Line	4.9%	21	20 Massey	9.5%
6	40 Rutherford	4.8%	22	1004 Catherine	-5.1%
7	505 Dutton Dr	12.3%	23	1689 River Rd	-23.8%
8	1381 Huron Rd	-11.8%	24	Dowling North	-22.4%
9	660 Superior	4.9%	25	1665 River Rd	-9.7%
10	30 Mumford	2.7%	26	Dowling South	-23.0%
11	1 Green St	-4.7%	27	62 Janti Rd	-6.1%
12	Shallow Lake Arena	-5.3%	28	1473 Gingerich Rd	5.6%
13	50 Kent	-0.5%	29	Solvation F	-3.0%
14	1 Boland	-8.5%	30	Solvation VF	-3.5%
15	104 Dawson	0.4%	31	Solvation V	-10.0%
16	1315 Hutchison	9.6%	32	CED microFITs	-2.8%

6.2 USE OF PROCEEDS OF THE OFFERING

While operating solely under the FIT Program, opportunities for CED Co-op to develop and invest in new projects were limited to the artificial market that was created by the program. This meant that the frequency, timing and long-term opportunities to reinvest proceeds from existing projects into new projects was uncertain. As a result, the previous securities offered by the Co-operative were all designed to be amortized and paid off within the lifespan and cash flows of the FIT Contracts.

Further, with the Application Window structure of the FIT Program, long periods of waiting for Application results, and lengthy FIT program development processes through contract acceptance and Notice to Proceed, this generally provided the Co-operative with the necessary timelines to develop an Offering and raise funds in time to develop the various projects. Given the uncertain nature of Applications and their success, and the unknown of the future, CED Co-op only sought to raise the funds required for the known projects rather than raising funds on a speculative basis.

As the FIT Program wound down for new project opportunities, CED Co-op offered shorter term securities such as 3-year and 5-year bonds, much shorter than the remaining life of the FIT Contracts held by the Co-operative. This met Investor requests for shorter term securities and annual cash flows. This also created the opportunity for CED Co-op to lower its costs of capital and provide ongoing investment opportunities to members in the form of renewing shorter-term bonds while the Co-operative awaited regulatory changes and explored project structures in the Net-Meter market.

With the expanded scope of project opportunities available to CED Co-op, and the ability to operate in the natural markets of net-metering and other structures, the Co-operative anticipates that project investment opportunities will be available on a much more frequent basis, and the timelines to develop projects will shrink from years to months. Given this new reality, the Co-operative is utilizing the Class C Preference shares as the best opportunity to match investment funds with project development.

CED Co-op plans to raise up to a maximum of $5 million through the sale of Class C Preference Shares and Bonds Series S1 to Members and Non-Members in this Offering. These funds are intended to be used in the following manner.

Summary – Use of funds if the maximum is raised, and investment priority:

$ 400,000	Reserves and Planned renewal of shorter-term securities, net of fundraising costs
$ 405,000	Expenditures towards retrofits of existing projects
$ 4,200,000	Available for investment in potential new projects – Solar Net-Meter, or other
$ 5,005,000	Total Maximum

Renewing Short Term Securities

The FIT and microFIT contracts have a 20-year cash flow under the contract. CED Co-op has financed a significant portion of the contracts through securities with a much shorter duration, a combination of 5-year and 10-year obligations. This has resulted in a mismatch of the duration of the obligations of CED Co-op and those of the revenues from the FIT Contracts. This has been done for a number of reasons, including:

- Responding to Investor desires for shorter term securities
- Creating opportunities for new investment and re-investment
- Reducing CED Co-op cost of Capital

As these shorter-term securities are paid out, a portion of these securities needs to be renewed in order to match the appropriate repayment of principal used to finance the projects. The chart below denotes how much has been raised by CED Co-op under each duration with the corresponding principal repayments and compares it with how much principal repayment is required in order to match the cash flow to the FIT contracts.

Initial Term	Remaining Principal	Average Annual Principal Repayment - Remaining Term	Average Years Remaining in Term
10	$ 577,225	$ 235,602	2.45
	$ 577,225	$ 235,602	
20	$ 577,225	$ 53,447	10.8
	Difference	**$ 182,155**	

As noted above, CED Co-op is currently repaying an average of $0.24 million of principal on shorter-term bonds on an annual basis, however, in order to maintain an amortization of these securities that matches the FIT contracts, only $0.05 million of principal repayment towards bonds is required each year. Further to this, CED co-op is paying off long-term debt with an amortization that is approximately 2 years less than the length of the corresponding FIT Contracts. As a result, CED Co-op intends to use a portion of the capital raised under this Offering to renew short term securities to maintain matching cash flows and obligations. This will effectively be seen as replenishing cash flow shortfalls over the 2026 and 2027 operating periods.

The anticipated cash flows from operations of CED Co-op for 2026, excluding anticipated investment and fundraising activities, are as follows, and as outlined in Schedule A: Projected Consolidated Statement of Cash Flows.

$ 5,262,858	Revenue - Current Projects
$ (979,972)	Expenses - Current Projects
$ (475,995)	Administrative Expenses
$ 3,806,891	Cash from Operations
$ 3,806,891	Cash from Operations
$ 51,149	Interest Income
$ (3,266,037)	Payments on Debt Obligations - included in Section 7
$ (369,117)	Anticipated Distributions to Non-Controlling Interests
$ (87,842)	Anticipated Contributions to Maintenance Reserves
$ (662,583)	Anticipated Cash Dividends Paid on Preference Shares (Optional - included in Section 7)
$ (501,380)	Anticipated Repurchase of Preference Shares (Optional - included in Section 7)
$ (1,028,919)	Anticipated Cash Flow shortfalls for 2026 due to duration mismatch
$ 800,000	Approximate free cash on hand at Dec. 31, 2025 allocated to projects and renewing securities
$ (1,028,919)	Anticipated Cash Flow shortfalls for 2026 due to duration mismatch
$ (228,919)	Anticipated cash flow needs for operations through to the end of 2026
$ 400,000	Desired funds to manage cash flow shortfall, reserves, as well as seasonality and timing differences in revenue and expenses through to Q4, 2026

New Project Opportunities

Any further funds available from investments received under this Offering after accounting for the uses outlined above may be used for other project investments or acquisitions, including the acquisition of additional ownership in shared Projects currently within the Portfolio. Project evaluation criteria and Board approval processes are described in Section 4.2.1.

As of March 31, 2026, CED Co-op and its project development partners are actively engaged in project development across multiple sectors, geographies, and business models in Ontario. The following table

summarizes the current pipeline of prospective projects at various stages of development. Project identities are withheld due to commercial confidentiality; inclusion in this table does not represent a binding commitment by either party.

Region	Sector	Model	Type	Approx. Size (kW)	Stage
Waterloo Region	Hospitality	PPA	Rooftop	250 kW	In Negotiation
York Region	Waste Management & Recycling	EOM	Rooftop	750 kW	In Negotiation
Waterloo Region	Agriculture	PPA	Rooftop	1,260 kW	In Negotiation
Central Ontario	Hospitality & Recreation	EOM, PPA	Rooftop	650 kW (2 sites)	Proposal Submitted
Southern Ontario	Entertainment & Leisure	PPA	Rooftop	1,450 - 2,700 kW (4 sites)	Proposal Submitted
Waterloo Region	Manufacturing	EOM	Rooftop	600 kW	Site Assessment Complete
Southwestern Ontario	Municipal / Water Infrastrucure	PPA	Ground-Mount	9,000 kW	In Discussion

The current pipeline represents approximately 14,000 to 15,200 kW of aggregate capacity across 7 counterparties and 11 individual sites, with an estimated aggregate development value of approximately $19.5 million to $21.3 million at current pricing. Of this, the rooftop portfolio alone represents approximately $6.9 million to $8.7 million in estimated project value, which comfortably exceeds the $4.2 million allocated under this Offering for investment in new projects. The pipeline includes both single-site and multi-site opportunities across multiple counterparties, reflecting a diversified approach to project development across PPA and EOM business models. The following table summarizes the pipeline by stage of development.

Stage	Projects	Sites	Capacity (kW)	Est. Value
In Negotiation	3	3	2,260	~$3.2M
Proposal Submitted	2	6	2,100 - 3,350	~$2.9 - $4.7M
Site Assessment Complete	1	1	600	~$0.8M
In Discussion	1	1	9,000	~$12.6M

Not all projects in the pipeline will proceed to execution. Actual capital deployment will depend on the successful conclusion of negotiations, counterparty due diligence, and Board approval in accordance with the criteria described in Section 4.2.1. No agreements in relation to any of the anticipated project opportunities listed above are signed at this time, and this remains a risk described in Section 5: Risk Factors - Business Prospects - No Guarantee of Projects.

6.2.1. Proceeds from the Previous Offering

In the previous Offering, dated March 31, 2025, the order of priority of usage of funds raised was outlined as follows:

$ 700,000	Reserves and Planned renewal of shorter-term securities, net of fundraising costs
$ 100,000	Expenditures towards retrofits of existing projects
$ 3,200,000	Available for investment in potential new projects – Solar Net-Meter, or other
$ 4,000,000	Total Maximum

Upon conclusion of the previous Offering on March 31, 2026, CED Co-op raised total investments of $1.3 million, and the funds are attributed within the operations of CED as follows:

$ 670,000	Reserves and Renewal of shorter-term securities
$ 517,000	Retrofits and Reserves for Investment in New Projects
$ 45,000	Fundraising Expenses
$ 68,000	Shortfall from Operations
$ 1,300,000	Total Raised

6.2.2. Satisfying Obligations if Insufficient Capital is Raised

The Co-operative anticipates making payments of approximately $1.4 million to Members and Investors in 2026. It is anticipated that, once again, there will be strong interest amongst Members and Investors to return this money to the Co-operative in the form of new investment subscriptions.

As noted above, the Co-operative intends to raise approximately $0.4 million during this offering for cash flow needs. If the Co-operative is unable to raise this minimum amount, the Co-operative will have to take alternative measures, which may include the following:

- Over this time period, approximately $1.20 million in optional payments of dividends and anticipated share repurchases of Class A Preference Shares and Class B Preference Shares is anticipated to occur. As these are not required payments, the Co-operative could use this as a means of preserving capital.
- In addition to this, the Co-operative maintains positive relationships with lenders, and there remain unleveraged assets of the Co-operative that could be utilized to obtain additional financings.
- Failing the ability to cover obligations through these means, there remains a strong market for the sale of FIT and microFIT projects.

7. SECURITIES AND OTHER DEBT OBLIGATIONS OF CED CO-OP

CED Co-op has the following debt obligations and share obligations outstanding as of December 31, 2025. Included are payments due in the coming periods:

Debt Obligations	Balance As At	Combined Principal and Interest Payments Due in the Following Periods					
	31-Dec-25	2026	2027	2028	2029	2030	Thereafter
CWB Maxium - SS1 - Tranche 1	$ 3,990,137	$ 638,621	$ 3,579,293	$ -	$ -	$ -	$ -
CWB Maxium - SS1 - Tranche 2	$ 3,919,970	$ 607,163	$ 3,575,097	$ -	$ -	$ -	$ -
CWB Maxium - SS1 - Tranche 3	$ 470,549	$ 70,566	$ 434,061	$ -	$ -	$ -	$ -
CWB Maxium - SS2 - Tranche 1	$ 3,420,705	$ 493,235	$ 493,235	$ 2,739,940	$ -	$ -	$ -
CWB Maxium - SS2 - Tranche 2	$ 977,878	$ 140,863	$ 140,863	$ 813,708	$ -	$ -	$ -
CWB Maxium - 2117921 AB Inc.	$ 1,362,678	$ 544,776	$ 544,776	$ 303,428	$ -	$ -	$ -
2300070 Ontario Ltd	$ 728,939	$ 141,400	$ 141,400	$ 141,400	$ 141,400	$ 141,400	$ 141,195
SchiedelView Farms	$ 119,676	$ 28,896	$ 28,896	$ 28,896	$ 28,896	$ 20,541	$ -
Note Payable - Related Party	$ 374,562	$ 382,053	$ -	$ -	$ -	$ -	$ -
Bond L1-4 (20 yr) - 2015	$ 3,513,359	$ -	$ 291,860	$ 440,340	$ -	$ -	$ 5,642,420
Bond Q1-5 (10 yr) - 2017	$ 577,225	$ 218,463	$ 218,463	$ 190,086	$ -	$ -	$ -
	$ 19,455,678	$ 3,266,037	$ 9,447,945	$ 4,657,797	$ 170,296	$ 161,941	$ 5,783,615

Share Obligations	Balance As At	Anticipated repurchases (not required)					
	31-Dec-25	2026	2027	2028	2029	2030	Thereafter
Membership Shares	$ 8,540	$ -	$ -	$ -	$ -	$ -	$ -
Class A Preference	$ 5,215,390	$ 258,950	$ 282,255	$ 307,655	$ 335,345	$ 365,525	$ 3,665,660
Class B Preference	$ 2,903,815	$ 242,430	$ 259,400	$ 277,555	$ 296,985	$ 317,775	$ 1,509,670
Class C Preference	$ 9,050,015	$ -	$ -	$ -	$ -	$ -	$ 9,050,015
	$ 17,177,760	$ 501,380	$ 541,655	$ 585,210	$ 632,330	$ 683,300	$14,225,345

Return of capital on the Class A Preference Shares, pursuant to the terms of the share offering documents, is scheduled to occur over the following 12 years, including the current year of 2026, ending in 2037.

Return of capital on the Class B Preference Shares, pursuant to the terms of the share offering documents, is scheduled to occur over the following 9 years, including the current year of 2026, ending in 2034.

As outlined in previous offering documents, and consistent with this Offering, there does not exist a defined schedule for the return of capital on the Class C Preference Shares. While sufficient new opportunities exist for cashflow to be invested in new project opportunities, it is anticipated that the Co-operative will not be repurchasing shares across all holders of the Class C Preference Shares.

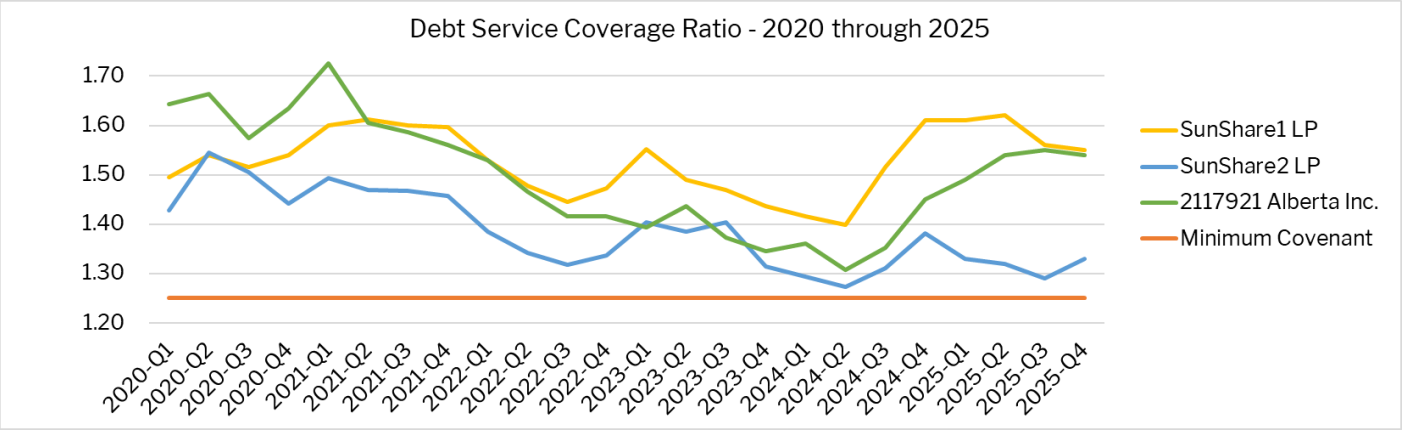
All of the securities, debt obligations and accounts payable are included in Appendix B: 2025 Audited Financial Statements for the year ended December 31, 2025. While declining, the debt load of the co-operative remains significant. This is identified as a risk factor in Section 5: Risk Factors – Financial – Debt Load.

For these debt obligations, all payments have been made as agreed. The loans to SunShare1 LP, SunShare2 LP and 2117921 Alberta Inc. have a borrowing covenant requiring that Debt Service Coverage Ratios, the ratio of total operating income to total debt payments, must be a minimum of 1.25. All operating entities have maintained compliance with this ratio throughout the loan periods and expect to continue to meet this requirement. Historical ratios are shown below.

Prior to 2023, a DSCR of 1.35 was to be maintained to be able to receive equity distributions. Subsequent to the 2022 year end, revisions to the credit agreements with CWB Maxium were made to better align the processes and procedures in practice with the language of the loan agreements, and reduce the opportunities for there to be a potential breach of the terms of the loan agreements. The main obligations of CED Co-op under the loan agreements are outlined in Section 7.1 – Credit Agreements - CWB. The three main changes made to the credit agreements are summarized as follows.

- Reduction of required DSCR for equity distributions from 1.35 to 1.25.
- Amendments to the definition of O&M expense to exclude extraordinary maintenance items, capital expenditures, taxes including property taxes and other expenses that are unrelated to regular operations of the projects.
- Streamlining equity distribution processes and eliminating intermediary accounts.

The updated DSCR calculations for the years of 2020 through 2025 are shown as follows.



All of the debt obligations above are currently in fixed rate terms, and as such are not subject to interest rate volatility. For all debt obligations other than those in SunShare1 LP and SunShare2 LP, the term will cover the full amortization period. Included in the schedule above are the refinance/balloon payments for the SunShare1 LP and SunShare2 LP loans for which the fixed rate terms are less than the amortization period. These loans are as follows:

Baloon Payments/Refinance	**2027**	**2028**
CWB Maxium - SS1 - Tranche 1	$ 3,579,293	
CWB Maxium - SS1 - Tranche 2	$ 3,514,380	
CWB Maxium - SS1 - Tranche 3	$ 402,306	
CWB Maxium - SS2 - Tranche 1		$ 2,739,940
CWB Maxium - SS2 - Tranche 2		$ 799,622
	$ 7,495,980	$ 3,539,562

The amounts above are subject to fluctuations in interest rate at renewal. At this time, the financial forecast has shown each of these to be renewed for the remainder of their scheduled amortization at a rate of 6.9% given the current interest rate environment, substantially higher than the weighted average rate of 5.57% currently in effect. The aggregate of these is approximately $11.0 million, and as such, each 1% increase or decrease in rates from the forecast 6.9% renewal rate results in a favourable or unfavourable variance of $110,000 in year 1 of the renewal. The rates from CWB Maxium have historically been set as a margin of 370 basis points over the corresponding Canadian bond rate. Assuming this same rate structure, renewal rates as of February 28, 2026 would be 6.50%. This results in decrease in expected interest cost of approximately $44,000 within the first year of the renewals.

7.1 CREDIT AGREEMENTS – CWB

In 2016 through 2018, the Co-operative entered into certain Credit Agreements with CWB with a brief summary of the financial terms provided in Section 4.7 – Portfolio Investment and Finance. These Credit Agreements are executed under three entities that are controlled by CED Co-op, specifically SunShare1 LP, SunShare2 LP and 2117921 Alberta Ltd., and the balances outstanding for each of these loan advances for the respective entities is outlined in the table above in Section 7. Within these Credit Agreements, these respective entities are defined as the "Borrower", and the following are summaries of these Credit Agreements. For clarity, CED Co-op is not the Borrower in these arrangements, and as such the obligations summarized here do not apply directly to CED Co-op, but rather the respective entity that has entered into each Credit Agreement. As such, there are no cross-collateralization or cross-default provisions that apply directly to CED Co-op within these Credit Agreements.

A summary of many of the obligations, reporting requirements, events of default and remedies of the lender are provided here, though there may be others not listed here. There are a number of risks associated with these credit arrangements, including, but not limited to, the risk factors outlined in Section 5 - Financial - Availability of Debt Financing, Financial – Debt Load, Financial - Priority of Lenders, and Financial – Security. Throughout this Section 7.1 – Credit Agreements – CWB, capitalized terms not defined within the Offering Statement are defined terms within the respective Credit Agreements. Each of the credit agreements is more than 100 pages in length and are not included in their entirety here. Should a Member or Investor wish to view any of these agreements, they can be made available for viewing at the offices of the Co-operative.

The Borrowers (SunShare1 LP, SunShare2 LP and 2117921 Alberta Ltd.) have certain obligations as outlined in the Credit Agreements. These obligations are summarized here, and include, but are not strictly limited to the following.

The Borrower must:

a) use the loan proceeds for specific purposes stated in the loan agreement and deposit all Project Revenues into the specified accounts.
b) make timely payments of all sums due under the Agreement and other Loan Documents.
c) assign the benefit of any manufacturers' warranties relating to the Solar Systems to the Lender.
d) promptly inform the Lender of various events, such as material litigation, disputes with Governmental Authorities, Defaults or Events of Default, casualties, changes in insurance, and other matters.
e) provide the Lender with copies of any Default Notices received related to the Real Property Documents, FIT Contracts, or Material Project Documents.
f) provide the Lender with copies of documents, notices, or written instruments required to be delivered to the IESO under any FIT Contract.
g) Deliver to the Lender certified copies of new Material Project Documents and obtain the counterparty's consent and legal opinion.
h) maintain their existence, contractual obligations, permits, and rights in the normal course of business.
i) comply with the Separateness Covenants regarding the operations of the borrower as stated in the Agreement.
j) pay all obligations on time, except those being contested in good faith or under certain conditions.
k) maintain proper books, accounts, and records, and allow the Lender to inspect properties and audit records.
l) operate and maintain each Solar System according to Prudent Engineering and Operating Practices, and adhere to the Annual Operating Budget.
m) preserve, protect, and defend rights under Material Project Documents and provide necessary assistance.
n) pay all taxes, assessments, governmental charges, utility charges, and other fees when due unless being contested in good faith.
o) comply with all Requirements of Law and procure and maintain all required Applicable Permits.
p) operate and maintain each Solar System as per the Material Project Documents and Prudent Engineering and Operating Practices.
q) maintain insurance policies as specified in the Agreement.
r) maintain rights, title, and interests in the Project Site and Solar Systems free and clear of Encumbrances, other than Permitted Encumbrances.
s) take necessary actions if an Event of Eminent Domain occurs or is threatened.
t) provide documentation to comply with "Know Your Customer," anti-money laundering, and anti-terrorist requirements.
u) ensure that the Project Accounts are funded in accordance with the Agreement.
v) cooperate and provide necessary information to the Independent Engineer.
w) comply with requirements related to the Minimum Required Domestic Content Level.
x) open replacement bank accounts and transfer funds accordingly, if the Account Bank's credit rating is downgraded.
y) execute and deliver additional documents as requested by the Lender to fulfill the purposes of the Agreement and protect their interests in the Collateral.

In addition to the obligations outlined above, the borrower is also obliged to comply with negative obligations. These negative obligations are summarized here, and include, but are not strictly limited to the following.

The Borrower shall not:

a) create, assume, or allow any Encumbrance on any Collateral, real or personal, except Permitted Encumbrances, without the written consent of the Lender.
b) incur, create, assume, or allow any Debt except Permitted Debt.
c) undertake any Capital Markets Offering.
d) dispose of, sell, or assign any Collateral or assets except for sales of electricity in the ordinary course of business under the FIT Contract or the disposal of obsolete, worn-out, or replaced property not used or useful in their business.
e) change the nature of their business or engage in any activity beyond the scope of the Solar Systems' business as outlined in the Operative Documents.
f) make certain distributions or payments, including dividends, repurchases of securities, or related party debt repayments, unless specific conditions are met.
g) make certain advances, loans, investments, or purchase securities of other entities, except for Permitted Investments held in Project Accounts.
h) enter into transactions with Affiliates, except in the ordinary course of business and at arm's length terms, without the prior written consent.
i) provide financial assistance to other Persons for their debts or obligations.
j) liquidate, dissolve, sell, lease, or transfer a substantial part of its property or assets, or merge or consolidate with other entities, except as permitted in the Agreement.
k) cause or permit certain amendments to Material Project Documents without written consent, which could have adverse effects or result in Defaults or material violations.
l) perform any act or omit any action under the Operative Documents that would have a Material Adverse Effect.
m) change its name, the jurisdiction for its primary operations, or its Fiscal Year without prior written consent.
n) use the Project Site for purposes other than the operation and maintenance of the Solar Systems without the prior written consent.
o) assign its rights under the Agreement or Operative Documents to any other Person.
p) willfully and voluntarily abandon or suspend operation of a Solar System for extended periods without prior written consent.
q) release Hazardous Substances or noise in violation of Environmental Laws or Applicable Permits.
r) settle certain claims with liquidated damages or warranty claims without prior written approval.
s) transfer ownership interests or change Control without the prior written consent.
t) sell, assign, or dispose of the Project or any Material Project Documents without prior written consent.
u) amend the Pro Forma forecasts without prior written approval.
v) replace the Maintenance Provider without the prior written approval, and the replacement entity must meet certain conditions.

Further, the Borrower is required to maintain the following reporting requirements:

1. Financial Statements:
    a) Quarterly Unaudited Financial Statements: The Borrower must provide unaudited unconsolidated financial statements for each Fiscal Quarter, including a balance sheet, income statement, and statement of cash flows. These statements must be prepared in accordance with International Financial Reporting Standards (IFRS) and delivered to the Lender within 45 days after the close of each Fiscal Quarter.
    b) Annual Audited Financial Statements: The Borrower must provide annual audited unconsolidated financial statements for each Fiscal Year, including a balance sheet, income statement, and statement of cash flows. These statements must be prepared in accordance with IFRS and delivered to the Lender within 90 days after the close of the Fiscal Year.
    c) Compliance Certificate: On each Repayment Date, the Borrower must deliver a Compliance Certificate to the Lender.

2. Reports:
    a) Access to Monitoring Systems: The Borrower must provide the Lender with access to all monitoring systems for each of the Project Sites.
    b) Additional Reports: The Borrower must provide any reports, statements, lists of property, accounts, budgets, forecasts, and other information promptly upon request by the Lender. This is to confirm the Borrower's compliance with its obligations under the Agreement. The Borrower must also provide reports and information required by the Independent Consultants at the request of the Lender.

3. Annual Operating Budget:
    a) The Borrower must adopt an operating plan and a detailed budget for each Fiscal Quarter, outlining anticipated revenues, debt service, maintenance, projected distributions, repair and operation expenses, maintenance reserves, and other anticipated operating and maintenance costs for the Project. This Annual Operating Budget must be prepared at least 15 Business Days prior to the Closing Date. Subsequently, before the beginning of each Fiscal Year, the Borrower must provide a draft Annual Operating Budget for the ensuing Fiscal Year for review and approval by the Lenders and the Independent Engineer. The final Annual Operating Budget should consider the Lender's reasonable suggestions.
4. Tax Returns and Assessments:
    a) The Borrower must deliver to the Lender copies of all federal, provincial, and local tax returns filed with any Governmental Authority under Applicable Law promptly after filing, as well as copies of all tax assessments received from any Governmental Authority promptly upon receipt.

In the context of the Credit Agreements, certain actions or events are considered "Events of Default". These “Events of Default” are summarized here, and include, but are not strictly limited to the following:

a) Failure to make timely payments of principal, interest, fees, or other obligations.
b) Breach of certain covenants, unless they are cured within 30 days of receiving Notice.
c) Failure to observe or perform any covenant or obligation which is then not cured within 20 days of receiving Notice.
d) Misrepresentation in any provided documents or agreements.
e) Ceasing or threatening to cease business operations or failure to pay debts.
f) Default on payments or agreements with other parties involving substantial debt amounts.
g) Denying obligations under loan documents or claiming their invalidity.
h) Failure to mitigate changes in legislation or governmental authority affecting the loan documents within 30 days.
i) Bankruptcy, insolvency, or similar events concerning the Borrower.
j) Failure to pursue remedies against a party in material project documents within 10 days of a breach.
k) Termination or non-replacement of insurance required by the agreement.
l) Material modification, suspension, or cancellation of required permits, unless replaced promptly.
m) Cessation of material project contracts or documents, or defaults under them.
n) Seizure or possession of significant property or equity interests of the Borrower by others.
o) Proceedings for dissolution, liquidation, or winding up of the Borrower, unless contested.
p) Final judgment for payment exceeding $100,000 not vacated, discharged, or stayed.
q) Writs of execution or distress warrants against Borrower property, not released for over 30 days.
r) Change of control with respect to the Borrower.
s) Failure to maintain valid and first-priority security interests, subject to permitted encumbrances.
t) Attachment of encumbrances to collateral or property, not immediately remedied and released.
u) Suspension of Project O&M for more than 30 days (excluding Force Majeure) without FIT Contract termination.
v) Failure to maintain the cumulative Minimum DSCR over four consecutive fiscal quarters.
w) Occurrence of a material adverse effect not remedied within 30 days.
x) Unacceptable transfer of FIT Contracts to other parties.

y) Unauthorized bank account changes for Generation Payments.

These events of default may trigger various consequences as specified in the agreement. It is crucial for the Borrower to diligently manage its financial and operational activities to avoid default situations. Should an Event of Default arise, the rights and remedies available to the lender under the Agreement include, as summarized here, but are not limited to:

a) *Automatic Acceleration on Insolvency Default:* If an Insolvency Default occurs, all outstanding Tranche Loans and Obligations become immediately due and payable, along with any Related Make Whole Amounts, without the need for further notice or demand.

b) *Acceleration on Non-Insolvency Default:* If any Event of Default (other than an Insolvency Default) occurs, the Lender may choose to accelerate all Obligations, making them immediately due and payable, including interest and any Related Make Whole Amounts.

c) *Exercise of Rights and Recourse:* Upon any Event of Default, the Lender can exercise any right or remedy allowed by law against the Borrower to recover all outstanding Obligations, and they can enforce the Security to secure such Obligations.

d) *No Obligation to Realize Collateral:* The Lender is not obligated to realize upon any collateral or enforce the Security, and they are not liable for any loss or damage arising from such realization or enforcement, or for any act or omission in connection with these actions.

In the circumstance that an Event of Default occurs and the Lender elects to accelerate all Obligations, the Co-operative would endeavour to pay out balances owing from payment reserves, maintenance reserves and other cash balances on hand. Further, the Co-operative would look for alternative financiers if the funds were not already raised by investors and available to pay loan balances remaining.

Should balances remain following repayment from available resources, the Lender could take possession of the associated project assets, and attempt to liquidate (sell) the projects in an effort to pay off loan balances. These loans are considered to be non-recourse financing and the security of the respective loan is limited to the solar projects existing within the borrowing entity (SunShare1 LP, SunShare2 LP and 2117921 Alberta Ltd.) at the time of the default. The specific Projects that are held within each respective entity are outlined in Section 3.6.3. Business Models – FIT and microFIT Contracts. Should balances be left owing to the lender after the liquidation of all Projects and assets held by the respective borrowing entity, there would be no further recourse to CED Co-op. If any proceeds remain from the sale of assets after paying off all amounts owing to the Lender, these funds would be made available to CED Co-op.

8. CAPITAL STRUCTURE

8.1 AUTHORIZED CAPITAL

The total authorized capital of the Co-operative is limited to the sum of One Hundred and Fifty-One Million Dollars ($151,000,000.00), divided into:

(i) One Hundred Thousand (100,000) Membership shares with a par value of Ten Dollars ($10.00) each, for a total aggregate amount of One Million Dollars ($1,000,000.00);

(ii) Ten Million (10,000,000) Class A Preference shares with a par value of Five Dollars ($5.00) each, for a total aggregate amount of Fifty Million Dollars ($50,000,000.00);

(iii) Ten Million (10,000,000) Class B Preference shares with a par value of Five Dollars ($5.00) each, for a total aggregate amount of Fifty Million Dollars ($50,000,000.00); and

(iii) Ten Million (10,000,000) Class C Preference shares with a par value of Five Dollars ($5.00) each, for a total aggregate amount of Fifty Million Dollars ($50,000,000.00).

CED Co-op's capital structure as of December 31, 2025 is as follows:

Share Type	Issued Shares	Par Value	Total Value
Membership Shares	854	$ 10.00	$ 8,540
Class A Preference Shares	1,043,078	$ 5.00	$ 5,215,390
Class B Preference Shares	580,763	$ 5.00	$ 2,903,815
Class C Preference Shares	1,810,003	$ 5.00	$ 9,050,015
Total Member's Equity and Share Investments			**$ 17,177,760**

8.2 MATERIAL ATTRIBUTES OF AUTHORIZED CAPITAL

8.2.1. Membership Shares

Holders of Membership shares are entitled to attend and vote at all meetings of the Co-operative and, subject always to the prior rights of the holders of Class A Preference shares, Class B Preference shares and Class C Preference shares, to receive dividends on Membership shares as may be declared from time to time at the sole discretion of the Board of Directors of the Co-operative.

8.2.2. Class A Preferences Shares

Dividends:

A holder of Class A Preference Shares shall be entitled to receive, and the Co-operative shall pay thereon, as and when declared by the Board of Directors of the Co-operative out of the assets of the Co-operative properly applicable to the payment of dividends, non-cumulative cash dividends at a rate fixed and determined by the Board of Directors of the Co-operative. For greater certainty, dividends on the Class B Preference Shares and Class C Preference Shares may, in the discretion of the Board of Directors of the Co-operative, be paid independently of and in priority to the Class A Preference Shares of the Co-operative or the Board of Directors of the Co-operative may resolve that holders of the Class A Preference Shares shall receive dividends independently of and in priority to the holders of one or more of the Class B Preference Shares and Class C Preference Shares of the Co-operative, but always in priority to the Membership shares of the Co-operative. Dividends on the Class A Preference Shares shall be calculated annually and shall accrue from the date of issue of the said Shares. In the event that the Board of Directors of the Co-operative should not declare a dividend on the Class A Preference Shares within one hundred and eighty (180) days following the close of the fiscal year of the Co-operative, the right of Class A Preference Shareholders to a dividend for that fiscal year shall be forever extinguished.

Voting Rights:

The holders of Class A Preference Shares shall be entitled to receive notice of and attend all meetings of members of the Co-operative but shall not be entitled to vote thereat. Subject to the Co-op Act, Class A Preference Shareholders shall be entitled to vote at all meetings of Class A Preference Shareholders called for the purpose of amending any of the preferences, rights, conditions, restrictions, limitations or prohibitions attaching to the said class of Shares, and at such meetings each Shareholder shall be entitled to cast one vote for each Class A Preference Share held.

Amendment of Share Provisions:

Any amendment to the Co-operative's articles or to the provisions of the Class A Preference shares, the effect of which is to delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to the Class A Preference shares, or to create a class of Preference shares ranking in priority to or on a parity with the Class A Preference shares, or to increase the number of Class A Preference shares authorized to be issued, may be confirmed by at least two-thirds of the votes cast at a meeting of the Class A Preference shareholders duly called for that purpose.

Redemption:

The Co-operative may at any time, and from time to time, redeem, without the consent of the Class A Preference shareholders, the whole or any part of the issued and outstanding Class A Preference shares upon payment of the par value thereof, together with any dividends declared but unpaid (in this Section 8.2.2, the "Redemption Price").

Notice of Redemption:

Unless all the holders of the Class A Preference Shares to be redeemed shall have waived notice of such redemption, the Co-operative shall give not less than thirty (30) days' notice in writing of such redemption by mailing to each person, who at the date of mailing is a registered holder of the Class A Preference Shares to be redeemed, a notice in writing of the intention of the Co-operative to redeem such Class A Preference Shares. Such notice shall be mailed in a prepaid envelope addressed to each Shareholder at his or her address as it appears on the books of the Co-operative or, in the event of the address of any such Shareholder not so appearing, then to the last known address of such Shareholder, provided however, that accidental failure or omission to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the Redemption Price of the Shares to be redeemed and the date on which redemption is to take place and, if part only of the Class A Preference Shares held by the person to whom notice is given is to be redeemed, the number of such Shares to be redeemed.

Redemption Procedure:

On or after the date so specified for redemption in such notice, the Co-operative shall pay or cause to be paid to, or to the order of, the registered holders of the Class A Preference Shares to be redeemed, the Redemption Price of such Shares on presentation and surrender, at the registered office of the Co-operative or any other place designated in such notice, of the certificates representing the Shares so called for redemption. Such payment shall be made by cheque payable at any branch in Canada of one of the Co-operative's bankers at that time.

Partial Redemption:

In case a part only of the Class A Preference Shares is at any time to be redeemed, the Shares so to be redeemed shall be redeemed as nearly as may be in proportion to the number of Class A Preference Shares that are registered in the name of each holder of Class A Preference Shares or in such other manner as the Board of Directors shall determine with the consent of the holders of the Class A Preference Shares in accordance with the Co-op Act.

Cessation of Rights:

From and after the date specified for redemption in any such notice, the Class A Preference Shares called for redemption shall cease to be entitled to dividends, and the holders thereof shall not be entitled to exercise any of the rights of Shareholders in respect thereof, unless payment of the Redemption Price of the Class A Preference Shares is not made upon presentation of the Share certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected.

Deposit of Redemption Price:

The Co-operative shall have the right, at any time after the mailing of notice of its intention to redeem any shares, to deposit the Redemption Price of the Class A Preference Shares so called for redemption or of such of the said Shares represented by certificates which have not at the date of such deposit been surrendered by the holders thereof in connection with any such redemption, in a special account at any chartered bank, trust company, credit union, or caisse populaire in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Shares called for redemption upon presentation and surrender to such bank, trust company, credit union or caisse populaire of the certificates representing the said Shares and, on such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Class A Preference Shares in respect of which such deposit shall have been made shall be redeemed and the holders thereof after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total Redemption Price of the Class A Preference Shares so deposited, against presentation and surrender of the said certificates held by them respectively, and interest allowed on any such deposit shall belong to the Co-operative.

No Redemption of Shares upon Withdrawal from Membership:

Class A Preference Shareholders are not entitled to demand the redemption of such Shares upon their withdrawal from membership in the Co-operative, and the Co-operative is not under any obligation to redeem such Shares upon a member's withdrawal from membership.

Dissolution:

In the event of the liquidation, dissolution, or winding-up of the Co-operative, whether voluntary or involuntary, the holders of Class A Preference Shares shall be entitled to receive, before any distribution of any part of the assets of the Co-operative among the holders of Class B Preference Shares, Class C Preference shares and Membership shares, their par value of Five Dollars ($5.00) for each Class A Preference Share, plus an amount equal to any dividends declared but not paid. Upon payment of the above amount, the holders of Class A Preference Shares shall not be entitled to any further share in the distribution of the property or assets of the Co-operative.

8.2.3. Class B Preferences Shares

Dividends:

A holder of Class B Preference Shares shall be entitled to receive, and the Co-operative shall pay thereon, as and when declared by the Board of Directors of the Co-operative out of the assets of the Co-operative properly applicable to the payment of dividends, non-cumulative cash dividends at a rate fixed and determined by the Board of Directors of the Co-operative. For greater certainty, dividends on the Class A Preference Shares and Class C Preference Shares may, in the discretion of the Board of Directors of the Co-operative, be paid independently of and in priority to the Class B Preference Shares of the Co-operative or the Board of Directors of the Co-operative may resolve that holders of the Class B Preference Shares shall receive dividends independently of and in priority to the holders of one or more of the Class A Preference Shares and Class C Preference Shares of the Co-operative, but always in priority to the Membership Shares of the Co-operative. Dividends on the Class B Preference Shares shall be calculated annually and shall accrue from the date of issue of the said Shares. In the event that the Board of Directors of the Co-operative should not declare a dividend on the Class B Preference Shares within one hundred and eighty (180) days following the close of the fiscal year of the Co-operative, the right of Class B Preference Shareholders to a dividend for that fiscal year shall be forever extinguished.

Voting Rights:

The holders of Class B Preference Shares shall be entitled to receive notice of and attend all meetings of members of the Co-operative but shall not be entitled to vote thereat. Subject to the Co-op Act, Class B Preference Shareholders shall be entitled to vote at all meetings of Class B Preference Shareholders called for the purpose of amending any of the preferences, rights, conditions, restrictions, limitations or prohibitions attaching to the said class of Shares, and at such meetings each Shareholder shall be entitled to cast one vote for each Class B Preference Share held.

Amendment of Share Provisions:

Any amendment to the Co-operative's articles or to the provisions of the Class B Preference Shares, the effect of which is to delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to the Class B Preference Shares, or to create a class of Preference Shares ranking in priority to or on a parity with the Class B Preference Shares, or to increase the number of Class B Preference Shares authorized to be issued, may be confirmed by at least two-thirds of the votes cast at a meeting of the Class B Preference Shareholders duly called for that purpose.

Redemption:

The Co-operative may at any time, and from time to time, redeem, without the consent of the Class B Preference Shareholders, the whole or any part of the issued and outstanding Class B Preference Shares upon payment of the par value thereof, together with any dividends declared but unpaid (in this Section 8.2.3 the "Redemption Price").

Notice of Redemption:

Unless all the holders of the Class B Preference Shares to be redeemed shall have waived notice of such redemption, the Co-operative shall give not less than thirty (30) days' notice in writing of such redemption by mailing to each person, who at the date of mailing is a registered holder of the Class B Preference Shares to be redeemed, a notice in writing of the intention of the Co-operative to redeem such Class B Preference Shares. Such notice shall be mailed in a prepaid envelope addressed to each Shareholder at his or her address as it appears on the books of the Co-operative or, in the event of the address of any such Shareholder not so appearing, then to the last known address of such Shareholder, provided however, that accidental failure or omission to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the Redemption Price of the Shares to be redeemed and the date on which redemption is to take place and, if part only of the Class B Preference Shares held by the person to whom notice is given is to be redeemed, the number of such Shares to be redeemed.

Redemption Procedure:

On or after the date so specified for redemption in such notice, the Co-operative shall pay or cause to be paid to, or to the order of, the registered holders of the Class B Preference Shares to be redeemed, the Redemption Price of such Shares on presentation and surrender, at the registered office of the Co-operative or any other place designated in such notice, of the certificates representing the Shares so called for redemption. Such payment shall be made by cheque payable at any branch in Canada of one of the Co-operative's bankers at that time.

Partial Redemption:

In case a part only of the Class B Preference Shares is at any time to be redeemed, the Shares so to be redeemed shall be redeemed as nearly as may be in proportion to the number of Class B Preference Shares that are registered in the name of each holder of Class B Preference Shares or in such other manner as the Board of Directors shall determine with the consent of the holders of the Class B Preference Shares in accordance with the Co-op Act.

Cessation of Rights:

From and after the date specified for redemption in any such notice, the Class B Preference Shares called for redemption shall cease to be entitled to dividends, and the holders thereof shall not be entitled to exercise any of the rights of Shareholders in respect thereof, unless payment of the Redemption Price of the Class B Preference Shares is not made upon presentation of the Share certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected.

Deposit of Redemption Price:

The Co-operative shall have the right, at any time after the mailing of notice of its intention to redeem any Shares, to deposit the Redemption Price of the Class B Preference Shares so called for redemption or of such of the said Shares represented by certificates which have not at the date of such deposit been surrendered by the holders thereof in connection with any such redemption, in a special account at any chartered bank, trust company, credit union, or caisse populaire in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Shares called for redemption upon presentation and surrender to such bank, trust company, credit union or caisse populaire of the certificates representing the said Shares and, on such deposit

being made or upon the date specified for redemption in such notice, whichever is the later, the Class B Preference Shares in respect of which such deposit shall have been made shall be redeemed and the holders thereof after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total Redemption Price of the Class B Preference Shares so deposited, against presentation and surrender of the said certificates held by them respectively, and interest allowed on any such deposit shall belong to the Co-operative.

No Redemption of Shares upon Withdrawal from Membership:

Class B Preference Shareholders are not entitled to demand the redemption of such Shares upon their withdrawal from membership in the Co-operative, and the Co-operative is not under any obligation to redeem such Shares upon a member's withdrawal from membership.

Dissolution:

In the event of the liquidation, dissolution, or winding-up of the Co-operative, whether voluntary or involuntary, the holders of Class B Preference Shares shall be entitled to receive, subject to the prior rights of the holders of the Class A Preference Shares, but before any distribution of any part of the assets of the Co-operative among the holders of Class C Preference Shares and Membership Shares, their par value of Five Dollars ($5.00) for each Class B Preference Share, plus an amount equal to any dividends declared but not paid. Upon payment of the above amount, the holders of Class B Preference Shares shall not be entitled to any further Share in the distribution of the property or assets of the Co-operative.

8.2.4. Class C Preferences Shares

Dividends:

A holder of Class C Preference Shares shall be entitled to receive, and the Co-operative shall pay thereon, as and when declared by the Board of Directors of the Co-operative out of the assets of the Co-operative properly applicable to the payment of dividends, non-cumulative cash dividends at a rate fixed and determined by the Board of Directors of the Co-operative. For greater certainty, dividends on the Class A Preference Shares and Class B Preference Shares may, in the discretion of the Board of Directors of the Co-operative, be paid independently of and in priority to the Class C Preference Shares of the Co-operative or the Board of Directors of the Co-operative may resolve that holders of the Class C Preference Shares shall receive dividends independently of and in priority to the holders of one or more of the Class A Preference Shares and Class B Preference Shares of the Co-operative, but always in priority to the Membership Shares of the Co-operative. Dividends on the Class C Preference Shares shall be calculated annually and shall accrue from the date of issue of the said Shares. In the event that the Board of Directors of the Co-operative should not declare a dividend on the Class C Preference Shares within one hundred and eighty (180) days following the close of the fiscal year of the Co-operative, the right of Class C Preference Shareholders to a dividend for that fiscal year shall be forever extinguished.

Voting Rights:

The holders of Class C Preference Shares shall be entitled to receive notice of and attend all meetings of members of the Co-operative but shall not be entitled to vote thereat. Subject to the Co-op Act, Class C Preference Shareholders shall be entitled to vote at all meetings of Class C Preference Shareholders called for the purpose of amending any of the preferences, rights, conditions, restrictions, limitations or prohibitions attaching to the said class of Shares, and at such meetings each Shareholder shall be entitled to cast one vote for each Class C Preference Share held.

Amendment of Share Provisions:

Any amendment to the Co-operative's articles or to the provisions of the Class C Preference Shares, the effect of which is to delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to the Class C Preference Shares, or to create a class of Preference Shares ranking in priority to or on a parity with the Class C Preference Shares, or to increase the number of Class C Preference Shares authorized to be issued, may be confirmed by at least two-thirds of the votes cast at a meeting of the Class C Preference Shareholders duly called for that purpose.

Redemption:

The Co-operative may at any time, and from time to time, redeem, without the consent of the Class C Preference Shareholders, the whole or any part of the issued and outstanding Class C Preference Shares upon payment of the par value thereof, together with any dividends declared but unpaid (in this Section 8.2.4 the "Redemption Price").

Notice of Redemption:

Unless all the holders of the Class C Preference Shares to be redeemed shall have waived notice of such redemption, the Co-operative shall give not less than thirty (30) days' notice in writing of such redemption by mailing to each person, who at the date of mailing is a registered holder of the Class C Preference Shares to be redeemed, a notice in writing of the intention of the Co-operative to redeem such Class C Preference Shares. Such notice shall be mailed in a prepaid envelope addressed to each Shareholder at his or her address as it appears on the books of the Co-operative or, in the event of the address of any such Shareholder not so appearing, then to the last known address of such Shareholder, provided however, that accidental failure or omission to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the Redemption Price of the Shares to be redeemed and the date on which redemption is to take place and, if part only of the Class C Preference Shares held by the person to whom notice is given is to be redeemed, the number of such Shares to be redeemed.

Redemption Procedure:

On or after the date so specified for redemption in such notice, the Co-operative shall pay or cause to be paid to, or to the order of, the registered holders of the Class C Preference Shares to be redeemed, the Redemption Price of such Shares on presentation and surrender, at the registered office of the Co-operative or any other place designated in such notice, of the certificates representing the Shares so called for redemption. Such payment shall be made by cheque payable at any branch in Canada of one of the Co-operative's bankers at that time.

Partial Redemption:

In case a part only of the Class C Preference Shares is at any time to be redeemed, the Shares so to be redeemed shall be redeemed as nearly as may be in proportion to the number of Class C Preference Shares that are registered in the name of each holder of Class C Preference Shares or in such other manner as the Board of Directors shall determine with the consent of the holders of the Class C Preference Shares in accordance with the Co-op Act.

Cessation of Rights:

From and after the date specified for redemption in any such notice, the Class C Preference Shares called for redemption shall cease to be entitled to dividends, and the holders thereof shall not be entitled to exercise any of the rights of Shareholders in respect thereof, unless payment of the Redemption Price of the Class C Preference Shares is not made upon presentation of the Share certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected.

Deposit of Redemption Price:

The Co-operative shall have the right, at any time after the mailing of notice of its intention to redeem any Shares, to deposit the Redemption Price of the Class C Preference Shares so called for redemption or of such of the said Shares represented by certificates which have not at the date of such deposit been surrendered by the holders thereof in connection with any such redemption, in a special account at any chartered bank, trust company, credit union, or caisse populaire in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Shares called for redemption upon presentation and surrender to such bank, trust company, credit union or caisse populaire of the certificates representing the said Shares and, on such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Class C Preference Shares in respect of which such deposit shall have been made shall be redeemed and the holders thereof after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total Redemption Price of the Class C Preference Shares so deposited, against presentation and surrender of the said certificates held by them respectively, and interest allowed on any such deposit shall belong to the Co-operative.

No Redemption of Shares upon Withdrawal from Membership:

Class C Preference Shareholders are not entitled to demand the redemption of such Shares upon their withdrawal from membership in the Co-operative, and the Co-operative is not under any obligation to redeem such Shares upon a member's withdrawal from membership.

Dissolution:

In the event of the liquidation, dissolution, or winding-up of the Co-operative, whether voluntary or involuntary, the holders of Class C Preference Shares shall be entitled to receive, subject to the prior rights of the holders of Class A Preference Shares and Class B Preference Shares, but before any distribution of any part of the assets of the Co-operative among the holders of Membership Shares, their par value of Five Dollars ($5.00) for each Class C Preference Share, plus an amount equal to any dividends declared but not paid. Upon payment of the above amount, the holders of Class C Preference Shares shall not be entitled to any further Share in the distribution of the property or assets of the Co-operative.

9. DESCRIPTION OF SECURITIES

CED Co-op is offering to sell MEMBERSHIP SHARES and CLASS C PREFERENCE SHARES, the attributes of which are as follows:

9.1. MEMBERSHIP SHARES

Purpose:

The Membership Shares are the mechanism through which voting and control of the Co-operative are exercised.

Offering:

Total Minimum Offering:	None
Total Maximum Offering:	$5,000
Minimum Individual Purchase:	1 @ $10 ($10)
Maximum Individual Purchase:	1 @ $10 ($10)

Share Price (Par Value): $10

Issue: Only natural persons ordinarily resident in Ontario aged 16 years of age and older may purchase Membership Shares. Each Member may purchase only one Membership Share, subject always to approval by the Board of Directors.

Closing Date: The initial closing of the sale of the Membership Shares will occur as soon as possible once all subscription documents and membership application documents have been received and the membership application has been approved by the Board.

Dividends: At the discretion of the Board, to the maximum amount permitted under the Co-op Act. Regulations under the Co-op Act currently set the maximum annual dividend at two per cent (2%) above the prime rate of a bank, trust company, or credit union named in the By-laws. It is not presently contemplated that CED Co-op will pay dividends to holders of Membership Shares.

Voting: Members in attendance at meetings of Members may vote and that vote will receive a weighting of one vote on any matters relating to the Co-operative that are brought before the Membership. Quorum for a meeting of Members is the lower of 5% of Members and 10 Members. In accordance with the Co-op Act, voting by proxy is not permitted.

Rank: Junior, with respect to the payment of interest and principal on secured loans. Junior, to the payment of interest and principal on Bonds. Junior, to dividends on the Class A Preference Shares, Class B Preference Shares and Class C Preference Shares. Junior, to the Class A Preference Shares, Class B Preference Shares and Class C Preference Shares upon dissolution.

Transfer: Subject to the consent of the Board and to the provisions of the Co-op Act regarding the transfer of Shares. Such approval shall not unreasonably be withheld.

9.2. CLASS C PREFERENCE SHARES

Purpose:

CED Co-op believes the Class C Preference Shares provide an opportunity for the Co-operative to distribute after tax earnings as "eligible dividends" to the Shareholder. Though the payment of dividends on the Preference Shares is not guaranteed and is at the discretion of the Board of Directors, it is the present intention of the Board of Directors to pay a consistent minimum dividend rate.

The projected return available to Class C Preference Shareholders is currently targeted at 6% per annum. It is anticipated, though cannot be guaranteed, that declarations of dividends on the Class C preference shares will continue on the pattern that they have, and as funds raised from the sale of Class C Preference Shares are able to be invested in projects that begin to produce operating revenues. The Co-operative anticipates that the payment of dividends on the Class C Preference Shares will continue to be in the form of a stock dividend rather than a cash dividend, though always subject to the decision of the Board of Directors.

The Co-operative believes the potentially flexible redemption process and the handling of this Security could be suitable for both short term and long-term Investors as well as both those who are looking for annual cash flows, and those who prefer the investment to potentially continue to grow over time. This security may suit an Investor who is willing to invest in a Security that does not have a fixed or minimum return but has the potential to earn a higher rate of return than other Securities offered by the Co-operative.

The Co-operative believes that the ability to continue to develop new projects and reinvest the revenues from projects into new project opportunities will enable a consistent valuation for the Class C Preference shares and therefore an opportunity for the transfer of the Class C Preference Shares at their $5 par value per share.

Offering:

Total Minimum Offering:	None
Total Maximum Offering:	$4,000,000
Minimum Individual New Investor Purchase:	400 @ $5 ($2,000)
Minimum Individual Existing Investor Purchase:	None
Maximum Individual Purchase:	None

Issue: Following the receipting of the Offering Statement, Members and Non-Members will be eligible to purchase Class C Preference Shares. All purchases are subject to approval by the Board of Directors. The Class C Preference Shares are eligible to be held in Registered Plans and the Co-operative is able to accept investment through Registered Plans.

Closing Date: The initial closing of the sale of the Class C Preference Shares is anticipated to occur, as much as possible, on a quarterly basis, on the dates of March 16th, June 16th, September 16th and December 16th, assuming all subscription documents have been received and approved by the Co-operative.

Dividends: Holders of the Class C Preference Shares shall be entitled to receive, and the Co-operative shall pay thereon, as and when declared by the Board of Directors of the Co-operative, dividends at a rate fixed and determined by the Board of Directors of the Co-operative. At the discretion of the Board of Directors of the Co-operative, dividends may be paid in the form of a stock dividend or a non-cumulative cash dividend. Further, at the discretion of the Board, dividends on the Class C Preference Shares may be declared and paid in priority, or subject to priority, to dividends on the Class A Preference Shares or the Class B Preference Shares of the Co-operative, but always in priority to the Membership Shares of the Co-operative. In the event that the Board of Directors of the Co-operative does not declare a dividend on the Class C Preference Shares within one hundred and eighty days (180 days) following the close of the fiscal year of the Co-operative, the right of the holders of the Class C Preference Shares for that fiscal year shall be forever extinguished.

The amount of cash flow or profits from the operations of the Co-operative which are available for dividends depends on a number of factors including the proportion of Class C Preference Shares in relation to the amount of funds raised and outstanding of the other Securities and loans of the Co-operative. The Projected Financial Statements attached as Appendix A have a targeted dividend rate of 6%, however this is not a guaranteed return. Even if dividends are declared, it is likely that the actual amount of dividends declared each year will vary, and the anticipated schedule of declaring quarterly dividends may change. Should the Board of Directors be in a position to declare dividends on the Class C Preference Shares, a projected sample schedule of declared and paid stock

dividends and the repurchase of Shares, at the request of a Shareholder, is shown in the table below and is based on a $100,000 purchase of 20,000 Class C Preference Shares**. This is an example only, and not intended be a forecast or to bind the Co-operative or a Shareholder to any particular dividend or redemption schedule.**

Class C Preference Share Investment **$ 100,000** **$ 5.00** **Share Price**

Year	Shares	Value	Rate	Dividend	Divdend Value	Redeemed	Payment	Shares	Ending Value	Income
1	20,000	$ 100,000	6.00%	1,200	$ 6,000	-	$ -	21,200	$ 106,000	$ 6,000
2	21,200	$ 106,000	5.50%	1,166	$ 5,830	-	$ -	22,366	$ 111,830	$ 5,830
3	22,366	$ 111,830	4.50%	1,006	$ 5,030	-	$ -	23,372	$ 116,860	$ 5,030
4	23,372	$ 116,860	6.75%	1,578	$ 7,890	-	$ -	24,950	$ 124,750	$ 7,890
5	24,950	$ 124,750	5.50%	1,372	$ 6,860	- 8,000	$ 40,000	18,322	$ 91,610	$ 6,860
6	18,322	$ 91,610	6.50%	1,191	$ 5,955	-	$ -	19,513	$ 97,565	$ 5,955
7	19,513	$ 97,565	5.75%	1,122	$ 5,610	-	$ -	20,635	$ 103,175	$ 5,610
8	20,635	$ 103,175	6.50%	1,341	$ 6,705	- 8,000	$ 40,000	13,976	$ 69,880	$ 6,705
9	13,976	$ 69,880	5.25%	734	$ 3,670	-	$ -	14,710	$ 73,550	$ 3,670
10	14,710	$ 73,550	6.00%	883	$ 4,415	- 1,000	$ 5,000	14,593	$ 72,965	$ 4,415
11	14,593	$ 72,965	5.50%	803	$ 4,015	- 2,000	$ 10,000	13,396	$ 66,980	$ 4,015
12	13,396	$ 66,980	6.25%	837	$ 4,185	- 2,000	$ 10,000	12,233	$ 61,165	$ 4,185
13	12,233	$ 61,165	7.00%	856	$ 4,280	- 2,000	$ 10,000	11,089	$ 55,445	$ 4,280
14	11,089	$ 55,445	6.75%	749	$ 3,745	- 2,000	$ 10,000	9,838	$ 49,190	$ 3,745
15	9,838	$ 49,190	5.50%	541	$ 2,705	- 2,000	$ 10,000	8,379	$ 41,895	$ 2,705
16	8,379	$ 41,895	6.50%	545	$ 2,725	- 2,000	$ 10,000	6,924	$ 34,620	$ 2,725
17	6,924	$ 34,620	6.50%	450	$ 2,250	- 2,000	$ 10,000	5,374	$ 26,870	$ 2,250
18	5,374	$ 26,870	5.00%	269	$ 1,345	- 2,000	$ 10,000	3,643	$ 18,215	$ 1,345
19	3,643	$ 18,215	6.75%	246	$ 1,230	- 2,000	$ 10,000	1,889	$ 9,445	$ 1,230
20	1,889	$ 9,445	6.00%	113	$ 565	- 2,002	$ 10,010	-	$ -	$ 565
Totals	**20,000**		**6.00%**	**17,002**	**$ 85,010**	**- 37,002**	**$ 185,010**			**$ 85,010**

- As outlined in the example above, an Investor subscribes for 20,000 Class C Preference Shares at a par value of $5 per share for a total investment of $100,000.
- In year 1, the Board begins to declare dividends, and declares a dividend of 6.00% resulting in a stock dividend of 1,200 shares, bringing the total share holdings to 21,200. This has a value of $6,000, and, assuming this is not held in a Registered Plan, a T5 is issued to the Investor based on $6,000 of eligible dividends.
- In the next year, the Board declares dividends of 5.50% resulting in a stock dividend of 1,166 additional shares, bringing the total share holdings to 22,366 shares for a value of $111,830. Again, a T5 is issued based on the value of the stock dividend of 988 shares at $5 for a total of $5,830.
- This process, potentially, continues annually, with varying amounts.
- Following the dividends being declared and the associated shares being issued in year 5 (this representing potentially taxable income), the Investor submits a request to redeem 8,000 Class C Preference shares at a value of $40,000. This request is approved by the board, the Investor receives a payment of $40,000 and the share holdings are reduced by 8,000 shares. This portion of the transaction represents a return of capital and is not considered income for inclusion in a T5.
- Another similar request for redemption of 8,000 shares is made in year 8, following the stock dividend. The request is approved, and the Investor receives payment of $40,000.
- Beginning in year 10, the Investor starts to submit annual requests for share redemptions, subject to board approval, and begins receiving annual payments based on the redemption requests, despite varying rates of stock dividends being paid throughout.
- At the end of year 20, through continued redemptions of shares, the holdings of Class C Preference Shares of the Investor are reduced to 0.

This particular example outlined above illustrates a set of potential circumstances over a 20-year period. There is no intended guidance provided on the timelines, dividend rates or redemption periods through this example. It is anticipated that the Co-operative will continue to develop and operate projects beyond the 20 years outlined above.

It is presently believed that only the dividend, whether it is paid in the form of cash or in the form of stock, as outlined in the last column, would be treated as taxable income to the Shareholder, in the calendar year in which the dividend was paid, regardless of the year the shares may be redeemed or transferred. Holding of the Class C Preference Shares in Registered Plans will vary this tax treatment. Prospective Investors are cautioned to consult with their tax advisors regarding the treatment of dividends on the Class C Preference Shares.

Amendment: The rights of amendment of Class C Preference Shares are set out under "Amendment – Class C Preference Shares" found in Section 8.2.4 hereof.

Redemption by the Co-operative:

The rights of redemption of Class C Preference Shares by the Co-operative are set out under "Redemption – Class C Preference Shares" found in Section 8.2.4 hereof.

Redemption by the Shareholder:

The Class C Preference Shares are not redeemable by the Shareholder on demand. The holder of the Class C Preference Shares may provide notice to the Co-operative, in email or in writing, of a desire to redeem any or all of the Class C Preference Shares held by the Investor. This request for redemption will be reviewed by the Board of Directors of the Co-operative, and potentially approved, at the sole discretion of the Board, subject to the financial position of the Co-operative and its ability to redeem the shares for any or all requests from Investors for the redemption of Class C Preference Shares. The Act prohibits the redemption of the Shares of the Co-operative if CED Co-op is or would be, as a result of such redemption, insolvent or if such repurchase would, in the opinion of the Board, be detrimental to the financial stability of CED Co-op.

It is the intent of the Co-operative to continue to develop annual offerings for Class C Preference Shares or other securities to provide funds for the development of more projects as well as help maintain the liquidity of the Co-operative should the request for redemptions exceed the amount of shares that can be redeemed from the cash flows of the co-operative.

In the event that a notice of request for redemption by the Shareholder is received by the Co-operative and the Co-operative is unable or unwilling to comply with the request, the Co-operative will endeavor to maintain a list of parties that are interested in buying the Securities and will work towards facilitating a transfer of the Securities on a best-efforts basis. There is no guarantee that a willing buyer of the Class C Preference Shares will exist at the time the request is made, or that a buyer will exist in the future.

Holders of the Class C Preference shares may submit one redemption request in each 3-month period and the Co-operative anticipates that there will be no fee for this redemption of any Class C Preference shares that may be approved from this request. However, the Co-operative reserves the right to implement a transaction or administration fee for this service. Facilitating the trade or transfer of Securities outside of this schedule is subject to approval by the Board and an administration fee, currently $75, subject to change at the sole discretion of the Co-operative. The anticipated schedule for the potential completion of redemption requests in each year is as follows:

Requested Submission Deadlines	If Approved, Anticipated Payment Dates
February 28th	March 16th
May 31st	June 16th
August 31st	September 16th
November 30th	December 16th

Voting: The voting rights of the holders of Class C Preference Shares are set out under "Voting Rights – Class C Preference Shares" found in Section 8.2.4 hereof.

Rank: Junior, with respect to the payment of interest and principal on secured loans. Junior, to the payment of interest and principal on Bonds. Pari Passu, to dividends paid on Class A Preference Shares and Class B Preference Shares. Junior, to the Class A Preference Shares and Class B Preference Shares upon dissolution. Senior, to Membership Shares.

Transfer: Subject to an administration fee, which is currently $75 though subject to change, the consent of the Board and to the provisions of the Co-op Act regarding the transfer of Preference Shares. Such approval shall not unreasonably be withheld.

9.3. BONDS SERIES S1

Purpose:

The Bonds S1 are a self-amortizing bond with a maturity of 10 years. This investment has been designed for the Investor who may be planning to make the investment through a Registered Plan such as a RRSP or TFSA, or an Investor who is looking for annual cash flows. This investment is available to both Members and Non-Members. As a Bond, the returns are interest based for tax purposes, however only the interest portion of the annual payments would be taxed as income when held outside of a Registered Plan. When held inside of certain Registered Plans, income taxes may be deferred until a withdrawal is made from the Registered Plan, at which point the full withdrawal may be subject to income tax.

Offering:

Total Minimum Offering:	None
Total Maximum Offering:	$1,000,000
Minimum Individual New Investor Purchase:	$2,000
Minimum Individual Existing Investor Purchase:	None
Maximum Individual Purchase:	None

Issue: Following the receipting of the Offering Statement, Members and Non-Members will be eligible to purchase Bonds Series S1. All purchases are subject to approval by the Board of Directors of the Co-operative. Investment can be made through a Registered Plan or outside of Registered Plans.

Closing Date: The initial closing of the sale of the Bonds Series S1 will occur as soon as possible once all subscription documents have been received and approved by the Co-operative.

Interest and Maturity: The Bonds Series S1 is a self-amortizing bond paying an interest rate of 4.5% with a maturity of 10 years.

The payments of interest and principal of a potential $25,000 investment into the Bond Series S1 is outlined in the table below.

Bond Series S1 Investment **$ 25,000.00**

Year	Yield	Interest	Principal	Payment	Balance
1	4.50%	$ 1,125.00	$ 2,034.47	$ 3,159.47	$ 22,965.53
2	4.50%	$ 1,033.45	$ 2,126.02	$ 3,159.47	$ 20,839.51
3	4.50%	$ 937.78	$ 2,221.69	$ 3,159.47	$ 18,617.82
4	4.50%	$ 837.80	$ 2,321.67	$ 3,159.47	$ 16,296.15
5	4.50%	$ 733.33	$ 2,426.14	$ 3,159.47	$ 13,870.00
6	4.50%	$ 624.15	$ 2,535.32	$ 3,159.47	$ 11,334.68
7	4.50%	$ 510.06	$ 2,649.41	$ 3,159.47	$ 8,685.27
8	4.50%	$ 390.84	$ 2,768.63	$ 3,159.47	$ 5,916.64
9	4.50%	$ 266.25	$ 2,893.22	$ 3,159.47	$ 3,023.42
10	4.50%	$ 136.05	$ 3,023.42	$ 3,159.47	$ -
Totals		**$ 6,594.71**	**$ 25,000.00**	**$ 31,594.71**	

As outlined in the table above, 10 equal payments of $3,159.47 would be made for an Investment of $25,000 on the anniversary dates of the Investment for a period of 10 years.

Security: The Bonds Series S1 are unsecured obligations.

Amendment of Bond Provisions: The rights of the holders of the Bonds Series S1 may be modified or waived in accordance with the terms of the Bonds Series S1, which will make binding on all holders of Bonds Series S1, resolutions passed at meetings of the holders of Bonds Series S1 (which may be called by the Co-operative or a holder of Bonds Series S1 upon not less than 21 days' notice) by votes cast thereat by holders of at least two-thirds of the aggregate principal amount of the Bonds Series S1 present at the meeting, provided that a quorum for all meetings of holders of Bonds Series S1 (other than meetings following an adjournment due to failure to achieve quorum) will be at least 25% of the principal amount of outstanding Bonds Series S1 represented in person, or

rendered by instruments in writing signed by the holders of at least two-thirds of the aggregate principal amount of the Bonds Series S1 then outstanding.

Redemption by the Co-operative:

The Co-operative may at any time, and from time to time, redeem, without the consent of the Bondholders, the whole or any part of the issued and outstanding Bonds Series S1 upon payment of the principal, together with any accrued interest, in this section, the “Redemption Price”.

Notice of Redemption:

Unless all the holders of the Bonds Series S1 to be redeemed shall have waived notice of such redemption, the Co-operative shall give not less than thirty (30) days' notice in writing of such redemption by mailing to each person, who at the date of mailing is a registered holder of the Bonds Series S1 to be redeemed, a notice in writing of the intention of the Cooperative to redeem such Bonds Series S1. Such notice shall be sent electronically, or mailed in a prepaid envelope addressed to each Bondholder at his or her email or municipal address as it appears on the books of the Co-operative or, in the event of the address of any such Bondholder not so appearing, then to the last known address of such Bondholder, provided however, that accidental failure or omission to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the Redemption Price of the Bonds to be redeemed and the date on which redemption is to take place and, if part only of the Bonds Series S1 held by the person to whom notice is given are to be redeemed, the amount of the Bonds to be redeemed.

Redemption Procedure:

On or after the date so specified for redemption in such notice, the Cooperative shall pay or cause to be paid to, or to the order of, the registered holders of the Bond Series S1 to be redeemed, the Redemption Price of such Bonds on presentation and surrender, at the registered office of the Co-operative or any other place designated in such notice, of the certificates representing the Bonds so called for redemption. Such payment shall be made by electronic funds transfer, or such methods as mutually agreed upon by the purchaser and the Co-operative.

Partial Redemption:

In case a part only of the Bond Series S1 are at any time to be redeemed, the Bonds so to be redeemed shall be redeemed as nearly as may be in proportion to the amount of Bond Series S1 that are registered in the name of each holder of Bond Series S1 or in such other manner as the Board of Directors shall determine with the consent of the holders of the Bond Series S1 in accordance with the Co-op Act.

Redemption by the Bondholder:

Bonds Series S1 are not redeemable by the Bondholder on demand. The Co-operative may, from time to time before maturity, and upon written notice of request for early redemption by the Bondholder, offer to repay all or a portion of the principal outstanding. This is subject to approval by the Board and an early redemption fee of $75. In the event that a written notice of request for early redemption by the Bondholder is received by the Cooperative and the Co-operative is unable or unwilling to comply with the request, the Co-operative will endeavor to maintain a list of parties that are interested in buying the Securities, and will work towards facilitating a transfer of the Securities on a commercially reasonable efforts basis. There is no guarantee that a willing buyer of the Bonds Series S1 will exist at the time the request is made, or that a buyer will exist in the future.

Events of Default: The occurrence of any of the following events shall constitute an event of default

(a) If default occurs in the performance of any material covenant or obligation of the Co-operative in favour of the Bondholder under the Bonds Series S1 certificate and such default is not waived in writing by the Bondholder, or by Bondholders holding, in the aggregate, a majority of the aggregate principal amount outstanding of Bonds Series S1 or, to the extent such default may be remedied, such default remains unremedied for a period of 30 consecutive days;

(b) If an event of default occurs in payment or performance of any obligation in favour of any Person from whom the Co-operative has borrowed money in excess of $100,000, and such default is not waived in writing or remains unremedied for a period of 30 consecutive days;

(c) The Co-operative (i) becomes insolvent or generally not able to pay its debts as they become due, (ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit of creditors;

(iii) institutes or has instituted against it any proceeding seeking (x) to adjudicate it a bankrupt or insolvent, (y) dissolution, liquidation, winding-up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or (z) the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its properties and assets, and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any of the actions sought in such proceeding (including the entry of an order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs, or (iv) takes any corporate action to authorize any of the above actions;

(d) If any judgment or order for the payment of money in excess of $100,000 shall be rendered against the Co-operative and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order, or (ii) there shall be any period of 10 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(e) If any act, matter or thing is done, or any action or proceeding is launched or taken, to terminate the corporate existence of the Co-operative, whether by dissolution, winding-up, liquidation or otherwise.

No Redemption of Bonds upon Withdrawal from Membership:

Holders of Bonds Series S1 are not entitled to demand the redemption of such Bonds upon their withdrawal from membership in the Co-operative, and the Co-operative is not under any obligation to redeem such Bonds upon a member's withdrawal from membership.

Voting: The Bonds have no voting rights.

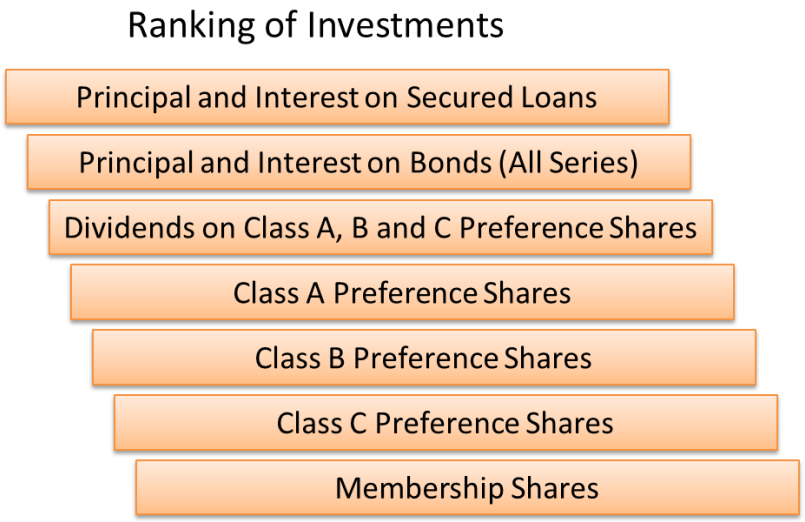
Rank: Junior, with respect to the payment of interest and principal on secured loans. Pari Passu, to the payment of interest and principal on Bonds. Senior, to the payment of dividends on the Class A Preference Shares, Class B Preference Shares and Class C Preference Shares. Senior, to the Class A Preference Shares, Class B Preference Shares, Class C Preference Shares and Membership Shares upon dissolution.

Transfer: Subject to a $75 administration fee, the consent of the Board and to the provisions of the Co-op Act regarding the transfer of Debt Obligations. Such approval shall not unreasonably be withheld.

Dissolution: In the event of the liquidation, dissolution, or winding-up of the Co-operative, whether voluntary or involuntary, the holders of Bonds Series S1 shall be entitled to receive, after the retirement of any secured loans, the amount of principal outstanding, plus any interest earned but unpaid. Upon payment of such amount, the holders of Bonds Series S1 shall not be entitled to any further share in the distribution of the property or assets of the Co-operative.

9.4. RANKING OF INVESTMENTS

The following diagram shows the ranking of the Securities of CED Co-op.



As described in the Rank paragraph of Section 9.2 Class C Preference Shares, security for the Class C Preference Shares and Membership shares ranks behind principal and interest on all secured loans, principal and interest on all unsecured loans, principal and interest on all Bonds, dividends that have been declared but unpaid on all classes of Preference Shares, Class A Preference Shares and Class B Preference Shares.

As described in the Rank paragraph of Section 9.3 Bonds Series S1, security for the Bonds Series S1 ranks behind principal and interest on all secured loans, in equal priority with principal and interest on all unsecured loans, principal and interest on all Bonds, and ahead of all dividends that have been declared but unpaid and on all classes of Preference Shares, Class A Preference Shares and Class B Preference Shares.

In the event of a default (which could be the result of a payment default or a covenant breach), prior ranking creditors would be able to exercise their rights under the applicable lending agreements in full satisfaction of obligations due to such creditors. Under such a scenario, holders of the Class C Preference Shares, Bonds Series S1 and Membership shares will not receive any payments or interest unless all prior ranking obligations are paid in full. This is identified as a risk factor in Section 5: Risk Factors – Financial – Security.

9.5. REGISTERED PLANS

Investors who intend to hold any of the Securities of CED Co-op that may be eligible to be held within RESPs, RRSPs, RRIFs, FHSAs or TFSAs will need to hold the securities in a self-directed Registered Plan. If the Investor already has a Registered Plan in place, CED Co-op recommends they contact the host of their plans to determine if they are able to make investments in CED Co-op through their current plan. For those who do not already have a self-directed Registered Plan that can hold the eligible Securities of CED Co-op, the Co-operative is working with CWCF and Olympia Trust to assist Investors in setting up a self-directed Registered Plan. At this time, CWCF offers RRSP and TFSA based plans, and Olympia Trust offers RRIF based plans. The primary fees that are expected to be incurred by the Investor are annual administration fees, currently ranging from $55 to $175 per year, and transaction fees, currently ranging from $0 to $100 per transaction (purchases, transfers, withdrawals). The current fee schedule for CWCF is attached as Appendix H, and the current fee schedule for Olympia Trust is attached as Appendix I.

The government of Canada publishes a guide called “T4040 RRSPs and Other Registered Plans for Retirement”, and as of the date of the Offering, it is available at the following link: https://www.canada.ca/content/dam/cra-arc/formspubs/pub/t4040/t4040-25e.pdf

As noted in this guide referenced above, in the year a person turns 71, all funds must be withdrawn from a RRSP account, or transferred to a RRIF account, though withdrawals or transfers can happen in years prior to turning 71. For the eligible securities of CED Co-op, assuming the Investor would like to retain the registered status of the Securities, an Investor may need to transfer their Securities which are held in a RRSP account to a self-directed RRIF account with Olympia Trust, in the absence of other options with their current RRSP account provider. There are fees that are incurred by the Investor in this transfer process, as outlined in the fee schedules.

In general, the rules of RRIF plans require minimum amounts to be withdrawn from the plan in each calendar year. Maintaining cash balances in the RRIF account sufficient to allow such withdrawals remains the responsibility of the Investor, and the Investor will need to select securities with anticipated payout schedules, or request redemptions of Securities, to facilitate the required withdrawal amounts. In the event that CED Co-op is unable to approve or provide redemptions of Securities or make scheduled payments on Securities to satisfy RRIF withdrawal requirements from cash, Olympia Trust, or the RRIF plan holder as it may be, will de-register a portion of the holdings of the Investor as a deemed withdrawal to satisfy requirements. This deemed withdrawal may result in the Investor receiving taxable income without accompanying cash payments. Management of the required withdrawal amounts is the responsibility of the plan administrator and the Investor, and CED Co-op bears no responsibility for compliance with RRIF withdrawal requirements. It should also be noted that there are fees involved in withdrawals from all Registered Plans, as noted in the fee schedules.

The actual fees payable may be different than the schedules provided and should be confirmed with the Registered Plan provider by the Investor prior to making an investment. Any questions or concerns an Investor may have regarding the procedures of making investments through Registered Plans should be directed to the plan administrator prior to making an investment. There may be other fees that are applicable, and these fees are subject to change. For this reason, it is recommended that investments in CED Co-op through self-directed plans not total less than $10,000.

10. DIVIDENDS AND DISTRIBUTIONS PAID, DECLARED OR ACCUMULATED BUT UNPAID

The Board of CED Co-op began declaring quarterly dividends to the holders of Class A Preference Shares on November 29, 2016, payable on December 15, 2016, and has declared a dividend on the Class A Preference shares each of the quarters since that time. The aggregate amount of $3,924,703 has been paid out in cash to the holders of Class A Preference Shares of record to the end of December 31, 2025.

Date	Share Class	Percentage	Amount	Status	Cumulative
December 15, 2016	Class A Preference	2.25%	$ 133,426	Paid	$ 133,426
March 15, 2017	Class A Preference	2.25%	$ 133,651	Paid	$ 267,077
June 15, 2017	Class A Preference	2.25%	$ 133,224	Paid	$ 400,301
September 15, 2017	Class A Preference	2.25%	$ 133,404	Paid	$ 533,704
December 15, 2017	Class A Preference	2.25%	$ 133,392	Paid	$ 667,097
March 15, 2018	Class A Preference	2.25%	$ 130,373	Paid	$ 797,470
June 15, 2018	Class A Preference	2.25%	$ 130,351	Paid	$ 927,820
September 15, 2018	Class A Preference	2.25%	$ 130,285	Paid	$ 1,058,105
December 15, 2018	Class A Preference	2.25%	$ 130,285	Paid	$ 1,188,390
March 15, 2019	Class A Preference	2.25%	$ 127,088	Paid	$ 1,315,478
June 15, 2019	Class A Preference	2.25%	$ 127,119	Paid	$ 1,442,597
September 15, 2019	Class A Preference	2.25%	$ 127,109	Paid	$ 1,569,706
December 15, 2019	Class A Preference	2.25%	$ 126,821	Paid	$ 1,696,527
March 15, 2020	Class A Preference	1.75%	$ 96,137	Paid	$ 1,792,664
June 15, 2020	Class A Preference	1.75%	$ 96,153	Paid	$ 1,888,817
September 15, 2020	Class A Preference	1.75%	$ 96,137	Paid	$ 1,984,955
December 15, 2020	Class A Preference	1.75%	$ 96,137	Paid	$ 2,081,092
March 15, 2021	Class A Preference	1.75%	$ 96,137	Paid	$ 2,177,230
June 15, 2021	Class A Preference	1.75%	$ 93,168	Paid	$ 2,270,397
September 15, 2021	Class A Preference	1.75%	$ 93,168	Paid	$ 2,363,565
December 15, 2021	Class A Preference	1.75%	$ 93,168	Paid	$ 2,456,732
March 15, 2022	Class A Preference	1.75%	$ 93,121	Paid	$ 2,549,854
June 15, 2022	Class A Preference	1.75%	$ 93,106	Paid	$ 2,642,960
September 15, 2022	Class A Preference	1.75%	$ 93,091	Paid	$ 2,736,050
December 15, 2022	Class A Preference	1.75%	$ 91,468	Paid	$ 2,827,518
March 15, 2023	Class A Preference	1.75%	$ 92,072	Paid	$ 2,919,591
June 15, 2023	Class A Preference	1.75%	$ 91,437	Paid	$ 3,011,028
September 15, 2023	Class A Preference	1.75%	$ 91,422	Paid	$ 3,102,450
December 15, 2023	Class A Preference	1.75%	$ 91,399	Paid	$ 3,193,849
March 15, 2024	Class A Preference	1.75%	$ 91,399	Paid	$ 3,285,248
June 15, 2024	Class A Preference	1.75%	$ 91,382	Paid	$ 3,376,630
September 15, 2024	Class A Preference	1.75%	$ 91,382	Paid	$ 3,468,012
December 15, 2024	Class A Preference	1.75%	$ 91,382	Paid	$ 3,559,394
March 15, 2025	Class A Preference	1.75%	$ 91,526	Paid	$ 3,650,920
June 15, 2025	Class A Preference	1.75%	$ 91,261	Paid	$ 3,742,181
September 15, 2025	Class A Preference	1.75%	$ 91,261	Paid	$ 3,833,442
December 15, 2025	Class A Preference	1.75%	$ 91,261	Paid	$ 3,924,703

The Board of CED Co-op began declaring quarterly dividends to the holders of Class B Preference Shares on September 6, 2018, payable on September 15, 2018, and has declared a dividend on the Class B Preference shares each of the quarters since that time. The aggregate amount of $1,376,852 has been paid out in cash to the holders of Class B Preference Shares to the end of December 31, 2025.

Date	Share Class	Percentage	Amount	Status	Cumulative
September 15, 2018	Class B Preference	1.75%	$ 55,005	Paid	$ 55,005
December 15, 2018	Class B Preference	1.75%	$ 55,005	Paid	$ 110,010
March 15, 2019	Class B Preference	1.75%	$ 59,673	Paid	$ 169,683
June 15, 2019	Class B Preference	1.75%	$ 57,536	Paid	$ 227,219
September 15, 2019	Class B Preference	1.75%	$ 57,536	Paid	$ 284,755
December 15, 2019	Class B Preference	1.75%	$ 57,536	Paid	$ 342,291
March 15, 2020	Class B Preference	1.375%	$ 43,199	Paid	$ 385,490
June 15, 2020	Class B Preference	1.375%	$ 43,199	Paid	$ 428,689
September 15, 2020	Class B Preference	1.375%	$ 43,199	Paid	$ 471,888
December 15, 2020	Class B Preference	1.375%	$ 43,199	Paid	$ 515,087
March 15, 2021	Class B Preference	1.375%	$ 43,199	Paid	$ 558,287
June 15, 2021	Class B Preference	1.375%	$ 41,051	Paid	$ 599,337
September 15, 2021	Class B Preference	1.375%	$ 41,051	Paid	$ 640,388
December 15, 2021	Class B Preference	1.375%	$ 41,051	Paid	$ 681,439
March 15, 2022	Class B Preference	1.375%	$ 41,051	Paid	$ 722,490
June 15, 2022	Class B Preference	1.375%	$ 41,001	Paid	$ 763,492
September 15, 2022	Class B Preference	1.375%	$ 41,001	Paid	$ 804,493
December 15, 2022	Class B Preference	1.50%	$ 44,729	Paid	$ 849,221
March 15, 2023	Class B Preference	1.50%	$ 44,741	Paid	$ 893,962
June 15, 2023	Class B Preference	1.50%	$ 44,741	Paid	$ 938,703
September 15, 2023	Class B Preference	1.50%	$ 44,046	Paid	$ 982,750
December 15, 2023	Class B Preference	1.50%	$ 44,046	Paid	$ 1,026,796
March 15, 2024	Class B Preference	1.50%	$ 44,046	Paid	$ 1,070,843
June 15, 2024	Class B Preference	1.50%	$ 44,046	Paid	$ 1,114,889
September 15, 2024	Class B Preference	1.50%	$ 44,046	Paid	$ 1,158,935
December 15, 2024	Class B Preference	1.50%	$ 43,638	Paid	$ 1,202,573
March 15, 2025	Class B Preference	1.50%	$ 43,570	Paid	$ 1,246,143
June 15, 2025	Class B Preference	1.50%	$ 43,570	Paid	$ 1,289,713
September 15, 2025	Class B Preference	1.50%	$ 43,570	Paid	$ 1,333,282
December 15, 2025	Class B Preference	1.50%	$ 43,570	Paid	$ 1,376,852

The Board of CED Co-op began declaring quarterly dividends to the holders of Class C Preference Shares on December 9, 2021, payable on December 15, 2021, and has declared a dividend on the Class C Preference Shares each of the quarters since that time. The aggregate amount of $1,449,995 has been paid out in the form of additional share certificates to the holders of Class C Preference Shares to the end of December 31, 2025.

Date	Share Class	Percentage	Amount	Status	Cumulative
December 15, 2021	Class C Preference	1.00%	$ 31,770	Paid	$ 31,770
March 15, 2022	Class C Preference	1.00%	$ 35,400	Paid	$ 67,170
June 15, 2022	Class C Preference	1.00%	$ 35,475	Paid	$ 102,645
September 15, 2022	Class C Preference	1.00%	$ 37,085	Paid	$ 139,730
December 15, 2022	Class C Preference	1.50%	$ 60,710	Paid	$ 200,440
March 15, 2023	Class C Preference	1.50%	$ 73,390	Paid	$ 273,830
June 15, 2023	Class C Preference	1.50%	$ 80,685	Paid	$ 354,515
September 15, 2023	Class C Preference	1.50%	$ 80,975	Paid	$ 435,490
December 15, 2023	Class C Preference	1.50%	$ 89,675	Paid	$ 525,165
March 15, 2024	Class C Preference	1.50%	$ 96,205	Paid	$ 621,370
June 15, 2024	Class C Preference	1.50%	$ 101,335	Paid	$ 722,705
September 15, 2024	Class C Preference	1.50%	$ 103,005	Paid	$ 825,710
December 15, 2024	Class C Preference	1.50%	$ 110,015	Paid	$ 935,725
March 15, 2025	Class C Preference	1.50%	$ 117,075	Paid	$ 1,052,800
June 15, 2025	Class C Preference	1.50%	$ 130,375	Paid	$ 1,183,175
September 15, 2025	Class C Preference	1.50%	$ 132,435	Paid	$ 1,315,610
December 15, 2025	Class C Preference	1.50%	$ 134,385	Paid	$ 1,449,995

All dividends that have been declared have been paid in full. The dividends paid outlined above are listed under Retained Earnings in Appendix B: 2025 Audited Financial Statements.

11. METHOD OF SALE OF SECURITIES

All Securities sold pursuant to this Offering Statement will be sold exclusively by Board members, officers, employees (if any) of CED Co-op, and designated Members of CED Co-op. There are no commissions payable, or discounts allowed. A fee is being paid to VCT for the administration of the Offering and the processing of subscriptions for Securities. Securities may be subscribed for by, and issued to, Members of CED Co-op as well as Non-Members. While marketing activities for securities will be restricted to Ontario, individuals and organizations based outside of Ontario may subscribe for, and be issued, the Class C Preference Shares available under this Offering. If an investor makes an investment while a resident of Ontario, and then moves out of the Province and ceases to be an Ontario resident, the Co-operative will not require the securities to be redeemed, and will allow the investor to continue to hold the Securities of the Co-operative, other than Membership Shares. CED Co-op does not guarantee the eligibility of investments for non-residents of Ontario, this is a risk factor identified in Section 5: Risk Factors - Financial – Eligibility to Hold Securities as a Non-Resident of Ontario.

All prospective purchasers of Securities sold pursuant to this Offering Statement will have received a copy of this Offering Statement prior to subscribing for such Securities.

12. DESCRIPTION OF THE MARKET ON WHICH THE SHARES MAY BE SOLD

There is no market through which the Securities of CED Co-op may be sold and none is expected to develop. Management will use its best efforts to match interested buyers and sellers but there can be no guarantee that Investors will be able to resell Securities purchased. There can be no assurance that Investors interested in the purchase of Securities will be available if and when an Investor wishes to transfer the Securities or that the Board will approve the transfer.

No Securities of CED Co-op may be transferred without the express consent of the Board. Security holders may request a transfer by writing to the Board of the Co-operative.

The Membership Shares, except where prohibited by law, including the provisions of the Co-op Act, shall be repurchased upon the withdrawal, death or expulsion of a Member or when a Member exercises the rights of a dissenting Member pursuant to the Co-op Act, though subject to administrative fees. Shareholders may only redeem Preference Shares with the approval of the Board. The Bonds of CED Co-op are scheduled to be redeemed at the maturity of their respective terms or within the terms of redemption of the specific Bond. CED Co-op is under no obligation to redeem any of the Class C Preference Shares offered under this Offering Statement upon the withdrawal of a Member. No reserve or sinking fund is being established for the redemption of the Class C Preference Shares being issued.

The Act prohibits the redemption of the Shares of the Co-operative if CED Co-op is or would be, as a result of such redemption, insolvent or if such repurchase would, in the opinion of the Board, be detrimental to the financial stability of CED Co-op.

13. STATEMENT OF MINIMUM AND MAXIMUM AMOUNTS OF THE OFFERING AND INDIVIDUAL SUBSCRIPTIONS

Membership Shares and Class C Preference Shares are being offered. This Offering is not subject to a Minimum aggregate investment threshold. As such, the Co-operative will transact the purchase and sale of securities directly with Investors and shall not involve any escrow arrangement.

Minimums and Maximums:

	Membership Shares	Class C Preference Shares	Bonds Series S1	Totals
Minimum Offering	**None**	**None**	**None**	**None**
Maximum Offering	**$5,000**	**$4,000,000**	**$1,000,000**	**$5,005,000**
Minimum Individual New Investor Purchase	**$10**	**$2,000**	**$2,000**	
Minimum Individual Existing Investor Purchase	**$10**	**None**	**None**	
Maximum Individual Purchase	**$10**	**None**	**None**	

Minimum Amount by an Individual Investor

If a prospective Investor wishes to become a Member, the prospective Investor must purchase one $10 Membership Share. Only one Membership Share may be owned by each Member. The purchase of any Class C Preference Shares, or Bonds Series S1, is optional and is not a requirement of Membership. New Investors to CED Co-op will need to invest a minimum of $2,000 in any particular Security, other than a Membership Share. Once this threshold has been met, there is no minimum investment for subsequent investments. For Investors that hold Securities which have been purchased under previous offerings, other than for an investment in Membership Shares, there is no minimum investment. There is no tie between the Securities. Purchasing one of the Securities of the Co-operative does not obligate the Investor to purchase other Securities.

Maximum Amount by an Individual Investor

As noted, the Membership Shares have a maximum individual purchase of one Membership Share for its par value of $10. There is no maximum individual purchase for the Class C Preference Shares, or the Bonds Series S1, save and except for the maximum limit of the Offering of each respective Security. All purchases of Securities are subject to approval by the Board of Directors and the Board reserves the right to limit any individual purchase of Securities.

14. MATERIAL LEGAL PROCEEDINGS TO WHICH CED CO-OP IS A PARTY

As of the date of the Offering, neither the Co-operative, nor any of the JV, OpCo or LP structures to which the Co-operative is a party, are involved in, or are a party to, any material legal proceedings.

The Co-operative has not been informed of, and is not aware of, any material legal proceedings to which any of the project partners or service providers to the Co-operative are a party. Searches against corporate names of Project partners as well as VCT and CRS have been performed in the Ontario Court of Justice and Superior Court of Justice online case search portals located at the link below as of March 17, 2026: https://www.justiceservices.jus.gov.on.ca/MyAccount/screens/OneKey/login.xhtml?lang=EN .

This has not revealed any active material proceedings as of the date of the Offering, though the Co-operative has not performed additional due diligence beyond these searches.

15. MATERIAL INTERESTS OF DIRECTORS, OFFICERS AND EMPLOYEES

Securities

Each of the Directors and officers of CED Co-op is a Member of CED Co-op and owns one Membership Share. Holdings owned, or beneficially owned not at-arms-length, by the Directors and officers, as of December 31, 2025, are shown here. CED Co-op has no employees at this time.

Name	Position	Membership Shares	Shares	Bonds
Alvin Doerksen	Director	$ 10	$ 23,395	$ -
Brian Unrau	President, Director	$ 10	$ 251,870	$254,025
Brody Rebelo	Secretary, Director	$ 10	$ 35,205	$ -
Christopher Derksen Hiebert	Board Chair, Director	$ 10	$ 140,990	$ 82,880
John Brubacher	Director	$ 10	$ 239,045	$ -
Jordan Smith	Director	$ 10	$ -	$ -
Kimberley Charlesworth	Director	$ 10	$ 8,860	$ -
Martin Sellar Voll	Director	$ 10	$ 16,895	$ -
Paul Hildebrand	Treasurer, Director	$ 10	$ 269,090	$ 55,332
Ryan Parton	Director	$ 10	$ 23,935	$ 53,502
Steven Chomyc	Vice Chair, Director	$ 10	$ 315,705	$ 44,467

The Board members, officers and any employees that CED Co-op has or may have will be offered the Securities to be issued under this Offering Statement on the same terms as are available to all other Persons.

Operations

Brian Unrau is a director, officer and a shareholder of VCT. VCT has been engaged by CED Co-op for the engineering, procurement and construction for the majority of the Projects in the CED Co-op Portfolio, and VCT has been, and continues to be, compensated for this work. VCT has entered into a Management Services Agreement (included as Appendix J) with CED Co-op for which VCT is compensated for the work of operating CED Co-op including, but not limited to, the development and management of this Offering. VCT has also entered into multiple operations and maintenance contracts with CED Co-op whereby VCT is compensated for providing monitoring, maintenance and repair services for the Projects. VCT is also the landowner for a number of Projects where CED Co-op has entered into a lease agreement and compensates VCT for the use of the land under the terms of those lease agreements. VCT is also a Project Partner for two of the Projects where VCT holds 49% of the Economic Interest in the Project. There may be other projects or contracts with CED Co-op in the future where VCT may hold a material interest.

Ryan Parton is also an employee of CRS. CRS has been indirectly engaged by CED Co-op for operations, maintenance and repair work for several Projects that were constructed. There may be other projects or contracts with CED Co-op in the future where CRS may hold a material interest.

In performing the dual roles of managing CED Co-op as well as VCT and CRS respectively, there have been decisions that have been made by the Directors of CED Co-op where the potential exists for a conflict of interest. Where the potential for a conflict of interest arises with VCT or CRS, the relevant Director(s) are expected to declare such and recuse themselves from discussion or voting on these matters.

No member of the Board, officer or employee of the Co-operative has a material interest in the business or operations of the Co-operative other than those disclosed herein.

16. MATERIAL CONTRACTS ENTERED INTO IN THE TWO YEARS PRECEDING THIS OFFERING STATEMENT

The following is a list of the active contracts that have been entered into directly by CED Co-op or through the JV, OpCo and LP structures.

16.1 New or Renewed Contracts

Solar Power Purchase Agreement

As outlined in Section 6, CED Co-op has entered into a PPA related to the development and operation of a solar installation on the rooftop of Rockway Mennonite Collegiate, and the project is currently under development. The terms of the PPA are not public information, however the broad terms that are addressed within the agreement are outlined below. In the language of the agreement, CED Co-op is the Generator, and Rockway Mennonite Collegiate is the Consumer.

Purchase and Sale of Electricity: The Consumer agrees to purchase all electricity generated by the System from the Generator for use on the Consumer Premises, acknowledging that solar power is intermittent, and no specific amount or timing of electricity generation is guaranteed.

Term and Termination: The Initial Term of the agreement begins on the Commercial Operation Date and continues as specified. The agreement may be extended for Additional Terms upon mutual agreement.

Billing and Payment: The Consumer pays the Generator monthly for the electricity generated at a specified rate per kWh. Invoices detail the energy generated, rates, charges, and total amount due. The Consumer is responsible for taxes on the electricity generated.

Environmental Financial Incentives and Tax Credits: The Generator retains ownership of Environmental Financial Incentives, Environmental Attributes, and Tax Credits. The Consumer must cooperate in obtaining these incentives and attributes.

License to the Consumer Premises: The Consumer grants the Generator a license to access the Consumer Premises for installing, operating, and maintaining the System. The license continues beyond the termination of the agreement.

Conditions Precedent: Certain conditions must be met for the agreement to take effect, including inspections, approvals, permits, and execution of necessary agreements.

Generator's Rights and Obligations: The Generator is responsible for obtaining permits, agreements, and approvals. The Generator also handles standard maintenance and repairs of the System, except for those caused by Consumer's negligence. The Generator may suspend delivery of electricity for maintenance purposes.

No Warranty: The agreement explicitly states that no warranties apply, and the remedies outlined in the agreement are the Consumer's sole remedies for any claims or liabilities arising from the agreement.

Consumer's Rights and Obligations:

> Interconnection and Net-Metering Agreements: Consumer must obtain necessary agreements with assistance from Generator for electricity delivery. Generator is responsible for interconnection equipment maintenance.
>
> OHSA Compliance: Both parties must adhere to safety laws.
>
> Maintenance of Consumer Premises: Consumer maintains the premises and its electrical system.
>
> No Alteration of Premises: Consumer can't alter premises without consent, may need to compensate Generator for system shutdowns.
>
> Outages: Scheduled outages allowed with notice, excess outages incur payment obligation.
>
> Liens: Consumer can't create liens on the system; must notify Generator of any liens and clear them.
>
> Security: Consumer must ensure premises security.

Insolation: Consumer must maintain sunlight access for the system; any reduction must be notified and rectified.

Data Line: Consumer must provide internet access for system monitoring.

Breakdown Notice: Consumer must promptly inform Generator of system malfunctions or issues.

Change in Law: Specifies what constitutes a "Change in Law" and outlines procedures if such a change affects Generator's cost.

Consumer Business Operations at the Premises:

Assignment by Consumer: Consumer can't assign the agreement without consent; may assign to successor tenant with approval.

System Relocation: Consumer can relocate the system to a new operating location with agreement modification and costs covered.

Costs of Relocation: Consumer bears relocation to new facility costs; payments during relocation determined based on energy estimates.

Adjustment for Insolation; Termination: Generator may adjust payments if the new location has inferior sunlight access; failure to relocate may result in default by Consumer.

Removal of System at Expiration: Generator must remove the system upon agreement termination; Consumer can opt to remove it at Generator's expense if not done timely.

Measurement: The agreement specifies the installation and maintenance of meters by the generator to measure electricity production. Meters must meet industry standards and be located near the delivery point.

Default, Remedies, and Damages: It outlines events constituting default, including failure to pay, perform obligations, or maintain accurate representations. Remedies include termination, suspension, and actions for damages. It also details termination payments upon default.

Representations, Warranties, and Covenants: Parties provide assurances regarding organizational status, compliance with laws, property ownership, and information accuracy. Consumer ensures premises are free of hazardous substances.

System and Premises Damage and Insurance: Responsibilities for repairing damaged systems or premises are outlined. Both parties must maintain insurance coverage meeting specified criteria.

Ownership; Option to Purchase: The generator retains ownership of the system, and consumers have the option to purchase it after five years. The agreement details the process, conditions, and obligations related to ownership.

Indemnification and Limitations of Liability: Parties agree to indemnify each other for certain liabilities, with limitations on liability for indirect damages and a cap on aggregate liability for the generator. It also outlines procedures for third-party claims and environmental indemnification.

Force Majeure: Defines force majeure as events beyond a party's control without their fault or negligence. Lists examples such as natural disasters, war, terrorism, economic sanctions, and government orders. Specifies conditions for excusing performance due to force majeure, including notification requirements and mitigation efforts. States that failure to make payments due to a force majeure event impacting only the consumer does not excuse payment obligations. Allows termination of the agreement by the unaffected party if a force majeure event continues for a specified period.

Assignment and Financing: Requires the generator to obtain consumer consent for assignment unless certain exceptions apply. Allows assignment to financing parties or affiliates without consumer consent. Specifies conditions for consumer consent to assignment. Addresses financing arrangements and the rights of financing parties in case of default by the generator. Grants financing parties the right to substitute or appoint a successor provider of services.

Confidentiality, Goodwill and Publicity: Requires parties to protect confidential information shared during the agreement. Specifies permitted disclosures, including publicly available information and disclosures required by law. Grants remedies for breaches of confidentiality. Allows limited use of party names for promotional purposes and requires coordination for public announcements. Allows parties to promote their roles in the agreement's context. Requires accurate representation of the agreement's terms in public statements. Grants a limited license for the use of each party's name in promotional materials. Requires cooperation and approval for public statements related to the agreement.

General: States that the agreement and its exhibits constitute the entire agreement between the parties, superseding any prior agreements. Specifies methods for sending notices under the agreement. Identifies provisions that survive termination of the agreement. These clauses cover various aspects of the agreement, including handling unforeseen events, rights and obligations regarding assignment and financing, confidentiality and publicity requirements, and general administrative matters.

Management Services Agreement

As outlined in Section 4.5: Management and Administration, CED Co-op has entered into a Management Services Agreement with VCT. The form of this agreement is included as Appendix J. This is an agreement that is renewed and entered into on an annual basis, and has been renewed for 2026.

Operations and Maintenance (O&M) Agreements

CED Co-op has, either directly or through JV, OpCo or LP structures, entered into O&M agreements for each of the Projects that have reached commercial operation, and continues to renew the contracts related to these services. Further, CED Co-op intends to enter into new O&M contracts for new Projects as they are constructed. These contracts encompass both scheduled maintenance as well as unplanned service and repairs. There are service level commitments within these O&M agreements to ensure that the Projects are operating optimally, and non-production periods (down-time) is minimized. These are agreements that are renewed and entered into on an annual basis, and these have been renewed for 2026.

16.2 Ongoing Contracts From Prior Years

CED Co-op has not entered into new agreements within the past two years for the following types of agreements outlined below, but remains an active party in these agreements. As CED Co-op develops new projects, it is likely that CED Co-op will enter into new agreements of certain types described below, and potentially other types of agreements.

JV Agreements

The majority of the Projects were initially developed under JV agreements, though many were later moved into LP structures as outlined in Section 3.6.3: Business Models – FIT and microFIT Contracts. These JV agreements allowed CED Co-op to gain an equity stake in many Projects for which it would not have been given the opportunity to develop on its own.

LP Agreements

To aid in financing, many of the JV projects have been moved or are being moved into LP structures as outlined in Section 3.6.3: Business Models – FIT and microFIT Contracts. The LP Structure allows a project lender to provide non-recourse financing to the Co-operative, registering security on the related Projects, the related FIT Contracts, and the ownership thereof.

FIT Contracts

CED Co-op has, either directly or through JV, OpCo or LP structures, entered into FIT Contracts with the IESO. These contracts form the basis for the sale of renewably generated electricity which provides the cash flows to CED Co-op and have a 20-year term. These contracts are a standard form for all participants in the FIT program, and these documents have been developed by the IESO with no opportunity for negotiation of terms. These documents are available for review through the IESO website: http://www.ieso.ca.

Lease Agreements

CED Co-op has, either directly or through JV, OpCo or LP structures, entered into lease agreements with the landowners where each of the Projects has been, or is to be, constructed with terms that are a minimum of 20 years. The lease agreements are necessary for the Projects to be awarded a FIT Contract and for CED Co-op to have access rights to the properties for the purpose of constructing and operating Solar PV Facilities. The common elements of the lease agreements are outlined in Section 3.9: Real Estate.

Engineer, Procure and Construct (EPC) Agreements

CED Co-op has, either directly or through JV, OpCo or LP structures, entered into EPC agreements to provide design, engineering, construction and project management services for each of the Projects. Some of these agreements have been on a fixed price basis, but many have been on a cost-plus basis in order to take advantage of decreasing prices of Solar PV materials. Overall, the completed Projects have been brought to commercial operation within the budget for the Portfolio.

Loan Agreements, Security Agreements and Legal Retainers

In receiving financing from Project lenders, CED Co-op has, either directly or through JV, OpCo or LP structures, entered into, and may in the future, enter into, a number of loan agreements. The broad terms of these loan agreements are included in Section 4.7: Portfolio Investment and Finance. In support of these loan agreements and the closing of the related financing, CED Co-op has, either directly or through JV, OpCo or LP structure, entered into security agreements, guarantee agreements and engagements with law firms to develop loan documentation and perform legal processes to enable the financing of the Projects.

17. DESCRIPTION OF ANY OTHER MATERIAL FACTS

A copy of this Offering Statement must be given to each Investor before any payment may legally be accepted by CED Co-op.

None of the Securities issued by CED Co-op pursuant to this Offering Statement will be in bearer form.

This Offering Statement will expire on March 31, 2027, after which date no further sale of the Securities outlined in this Offering shall occur, unless a new Offering Statement has been filed and receipted.

18. CERTIFICATE OF DISCLOSURE

THE FOREGOING CONSTITUTES FULL, TRUE, AND PLAIN DISCLOSURE OF ALL MATERIAL FACTS RELATING TO THE SECURITIES OFFERED BY THIS OFFERING STATEMENT AS REQUIRED BY SECTION 35 OF THE *CO-OPERATIVE CORPORATIONS ACT*.

Dated at Kitchener, Ontario this 31st day of March, 2026



Chair of the Board: Chris Derksen Hiebert



President: Brian Unrau



Treasurer: Paul Hildebrand

19. APPENDICES

Appendix A: Projected Financial Statements (See Section 4.6 for descriptions and key assumptions)

Appendix B: 2025 Audited Financial Statements

Appendix C: Consent from Auditors to Use Financials in this Offering Statement

Appendix D: Certificate of Incorporation

Appendix E: CRA Approval of Public Corporation Status

Appendix F: Membership Application and Membership Share Subscription

Appendix G: Form of Offering Statement Subscription Agreement

Appendix H: CWCF / Common Good Capital – Current Fee Schedule

Appendix I: Olympia Trust – Current Fee Schedule

Appendix J: Form of Management Services Agreement

Appendix K: IESO Position Clarification Regarding Domestic Content

Appendix L: Legal Review of FIT Contract Termination Rights

Appendix M: Legal Opinion on Registered Plan Eligibility

Appendix N: Consent to Use of the Legal Opinion in this Offering Statement

APPENDIX A: Projected Financial Statements (See Section 4.6 for descriptions and key assumptions)

Community Energy Development Co-operative Ltd

Projected Consolidated Statement of Operations - $'s (Unaudited) *

For the years ended December 31

Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2045	2050	2055
Adjusted Revenue - Current Projects *	5,262,858	5,240,065	5,220,728	5,197,070	5,176,891	4,949,674	4,469,922	4,186,288	4,129,186	4,112,981	3,294,493	651,460	140,737	51,524	51,163	49,397	27,516	0
Total Lease *	307,500	307,500	307,500	307,500	307,500	307,500	254,250	193,500	186,000	186,000	133,717	34,733	10,833	0	0	0	0	0
Utility *	76,925	78,463	80,032	81,633	83,266	84,931	82,911	79,524	79,829	81,426	54,439	18,661	3,942	0	0	0	0	0
Insurance - Projects *	111,708	113,942	116,221	118,546	120,916	123,335	112,401	98,139	97,166	99,110	71,791	23,675	6,516	3,165	3,228	3,564	1,964	0
Warranty & Service *	483,840	496,510	506,440	516,569	526,900	537,438	509,559	472,156	473,137	482,600	368,867	84,320	17,680	5,070	5,172	5,710	3,147	0
Adjusted Expenses - Existing Projects *	979,972	996,415	1,010,193	1,024,247	1,038,582	1,053,204	959,121	843,319	836,132	849,135	628,815	161,388	38,972	8,235	8,400	9,274	5,111	0
Operating Income - Existing Projects *	4,282,886	4,243,650	4,210,535	4,172,823	4,138,309	3,896,470	3,510,801	3,342,969	3,293,054	3,263,846	2,665,679	490,072	101,765	43,289	42,763	40,123	22,404	0
Revenue - Anticipated Projects *	0	179,440	463,807	852,467	1,257,402	1,728,587	2,219,343	2,781,884	3,420,237	4,138,607	4,222,236	4,313,414	4,406,763	4,504,522	4,604,545	5,140,333	5,722,873	4,282,037
Expenses - Anticipated Projects *	0	13,996	35,515	64,886	95,130	129,980	165,854	206,602	252,418	303,503	308,056	312,676	317,367	322,127	326,959	352,228	396,522	304,462
Operating Income - Anticipated Projects *	0	165,444	428,292	787,581	1,162,272	1,598,607	2,053,488	2,575,282	3,167,819	3,835,104	3,914,181	4,000,738	4,089,396	4,182,395	4,277,586	4,788,105	5,326,351	3,977,576
Accounting	86,103	88,545	91,036	93,576	96,168	98,811	101,507	104,258	107,063	109,924	112,842	115,819	118,856	121,233	123,657	136,528	150,738	166,427
Legal	9,768	9,964	10,163	10,366	10,573	10,785	11,001	11,221	11,445	11,674	11,907	12,146	12,388	12,636	12,889	14,230	15,712	17,347
Bank Charges	1,990	2,010	2,030	2,050	2,071	2,091	2,112	2,134	2,155	2,176	2,198	2,220	2,242	2,265	2,287	2,404	2,527	2,656
Insurance - Organization	13,944	14,153	14,365	14,581	14,800	15,022	15,247	15,476	15,708	15,943	16,182	16,425	16,672	16,922	17,175	18,503	19,933	21,473
Communications & Fundraising	13,779	13,790	13,801	13,813	13,825	13,838	13,851	13,865	13,880	13,895	13,911	13,177	13,194	13,260	13,326	13,663	14,007	14,361
Dues and Subscriptions	3,155	3,171	3,186	3,202	3,218	3,234	3,251	3,267	3,283	3,300	3,316	3,333	3,349	3,366	3,383	3,468	3,556	3,646
Board	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000
Management Fees	305,257	311,362	317,589	323,941	330,419	337,028	343,768	350,644	357,657	364,810	372,106	379,548	387,139	394,882	402,779	444,701	490,986	542,088
Administration	475,995	484,993	494,170	503,529	513,074	522,809	532,738	542,863	553,190	563,722	574,463	584,668	595,840	606,563	617,498	675,497	739,458	809,997
Adjusted EBITDA *	3,806,891	3,924,101	4,144,657	4,456,875	4,787,507	4,972,268	5,031,551	5,375,388	5,907,683	6,535,228	6,005,396	3,906,142	3,595,322	3,575,832	3,660,088	4,112,608	4,586,893	3,167,578
DSCR	1.51	1.46	1.42	1.77	1.75	1.67	1.55	1.49	2.41	13.44	0.00	0.00	0.00					
Interest on Term Loans (Existing) *	749,265	726,885	695,309	591,962	489,987	381,489	268,991	154,275	42,493	1,845	0	0	0	0	0	0	0	0
Interest on Bonds *	308,602	319,380	309,400	289,582	313,557	339,520	300,469	224,205	243,263	263,940	166,581	0	0	0	0	0	0	0
Total Interest (Excl. Amort of Fin. Cost) *	1,057,867	1,046,265	1,004,709	881,544	803,544	721,009	569,461	378,480	285,756	265,785	166,581	0	0	0	0	0	0	0
EBDA *	2,749,024	2,877,836	3,139,948	3,575,330	3,983,962	4,251,259	4,462,091	4,996,907	5,621,927	6,269,443	5,838,815	3,906,142	3,595,322	3,575,832	3,660,088	4,112,608	4,586,893	3,167,578
Depreciation (Existing, Excl. Reval) *	2,371,756	2,371,756	2,371,756	2,371,756	2,371,756	2,371,756	2,047,383	1,870,502	1,870,502	1,870,502	1,350,193	140,779	18,595	0	0	0	0	0
Depreciation (Anticipated) *	0	80,000	200,000	360,000	520,000	700,000	880,000	1,080,000	1,300,000	1,540,000	1,540,000	1,540,000	1,540,000	1,540,000	1,540,000	1,540,000	1,540,000	1,020,000
Interest Income	51,149	54,778	50,721	45,296	47,746	50,197	52,648	54,146	20,634	-6,399	-7,684	-7,684	-7,684	-7,684	-7,684	0	0	0
Other Income	51,149	54,778	50,721	45,296	47,746	50,197	52,648	54,146	20,634	-6,399	-7,684	-7,684	-7,684	-7,684	-7,684	0	0	0
Net Income Before Tax *	428,418	480,858	618,914	888,870	1,139,953	1,229,700	1,587,356	2,100,551	2,472,059	2,852,543	2,940,938	2,217,678	2,029,043	2,028,147	2,112,404	2,572,608	3,046,893	2,147,578
Tax *	113,531	127,427	164,012	235,551	302,087	325,871	420,649	556,646	655,096	755,924	779,349	587,685	537,696	537,459	559,787	681,741	807,427	569,108
Net Income After Tax *	**314,887**	**353,431**	**454,902**	**653,320**	**837,865**	**903,830**	**1,166,707**	**1,543,905**	**1,816,963**	**2,096,619**	**2,161,589**	**1,629,993**	**1,491,346**	**1,490,688**	**1,552,617**	**1,890,867**	**2,239,466**	**1,578,470**
Comprehensive Income *	**314,887**	**353,431**	**454,902**	**653,320**	**837,865**	**903,830**	**1,166,707**	**1,543,905**	**1,816,963**	**2,096,619**	**2,161,589**	**1,629,993**	**1,491,346**	**1,490,688**	**1,552,617**	**1,890,867**	**2,239,466**	**1,578,470**
Non-Controlling Interest *	236,276	229,112	222,807	214,974	205,577	195,151	182,294	165,104	144,278	111,460	69,671	16,849	5,550	0	0	0	0	0
Comprehensive Income - Parent	78,611	124,319	232,095	438,345	632,288	708,679	984,412	1,378,802	1,672,685	1,985,159	2,091,918	1,613,144	1,485,796	1,490,688	1,552,617	1,890,867	2,239,466	1,578,470

* Non-IFRS Measures:

As outlined in Section 6.1.4, there are a number of points of difference between the presentation of the financial forecasts above and the presentation of the financial statements, as have been provided in Appendix B.

Differences include items affected in consolidation method vs equity method for investments in associates, leasing costs, depreciation, amortization of issuance costs, amortization of financing expenses and potentially others.

APPENDIX A: Projected Financial Statements (See Section 4.6 for descriptions and key assumptions)

Community Energy Development Co-operative Ltd

Projected Consolidated Statement of Financial Position - $'s (Unaudited) *

As at December 31

Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2045	2050	2055
Assets																		
Cash on Hand (Current Assets)	889,842	687,335	362,754	598,455	519,564	453,956	33,323	468,060	518,747	628,377	755,522	1,042,048	359,155	81,028	140,373	312,231	1,679,994	5,553,293
Cash on Hand (Current Assets) - NCI	-369,117	-365,419	-361,598	-359,054	-355,754	-277,875	613,847	26,050	-242,656	-272,559	-475,982	-677,810	-5,551	0	0	0	0	0
Total Current Assets	520,725	321,917	1,156	239,401	163,810	176,081	647,170	494,110	276,091	355,818	279,540	364,238	353,604	81,028	140,373	312,231	1,679,994	5,553,293
Debt Service Reserve Balance	1,374,184	1,412,066	941,247	941,247	941,247	941,247	941,247	788,738	72,952	0	0	0	0	0	0	0	0	0
Maintenance Reserve Balance	729,532	840,538	817,475	915,506	1,013,538	1,111,570	1,209,601	1,307,633	0	0	0	0	0	0	0	0	0	0
Adjusted Solar Project Assets *	22,498,989	20,127,233	17,755,477	15,383,721	13,011,965	10,640,210	8,592,827	6,722,326	4,851,824	2,981,323	1,631,130	1,490,350	1,471,756	0	0	0	0	0
Assets - Anticipated	2,000,000	4,920,000	8,720,000	12,360,000	16,340,000	20,140,000	24,260,000	28,680,000	33,380,000	31,840,000	30,300,000	28,760,000	27,220,000	25,680,000	24,140,000	16,440,000	8,740,000	2,200,000
Total Long Term Assets *	26,602,705	27,299,836	28,234,199	29,600,475	31,306,750	32,833,026	35,003,675	37,498,697	38,304,776	34,821,323	31,931,130	30,250,350	28,691,756	25,680,000	24,140,000	16,440,000	8,740,000	2,200,000
Total Assets *	27,123,430	27,621,753	28,235,355	29,839,875	31,470,561	33,009,107	35,650,845	37,992,807	38,580,867	35,177,140	32,210,670	30,614,588	29,045,360	25,761,028	24,280,373	16,752,231	10,419,994	7,753,293
Liabilities																		
Current Portion Long Term Debt	1,843,298	1,788,619	1,484,466	1,586,442	1,656,219	1,649,079	1,728,219	1,075,394	71,107	0	0	0	0	0	0	0	0	0
Current Portion Bonds	516,018	639,816	44,834	46,851	826,322	1,224,023	53,465	55,871	1,357,312	2,008,155	0	0	0	0	0	0	0	0
Total Current Liabilities	2,359,316	2,428,436	1,529,300	1,633,293	2,482,541	2,873,102	1,781,684	1,131,265	1,428,419	2,008,155	0	0	0	0	0	0	0	0
Long Term Debt *	11,039,545	9,250,926	7,766,460	6,180,018	4,523,799	2,874,719	1,146,501	71,107	0	0	0	0	0	0	0	0	0	0
Long Term Bonds	3,913,664	3,190,475	3,455,985	3,743,550	3,277,637	2,379,904	2,584,243	2,806,042	1,747,864	0	0	0	0	0	0	0	0	0
Total Non-Current Liabilities *	14,953,210	12,441,401	11,222,445	9,923,567	7,801,435	5,254,624	3,730,743	2,877,149	1,747,864	0	0	0	0	0	0	0	0	0
Total Liabilities	17,312,526	14,869,836	12,751,745	11,556,861	10,283,976	8,127,726	5,512,427	4,008,414	3,176,282	2,008,155	0	0	0	0	0	0	0	0
Future Income Tax Account																		
Attributable to Net Income	1,157,396	1,807,946	2,296,813	3,054,012	3,779,792	4,729,698	7,377,748	8,136,216	14,594,403	13,527,689	12,522,151	11,759,209	12,698,466	11,623,266	12,039,813	14,292,974	12,827,857	77,020
	1,157,396	1,807,946	2,296,813	3,054,012	3,779,792	4,729,698	7,377,748	8,136,216	14,594,403	13,527,689	12,522,151	11,759,209	12,698,466	11,623,266	12,039,813	14,292,974	12,827,857	77,020
Membership Share Capital	8,720	8,900	9,080	9,260	9,440	9,620	9,800	9,980	10,160	10,340	10,520	10,700	10,880	11,060	11,240	12,140	13,040	13,940
Preferred A Shareholder Capital *	4,956,440	4,674,185	4,366,530	4,031,185	3,665,660	3,267,240	2,832,960	2,359,595	1,843,625	1,281,220	668,195	0	0	0	0	0	0	0
Preferred B Shareholder Capital *	2,661,385	2,401,985	2,124,430	1,827,445	1,509,670	1,169,650	805,830	416,540	0	0	0	0	0	0	0	0	0	0
Preferred C Shareholder Capital *	11,728,080	15,631,840	19,509,805	23,095,055	26,741,100	31,035,430	35,062,590	39,336,870	34,851,850	33,541,045	33,476,510	33,142,665	30,506,405	28,378,386	26,615,239	13,690,418	10,000	10,000
Net Income for year *	314,887	353,431	454,902	653,320	837,865	903,830	1,166,707	1,543,905	1,816,963	2,096,619	2,161,589	1,629,993	1,491,346	1,490,688	1,552,617	1,890,867	2,239,466	1,578,470
Dividends Declared and Paid - A	-463,559	-439,729	-413,754	-385,442	-354,582	-320,945	-284,280	-244,316	-200,754	-153,272	-101,517	-45,103	0	0	0	0	0	0
Dividends Declared and Paid - B	-199,025	-181,757	-163,282	-143,513	-122,360	-99,727	-75,509	-49,596	-21,868	0	0	0	0	0	0	0	0	0
Dividends Declared and Paid - C	-628,068	-803,767	-927,975	-1,035,259	-1,146,058	-1,294,338	-1,427,171	-1,574,292	-1,214,987	-1,239,202	-1,335,470	-1,416,169	-1,363,752	-1,571,981	-1,686,852	-887,193	-11,786	-600
Retained Earnings *	-10,701,116	-11,772,939	-12,823,048	-13,733,943	-14,519,078	-15,330,257	-15,950,510	-16,274,808	-15,895,454	-15,191,308	-14,466,706	-14,297,985	-14,170,391	-14,251,683	-14,385,919	-11,243,301	-2,430,903	7,652,333
Total Equity *	8,653,509	10,943,971	13,186,797	15,229,002	17,406,792	20,151,683	22,760,670	25,848,177	20,810,181	19,641,297	19,688,519	18,855,380	16,346,894	14,137,763	12,240,560	2,459,257	-2,407,863	7,676,273
Total Liabilities and Shareholder's Equity	27,123,430	27,621,753	28,235,355	29,839,875	31,470,561	33,009,107	35,650,845	37,992,807	38,580,867	35,177,140	32,210,670	30,614,588	29,045,360	25,761,028	24,280,373	16,752,231	10,419,994	7,753,293

*** Non-IFRS Measures:**

As outlined in Section 6.1.4, there are a number of points of difference between the presentation of the financial forecasts above and the presentation of the financial statements, as have been provided in Appendix B.

Differences include items affected in consolidation method vs equity method for investments in associates, leasing costs, depreciation, amortization of issuance costs, amortization of financing expenses and potentially others.

APPENDIX A: Projected Financial Statements (See Section 4.6 for descriptions and key assumptions)

Community Energy Development Co-operative Ltd

Projected Consolidated Statement of Cash Flows - $'s (Unaudited) *

For the years ended December 31

Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2045	2050	2055
Cash from Operations																		
Net Income After Tax *	314,887	353,431	454,902	653,320	837,865	903,830	1,166,707	1,543,905	1,816,963	2,096,619	2,161,589	1,629,993	1,491,346	1,490,688	1,552,617	1,890,867	2,239,466	1,578,470
Add Depreciation of Projects *	2,371,756	2,451,756	2,571,756	2,731,756	2,891,756	3,071,756	2,927,383	2,950,502	3,170,502	3,410,502	2,890,193	1,680,779	1,558,595	1,540,000	1,540,000	1,540,000	1,540,000	1,020,000
Add Back Difference in Tax Timing *	113,531	127,427	164,012	235,551	302,087	325,871	420,649	556,646	313,198	115,633	274,042	616,861	672,717	691,185	716,727	681,741	-3,192,573	-1,550,479
Change in Debt Service Reserve	-8,880	-34,974	473,361	0	-0	0	0	146,547	642,343	0	0	0	0	0	0	0	0	0
Change in Maintenance Reserve	-87,842	-87,842	46,227	-74,868	-74,868	-74,868	-74,868	-74,868	1,243,471	0	0	0	0	0	0	0	0	0
Change in Net Working Capital *	2,703,451	2,809,798	3,710,258	3,545,758	3,956,841	4,226,588	4,439,871	5,122,732	7,186,477	5,622,753	5,325,824	3,927,634	3,722,658	3,721,873	3,809,344	4,112,608	586,893	1,047,991
Investment Activities																		
Solar Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Development Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Project Assets (Anticipated)	-2,000,000	-2,400,000	-3,100,000	-2,800,000	-3,300,000	-3,150,000	-3,650,000	-4,000,000	1,650,000	0	0	0	0	0	0	0	0	0
Change in Capital from Investments	-2,000,000	-2,400,000	-3,100,000	-2,800,000	-3,300,000	-3,150,000	-3,650,000	-4,000,000	1,650,000	0	0	0	0	0	0	0	0	0
Financing Activities																		
Advances of Term Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Advances of Term Loans (Anticipated)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Payments on Term Loans	-1,774,733	-1,843,298	-1,788,619	-1,484,466	-1,586,442	-1,656,219	-1,649,079	-1,728,219	-1,075,394	-71,107	0	0	0	0	0	0	0	0
Bond Investments	400,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Bonds Accrued, not paid	273,635	275,571	267,441	289,582	313,557	277,331	206,641	224,205	243,263	153,531	0	0	0	0	0	0	0	0
Principal Payments on Bonds	-200,107	-516,018	-639,816	-44,834	-46,851	-826,322	-1,224,023	-53,465	-55,871	-1,357,312	-2,008,155	0	0	0	0	0	0	0
Change in Preference A Shares *	-258,950	-282,255	-307,655	-335,345	-365,525	-398,420	-434,280	-473,365	-515,970	-562,405	-613,025	-668,195	0	0	0	0	0	0
Change in Preference B Shares *	-242,430	-259,400	-277,555	-296,985	-317,775	-340,020	-363,820	-389,290	-416,540	0	0	0	0	0	0	0	0	0
Change in Preference C Shares *	2,000,000	3,000,000	2,750,000	2,250,000	2,100,000	2,500,000	2,000,000	2,000,000	-6,500,000	-3,250,000	-2,000,000	-2,250,000	-4,400,000	-4,000,000	-3,750,000	-3,750,000	-198,211	-600
	197,415	374,600	3,796	377,952	96,964	-443,650	-1,464,561	-420,133	-8,320,512	-5,087,293	-4,621,180	-2,918,195	-4,400,000	-4,000,000	-3,750,000	-3,750,000	-198,211	-600
Dividends Paid on Pref A Shares	-463,559	-439,729	-413,754	-385,442	-354,582	-320,945	-284,280	-244,316	-200,754	-153,272	-101,517	-45,103	0	0	0	0	0	0
Dividends Paid on Pref B Shares	-199,025	-181,757	-163,282	-143,513	-122,360	-99,727	-75,509	-49,596	-21,868	0	0	0	0	0	0	0	0	0
Non-Controlling Interest *	369,117	365,419	361,598	359,054	355,754	277,875	-613,847	-26,050	242,656	272,559	475,982	677,810	5,551	0	0	0	0	0
Cash - Parent	520,725	321,917	1,156	239,401	163,810	176,081	647,170	494,110	276,091	355,818	279,540	364,238	353,604	81,028	140,373	312,231	1,679,994	5,553,293
Cash (Current Assets) at Beginning of Yea	1,020,676	889,842	687,335	362,754	598,455	519,564	453,956	33,323	468,060	518,747	628,377	755,522	1,042,048	359,155	81,028	-50,377	1,291,313	4,505,902
Change in Cash	-130,834	-202,507	-324,581	235,701	-78,891	-65,608	-420,632	434,737	50,687	109,630	127,145	286,526	-682,893	-278,127	59,344	362,608	388,682	1,047,391
Cash (Current Assets) at End of Year	889,842	687,335	362,754	598,455	519,564	453,956	33,323	468,060	518,747	628,377	755,522	1,042,048	359,155	81,028	140,373	312,231	1,679,994	5,553,293

*** Non-IFRS Measures:**

As outlined in Section 6.1.4, there are a number of points of difference between the presentation of the financial forecasts above and the presentation of the financial statements, as have been provided in Appendix B.

Differences include items affected in consolidation method vs equity method for investments in associates, leasing costs, depreciation, amortization of issuance costs, amortization of financing expenses and potentially others.

APPENDIX B: 2025 Audited Financial Statements

Consolidated Financial Statements of

COMMUNITY ENERGY DEVELOPMENT CO-OPERATIVE LTD.

And Independent Auditor's Report thereon

Year ended December 31, 2025

Independent Auditor's Report

To the Members of Community Energy Development Co-operative Ltd.:

Opinion

We have audited the consolidated financial statements of Community Energy Development Co-operative Ltd. and its subsidiaries (the "Cooperative"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations, changes in members' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Cooperative as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

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 Cooperative 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.

Other Matter

The consolidated financial statement for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those statements on March 31, 2025.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, 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 Cooperative'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 Cooperative or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Cooperative'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 Cooperative'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 Cooperative'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 Cooperative 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 consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

MNP LLP

London, Ontario
March 31, 2026

Chartered Professional Accountants
Licensed Public Accountants

COMMUNITY ENERGY DEVELOPMENT CO-OPERATIVE LTD.

Consolidated Statement of Financial Position

December 31, 2025, with comparative for 2024

	2025	2024
Assets		
Current assets:		
Cash	$ 970,372	$ 214,147
Accounts receivable	292,929	264,088
Share subscriptions receivable	15,000	-
Harmonized sales tax receivable	-	36,624
Prepaid expenses	14,010	65,307
	1,292,311	580,166
Restricted cash (note 8)	2,049,398	2,042,573
Below market leases (note 3)	275,102	299,368
Investments in associates	181,084	188,136
Construction in progress (note 5)	-	840,529
Energy generation equipment (note 4)	24,260,114	25,773,679
Right-of-use assets (note 6)	1,887,183	2,090,057
	$ 29,945,192	$ 31,814,508
Liabilities and Members' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (note 7)	$ 355,650	$ 767,870
Harmonized sales tax payable	74,885	-
Due to related party (note 7)	64,249	73,231
Note payable due to related party (note 7)	374,562	-
Current portion of long-term debt (note 8)	1,735,553	1,640,308
Current portion of note payables (note 9)	106,955	101,770
Current portion of bonds issued (note 11)	204,463	264,358
Current portion of leasing obligations (note 14)	179,569	174,088
	3,095,886	3,021,625
Long-term liabilities:		
Long-term debt (note 8)	12,187,093	13,667,457
Note payable (note 9)	621,984	728,939
Note payable due to related party (note 7)	-	332,491
Leasing obligations (note 14)	1,979,724	2,156,602
Bonds issued (note 11)	3,871,830	3,783,075
Deferred income taxes (note 10)	47,405	85,560
	18,708,036	20,754,124
Total liabilities	21,803,922	23,775,749
Members' equity:		
Share capital (note 12)		
Membership shares	8,540	8,460
Class A preference shares issued	5,170,157	5,177,002
Class B preference shares issued	2,854,616	2,854,616
Class C preference shares issued	8,811,725	7,253,292
	16,845,038	15,293,370
Deficit	(9,725,352)	(8,396,186)
Non-controlling interest	1,021,584	1,141,575
	8,141,270	8,038,759
Subsequent events (note 17)		
	$ 29,945,192	$ 31,814,508

On behalf of the Board:

Member

On behalf of the Board:

Member

See accompanying notes to consolidated financial statements.

COMMUNITY ENERGY DEVELOPMENT CO-OPERATIVE LTD.

Consolidated Statement of Operations

Year ended December 31, 2025, with comparative for 2024

	2025	2024
Revenue:		
Energy generation revenue	$ 5,006,382	$ 4,988,087
Direct costs:		
Project insurance	103,118	102,699
Repairs and maintenance (note 7)	453,599	436,857
System operating expenses	65,270	63,230
Consulting fees	-	11,000
	621,987	613,786
Gross profit	4,384,395	4,374,301
Expenses:		
Operating and administrative:		
Advertising and promotion	5,072	4,268
Insurance	10,055	13,069
Interest and bank charges	2,653	2,456
Office	1,049	2,240
Professional fees	127,892	168,823
Management fees (note 7)	250,150	247,218
Board remuneration	43,269	40,961
Depreciation (note 4)	2,391,752	2,374,188
Financial:		
Interest on debt, bonds, amort. of financing	1,368,500	1,446,314
Accreted interest on leasing obligations	145,686	157,383
Amortization of right-of-use assets (note 6)	200,665	204,494
Amortization of below market leases (note 3)	24,267	24,267
	4,571,010	4,685,681
Loss before other income	(186,615)	(311,380)
Other income		
Share of net income of associates (Schedule 1)	21,029	31,486
Interest income	38,116	66,758
Loss before deferred income taxes	(127,470)	(213,136)
Deferred income tax expense (recovery) (note 10)	38,155	65,020
Net Loss	$ (165,625)	$ (278,156)
Attributable to:		
Owners of the parent	$ (275,308)	$ (425,618)
Non-controlling interests	109,683	147,462
Net Loss	$ (165,625)	$ (278,156)

See accompanying notes to consolidated financial statements.

COMMUNITY ENERGY DEVELOPMENT CO-OPERATIVE LTD.

Consolidated Statement of Changes in Members' Equity

Year ended December 31, 2025, with comparative for 2024

	Share capital	Deficit	Total	Non-controlling interest	Total equity
Balance, December 31, 2023	$ 13,994,484	$ (7,018,686)	6,975,798	$ 1,285,423	$ 8,261,221
Net income (loss)	-	(425,618)	(425,618)	147,462	(278,156)
Shares issued, net of issue costs	1,145,781	-	1,145,781	-	1,145,781
Shares redeemed, net of share issue costs derecognized	(257,455)	-	(257,455)	-	(257,455)
Cash disbursed to non-controlling interests	-	-	-	(291,310)	(291,310)
Dividends paid	-	(541,322)	(541,322)	-	(541,322)
Stock dividends	410,560	(410,560)	-		
Balance, December 31, 2024	15,293,370	(8,396,186)	6,897,184	1,141,575	8,038,759
Net income (loss)	-	(275,308)	(275,308)	109,683	(165,625)
Shares issued, net of issue costs	1,247,373	-	1,247,373	-	1,247,373
Shares redeemed, net of share issue costs derecognized	(209,975)	-	(209,975)	-	(209,975)
Cash disbursed to non-controlling interests	-	-	-	(229,674)	(229,674)
Dividends paid	-	(539,588)	(539,588)	-	(539,588)
Stock dividends	514,270	(514,270)	-	-	-
Balance, December 31, 2025	$ 16,845,038	$ (9,725,352)	$ 7,119,686	$ 1,021,584	$ 8,141,270

See accompanying notes to consolidated financial statements.

COMMUNITY ENERGY DEVELOPMENT CO-OPERATIVE LTD.

Consolidated Statement of Cash Flows

Year ended December 31, 2025, with comparative for 2024

	2025	2024
Cash provided by (used in)		
Operating activities:		
Net loss	$ (165,625)	$ (278,156)
Items not affecting cash (note 13)	3,235,313	3,078,312
Change in non-cash operating working capital (note 13)	(293,255)	283,223
	2,776,433	3,083,379
Financing activities:		
Repayment to related party	(8,982)	-
Repayment of long-term debt	(1,640,308)	(1,796,807)
Repayment of leasing obligations	(317,968)	(318,054)
Repayment of bonds	(247,035)	(734,377)
Repayment of note payable	(101,770)	(96,711)
Redemption of Class A preferred shares	(6,845)	(1,395)
Redemption of Class B preferred shares	-	(31,775)
Issuance of Class C preferred shares, net of issue costs	1,247,373	1,138,075
Redemption of Class C preferred shares	(203,130)	(224,285)
Cash disbursed to non-controlling interests	(215,315)	(291,310)
Issuance of membership shares	80	190
Issuance of note payable	-	300,000
Dividends paid	(539,588)	(541,322)
	(2,033,488)	(2,597,771)
Investing activities:		
Decrease (increase) in restricted cash	(6,825)	126,239
Purchase of energy generation equipment	(37,657)	(403,831)
Purchase of construction in progress	-	(840,529)
Investments in associates	57,762	12,382
	13,280	(1,105,739)
Increase (decrease) in cash	756,225	(620,131)
Cash, beginning of period	214,147	834,278
Cash, end of period	$ 970,372	$ 214,147

See accompanying notes to consolidated financial statements.

1. General information and Statement of Compliance with IFRS:

Community Energy Development Co-operative Ltd. (the "Co-operative") is co-operative corporation incorporated on October 31, 2012, under the Ontario Co-Operative Corporations Act. Prior to December 10, 2020, the business of the Co-operative was restricted to generating and selling electricity from renewable energy sources. Pursuant to changes in the Co-operative's governing documents approved by the members on December 10, 2020, and a by-law approved at that time, the Co-operative's authorized business activities now include a wider range of activities related to the advancement and commercial exploitation of renewable energy technologies.

The Co-operative is incorporated and domiciled in Ontario. Its registered office and principal place of business is 3-5 Forwell Road, Kitchener, ON N2B 1W3.

These financial statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Board of Directors of the Co-operative approved these financial statements on March 31, 2026.

2. Material Accounting Policies:

The consolidated financial statements have been prepared in accordance with IFRS®. The significant policies are detailed as follows:

(a) Principles of consolidation:

The consolidated financial statements include the assets, liabilities and results of operations of the Co-operative and its controlled entities (i.e. its subsidiaries). A controlled entity is any entity over which the Co-operative has the right and ability to exercise continuing power to determine the strategic operating, investing and financing policies without the co-operation of others, in order to obtain future economic benefits and where the Co-operative is exposed to the related risks.

In preparing the consolidated financial statements, all intra-group balances and transactions between the entities in the consolidated group have been eliminated.

Non-controlling interest represents the equity interest in a subsidiary that is not attributable directly or indirectly to the Co-operative and is shown separately within the Members' equity section of the Consolidated Statement of Financial Position, the Consolidated Statement of Operations, and the Consolidated Statement of Changes in Members' Equity.

The Co-operative's investments in associates are accounted for using the equity method.

2. Material Accounting Policies (continued):

(a) Principles of consolidation (continued):

The Co-operative's subsidiaries comprise six wholly-owned corporations and four limited partnerships:

Wholly-owned corporations:

- SolarDev1 Inc.
- SolarDev2 Inc.
- SolarDev3 Inc.
- SolarDev Inc.
- 2117921 Alberta Inc.
- 1702782 Alberta Inc.

SolarDev1 Inc., SolarDev2 Inc., SolarDev3 Inc., and SolarDev Inc. are in the business of managing the affairs of one of the limited partnerships discussed below. 2117921 Alberta Inc. and 1702782 Alberta Inc. own energy generation equipment and related contracts.

Limited Partnerships (created under the *Limited Partnerships Act* (Ontario)):

- Sunshare1 LP
- Sunshare2 LP
- Sunshare3 LP
- Sunshare4 LP

All four limited partnerships are in the business of owning and operating solar energy projects.

Pursuant to the terms of the limited partnership agreements, the affairs of each partnership are governed by the general partner, which has full power and exclusive authority to manage the affairs of the partnership. In the case of all four limited partnerships, the general partner is one of the wholly-owned subsidiary corporations of the Co-operative. Accordingly, the Co-operative, through its ownership of the general partners, has the power to control the financial and operating policies of the limited partnerships.

Each partnership is authorized to issue a number of different classes of units. Each class of units gives the holder the right to receive a specified percentage of the net income earned by one of more of the energy generation projects owned by the partnership.

2. Material Accounting Policies (continued):

(b) Revenue recognition:

Revenue from solar energy generation is recognized at the time the electricity is transferred to the provincial grid, provided that the amounts are determinable and the ability to collect is reasonably assured.

(c) Energy generation equipment:

Energy generation equipment is initially recognized at cost. Cost includes the purchase price and other acquisition costs, such as installation costs, including design and engineering fees, legal fees, survey costs, site preparation costs, freight charges, transportation insurance costs, duties, testing and preparation charges. In addition, because a contract to supply electricity to a local power authority is required in order for the Co-operative to realize economic benefits from the equipment, and since the estimated useful lives of the contracts and of the equipment is approximately the same, the cost of acquiring such contracts is added to the cost of the equipment.

The cost incurred to enhance the service potential of an item of energy generation equipment (betterment) is also included in the cost of an asset.

Energy generation equipment is depreciated using the straight-line method over the remaining life of the 20-25 year related contract to supply electricity to a local power authority.

(d) Leases:

Right-of-use leases

For all contracts, the Co-operative considers whether a contract is, or contains a lease.

Measurement and recognition of leases as a lessee

At the lease commencement date, the Co-operative recognizes a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Co-operative, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date, net of any incentives received.

The Co-operative depreciates right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Co-operative also assesses the right-of-use asset for impairment when such indicators exist.

The Co-operative measures the lease liability at the present value of the lease payments unpaid at the lease commencement date, discounted using the interest rate implicit in the lease if that rate is readily available, or the Co-operative's incremental borrowing rate.

2. Material Accounting Policies (continued):

(e) Financial instruments (continued):

The Co-operative's accounts receivable result from transactions within the scope of IFRS 15 and do not contain a significant financing component. Accordingly, they qualify for the simplified approach for measuring impairment set out in IFRS 9, under which impairment is measured at an amount equal to lifetime expected credit losses. Impairment of other financial assets is measured at an amount equal to 12-month expected credit losses.

Impairment losses are recognized in profit or loss. Previously recognized impairment losses are reversed to the extent of the improvement, provided 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. Reversals of impairment losses are recognized in profit or loss.

Membership shares are redeemable at the option of the holder for a fixed amount of cash. The Cooperative's membership shares meet the conditions set out in IFRIC 2, and, accordingly are classified as equity.

(f) Income taxes:

Income taxes comprise current and deferred tax. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using the tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

A deferred tax asset is recognized for unused tax losses, tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. The carrying amount of a deferred tax asset is reviewed at the end of each fiscal year and reduced to the extent that it is no longer probable that the related tax loss will be realized.

(g) Impairment of long-lived non-financial assets:

At the end of each fiscal year, the Co-operative reviews the carrying amounts of its investments in associates and long-lived tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Co-operative estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. A CGU is the smallest group of assets that generates cash inflows from continuing use that are largely independent of cash inflows of other assets or CGUs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs. Otherwise, assets are allocated to the smallest group of CGUs for which a reasonable and consistent allocation base can be identified.

2. Material Accounting Policies (continued):

(g) Impairment of long-lived non-financial assets (continued):

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

(h) Significant management judgements:

The following are management judgements in applying the accounting policies of the Co-operative that have the most significant effect on the financial statements.

Classification of investment in associates

The Co-operative assesses whether various legal agreements into which it has entered, which are described as “Joint Venture Agreements”, have resulted in the establishment of “separate vehicles”, as defined in IFRS 11. The key factor in making this assessment is the extent to which the legal agreements to which the joint ventures and the venturers are parties will result in the joint ventures carrying on business in their own right.

(i) Estimation uncertainty:

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or the possibility of impairment. Many items in the preparation of these financial statements require management’s best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known.

Items subject to significant management estimates include the following:

Impairment of non-financial assets

The Co-operative assesses the carrying value of its below market leases, investments in associates, and energy generation equipment for impairment as circumstances warrant. Recoverability of these assets is dependent on assumptions and judgments regarding future performance. A material change in assumptions may significantly impact the potential impairment of these assets. Assumptions used in the calculation of recoverable amounts include, future cash flows and gross margins, and the discount rate used to determine the present value of cash flows. Recoverability is estimated at the lowest level of independent cash flows, which could be an individual asset or CGU.

2. Material Accounting Policies (continued):

(k) New accounting pronouncements:

The International Accounting Standards Board has issued the following Standards, Interpretations and Amendments to Standards that are not yet effective, have not yet been adopted by the Co-operative and the impact on the consolidated financial statements has not yet been determined.

The following amendments are effective for the annual period beginning on January 1:

- 2026: Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- 2026: Annual improvements to IFRS Accounting Standards
- 2027: Presentation and Disclosure in Financial Statements (IFRS 18)

(l) New accounting pronouncements assessed:

The Co-operative has assessed the potential impact of a lack of exchangeability as defined by the amendments to IAS 21, effective January 1, 2025. Based on this assessment, it was concluded that there is no material impact on the financial statements for the current period or future periods.

3. Below market leases:

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Below market leases	$ 471,552	$ 196,450	$ 275,102	$ 299,368

Amortization expense for the above below market leases in the year was $24,267 (2024 - $24,267).

The Sunshare1, Sunshare2, and Sunshare3 Limited Partnerships own certain energy generation projects that are located on property owned by entities which also own non-controlling interests in the limited partnerships, under long-term leases requiring no rent or nominal rent. In accordance with IFRS 3, the Co-operative recognized the fair value of these below market leases in accounting for the acquisition of the businesses that operate these projects. The Co-operative's rights under the leases are being amortized using the straight-line method over the terms thereof.

4. Energy generation equipment:

Cost:	
Balance at December 31, 2023	42,857,938
Energy generation equipment additions	403,831
Balance at December 31, 2024	43,261,769
Energy generation equipment additions	878,187
Balance at December 31, 2025	$ 44,139,956
Accumulated depreciation:	
Balance at December 31, 2023	(15,113,902)
Depreciation for the year	(2,374,188)
Balance at December 31, 2024	(17,488,090)
Depreciation for the year	(2,391,752)
Balance at December 31, 2025	$(19,879,842)
Net book value at December 31, 2024	$ 25,773,679
Net book value at December 31, 2025	$ 24,260,114

5. Construction in progress:

During 2024, the Co-operative entered into a Power Purchase Agreement ("PPA") with Rockway Mennonite Collegiate to install new energy generation equipment at a purchase price of $878,187 plus HST. As of June 30, 2025, the project is 100% complete and available for use. Depreciation of the energy generation equipment is recorded on a straight-line basis over the 25 year PPA term.

6. Right-of-use assets:

All of the Co-operative's energy generation projects are located on premises that are leased under long-term leases.

As set out in note 3, certain of those long-term leases require no rent or nominal rent. The Cooperative's interest in those projects was acquired in the course of business combinations, to which IFRS 3 applied. In accordance with IFRS 3, the Co-operative recognized the fair value of those below market leases in accounting for the acquisition of the businesses that operate these projects.

The Co-operative's remaining leases are accounted for in accordance with IFRS 16, under which it recognizes both a right-of-use asset and a related lease liability (See note 14).

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Right-of-use assets	$ 3,281,417	$ 1,394,234	$ 1,887,183	$ 2,090,057

Additional information on the right-of-use assets is as follows:

	2025	2024
Carrying amount at beginning of year	$ 2,090,057	$ 2,287,467
Remeasurements of leasing obligations	(2,209)	7,084
Depreciation expense for the year	(200,665)	(204,494)
	$ 1,887,183	$ 2,090,057

7. Related party transactions:

(a) During the year, the Co-operative entered into the following transactions paid to VCT Group Inc. ("VCT") and Vigor Clean Tech Inc., corporations which are related by virtue of common management:

7. Related party transactions (continued):

	2025	2024
Management and consulting fees	$ 250,150	$ 247,218
Lease payments, including property taxes	90,000	90,000
Repairs and maintenance costs	453,599	436,857
Expenditures for construction in progress	-	765,502
Expenditures for energy generation equipment	436,698	403,831

Included Class C preference shares issued are costs of issuance of $33,195 (2024 – $27,276) for offering expenses incurred by the Co-operative as charged by VCT.

Key management is employed by VCT, which compensates management staff from the management fees it receives.

(b) Due to related parties:

	2025	2024
Due to related party - advances from Vigor Clean Tech	$ 64,249	$ 73,231
Note payable – to shareholder	374,562	332,491

The advances from Vigor Clean Tech are unsecured, non-interest bearing, with no set terms of repayment.

A promissory note for $300,000 was entered into on February 20, 2024, with a shareholder. This related party note payable bears 1% interest monthly, totalling $42,071 in 2025 (2024 – $32,491). This note, together with any accrued unpaid interest, was repaid on February 25, 2026.

(c) Accounts payable and accrued liabilities include the following amounts payable to VCT:

	2025	2024
Payable to VCT	$ 28,103	$ 500,034

8. Long-term debt:

Long term debt comprises National Bank term loans. All loans are payable in blended quarterly instalments, with interest payable at various rates between 5.11% and 6.21%. All loans except the one loan payable at 6.21% are amortized over 17 years but are due on the tenth anniversary date. At that time, the Co-operative will have the option of renewing the loans for an additional 7 years, at then-current interest rates, or repaying them in full. The remaining loan is amortized and repayable over 10 years.

	2025	2024
Loan payable at 5.49%, quarterly instalments of principal and interest ranging from $63,862 - $223,517, totalling $638,621 annually, due January 30, 2027, secured by specific energy generation equipment with a net book value of $5,526,393.	$ 3,990,137	$ 4,394,404
Loan payable at 5.31%, quarterly instalments of principal and interest ranging from $60,716 - $212,507, totalling $607,163 annually, due April 28, 2027 secured by specific energy generation equipment with a net book value of $5,692,041.	3,919,970	4,304,902
Loan payable at 5.11%, quarterly instalments of principal and interest ranging from $7,057 - $24,698, totalling $70,566 annually, due June 7, 2027, secured by specific energy generation equipment with a net book value of $577,056.	470,549	515,792
Loan payable at 5.70%, quarterly instalments of Principal and interest ranging from $49,324 - $172,632, totalling $493,235 annually, due December 21, 2027, secured by specific energy generation equipment with a net book value of $4,025,782.	3,420,705	3,660,444
Loan payable at 6.21%, quarterly instalments of principal and interest ranging from $54,478 - $190,672, totalling $544,776 annually, due October 1, 2028, secured by specific energy generation equipment with a net book value of $3,144,137.	1,362,678	1,721,723
Loan payable at 5.83%, quarterly instalments of principal and interest ranging from $14,086 - $49,302, totalling $140,863 annually, due March 31, 2028, secured by specific Energy generation equipment with a net book value of $1,251,318.	977,878	1,058,462
	14,141,917	15,655,727
Less: unaccreted costs of issuing debt	219,271	347,962
	13,922,646	15,307,765
Less: current portion	1,735,553	1,640,308
	$ 12,187,093	$ 13,667,457

8. Long-term debt (continued):

Contractual principal repayments are as follows:

2026	$ 1,735,553
2027	8,408,669
2028	3,997,694
2029	-
	$ 14,141,917

Debt-Service Coverage Ratio Covenant:

The long-term debt agreement requires the Co-operative to maintain a debt-service coverage ratio (DSCR) of at least 1.25 throughout the term of the debt. The DSCR is calculated as a ratio of the Co-operative's operating income to its total debt service obligations. Failure to comply with this covenant could result in the loan becoming callable, making it repayable within 12 months, subject to the lender's discretion. As of the reporting date, the Co-operative is in compliance with all applicable covenants and anticipates continued compliance in the foreseeable future.

Restricted cash:

Under the terms of its loan agreements with National Bank, formerly CWB Maxium, the Co-operative is required to retain a portion of the income earned from the energy generation equipment that is pledged as security for the loans in segregated bank accounts at National Bank. The segregated funds are designated for financing repairs required for the energy generation equipment, as well as for maintaining a reserve to finance loan payments, should the cash flow from the projects be insufficient to make the required payments. These funds are available for the designated purposes, subject to permission from the lender.

9. Note payable:

	2025	2024
Note payable to 2300070 Ontario Inc. bearing interest at 5% per annum, unsecured, payable in quarterly blended instalments of $35,350, due December 23, 2031.	$ 728,939	$ 830,709
Less: current portion	106,955	101,770
	$ 621,984	$ 728,939

9. Note payable (continued)

Estimated principal repayments are as follows:

2026	$	106,955
2027		112,403
2028		118,057
2029		124,144
2030		130,469
Thereafter		136,911
	$	728,939

10. Deferred income taxes:

Tax-affected temporary differences between accounting and taxable income which result in future income tax assets (liabilities) are as follows:

	2025	2024
Undeducted losses for tax purposes available for carryforward	$ 3,762,704	$ 3,625,812
Temporary differences between carrying value of energy generation equipment and tax value	(3,751,338)	(3,606,726)
Temporary differences between carrying value of unamortized costs of arranging financing and tax value	(130,880)	(154,453)
Temporary difference between value of right-of-use asset and lease obligation	72,109	49,807
	$ (47,405)	$ (85,560)

Deferred income tax recovery recorded through profit and loss in the consolidated financial statements differs from the amount which would have been obtained by applying the statutory income tax rate of 26.5% to the net loss for the year as follows:

	2025	2024
Anticipated deferred income tax expense (recovery)	$ (33,780)	$ (56,481)
Permanent differences	71,935	129,156
Other	-	(7,655)
	$ 38,155	$ 65,020

Deferred income tax liability comprises the following:

	2025	2024
Cumulative deferred income tax recovery recorded through profit and loss	$ 213,778	$ 175,623
Deferred taxes recognized on business combinations	(225,077)	(225,077)
Deferred taxes resulting from difference between cost and tax basis of assets acquired	(36,106)	(36,106)
	$ (47,405)	$ (85,560)

11. Bonds issued and subscribed:

	2025	2024
Unsecured series L1-4 bonds:		
Bonds issued	$ 1,716,274	1,719,998
Accrued interest	1,797,085	1,532,623
Unsecured series Q1 bonds:		
Bonds issued	580,044	757,569
Unsecured series P2 bonds:		
Bonds issued	-	62,593
	4,093,403	4,072,783
Less: unaccreted costs of issuing debt	17,110	25,350
	4,076,293	4,047,433
Less: current portion	204,463	264,358
	$ 3,871,830	$ 3,783,075

Estimated principal repayments are as follows:

2026	$ 204,463
2027	439,352
2028	536,008
2029	-
2030	-
Thereafter	2,913,580
	$ 4,093,403

11. Bonds issued and subscribed (continued):

The Co-operative may at any time redeem, without the consent of the bondholders, all or any part of the issued and outstanding bonds upon payment of the principal together with any accrued interest. The rights of the holders of each series of bonds may be modified or waived at a meeting of all holders of that series of bond with a vote of at least two-thirds of the aggregate principal present, provided that quorum is achieved. Quorum is achieved if at least 25% of the principal amount of the bonds are represented in person or rendered by instruments in writing signed by the holders of at least two-thirds of the aggregate principal amount.

Except as otherwise stated, none of the bonds are redeemable by the holder on demand, nor are the bondholders entitled to demand the redemption of their outstanding principal upon withdrawal from membership in the Co-operative.

All of the bonds are junior in rank with respect to the payment of interest and principal on the Co-operative's term loans. All series of bonds are equivalent in rank with respect to the payment of interest and principal of all other bonds of the Co-operative. All series of bonds are senior in rank to the payment of dividends on and redemption amount of the Class A preference shares, Class B preference shares, Class C preference shares, and membership shares upon dissolution.

All of the bonds are unsecured and non-voting, with interest compounding or paid annually.

Additional information regarding the terms of the bonds is presented in Schedule 1.

12. Share capital:

Authorized:

- 100,000 Membership shares, par value of $10 each, redeemable at par value at the option of the holder.
- 10,000,000 Class A preference shares, par value of $5 each, variable, non-cumulative preferential dividend rate determined by the Board of Directors, non-voting, redeemable at the option of the Co-operative.
- 10,000,000 Class B preference shares, par value of $5 each, variable, non-cumulative preferential dividend rate determined by the Board of Directors, non-voting, redeemable at the option of the Co-operative.
- 10,000,000 Class C preference shares, par value of $5 each, variable, non-cumulative preferential dividend rate determined by the Board of Directors, non-voting, redeemable at the option of the Co-operative.

Issued:

	2025	2024
854 membership shares (2024 - 846)	$ 8,540	$ 8,460

8 shares (2024 – 19) were issued for proceeds of $80 (2024 - $190) and zero shares (2024 – nil) were redeemed during the year.

	2025	2024
Class A preference shares issued	$ 5,215,390	$ 5,222,295
Less: Issue costs	(45,233)	(45,293)
Class B preference shares issued	2,903,815	2,903,815
Less: Issue costs	(49,199)	(49,199)
Class C preference shares issued	9,050,015	7,465,585
Less: Issue costs	(238,290)	(212,293)
	$ 16,836,498	$ 15,284,910

These shares are not redeemable at the option of the holder. Therefore, the shares have been classified as equity. From time-to-time, the Co-operative may, upon written request from a shareholder and subject to Board approval, redeem the shares. If the Co-operative is unable or unwilling to comply with the request, the Co-operative will attempt to facilitate a transfer to a third party on a best-efforts basis.

12. Share capital (continued):

Additional information on the share capital is as follows:

Year ended December 31, 2025

Share type	Opening	Issued	Redeemed	Closing
Class A preference shares				
Share count	1,044,459	-	(1,381)	1,043,078
Share value	$ 5,222,295	$ -	$ (6,905)	$ 5,215,390
Class B preference shares				
Share count	580,763	-	-	580,763
Share value	$ 2,903,815	$ -	$ -	$ 2,903,815
Class C preference shares				
Share count	1,493,117	357,512	(40,626)	1,810,003
Share value	$ 7,465,585	$ 1,787,560	$ (203,130)	$ 9,050,015

Year ended December 31, 2024

Share type	Opening	Issued	Redeemed	Closing
Class A preference shares				
Share count	1,044,738	-	(279)	1,044,459
Share value	$ 5,223,690	$ -	$ (1,395)	$ 5,222,295
Class B preference shares				
Share count	587,118	-	(6,355)	580,763
Share value	$ 2,935,590	$ -	$ (31,775)	$ 2,903,815
Class C preference shares				
Share count	1,218,933	319,041	(44,857)	1,493,117
Share value	$ 6,094,665	$ 1,595,205	$ (224,285)	$ 7,465,585

13. Supplementary cash flow information:

(a) Items not affecting cash:

	2025	2024
Depreciation of energy generation equipment	$ 2,391,752	$ 2,374,188
Depreciation of right-of-use assets	200,665	204,494
Deferred income taxes	38,155	65,020
Accrued interest added to bonds payable	264,462	123,648
Accrued interest on related party note payable	42,071	32,491
Derecognition of bond issue costs	11,432	11,526
Derecognition of share issue costs	7,259	7,609
Accretion of debt issue costs	128,384	116,349
Net Income from investment in associates	(21,029)	(31,486)
Amortization of below market leases	24,267	24,267
Remeasurement of right of use assets	2,209	(7,084)
Accreted interest on leasing obligations	145,686	157,383
	$ 3,235,313	$ 3,078,312

(b) Change in non-cash working capital items:

	2025	2024
Accounts receivable	$ (28,840)	$ (63,972)
Prepaid expenses	51,297	(3,706)
Harmonized sales tax receivable	36,624	(36,624)
Share subscriptions receivable	(15,000)	27,520
Accounts payable and accrued liabilities	(412,220)	392,086
Harmonized sales tax payable	74,885	(32,081)
	$ (293,254)	$ 283,223

(c) Non-cash transactions:

	2025	2024
Stock dividends for preferred C shares	$ 514,270	$ 410,560
	$ 514,270	$ 410,560

14. Leasing obligations:

All of the Co-operative's energy generation projects are located on premises that are leased under long-term leases. Other than certain leases for nominal consideration that were acquired as part of business combinations in prior years and which are accounted for in accordance with IFRS 3, the Co-operative applies IFRS 16 to accounts for its leases, recognizing a right-of-use asset (see note 6) and related leasing obligation. The leasing obligation is presented in the statement of financial position as follows:

	2025	2024
Current	$ 179,569	$ 174,088
Non-current	1,979,724	2,156,602
	$ 2,159,293	$ 2,330,690

In 2025, the Co-operative had 104 right-of-use assets leased, with a range of 5 to 12 years remaining in the lease terms, and an average of 7 years remaining. The Co-operative had no leases with an option to purchase, extend or terminate the lease, and there are no leases with variable payments.

Future minimum lease payments at December 31, 2025 were as follows:

	Lease payments	Finance charges	Net present values
Within 1 year	$ 318,354	$ 144,266	$ 174,088
1-2 years	318,747	135,771	182,976
2-3 years	319,146	124,335	194,811
3-4 years	319,551	112,159	207,392
4-5 years	319,964	99,197	220,767
After 5 years	1,723,701	544,442	1,179,259
	$ 3,319,463	$ 1,160,170	$ 2,159,293

The Co-operative does not have any short-term leases or low value leases.

Total cash outflow for leases for the year ended December 31, 2025 was $317,968 (2024 - $318,054).

Accreted interest on leasing obligations for the year ended December 31, 2025 was $145,686 (2024 - $157,383).

15. Capital management

The Co-operative's objectives when managing capital are to provide a return for members and ensure sufficient resources are available to meet day-to-day operations. Capital is considered to consist of total members equity, bonds issued, long-term debt, note payable due to related party, and note payable. As at December 31, 2025, capital was $26,406,048 (2024 - $28,557,157).

The Co-operative manages its capital structure and makes adjustments to it, based on the funds available to the Co-operative or in the light of changes in economic conditions and the risk characteristics of the underlying assets. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Co-operative, is reasonable.

There has been no change in the overall capital risk management strategy during the year.

16. Financial instruments:

The Co-operative is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides a measure of the Co-operative's risk exposures and concentrations at December 31, 2025.

(a) Liquidity risk:

Liquidity risk is the risk that the Co-operative will encounter difficulty in meeting the obligations associated with its financial liabilities. The Co-operative is exposed to this risk mainly in respect of amounts owing to vendors, its lender, its note holder, bond holders, lessors related to lease obligations, and a related corporation. The Co-operative's ability to meet obligations depends largely on its operating receipts and other related sources, whether in the form of revenue or advances.

(b) Market risk:

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Co-operative is mainly exposed to interest rate risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. All of the Co-operative's long-term debt instruments bear interest at fixed rates. Accordingly, the Co-operative is exposed to fair value risk. Currently, the fair value of all financial assets and financial liabilities except for long-term debt, notes payable and bonds issued approximates the carrying value. The fair value of these instruments was determined by using a discounted cash flow model based on prevailing market interest rates at the year-end date for similar instruments.

16. Financial instruments (continued):

The following are the carrying amounts and anticipated contractual maturities of the Co-operative's financial liabilities:

December 31, 2025	Carrying amount	1 year or less	1-2 years	2-5 years
Accounts payable and accrued liabilities	$ 355,650	$ 355,650	$ -	$ -
Long-term debt	14,141,917	1,735,553	943,025	11,463,339
Note payable	728,939	147,409	146,118	435,411
Shareholder note payable	374,562	374,562	-	-
Bonds issued	4,079,485	204,463	439,352	536,008
Leasing obligations	2,159,293	319,279	318,747	958,661
Due to related party	64,249	11,991	11,991	35,973
	$ 21,978,980	$ 3,223,792	$ 1,859,233	$ 13,429,392

December 31, 2024	Carrying amount	1 year or less	1-2 years	2-5 years
Accounts payable and accrued liabilities	$ 767,870	$ 767,870	$ -	$ -
Long-term debt	15,307,765	1,640,308	1,735,553	12,279,866
Note payable	830,709	101,770	106,955	354,605
Shareholder note payable	332,491	-	332,491	-
Bonds issued	4,047,433	264,358	189,129	922,399
Leasing obligations	2,330,690	174,088	182,976	622,970
Due to related party	73,231	11,991	11,991	35,973
	$ 23,690,189	$ 2,960,385	$ 2,559,095	$ 14,215,813

17. Subsequent Events:

Offering Statement Raise:

Subsequent to year end, the Co-operative has signed commitments for the issuance of 216,220 Class C Preferred Shares. $454,935 has been received in respect of commitments.

Dividends Declared:

On March 16, 2026, the Board of Directors declared the following dividends:

- Class A preference shares: 7% annual cash dividend
- Class B preference shares: 6% annual cash dividend
- Class C preference shares: 6% annual stock dividend

17. Subsequent Events (continued):

These dividends were paid on March 16, 2026, to shareholders of record as of March 13, 2026. The dividend declaration occurred after the reporting period and, therefore, has not been recognized as a liability in these financial statements. Further dividends throughout 2026 will continue to be at the discretion of the Board.

COMMUNITY ENERGY DEVELOPMENT CO-OPERATIVE LTD.

Schedule 1 - Supplementary Information on Terms of Bonds Payable

As of December 31, 2025

	Authorized issuance	Number of bonds in package (note 1)	Bond number	Proportion of investment allocated	Interest rate	Term (in years)	Payment terms
Series L1-4 Long Term Bonds (2014)	$ 4,000,000	4	1	16%	7.00%	8	At maturity
Allow the Co-operative to manage its cash flow in respect of future loan payments and future cash flow from the exploitation of FIT contracts			2	16%	7.50%	12	At maturity
			3	32%	8.00%	16	At maturity
			4	36%	8.50%	20	At maturity
Series Q1 10-Yr Bonds (2017)	$ 2,000,000	1	N/A	N/A	6.00%	10	Annual blended payments of $136 per $1,000
To mirror the anticipated early cash flows of the Co-operative							
Series S1 bonds (2025)	$ 1,000,000	1	N/A	N/A	4.50%	10	Annual blended payments of $126 per $1,000
Available for investment in potential new projects - Solar Net-Meter, or other							

Note 1: Some series of bonds consist of packages of several bonds. Each bond within a package has a different interest rate and maturity date, and the amount that each bondholder purchases is allocated in the percentages shown in the table.

APPENDIX C: Consent from Auditors to Use Financials in this Offering Statement

MNP

MNP LLP
Suite 700, 255 Queens Avenue
London ON, N6A 5R8

Auditor's Consent

We "MNP LLP" consent to the use of our report to the members of Community Energy Development Co-Operative Ltd. (the Co-operative) on the consolidated statement of financial position of the Co-operative as at December 31, 2025, and the consolidated statements of operations, changes in members' equity and cash flows for the year ended December 31, 2025, and notes to the consolidated financial statements, including material accounting policy information in the offering statement of the Co-operative dated March 31, 2026 relating to the issue and sale of Membership shares, Class C preference shares and Bonds series S1 of the Co-operative. Our report is dated March 31, 2026.

MNP LLP

March 31, 2026
London, Ontario

Chartered Professional Accountants
Licensed Public Accountants

APPENDIX D: Certificate of Incorporation

Financial Services Commission of Ontario

Commission des services financiers de l'Ontario

Ontario

Ontario Corporation Number
1851884

Co-operative Corporations Act, R.S.O. 1990, c. C.35

CERTIFICATE OF INCORPORATION

An application for a certificate of incorporation under subsection 6(1) of the *Co-operative Corporations Act* has been made to the Minister of Finance by Articles of Incorporation of a Co-operative with share capital in the approved form.

Under the authority of the Act, I issue this certificate of incorporation for a corporation under the name of:

Community Energy Development Co-operative Ltd.

The effective date of this certificate of incorporation is the date of signing.

Signed at Toronto, this 31 day of October, 2012.

Philip Howell
Chief Executive Officer and
Superintendent of Financial Services
By delegated authority from the
Minister of Finance

APPENDIX E: CRA Approval of Public Corporation Status

Canada Revenue Agency | Agence du revenu du Canada

COPY

Jonquiere Tax Centre
Jonquière QC G7S 5J2

REGISTERED MAIL

August 28, 2015

COMMUNITY ENERGY DEVELOPMENT CO-OPERATIVE LTD.
1633 SNYDER'S ROAD EAST,
PETERSBURG ON N0B 2H0

Dear Sir or Madam:

Re: Election to be a Public Corporation - Form T2073

Based on the review of this election and other documentation, this corporation is considered to be a public corporation as of June 19, 2015.

This privilege is subject to the restrictions described in the definition found under subsection 89(1) of the Income Tax Act.

If you have any questions or concerns about any matter covered in this letter, please contact Mr. Claude Gaudreault either by writin by telephone. The address and telephone numbers are indicated on this letter.

Yours truly,

Pierre Boutin
Director, Jonquière Tax centre
Canada Revenue Agency

c.c.: BLAKE, CASSELS & GRAYDON LLP

Canada

Jonquière Tax Centre
2251 René-Lévesque Blvd.
Jonquière QC G7S 5J2

Local : 418-699-0735 Ext. : 6632
Toll Free : 1-888-699-0735 Ext. : 6632
Fax : 418-699-4517
Web site : www.cra.gc.ca

APPENDIX F: Form of Membership Application and Membership Share Subscription

ced co-op
community energy development co-operative

Membership Application and Subscription Agreement

Updated March 31, 2023

A completed and signed copy of this Subscription Agreement, along with payment of $10.00, must be delivered either as a hard copy with cash or a cheque payable to **"Community Energy Development Co-operative Ltd."** enclosed; or electronically with a single e-transfer of funds to:

Community Energy Development Co-operative Ltd., Attention: Investments
3-5 Forwell Rd,
Kitchener, Ontario N2B 1W3

invest@cedco-op.com
(email us a scanned copy of your Subscription Agreement, and request e-transfer details)

Personal Information

Legal Name: (First, middle, and last)	
Preferred Name:	
Social Insurance Number: (Required for tax purposes)	
Date of Birth: (MM/DD/YYYY)	
Email Address:	

Your email address is used to send required communications regarding your account and to provide access to the Member Zone section of the CED Co-op website. Occasionally, we also email members with communications about investment opportunities, project progress, news stories, and upcoming CED Co-op events. By selecting "YES" below you consent to receive these additional communications. You may unsubscribe at any time using the link included in these emails. As a member/subscriber of CED Co-op, when unsubscribing to these additional communications, please note that you may still receive email communications that are legally required to conduct your business relationship with CED Co-op.

I consent to receive additional email communication from CED Co-op:	**YES**	✔	**NO**	

Home Phone:	
Mobile Phone:	
Business Phone:	
Street Address 1:	
Street Address 2: (P.O. Box, RR, Stn, Suite, Other)	
City:	
Postal Code:	
Province:	**ONTARIO**

I have owned the property above for a minimum of two years:	**YES**		**NO**	

Parcel Identification No. (If known)	
Legal Description: (If known)	

Members who own property within a municipality where we have built/are building FIT projects are required by the Independent Electricity System Operator to support our FIT application by signing a Qualifying Member Declaration and Consent Form. The sole purpose is to prove that CED Co-op has longstanding community members supportive of our project. If CED Co-op requires additional qualified property owners, a representative of CED Co-op may contact you by phone or by email to arrange a time to get your signature and to commission the form.

If you have owned another property in Ontario for a minimum of two years, please complete the Additional Qualifying Property Form.

Membership Application and Subscription Agreement

Updated March 31, 2023

Membership Subscription

Issuer:	Community Energy Development Co-operative Ltd.
Number of Membership Shares Subscribed For:	One (1) Membership Share
Price Per Share:	$10.00
Total Subscription Price For Share Subscribed For:	$10.00

Subscriber's Rights and Obligations

TO: Community Energy Development Co-operative Ltd. ("CED Co-op")

Membership Rights and Obligations:

The undersigned:

a. Hereby irrevocably subscribes for and agrees to purchase the number and class of securities of CED Co-op set out below to be issued for the aggregate consideration set out below, upon and subject to the terms and conditions set out in the attached "Terms and Conditions of Subscription" (the "Terms and Conditions"). This page plus the Terms and Conditions are collectively referred to as the "Subscription Agreement".

b. Has read and agreed to the Subscriber's Rights and Obligations.

c. Has read and understood the Terms and Conditions of Subscription, which can be accessed on CED Co-op's website: https://cedco-op.com/ced-co-op-membership-terms-and-conditions-of-subscription/

Agreement and Consent to Use of Personal Information:

CED Co-op collects member Personal Information on behalf of the members for the following purposes:

a. For CED Co-op to establish and maintain commercial relations with the member (i.e. to payout bond interest and share dividends);

b. To manage and develop CED Co-op's business and operations; and

c. To help CED Co-op meet legal and regulatory requirements.

The undersigned:

a. Acknowledges the collection, use and disclosure / sharing of information as set forth in the CED Co-op's Privacy Policy, which can be accessed on CED Co-op's website: https://cedco-op.com/privacypolicy/

b. Acknowledges all information provided in connection with this application is true, accurate and complete in all respects.

_____

Date (mm/dd/yyyy)

_____ _____

Legal Name (First, middle, and last) - please print

Authorized Signature of Member/Subscriber

ACCEPTANCE - FOR OFFICE USE ONLY

The foregoing is acknowledged, accepted and agreed to.

Community Energy Development Co-Operative Ltd.

Per: _____

Brian Unrau, President, CED Co-op

_____

(mm/dd/yyyy)

PAYMENT RECEIPT - FOR OFFICE USE ONLY

Date Payment Received _____

(mm/dd/yyyy)

Method of Payment

- ☒ Cash
- ☐ Cheque, made payable to “Community Energy Development Co-op”
- ☐ E-Transfer, email: invest@cedco-op.com
- ☐ Pre-Authorized Debit (PAD Agreement): please complete attached form

Payment Amount _____

TERMS AND CONDITIONS OF SUBSCRIPTION

1. SUBSCRIPTION AND CLOSING

1.1 The Subscriber irrevocably subscribes for the Shares at the subscription price and agrees to purchase, in accordance with the terms of this Subscription Agreement, the number of Shares set out on the cover page hereof and, upon execution of this Subscription Agreement, the Subscriber agrees to provide the Co-operative with cash or a personal cheque made payable to the Co-operative, or electronically with a single e-transfer of funds in the amount of the aggregate subscription price for such Shares.

1.2 The Subscriber's subscription for the Shares evidenced by the Subscriber's execution of this Subscription Agreement is subject to acceptance or rejection in whole or in part by the Board of the Co-operative in its sole discretion and the Co-operative reserves the right to allot to the Subscriber less than the number of Shares subscribed for. The acceptance of subscriptions for Shares by the Co-operative is conditional upon the completion and delivery of all documentation relating to a subscription in form and substance satisfactory to the Co-operative.

1.3 The issue and sale of the Shares to the Subscriber are conditional upon such issue and sale being exempt from the Offering Statement requirements of the *Co-operative Corporations Act* (Ontario) and the Subscriber acknowledges and agrees with the Co-operative that the Co-operative is relying upon the representations, warranties and covenants of the Subscriber contained herein in connection therewith.

2. REPRESENTATIONS AND WARRANTIES OF THE SUBSCRIBER

2.1 The Subscriber represents, warrants and certifies to the Co-operative as follows and acknowledges the Co-operative is relying upon such representations, warranties and certifications in accepting this Subscription Agreement:

(a) The Subscriber is purchasing the Shares as principal, and not on behalf of or in trust for any other party;

(b) If an individual, the Subscriber has resided at the address indicated on the cover page hereof for no less than two (2) consecutive years from the date of this Subscription Agreement and Subscriber will notify the Co-operative as soon as they cease to reside at the address indicated on the cover page hereof; (delete if not applicable)

(c) This Subscription Agreement has been duly authorized, executed and delivered by the Subscriber and constitutes a legal, valid, binding and enforceable obligation of the Subscriber;

(d) If an individual, the Subscriber has attained the age of majority and is legally competent to execute this Subscription Agreement and to complete the subscription for Shares hereunder; and

(e) The Subscriber has been advised there can be no assurance the Subscriber will receive any dividends on the Shares or be able to redeem these Shares upon request.

2.2 By accepting the Shares, the Subscriber shall be representing and warranting that the foregoing representations and warranties are true and correct as at the time of completion of the Subscription Agreement for the Shares on the Closing Date, with the same force and effect as if they had been made by the Subscriber at such time. The Subscriber agrees to indemnify the Co-operative against all losses, costs, expenses and damages or liabilities which the Co-operative may suffer or incur as a result of any such representations and warranties being incorrect.

3. COVENANTS AND ACKNOWLEDGEMENTS OF THE SUBSCRIBER

3.1 The Subscriber hereby covenants and acknowledges with the Co-operative that:

(a) The Subscriber has been advised that the Co-operative is in its development phase with no record of operations and that all funds raised will be used to fund start-up expenses associated with the Co-Operative, the objective being to ultimately procure and develop renewable energy projects. If no renewable energy projects are procured and developed, the Co-operative will not proceed and the Subscriber will lose their investment;

(b) The Shares being offered are speculative and involve a high degree of risk. Investors may lose their investment;

(c) The Co-operative is a start-up venture. The Co-operative currently does not have any significant assets or other financial resources. The ability to pursue renewable energy projects will be dependent upon the Co-operative receiving sufficient equity pursuant to an Offering Statement;

(d) The Government of Ontario can suspend the FIT Program at any time. It is assumed, but cannot be guaranteed, that any contract for a project under the FIT Program signed prior to a suspension will be honoured. The Independent Electricity System Operator (IESO) (previously known as the "Ontario Power Authority") is required under the *Green Energy Act* (Ontario) to review and amend FIT Program rates periodically to reflect changes in renewable energy equipment costs. The Co-operative is making a number of assumptions in how the Government of Ontario and the Independent Electricity System Operator (IESO) (previously known as the "Ontario Power Authority") will proceed with the FIT Program, but rates and contracts are ultimately beyond the control of the Co-Operative. Assumptions that ultimately prove to be incorrect may have a material negative affect on the Co-Operative's profitability and solvency;

(e) There is presently no market for the Shares nor is a market expected to develop. Subscribers may not be able to re-sell Shares. Transfers of Shares require Board approval;

(f) The viability of the renewable energy industry in Ontario and Canada is dependent upon tax policies, government programs and environmental and other rules and regulations which provide an incentive to generate electricity from renewable energy sources. The further development of the renewable energy industry in Canada will require the maintenance and/or implementation of federal, provincial and/or municipal government programs, policies and/or regulations;

(g) The Co-operative may also be subject to other unknown risk factors which could potentially affect its profitability and solvency. Some of these risk factors could include, but not be limited to, failure to comply with governing statutes and increased competition;

(h) My contact information may be provided to the Independent Electricity System Operator (IESO) (previously known as the "Ontario Power Authority") or other parties as required for the Co-Operative's operations;

(i) If I am admitted as a member of the Co-Operative, I will abide by all of the by-laws and policies of the Co-Operative;

(j) I have been informed the Co-operative is accepting subscriptions for Shares in reliance upon exemptions to the requirement to provide investors with an Offering Statement available to the Co-operative under the *Co-operative Corporations Act* (Ontario), there are significant risks associated with any investment in the Co-operative and that I could lose my entire investment; and

(k) I have obtained a copy of the Articles of Incorporation of the Co-operative or have been given the opportunity to obtain a copy of the Articles of Incorporation of the Co-operative and decided not to obtain a copy thereof.

4. REPRESENTATIONS AND WARRANTIES OF THE CO-OPERATIVE

4.1 The Co-operative represents and warrants to the Subscriber as follows and acknowledges that the Subscriber is relying on such representations and warranties in making an investment in Shares hereunder:

(a) The Co-operative is incorporated and validly subsisting under the laws of the Ontario *Co-operative Corporations Act*;

(b) If signed by the Co-Operative, the Subscription Agreement will be duly authorized, executed and delivered by the Co-operative and will constitute a legal, valid and binding obligation of the Co-Operative, enforceable in accordance with its terms; and

(c) Subject to the acceptance of this Subscription Agreement by the Board of the Co-operative pursuant to and in compliance with the provisions of Section 1.2 hereof, all necessary corporate action will have been taken by the Co-operative to allot and issue the Shares purchased by the Subscriber and, upon the Co-operative accepting this Subscription Agreement, the Shares shall be validly issued as fully paid and non-assessable Shares in the capital of the Co-Operative.

5. RELIANCE BY CO-OPERATIVE AND SURVIVAL

5.1 The Subscriber acknowledges and agrees that the representations, warranties, covenants, acknowledgements and agreements made by the Subscriber in this Subscription Agreement are made with the intention that they may be relied upon by the Co-operative in determining the Subscriber's eligibility to purchase the Shares and that they shall in each case survive the closing of the transactions contemplated hereby notwithstanding any subsequent disposition by the Subscriber of the Shares.

6. CONFIDENTIALITY

6.1 The Subscriber hereby agrees to keep confidential all information which may be provided to the Subscriber relating to the business and affairs of the Co-operative upon becoming a shareholder of the Co-Operative, and not to distribute or otherwise make available any such information to any other person or otherwise exploit any such information.

7. FURTHER ASSURANCES OF SUBSCRIBER

7.1 The Subscriber shall execute and deliver such additional instruments, certificates and other documents as may be required or requested by the Co-Operative, acting reasonably, to permit the purchase of the Shares or otherwise to carry out the provisions and intent of this Subscription Agreement.

8. ASSIGNMENT

8.1 No rights or obligations of the Subscriber hereunder may be assigned without the prior written consent of the Co-Operative.

9. GOVERNING LAW

9.1 This Subscription Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Subscriber irrevocably attorns to the non-exclusive jurisdiction of the Courts of Ontario with respect to any matters arising out of this Subscription Agreement.

10. ELECTRONIC AND FACSIMILE SUBSCRIPTIONS

10.1 The Co-operative shall be entitled to rely on delivery by facsimile or electronic PDF of an executed copy of this Subscription Agreement by Subscriber and acceptance by the Co-operative of that delivery shall be legally effective to create a valid and binding agreement between the Subscriber and the Co-operative in accordance with the terms of this Subscription Agreement.

11. TIME OF ESSENCE

11.1 Time shall be of the essence in this Subscription Agreement and every part hereof and no extension or variation of this Subscription Agreement shall operate as a waiver of this provision.

12. ENTIRE AGREEMENT

12.1 This Subscription Agreement constitutes the only agreement between the Co-operative and Subscriber with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings and there are no representations, warranties, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein or therein. This Subscription Agreement shall be read with such changes in number and gender as the context or reference to parties may require.

13. ENUREMENT

13.1 This Subscription Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, legal personal representatives, successors and permitted assigns.

APPENDIX G: Form of Offering Statement Subscription Agreement

ced co-op
community energy development co-operative

Investment Subscription Agreement

(Individuals resident in the Province of Ontario) Updated March 31, 2026

A completed and signed copy of this Subscription Agreement, including all applicable schedules hereto, along with payment must be delivered either as a hard copy with cheque payable to "Community Energy Development Co-operative Ltd." enclosed, or electronically with a single e-transfer of funds to:

Community Energy Development Co-operative Ltd., Attention: Investments
5 Forwell Rd, Unit 3
Kitchener, Ontario N2B 1W3

invest@cedco-op.com (email a scanned copy of your Subscription Agreement, and request e-transfer details)

TO: COMMUNITY ENERGY DEVELOPMENT CO-OPERATIVE LTD. (the "Co-operative")

The undersigned, on its own behalf, and, if applicable, on behalf of those for whom the undersigned is contracting hereunder (the "**Purchaser**") hereby irrevocably subscribes for and agrees to purchase the Class C Preference Shares, as the case may be, of the Co-operative set out below having the terms and conditions set forth in the Offering Statement (as defined below), receipt of a copy of which is acknowledged by the Purchaser (collectively, the "**Securities**"), for the aggregate subscription price set out below (the "**Purchase Price**"), subject to the following terms and conditions. This subscription agreement is referred to herein as the "**Subscription Agreement**". The Purchaser agrees to be bound by the terms and conditions set forth in the attached "Terms and Conditions of Subscription". The Purchaser further acknowledges and agrees, without limitation, that the Co-operative and its counsel may rely on the Purchaser's representations, warranties, and covenants contained this Subscription Agreement.

Issuer: **Community Energy Development Co-operative Ltd.**

Purchaser Information

Name (Individual or Corporation) _____

SIN / Business Number _____

Date of Birth (mm/dd/yyyy) _____

Address _____

Telephone _____

Email _____

Type of Investment - complete one form for each investment type

☐ Non-Registered ☐ RRSP ☐ Spousal RRSP ☐ TFSA ☐ RESP ☐ RRIF

Securities To Be Purchased

Subscription Type	Number of Shares Subscribed For	Price Per Share	Total Subscription Amount ($)
Class C Preference Shares		**$5.00**	

Subscription Type	Total Subscription Amount ($)
Bonds Series S1 (10-year bond, 4.5%)	

_____ _____

Signature of Purchaser Date (mm/dd/yyyy)

Acceptance

The foregoing is acknowledged, accepted, and agreed to.

Community Energy Development Co-operative Ltd.

Per: _____

Brian Unrau, President, CED Co-operative

_____

Date (mm/dd/yyyy)

Payment Receipt - New Monies

Method of Payment

- ☐ Cash
- ☐ Cheque, made payable to Community Energy Development Co-op
- ☐ E-Transfer, email: invest@cedco-op.com
- ☐ Pre-Authorized Debit (PAD Agreement): please complete attached form

Date Payment Received (mm/dd/yyyy) _____

Payment Amount: _____

Transfers of Monies From Another Financial Institution

Name of Financial Institution: _____

Telephone: _____

Fax: _____

Estimated Amount of Transfer: _____

I, _____, acknowledge that the transfer amount as indicated above is an estimate based on the attached statement of account, and that the actual amount to be transferred may be slightly different due to transfer fees, a change in valuation, etc. I will verfiy the value of the transfer at various points in time to confirm the accuracy of the transfer. I request that the securities be purchased using the exact value of the transfer.

Purchaser Acknowledgement (Signature): _____

Date: (mm/dd/yyyy) _____

TERMS AND CONDITIONS OF SUBSCRIPTION

1. **Subscription.** The Purchaser hereby tenders to the Co-operative this Subscription Agreement which, upon acceptance by the Co-operative, will constitute an irrevocable agreement of the Purchaser to purchase from the Co-operative, and of the Cooperative to sell to the Purchaser, the aggregate number and/or principal amount of the Securities set out on the face page hereof (the **"Purchaser's Securities"**) at the Purchase Price, all on the terms and subject to the conditions set out in this Subscription Agreement.

2. **Payment.** The Purchaser shall deliver the aggregate amount payable in respect of the Purchaser's Securities subscribed for hereby to the Co-operative, by personal cheque or bank draft drawn on a Canadian chartered bank, credit union or trust company in Canadian dollars and payable to "Community Energy Development Co-Operative Ltd.".

3. **Definitions.** In this Subscription Agreement, unless the context otherwise requires:

"**CCA**" means *Co-operative Corporations Act*, R.S.O. 1990, c. C.35, and the regulations made thereunder;

"**Closing**" means the completion of the issue and sale by the Co-operative and the purchase by the Purchaser of the Securities pursuant to the provisions of this Subscription Agreement;

"**CRA**" means the Canada Revenue Agency;

"**CWCF**" means the Canadian Worker Co-op Federation;

"**FSRA**" means the Financial Services Regulatory Authority of Ontario;

"**Offering Statement**" means the offering statement of the Co-operative in respect of the Securities dated **March 31, 2026** ;

"**Olympia**" means Olympia Trust Company;

"**Person**" means an individual, firm, corporation, syndicate, partnership, trust, association, unincorporated organization, joint venture, investment club, government or agency or political subdivision thereof and every other form of legal or business entity of whatsoever nature or kind;

"**Personal Information**" means any information about a person (whether an individual or otherwise) required to be disclosed, and includes information contained in this Subscription Agreement;

"**United States**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

"**U.S. Person**" means a U.S. person as defined in Rule 902(k) of Regulation S under the U.S. Securities Act; and

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended.

4. **Delivery and Payment.** The Purchaser agrees that the following shall be delivered to the Co-operative at the address set out on the face page hereof, or such other place as the Co-operative may advise:

a) a completed and duly signed copy of this Subscription Agreement; and

b) a personal cheque or bank draft made payable to "Community Energy Development Co-Operative Ltd." representing the aggregate Purchase Price payable by the Purchaser for the Purchaser's Securities, or such other method of payment of the same amount as the Co-operative may accept.

The Purchaser consents to the filing of any documents as may be required to be filed with FSRA, CRA, CWCF, Olympia or other related financial organizations in connection with the transactions contemplated hereby. The Purchaser acknowledges and agrees that this offer, the Purchase Price and any other documents delivered in connection herewith will be held by the Co-operative until such time as the conditions set out in this Subscription Agreement are satisfied by the Co-operative.

5. **Closing**. The transactions contemplated hereby will be completed at the offices of the Co-operative at 5 Forwell Rd, Unit 3, Kitchener, ON N2B 1W3 at such date or time as the Co-operative may determine. Upon compliance with the terms and conditions contained in this Subscription Agreement, the Co-operative shall deliver to each Purchaser (x) one or more certificates evidencing the Securities (if applicable), and (y) such other documentation as may be required pursuant to this Subscription

Agreement, against the Purchaser's delivery of (a) this Subscription Agreement completed and duly signed by the Purchaser, (b) payment of the aggregate Purchase Price payable by the Purchaser for the Purchaser's Securities and (c) a receipt for the certificates (if any) evidencing the Securities signed by the Purchaser.

If, prior to the time of completion of the transactions contemplated hereby, the terms and conditions contained in this Subscription Agreement (other than delivery by the Co-operative of certificates representing the Securities) have not been complied with, the Co-operative and the Purchaser will have no further obligations under this Subscription Agreement

If the Closing does not occur, the Co-operative shall return this Subscription Agreement and any funds, personal cheques and bank drafts delivered by the Purchaser to the Co-operative representing the aggregate Purchase Price for the Purchaser's Securities, without interest, to the Purchaser.

6. **Representations and Warranties of the Co-operative.** The Co-operative represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on such representations and warranties in subscribing for the Securities hereunder:

a) the Co-operative is incorporated and validly subsisting under the laws of the Ontario *Co-operative Corporations Act;*

b) if signed by the Co-operative, this Subscription Agreement will be duly authorized, executed and delivered by the Cooperative and will constitute a legal, valid and binding obligation of the Co-operative; and

c) subject to the acceptance of this Subscription Agreement by the Co-operative, all necessary action will have been taken by the Co-operative to issue the Securities to the Purchaser.

7. **Conditions of Closing.** The Purchaser acknowledges that the Co-operative's obligation to sell the Purchaser's Securities to the Purchaser is subject to, among other things, the following condition:

a) the representations and warranties of the Purchaser set out herein being true and correct as at the time of Closing.

8. **Acceptance or Rejection**. The Co-operative will have the right, in its sole discretion, to accept or reject this Subscription Agreement at any time at or prior to the Closing. The Purchaser acknowledges and agrees that the acceptance of this offer will be conditional upon the issue and sale of the Purchaser's Securities to the Purchaser being exempt from the requirement to provide the Purchaser with an offering statement available to the Co-operative under the regulations to the CCA. The Co-operative will be deemed to have accepted this Subscription Agreement upon the Co-operative's execution of the acceptance at page 2 of this Subscription Agreement and the delivery at the Closing of the Purchaser's Securities in accordance with the provisions hereof.

If this Subscription Agreement is rejected, the Purchaser understands that any funds, personal cheques and bank drafts delivered by the Purchaser to the Co-operative representing the aggregate Purchase Price for the Purchaser's Securities will be returned promptly by the Co-operative to the Purchaser without interest or deduction.

9. **Purchaser's Representations and Warranties.** The Purchaser represents and warrants to the Co-operative as follows and acknowledges that the Co-operative is relying on such representations and warranties in connection with the transactions contemplated in this Subscription Agreement which representations and warranties shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Co-operative with respect thereto and notwithstanding any subsequent disposition by the Purchaser of any of the Purchaser's Securities shall continue in full force and effect for the benefit of the Co-operative following the Closing:

a) **Authorization and Effectiveness**. The Purchaser is an individual of the full age of majority resident in the Province of Ontario and has all requisite legal capacity and competence to execute and deliver this Subscription Agreement and to observe and perform his or her covenants and obligations hereunder, or under any agreement to which the Purchaser is a party or by which the Purchaser is bound or any law applicable to the Purchaser or any judgment, decree, order, statute, rule or regulation applicable to the Purchaser;

b) **Offering Statement**. The decision of the Purchaser to tender this Subscription Agreement and acquire the Purchaser's Securities has not been made as a result of any oral or written representation as to fact or otherwise made by or on behalf of the Co-operative or any other person other than as contained in the Offering Statement. The Purchaser is solely responsible for its own due diligence investigation of the Co-operative, its business and the merits and risks of its investment pursuant to this Subscription Agreement and the Offering Statement, and has relied only on the information contained in the Offering Statement in making the decision to subscribe for the Purchaser's Securities hereunder;

c) **Broker**. There is no person acting or purporting to act in connection with the transactions contemplated herein who is entitled to any brokerage or finder's fee and if any person establishes a claim that any fee or other compensation is payable in connection with this subscription for the Purchaser's Securities, the Purchaser covenants to fully indemnify and hold harmless the Co-operative with respect thereto and with respect to all costs reasonably incurred in the defense thereof;

d) **Illegal Use of Funds**. None of the funds being used to purchase the Purchaser's Securities are to the Purchaser's knowledge proceeds obtained or derived directly or indirectly as a result of illegal activities. The funds being used to purchase the Purchaser's Securities which will be advanced by the Purchaser to the Co-operative hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) Act* (Canada) (the "PCMLA") and the Purchaser acknowledges that the Co-operative may in the future be required by law to disclose the Purchaser's name and other information relating to this Subscription Agreement and the Purchaser's subscription hereunder, on a confidential basis, pursuant to the PCMLA. To the best of its knowledge (i) none of the funds to be provided by the Purchaser are being tendered on behalf of a person or entity who has not been identified to the Purchaser, and (ii) it shall promptly notify the Co-operative if the Purchaser discovers that any of such representations cease to be true, and to provide the Co-operative with appropriate information in connection therewith;

e) **No Purchase or Offer in United States**. The Purchaser is not a U.S. Person and was not offered the Purchaser's Securities in the United States, at the time the purchase order originated was outside the United States, did not execute or deliver this Subscription Agreement or related documents in the United States, is not purchasing the Purchaser's Securities on behalf of or for the benefit of a person in the United States or a U.S. Person, and confirms that no act, solicitation, conduct or negotiation directly or indirectly in furtherance of the purchase of the Purchaser's Securities hereunder has occurred in the United States, and acknowledges that the Securities have not been, nor will they be, registered under the U.S. Securities Act or the securities laws of any state, and such securities may not be offered or sold, directly or indirectly, in the United States except pursuant to registration or unless an exemption from the registration requirements under the U.S. Securities Act and applicable state securities laws is available, and agrees not to offer or sell the Securities in the United States unless registered under the U.S. Securities Act or pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws and the Purchaser acknowledges and understands that the Co-operative has no present intention of filing a registration statement under the U.S. Securities Act in respect of the Securities;

f) **Investment Suitability**. The Purchaser has such knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of the investment hereunder in the Purchaser's Securities and is able to bear the economic risk of total loss of such investment; and

g) **Personal Information.** The Purchaser acknowledges that this Subscription Agreement requires the Purchaser to provide certain Personal Information to the Co-operative and its agents and advisers as reasonably necessary in connection with the proposed Offering. Such information is being collected and will be used by the Co-operative for the purposes of completing the proposed Offering. The Purchaser agrees that the Purchaser's Personal Information may be disclosed by the Co-operative to: (a) FSRA and other applicable regulatory authorities, (b) CRA or other taxing authorities, (c) Independent Electricity System Operator, Ministry of Energy, local distribution companies or other parties as required for the Co-operative's operations and (d) any of the other parties involved in the proposed Offering, including legal counsel and administrators of registered plans, and may be included in record books in connection with the Offering. By executing this Subscription Agreement, the Purchaser consents to the foregoing collection, use and disclosure of the Purchaser's Personal Information. The Purchaser also consents to the filing of copies or originals of any of the Purchaser's documents described herein as may be required to be filed with any regulatory authority in connection with the transactions contemplated hereby.

The Purchaser acknowledges and agrees that the foregoing representations and warranties are made by it with the intention that they may be relied upon by the Co-operative and its respective counsel in determining the Purchaser's eligibility to purchase the Purchaser's Securities. The Purchaser further agrees that by accepting delivery of the Purchaser's Securities on Closing, it shall be representing and warranting that the foregoing representations and warranties are true and correct as at Closing with the same force and effect as if they had been made by the Purchaser at Closing and that they shall survive the purchase by the Purchaser of the Purchaser's Securities and shall continue in full force and effect notwithstanding any subsequent disposition by the Purchaser of the Purchaser's Securities. The Purchaser undertakes to notify the Co-operative immediately of any change in any representation, warranty or other information relating to the Purchaser set out in this Subscription Agreement which takes place prior to Closing.

The Purchaser acknowledges and agrees that the Co-operative may establish and maintain a file of the Purchaser's

Personal Information for the purposes set out above, which will be accessible at the Co-operative's office at 5 Forwell Rd, Unit 3, Kitchener, ON N2B 1W3. Authorized employees and agents of the Co-operative will have access to the Purchaser's Personal Information. The Purchaser may request access to or correction of his or her Personal Information in the Issuer's possession by writing to the foregoing address, to the attention of the President of the Co-operative.

10. **No Revocation.** The Purchaser agrees that this Subscription Agreement is made for valuable consideration and may not be withdrawn, cancelled, terminated or revoked by the Purchaser without the consent of the Co-operative.

11. **Indemnity**. The Purchaser agrees to fully indemnify and hold harmless the Co-operative and its directors, officers, employees, agents, advisers, shareholders and partners from and against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all fees, costs and expenses whatsoever reasonably incurred in investigating, preparing or defending against any claim, lawsuit, administrative proceeding or investigation whether commenced or threatened) arising out of or based upon any representation or warranty of the Purchaser contained herein or in any document furnished by the Purchaser to the Co-operative in connection herewith being untrue in any material respect or any breach or failure by the Purchaser to comply with any covenant or agreement made by the Purchaser herein or in any document furnished by the Purchaser to the Co-operative in connection herewith.

12. **Modification**. Subject to the terms hereof, neither this Subscription Agreement nor any provision hereof shall be modified, changed, discharged or terminated except by an instrument in writing signed by the party against whom any waiver, change, discharge or termination is sought.

13. **Assignment**. The terms and provisions of this Subscription Agreement shall be binding upon and enure to the benefit of the Purchaser, the Co-operative and their respective successors and assigns; provided that this Subscription Agreement shall not be assignable by any party without the prior written consent of the other parties. For greater certainty this Subscription Agreement may only be transferred or assigned by the Purchaser subject to compliance with applicable laws (including, without limitation, the CCA) and with the express written consent of the Co-operative, which is subject to approval by the Board of Directors of the Co-operative and the requirement that the transferee or assignee be a resident of the Province of Ontario.

14. **Miscellaneous**. All representations, warranties, agreements and covenants (including those relating to indemnification) made or deemed to be made by the Purchaser (and, if applicable, others for whom it is contracting hereunder) herein will survive the execution and delivery, and acceptance, of this Subscription Agreement and the Closing.

15. **Electronic Deliveries and Counterparts**. The Co-operative shall be entitled to rely on delivery by facsimile machine or other electronic means of an executed copy of this Subscription Agreement, and acceptance by the Co-operative of such facsimile copy shall be legally effective to create a valid and binding agreement between the Purchaser and the Co-operative in accordance with the terms hereof. This Subscription Agreement may be executed in any number of counterparts, each of which when delivered, either in original or electronic form, shall be deemed to be an original and all of which together shall constitute one and the same document.

16. **Governing Law**. This Subscription Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Purchaser hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario with respect to any matters arising out of this Subscription Agreement.

17. **Entire Agreement**. This Subscription Agreement (including the Schedules hereto) contains the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein. This Subscription Agreement may be amended or modified only by written instrument.

18. **Time of Essence**. Time shall be of the essence of this Subscription Agreement.

19. **Currency**. All dollar amounts referred to in this Subscription Agreement are in Canadian dollars.

20. **Further Assurances**. Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Subscription Agreement.

21. **Singular and Plural, etc**. Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.

22. **Headings**. The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.

APPENDIX H: CWCF / Common Good Capital – Current Fee Schedule

CWCF FCCT COMMON GOOD CAPITAL REGISTERED PLANS PROGRAM

COMMON GOOD CAPITAL FEE SCHEDULE (ASSOCIATE MEMBER)

IMPORTANT: Effective DECEMBER 1, 2025, the amounts below will be treated as base fees, and will be subject to the applicable G/HST rate based on the Member's province, unless otherwise stated.

Membership Dues *(billed annually to the Member)*	**$100.00**
Each December, CWCF will provide the Member with an invoice for its annual membership dues. Membership aligns with CWCF's fiscal year, which runs from September through August. Members must remain in good standing in order to continue making use of CWCF's Self-Directed Registered Plans Program, Common Good Capital.	

Account Administration Fee *(billed annually to the Member)*	**$55.00 (co-ops)** **$65.00 (other entities)**
Each December[1], CWCF will provide the Member (in its capacity as a Sub-Agent of CGC) with a list of Registered Plans ("contracts") held by its investors. This contract listing will be accompanied by an invoice for the total fees payable to CWCF for the administration of those accounts during the applicable year. At its discretion, the Member may invoice its investors in accordance with CGC's *Payment Authorization Form*. The Member is responsible for collecting these fees (if applicable) and remitting payment to CWCF on behalf of its investors by the specified deadline. **Please refer to the Support Manual if you anticipate or encounter difficulty recovering fees.**	
[1]If an account is closed after March 31 of a given year, the annual Administration Fee will be charged to the Account Holder at the time of closure, unless prior arrangements have been made.	

Transaction Fees *(billed to the Member or Account Holder at time of occurrence, upon instruction from the Member[2])*	
• Two security acquisitions per annum (incl. in-kind contributions and reinvestment of cash)	**No charge**
• Transfer in funds to set up a new account	**$50.00**
• Third and each subsequent security acquisition per annum	**$50.00**
• Partial withdrawal / transfer out (including Refund of Excess Contribution)	**$50.00**
• Account closure *(charged in lieu of partial withdrawal fee when all holdings are withdrawn)*	**$75.00**
[2]The Member may opt to cover some or all of the transaction fees on behalf of its investors. Upon joining the Program, Member should discuss its intentions with CGC staff to ensure accurate invoicing and bookkeeping.	

Other Fees *(billed to the Member at time of occurrence)*
• Courier Fee: $25.00 minimum charge • Reimbursement for all necessary out-of-pocket expenses incurred by CWCF, including but not limited to: wire services, foreign currency services, NSF bank fees, Trustee service fees, penalties and/or interest levied by the CRA. • Should the Member request details of and/or amendments to events, transactions or services that have already taken place and/or been reported, research and service fees will be based on actual time spent by CGC staff[3]. • Additional charges for time[3] spent when CGC staff are instructed or required by action of the Member to carry out functions considered by CGC to be beyond the scope or obligation of normal administrative routine.
[3]Time is billed at $50 per hour, with a minimum charge of $50.

Fee Changes

Common Good Capital reserves the right to amend this *Fee Schedule* with thirty (30) days' written notice. Members who do not accept the revised fees may request a transfer of their investors' Plans to a new trustee. If no such request is received within 30 days of the notice, the amended *Fee Schedule* will take effect as stated.

Trustee Relationship

Termination of the *Agency Agreement* between Common Good Capital and a Member does not affect the Account Holder's agreement with the Trustee, which remains in effect in accordance with the *Declaration of Trust*.

Unclaimed Balances

All accounts are subject to annual Account Administration Fees for as long as they remain open. If an account holds only cash, CGC will deduct annual Administration Fees directly from the balance until the Account Holder provides instructions regarding their holdings. If the holdings remain unclaimed and Administration fees deplete the balance, the account will effectively be closed. To avoid this situation, Members should provide notice to their investors when securities are being redeemed so they are aware of the funds being deposited to their accounts.

DATE _____ NAME (PLEASE PRINT) _____ AUTHORIZED SIGNATURE _____

2025/09

APPENDIX I: Olympia Trust – Current Fee Schedule

EMS

Fee Schedule

Effective November 24, 2025

OLYMPIA TRUST COMPANY | Investment Account Services

Self-Directed Annual Administration Fees

$150 First Account

$100 Non-Registered Account **

$75 Second Account in Annuitant's Name *

* Discount does not apply to Tax-Free Savings Accounts (TFSA), Individual, Corporate, or Joint accounts.

** Discount only applies to accounts opened on or after August 1, 2025 and if the client has an existing account at Olympia Trust Company.

The Annual Administration Fee is charged immediately upon the opening of an account and is prorated to half price for accounts opened July 1st or later each year. The full Annual Administration Fee will then be charged on January 1st of each year thereafter.

Exempt Market Security (EMS) Fees

$100 Purchase

$75 Exchange of Security (takeover or transfer)

$2 Deposit of In-Kind Distribution (DRIP) ***

$125 Contribution In-Kind *

$175 Non-Brokered Private Security Purchase **

$15 Security Redemption (full or partial) ***

All fees are subject to applicable taxes.

* Does not apply to Dealer Affiliated accounts.

** Does not apply if submitted through Olympia Online / Approved Software / Registered Dealer.

*** Does not apply if security is issued in uncertificated form; processed by Olympia Trust Company Corporate & Shareholder Services; or the security qualifies as a debt instrument.

Publicly Traded Security Fees

$50 Administration Fee (per trade, plus applicable brokerage commissions and charges)

$100 Contribution In-Kind

First Home Savings Account (FHSA) Fees

$100 Annual Administration

$100 RRSP to FHSA (RC720) or FHSA to RRSP/RRIF (RC721) transfer

Dealer Affiliated Non-Registered Account Fees

$100 Annual Administration *

$40 Online EMS Purchase

* Discount only applies if the client has an existing account at Olympia Trust Company.

The Annual Administration Fee is charged immediately upon the opening of an account and is prorated to half price for accounts opened July 1st or later each year. The full Annual Administration Fee will then be charged on January 1st of each year thereafter.

4000 - 520 3 Ave SW, Calgary, AB T2P 0R3
Mailing address: PO Box 2581, STN Central, Calgary, AB T2P 1C8
Email: myaccount@olympiatrust.com
olympiatrust.com

Phone: 403.770.0001
Toll Free: 1.877.565.0001
Fax: 403.776.8679
v11-24-25

EMS

Fee Schedule

Effective November 24, 2025

OLYMPIA TRUST COMPANY | Investment Account Services

Withdrawal / Transfer-Out Fees

$75 Partial Withdrawal or Transfer-Out In-Cash

$100 Partial Withdrawal or Transfer-Out In-Kind

$250 Full Withdrawal or Transfer-Out

Income Fund Fees

$75 Income Fund Payment - In-Kind

$25 Income Fund Payment & Deposit In-Kind

$50 Unscheduled Income Fund Payment - In-Cash

Other Fees

$25 Document Processing Fee *(Account Opening and EMS Purchase submitted via email, fax, or mail) **

$25 Issuance of Cheque

$10 Mailing Fee

$50 Account Research (per request)

$50 Rush Processing Request Fee

$20 Cheque Processing Fee *(per deposit/per investment/per account) ***

$50 Returned Item / NSF Transaction

$125 Tax Deduction Waiver

$150 Estate Settlement *(per account)*

$50 Early Account Closing Fee (if closed within 90 days of opening)

* Does not apply if submitted through Olympia Online / Approved Software.
** Does not apply to contributions and fee payments made by cheque.

Olympia Trust Company reserves the right to recover all out-of-pocket expenses. Any miscellaneous fees for services provided by third parties will be charged at cost. Olympia Trust Company may assess fees for extraordinary services not outlined in this schedule.

Pursuant to your account agreement, you agree to pay all applicable fees to Olympia Trust Company as outlined in the fee schedule.

A late payment charge of 2% per month will apply to any overdraft amounts not paid by March 15th of each year.

All fees are subject to applicable taxes.

4000 - 520 3 Ave SW, Calgary, AB T2P 0R3
Mailing address: PO Box 2581, STN Central, Calgary, AB T2P 1C8
Email: myaccount@olympiatrust.com
olympiatrust.com

Phone: 403.770.0001
Toll Free: 1.877.565.0001
Fax: 403.776.8679
v11-24-25

APPENDIX J: Form of Management Services Agreement

MANAGEMENT SERVICES AGREEMENT – Services and Expectations

Effective Date: January 1, 2025.

Parties to the Agreement:

COMMUNITY ENERGY DEVELOPMENT CO-OPERATIVE LTD., a co-operative corporation incorporated under the laws of Ontario (the "**Co-op**")

- and -

VCT GROUP INC., a corporation incorporated under the laws of Ontario (the "**Provider**")

Context:

A. The Co-op is a for-profit share equity renewable energy co-operative under the Ontario Co-operative Corporations Act, consisting of members and investors in certain solar photovoltaic generating facilities.

B. The Provider is an experienced developer and operator of solar photovoltaic generating facilities, and has direct experience in the establishment and management of renewable energy co-operatives in the Province of Ontario.

C. The Co-op, through its board (the "**Board**") and president, is responsible for all governance matters of the Co-op, including management oversight of the Co-op's business affairs, and has all final decision-making authority related to the annual operating budget, business plan, operations and asset ownership of The Co-op, among other duties.

D. The Co-op wishes to retain the Provider, and the Provider wishes to accept such engagement, for the purpose of carrying out certain management and administrative functions and services as detailed in this Agreement.

This Agreement witnesses that, in consideration of the covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. **Services:**

The Provider, having regard to and subject to and in accordance with the provisions of this Agreement below shall perform the following duties (collectively, the "**Services**") :

(a) Generally, subject to the overall direction of the Board of the Co-op, the Provider is responsible for the day-to-day management and operation of the Co-op's business. The Provider is required to exercise the degree of care, diligence and skill that are reasonable, and that a prudent advisor, or manager, having responsibilities for the management of a similar business, would exercise in similar circumstances.

(b) **Membership Management**. The Provider will process, record, track and administer all membership-related transactions for The Co-op. This includes direct communications with members and prospective members through telephone, email or in-person meetings. It further includes the management and maintenance of member personal information including contact information, qualifying property ownership and minimum number of members per region.

(c) **Member Communications**. The Provider will ensure that regular communications are maintained with the membership, to ensure that they are informed about the operations and activities of CED Co-op, as well as to educate and engage the membership on matters related to sustainability and environmental matters. This will be done through the web site, social media and regular newsletters.

(d) **Securities Management**. The Provider will take, record and track all investments, issue certificates, pay proceeds and issue tax documents. It will maintain a registry of the Security Holders and records of all transfers or redemption of Securities in the capital of CED Co-op.

(e) **Administration, Finance, Accounting and Bookkeeping Services.** The Provider will keep thorough and accurate records of the financial transactions of CED Co-op. It will also provide advice and guidance in respect of the management, financing, and operations of CED Co-op as applicable, and assist in developing, implementing and monitoring the annual business plan and budget, prepare accounting and administrative records and reports, provide office space, equipment, supplies, accounting, bookkeeping and administrative services as required by CED Co-op, (See Appendix A for a more detailed listing of financial reporting required for the board).

(f) **Financial Accountability** Submit invoices and other payment requests payable to the Provider for approval to the Coop board's duly authorized representative; such representative to be someone other than an employee of the Provider.

(g) **Audits** Facilitate the selection and activities of an auditor; such auditor to be appointed by the CEDC Board with the audit fees payable by the Coop.

(h) **Engagement of Professionals** As required, engage professionals at Coop expense to advise on and/or handle such matters as tax returns, dividend payments, securities offerings.

(i) **FIT Contract Management**. The terms of FIT Contracts for the Solar Generators owned by the Co-op include provisions requiring that a minimum number of active landowner members be maintained during the full term of the FIT Contracts. The Provider will track and manage this list of members, including the preparation and provision of an annual compliance report to the Board. It will further ensure compliance with all material regulations, statutes, ordinances and reporting requirements in connection with the solar generating units and the FIT Program.

(j) **Offering Statements** Prepare and execute offering statements for additional investments in the coop; such activity to be budgeted/priced additionally to the base fee in this agreement.

(k) **Board Governance**. The Provider will supply consulting and advice on governance matters for the Co-op including the identification of additional / replacement board members. It will also be the primary planner, organizer and facilitator of the Annual General Meeting of Members. A budget for the costs related to the AGM will be set and approved by the Board, with such costs to be borne by the Co-op.

(l) **Legal Structure** Make recommendations of creation of additional legal structures, eg joint ventures and LLP's, as required for the execution of the Coops business / projects.

(m) **Co-op Financing** Ensure compliance with the Co-op's reporting obligations to its financiers, and, to the extent the Co-op has financial resources to do so, ensure that the payment obligations to its financiers are met.

Development services for additional projects of the Co-op are not part of the Services, save as specifically set out above.

2. **Fee**

"**Fee**" means the annual fee paid by the Co-op to the Provider in consideration of the Provider's provision of Services under this Agreement, said fee being **$250,000.00**.

The fee will be calculated and effective the first day of each 365-day period, fixed for the entire 365-day period and paid in quarterly installments at the beginning of each quarter. This fee shall remain unchanged throughout the Initial Term.

HST is payable on these fees. The Provider's HST registration number is: 71816 8511 RT00001.

The Provider's fee includes all administrative costs, overhead and indirect costs of the Provider and the cost of personnel.

3. **Subcontractors**

The Provider shall have the right to engage one or more Subcontractors as in the Provider's reasonable judgment may be necessary to carry out the Provider's performance of all or part of its obligations under this Agreement at the Provider's sole cost and expense; provided, however, that

(a) The Provider shall not subcontract to any party to whom the Co-op reasonably objects, and

(b) the Provider shall remain fully liable for the performance of all of its obligations under this Agreement.

4. **Term**

The Agreement will be for an initial term of two (2) years (the "**Initial Term**"), and shall be renewed for successive one (1) year periods ("**Renewal Terms**") following the expiry of the Initial Term at the option of the Co-op.

5. **Insurance**

The Provider shall obtain and maintain sufficient commercial liability insurance and employee and bonding insurance and errors and omissions insurance for the Provider to cover all activities relating to carrying out the services outlined in this agreement. The Co-op may at any time request a copy of the certificate of insurance.

6. **Legal Compliance**

The Co-op must comply with applicable laws, by-laws, codes, regulations, standards and agreements of any municipality or other authority or utility that has jurisdiction. The Provider will ensure that the Co-op's operations comply with all of the above. If the Provider becomes aware of any non-compliance, it will promptly notify the Co-op in writing including any suggestions for dealing with the situation. The Provider will perform its duties in a way that complies with these legal requirements.

7. **Conflict of Interest**

The Provider acknowledges the potential for the real or perceived conflict of interests arising from the participation of its principals in the membership and governance of the Co-op. The Provider and its principals shall carefully comply with the applicable rules in the Co-operative Corporations Act, and shall avoid any participation in a decision within the Co-op related to its services under this Agreement, or otherwise, or which would appear to any member, acting reasonably, to create a conflict of interest.

8. **Confidentiality**

Confidential information is:

(a) Personal and financial information about the Co-op's members and investors;

(b) Information about the Co-op's business which should be kept secret to protect the Co-op, and

(c) Other information that the Co-op decides is confidential.

The Provider and all its employees and subcontractors will keep secret any confidential information unless authorized by the Co-op. This applies during the term of this Agreement and after the end of this Agreement. The Provider may release information if required by law or if directed to do so by the Co-op or the person whom the information concerns.

9. **Records**

In order to observe and evaluate the activities carried out by the Provider pursuant to this Agreement, and to inspect all records relating to the same, the Provider shall permit the Co-op's Board of Directors and any person authorized by it to examine, at reasonable times and with prior notification, the books and records for the activities for which the Provider is responsible under this Agreement.

10. **Disputes**

Any dispute under this Agreement shall be resolved by arbitration pursuant to the Arbitration Act, 1991 (Ontario). The decision of the arbitration is final and binding as between the parties and is not subject to appeal.

11. **Termination**

This agreement may be terminated:

(a) immediately if either party is insolvent, or either voluntarily enters into or is petitioned into bankruptcy or receivership; or

(b) by either party, if the other breaches or fails to observe any of the obligations or covenants under this Agreement and does not rectify any breaches within forty-five days after receiving notice of such breach.

12. **Effects of Termination**

Immediately after the termination of this Agreement or expiry of the Term, the Provider will prepare a final report reporting all information that would normally be given to the Co-op under this Agreement. The Provider will co-operate fully with the Co-op's representatives in performing any audit or investigation for any period prior to termination of this Agreement.

The above will be performed without charge to the Co-op.

Any obligations not fully performed under this Agreement, the confidentiality and indemnification obligations and any obligations arising out of a default will continue after the termination of this Agreement or expiry of the Term.

All materials prepared by the Provider other than information pertaining specifically to the Co-op are the property of the Provider. All records specifically pertaining to the Co-op are the property of the Co-op.

On the day of termination of this Agreement, or expiry of the Term, the Provider will deliver to the Co-op all contracts, records, files, documents, papers, equipment, computer programs, keys, money and other assets or property of the Co-op that is in its possession. If the Provider has any of the Co-op's records or information in machine-readable form on the Provider's own equipment, the Provider will destroy all such information after giving a copy to the Co-op and receiving written confirmation from the Co-op that it has adequately transcribed the information.

13. **Limited Authority**

The parties acknowledge and agree that nothing in this Agreement shall constitute the Co-op to be a representative of The Provider for any purpose other than to carry out its services and functions, under to this Agreement.

14. **No Liability**

The parties agree that the Provider shall not be liable for the debts or obligations of the Co-op, and furthermore, the Provider shall have no liability with respect to claims or damages of any kind that are caused by or related in any way to the negligent acts or omissions or the wrongful acts of the Co-op.

The parties agree that the Co-op shall not be liable for the debts or obligations of the Provider, and furthermore, the Co-op shall have no liability with respect to claims or damages of any kind that are caused by or related in any way to the negligent acts or omissions or the wrongful acts of the Provider.

15. **Indemnity**

The Provider agrees that it shall, from time to time, and at all times hereafter, will and truly save, keep harmless and fully indemnify the Co-op, its directors, officers, employees, representatives, successors and assigns (collectively, the **Indemnified Parties**), from and against any and all actions, claims and demands whatsoever which may be brought against or made upon the Indemnified Parties and against any and all loss, liability, claims, judgments, costs, demands or expenses whatsoever which the Indemnified Parties may sustain, suffer or be put to resulting from or arising out of or in connection with:

(a) the failure of the Provider, its officers, contractors, servants or employees to exercise reasonable care, skill or diligence in carrying out the Provider's obligations under this Agreement;

(b) any personal or bodily injury to any person or persons, including death resulting at any time, howsoever occasioned by carrying out by the Provider of its obligations under this Agreement; or

(c) the act, default or negligence of the Provider or those for whom the Provider is at law responsible;

provided that the Provider shall not be liable for any loss, liability, claims, judgements, costs, demands or expenses that result from negligent or wrongful acts of the Indemnified Parties, and provided further that the amount of the indemnity shall not exceed the greater of (i) the amount recoverable by the Provider under its existing insurance policies, or (ii) the fee payable to the Provider under this Agreement.

The parties agree that this section shall survive the expiry or other termination of this Agreement.

16. **Applicable Law**

This Agreement shall be governed by the laws of the Province of Ontario, and the federal laws of Canada applicable in Ontario. Any references in this Agreement to any law shall include a reference to any amendment to or re-enactment of that law, or any successor to that law.

REMAINDER OF PAGE INTENTIONALLY BLANK

IN WITNESS the parties have executed this Agreement.

VCT GROUP INC.

Per: _____
Name: Brian Unrau
Title: President
I have authority to bind the Corporation

COMMUNITY ENERGY DEVELOPMENT CO-OPERATIVE LTD.

Per: _____
Name: Al Doerksen
Title: Board Chair

Per: _____
Name:
Title:

Appendix A – Detailed Expectations

1. An annual budget
2. A rolling cash flow projection (if/as possible on the same schedule as required by third party lenders)
3. Quarterly financial reporting for CEDC as a whole comparing actual to budget for both income results and cash flows
4. Individual project budgets for major projects
5. Periodic updates of actual to budget for projects
6. Insofar as is required by third party lenders, debt service coverage ratios for CEDC
7. Recommendations to board re dividend payments

The Provider's responsibilities include to:

Board Management

1. Carry out the board of directors' decisions in managing the Co-op
2. Represent the board in the following areas, as directed:
    a. Legal proceedings
    b. With federal, provincial and municipal government agencies
    c. With lawyers and other professionals
    d. With insurance companies, contractors and suppliers
3. File required reports and notices with government agencies
4. See that the corporate records are kept up to date
5. Maintain a filing system for all records, documents and minutes
6. Advise the board on making the best use of computer software
7. Produce and circulate reports, minutes, agendas, and other documents

Financial Management

1. Act on the board's direction in the following areas:
    a. Investing surplus funds and capital reserve funds
    b. Keeping sufficient property insurance coverage up-to-date

2. Maintain the co-op's books of account by:
    a. Reporting regularly on financial statements, budget performance, cash flow
    b. Preparing annual operating and capital budgets
    c. Recording receipts and disbursements
    d. Maintaining a general, member accounts and other ledgers as necessary
    e. Preparing quarterly financial statements
    f. Arranging and preparing for the annual audit at the co-op's expense
    g. Maintain investment accounts

3. The Provider will provide all bookkeeping and accounting services required by the Co-op (other than the annual audit). Bookkeeping will be performed on the Provider's own computer equipment and software.

Attendance at Meetings

1. Staff of the Provider will attend committee meetings if requested in advance, and if they are held on the evening that the office is open.

2. Attendance at members' meetings and other functions can be provided, if agreed to in advance.

APPENDIX K: IESO Position Clarification Regarding Domestic Content

ieso
Independent Electricity System Operator

120 Adelaide Street West
Suite 1600
Toronto, Ontario M5H 1T1
T 416-967-7474
F 416-967-1947
www.ieso.ca

VIA EMAIL

June 25th, 2015

Attention: **Supplier**

Re: Supplier's FIT Contract version 2.1.1 (the "FIT Contract") – Post-COD Domestic Content Requirements

All capitalized terms not otherwise defined herein have the meaning ascribed to them under the FIT Contract and "including" means including (or includes) without limitation. References to particular articles, sections or subsections of the FIT Contract shall be deemed to be references to Schedule 1 of the FIT Contract, unless the context otherwise requires.

Section 2.2(f) of the FIT Contract provides that the Supplier must "develop, construct, operate and maintain the Facility such that the Domestic Content Level is equal to or greater than the Minimum Required Domestic Content Level" (the "**Domestic Content Requirements**"). This letter is intended to clarify the IESO's position regarding the applicability of the Domestic Content Requirements under the FIT Contract following the Commercial Operation Date.

The Supplier is required to achieve the Domestic Content Requirements, as specified in Section 2.2(f) of the FIT Contract, as at the Commercial Operation Date. Notwithstanding the requirement to ensure that the Domestic Content Requirements are maintained throughout the term of the FIT Contract, provided that any subsequent changes to Domestic Content Levels of the Facility are for *bona fide* reasons not intended to evade the Domestic Content Requirements, the IESO hereby waives the requirement that the Supplier comply with Domestic Content Requirements following the Commercial Operation Date. Further information is available on the FIT Website at the link below:

http://fit.powerauthority.on.ca/program-updates/newsroom/newsroom-2015/ongoing-domestic-content-obligation

The IESO reserves all rights and remedies under the FIT Contract and at law and in equity, including the right to exercise any rights and remedies at any time and from time to time. Without limiting the generality of the foregoing, the IESO specifically reserves its right to enforce the Domestic Content Requirements post Commercial Operation Date, if subsequent to the Commercial Operation Date the IESO determines the Domestic Content Requirements were not met at the Commercial Operation Date, or if at any time the Supplier undertook actions or activities designed to evade the Domestic Content Requirements.

Except as expressly provided herein, this letter shall not constitute an amendment or waiver of any provision of the FIT Contract or a waiver of any breach or potential breach or Supplier Event of Default or potential Supplier Event of Default thereunder, and all of the provisions of the FIT Contract, including, without limitation, all rights and remedies of the IESO shall remain in full force and effect.

FIT Contract Management Team
FIT.Contract@ieso.ca

IESO Contract Management
Independent Electricity System Operator (IESO)
1600-120 Adelaide Street West, Suite 1600, Toronto, ON, M5H 1T1
Web: www.ieso.ca | Twitter: IESO_Tweets | LinkedIn: IESO
Conservation: www.saveONenergy.ca | Twitter: saveONenergyOnt | LinkedIn: saveONenergy

APPENDIX L: Legal Review of FIT Contract Termination Rights

OSLER

Memorandum

To: *Independent Electricity System Operator* ("IESO")

From: Elliot Smith, Partner
Osler, Hoskin & Harcourt LLP

Date: February 24, 2020

Subject: Review of Generation Contracts Directive dated October 25, 2019 (the "Directive")

Re: Termination Rights

You have asked us to review those IESO contracts that are subject to the analysis the IESO is undertaking in connection with the Directive (the "**Reviewed Contracts**") and comment on any termination rights under the Reviewed Contracts that the IESO as Buyer (or Sponsor) could exercise.

We have divided our analysis into two time periods, prior to the project achieving commercial operation and following commercial operation. For each of these time periods, we have considered both termination at the IESO's discretion (commonly referred to as "termination for convenience") and termination for default.

Prior to Commercial Operation

With respect to the IESO's right to terminate any of the Reviewed Contracts prior to commercial operation at the IESO's discretion, only the Feed-in Tariff (FIT) and Large Renewable Procurement (LRP) contracts contain this right. These are some of the later forms of contract developed by the IESO and the earlier contacts do not contain this right.

Under the FIT form of contract, the IESO has the right to terminate the agreement prior to the Supplier achieving a milestone called "Notice to Proceed", and upon such a termination the IESO's liability is capped at an amount intended to correspond to the project's early development costs. In order to achieve the Notice to Proceed milestone, the Supplier must have its Renewable Energy Approval, a Financing Plan, a Domestic Content Plan (if applicable), the completion of all required Impact Assessments, and must post incremental Completion and Performance Security. Once all of the Notice to Proceed requirements have been achieved, versions 1, 2 and 3 of the FIT contract no longer provides the IESO with a termination for convenience right.

Versions 4 and 5 of the FIT contract and the LRP form of contract provides the IESO with the right to terminate for convenience at any time prior to the facility achieving commercial operation.

In the case of LRP, the contract contains Key Development Milestones, which are analogous to the Notice to Proceed requirements in the FIT contract. The consequences for terminating for convenience prior to the Key Development Milestones being achieved is similar to terminating under FIT prior to Notice to Proceed. However, once the Key Development Milestones have been achieved under LRP, or Notice to Proceed has been issued under version 4 and 5 of the FIT contract, a much more extensive compensation regime applies to a termination for convenience, in recognition of the fact that typically significantly more money would have been spent and binding commitments made in the later phases of project development and construction.

We understand from the IESO that for all FIT and LRP contracts where there was the opportunity for cost savings if the IESO exercised its discretionary termination right, the IESO has already done so.

All of the Reviewed Contracts include the right for the IESO to terminate the contract if the Supplier is in default of its obligations. Prior to commercial operation, generally the Supplier's main obligation under the contract is to achieve commercial operation within a specified timeframe. Accordingly, where the Supplier has failed to achieve commercial operation within this timeframe, the IESO may terminate the contract for default. To our knowledge, most of the projects that are the subject of the Reviewed Contracts have already achieved commercial operation. We understand from the IESO that, as a contract management practice, the IESO enforces the obligations in its contracts, including the obligation for projects to reach commercial operation by the specified dates, and exercises available termination rights where material obligations have been breached.

Following Commercial Operation

None of the Reviewed Contracts provide the IESO with the right to terminate the contract for convenience once the facility has achieved commercial operation. Once a project is operational, there may be very little or no opportunity for savings by the IESO having the right to terminate the contract for convenience, after taking into account all of the incurred costs and the break fees that would normally be incurred in an early termination. Conversely, including such a termination right could result in increased costs to finance the project due to increased contractual uncertainty, and therefore could increase the overall project cost.

The circumstances where the IESO could potentially exercise a termination right for a Supplier default that occurs after the facility has achieved commercial operation are extremely limited. After a facility has achieved commercial operation, the Supplier's obligations during the operating term are generally easily achievable for any prudent Supplier. As such, absent unique circumstances, it is unlikely the IESO would have the right to terminate any contracts for default for any facilities that have achieved commercial operation.

APPENDIX M: Legal Opinion on Registered Plan Eligibility

dh:law

Dale A. Holland
Barrister • Solicitor • Notary Public

November 28, 2025

COMMUNITY ENERGY DEVELOPMENT CO-OPERATIVE LTD.
3-5 Forwell Road,
Kitchener ON N2B 1W3

Attention: Brian Unrau, President

Sent by email only to bunrau@vctgroup.co

Dear Sir,

Re: Community Energy Development Co-operative Ltd. Securities Purchased from Various Registered Plans Income Tax Act Status as "Qualified Investments"

I have been requested by Community Energy Development Co-operative Ltd. (CED Co-op) to provide an Opinion as to whether securities purchased from Registered Retirement Savings Plans"("RRSPs"), Registered Retirement Income Funds" ("RRIFs"), Registered Education Savings Plans" ("RESPs"), Tax Free Savings Accounts" ("TFSAs") or First Home Savings Accounts" ("FHSAs") would be "Qualified Investments" within the meanings of the *Income Tax Act* R.S.C., 1985, c.1 (5th Supp.) (the "Act") and *the Income Tax Regulations* C.R.C., c. 945 (the "Regulations").

The securities in question include Membership Shares, Class A Preference Shares, Class B Preference Shares and Class C Preference Shares in the capital of CED Co-op as wells Series L1 to L4 Bonds, Series M1 to M5 Bonds, Series N1 to N5 Bonds, Series O1 and O2 Bonds, Series P1 and P2 Bonds, Series Q1 Bonds, Series R1 Bonds issued and Series S1 Bonds to be issued by CED Co-op. All of the foregoing have been previously issued with the exception of Series S1 Bonds which, together with the re-issuance of Membership Shares and Class C Preference Shares, are the subject of a current Offering Statement under consideration by the Ontario Financial Services Regulatory Authority.

I have relied without further investigation or verification on an Officer's Certificate, attached as Schedule A, executed by Brian Unrau on today's date. In addition to the factual matters certified therein, I have conducted a review of the relevant provisions of the Act and Regulations.

The Relevant Statutory Framework

Subsection 146(1) of the Act provides that certain investments are qualified investments for purposes of a RRSP; Subsection 146.1(1) provides that certain investments are qualified investments for purposes of a RESP. Subsection 146.3(1) provides that certain investments are qualified investments for purposes of a RRIF. Subsection 201.01(1) provides that certain investments are qualified investments for purposes of a TFSA and FHSA More specifically,

30 Dupont Street East, Suite 202 Waterloo Ontario N2J 2G9
Toll Free: 844.553.4006 **Phone:** 519.745.9744 **Fax:** 519.745.9722
dale@holland-law.ca | www.holland-law.ca

these subsections of the Act provide that investments prescribed by regulation are qualified investments for the purposes of investments made from the respective registered plans.

Subsection 4900(1) of the Regulations provides that the foregoing are qualified investments at a particular time if at that time the investment is (1) a share of the capital stock of a public corporation other than a mortgage investment corporation, or (2) a bond, debenture, note or similar obligation of a public corporation other than a mortgage investment corporation.

"Public Corporation" is defined in s. 89(1) of the Act to include a corporation (other than a prescribed labour-sponsored venture capital corporation) that is resident in Canada, that elected to be a public corporation and that at the time of such election complied with prescribed conditions. The prescribed conditions for a corporation that is not co-operative corporation meeting the requirements of s. 136 of the Act or a credit union are provided for by s. 4800(1) of the Regulations. Firstly, a class of shares in the capital of the corporation designated by the corporation at the time of its election to be a public corporation must be qualified for distribution to the public. Secondly, at the time of its election, there must be a minimum of 150 holders of equity shares of the designated class or 300 holders of non-equity shares of the designated class, none of whom are insiders of the corporation and each of whom holds not less than one block of shares having an aggregate fair market value of at least $500. Thirdly, insiders of the corporation must not hold more than 80 percent of the outstanding shares of the designated class.

Subsection 136(2) defines a "cooperative corporation" as one incorporated under a statute which holds out the prospect that payments would be paid to the members in proportion to their patronage, or alternatively the co-operative's by-laws or contracts with its members and customers hold such a prospect out. At the time of its election, CED Co-op's business was restricted to the generation and sale of electricity from renewable sources and ancillary activities such that it met the definition of a Renewable energy co-operative in s. 2 of the *Co-operative Corporations Act* (Ontario) (the "Co-op Act"). By virtue of s. 55(3) of the Co-op Act, amounts allocated, credited or paid to members and customers by Renewable energy co-operatives are not patronage returns.

Review and Analysis

1. Although it is incorporated as a Co-operative with Share Capital pursuant to the Co-op Act, CED Co-op does not meet the definition of "cooperative corporation" in s. 1316(2) of the (Income Tax) Act. At the time of its election to be a Public Corporation, CED Co-op met the definition of a Renewable energy co-operative in the Co-op Act, its business being restricted to the generation and sale of electricity from renewable energy sources and ancillary activities.

2. CED Co-op is not a labour-sponsored venture capital corporation.

3. CED Co-op is not a credit union.

4. CED Co-op is not a mortgage investment corporation.

5. CED Co-op is resident in Canada.

6. On June 17, 2015 CED Co-op elected to be a Public Corporation effective June 19, 2015.

7. At the time of its election, CED Co-op designated Class A Preference Shares for the purpose of the election.

8. Because Class A Preference shareholders do not participate in the distribution of assets on dissolution, Class A Preference Shares are not equity shares.

9. At the time of CED Co-op's election, there were at least 300 Class A Preference shareholders who were not insiders, each of whom held a block of shares with an aggregate fair market value of $500 or more. Insiders did not hold more than 80 percent of the outstanding Class A Preference Shares.

10. On August 28, 2015, Canada Revenue Agency (CRA) confirmed CED Co-op's status as a Public Corporation effective June 19, 2015 and since that time neither CED Co-op nor CRA has withdrawn the designation as a Public Corporation.

Opinion

I am of the opinion that purchases of the Securities as described herein from RRSPs, RRIFs, RESPs, TFSAs and FHSAs meet the *Income Tax Act* and *Income Tax Regulations* definitions of Qualified Investment in each case.

Qualifications

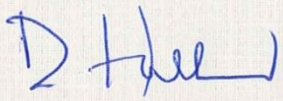
I have relied without further investigation or verification on the factual matters certified to be true in the Officer's Certificate attached as Schedule A. I have assumed that the facts stated are accurate as of the date of this Opinion and that thy will continue to remain accurate at the time of purchase of any of the Securities described herein. I assume no liability for inaccuracies which arise due to changed circumstances or otherwise subsequent to the date of this Opinion.

I have assumed that the signature on the Officer's Certificate attached as Schedule A is genuine and that the signatory had the corporate capacity to execute it.

It is my understanding that the Government of Canada has recently indicated its intention to amend the definitions of Qualified Investments in the Act and Regulations, by its own account

with the intention of providing greater clarity. Such amendments will render the foregoing review of the Statutory Framework, if not the Review and Analysis on which this Opinion is founded, obsolete. Unless engaged to do so, I assume no obligation to notify CED Co-op or to supplement or replace this Opinion.

Yours very truly,



Dale A. Holland,
Barrister and Solicitor

Schedule A

OFFICER'S CERTIFICATE

COMMUNITY ENERGY DEVELOPMENT CO-OPERATIVE LTD.

OFFICER'S CERTIFICATE

TO:	Dale A. Holland, Barrister and Solicitor
DATED:	November 28, 2025
RE:	November 28, 2025 Opinion Respecting RRSP, RRIF, DPSP, RDSP, RESP and TFSA Eligibility of Community Energy Development Co-operative Ltd. Securities

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In relation to your provision of an opinion as to whether the Securities of Community Energy Development Co-operative Ltd. ("**CED**") defined herein are "qualified investments" within the meaning of the *Income Tax Act* (Canada) and the regulations made pursuant thereto, (all the "**ITA**") for trusts governed by

i. "registered retirement savings plans" ("**RRSPs**"),
ii. "registered retirement income funds" ("**RRIFs**"),
iii. "registered education savings plans" ("**RESPs**"),
iv. "tax-free savings accounts" ("**TFSAs**"),
v. "first home savings accounts" ("**FHSAs**")

,
all as defined in the ITA.

I, Brian Unrau, President of CED, for and on behalf of CED, solely in my capacity as an officer of CED and not in my personal capacity, hereby certify as follows:

1. CED is a Co-operative with Share Capital incorporated on October 31, 2012 pursuant to the *Co-operative Corporations Act* R.S.O. 1990, C. C.35. (the "Co-op Act")

2. CED amended its Articles of Incorporation on March 11, 2014 to change the number of Directors, the authorized share capital and the share capital structure.

3. CED further amended its Articles of Incorporation on December 8, 2020 to eliminate restrictions on the business of the co-operative, including those which constituted CED's status as a Renewable energy co-operative pursuant to the Co-op Act.

4. Regardless of the December 8, 2020 amendment to the Articles of Incorporation, CED continues to carry on the business of generating and selling electricity produced from renewable energy sources.

5. Shares in the capital stock of CED are not listed on a stock exchange in Canada.

6. CED is not a "prescribed labour-sponsored venture capital corporation" within the meaning set out in Appendix A hereto.

7. CED is not a "credit union" within the meaning set out in Appendix B hereto.

8. CED is not a "mortgage investment corporation" within the meaning set out in Appendix C hereto.

9. CED is resident in Canada.

10. CED filed an election to be a public corporation for purposes of the ITA on June 17, 2015 (the "**Election**").

11. At the time of the Election, CED designated Class A Preference Shares as the qualifying shares.

12. Apart from purchase at par value and the payment of outstanding dividends, Class A Preference Shares carry no right to the distribution of CED property on liquidation, dissolution or winding up.

13. On August 28, 2015, the Canada Revenue Agency issued a letter to CED stating that, effective June 19, 2015, CED is considered to be a public corporation for the purposes of the ITA.

14. CED has not, subsequent to the filing of the Election, (a) elected not to be a public corporation for purposes of the ITA, and (b) has not received notification from the Minister of National Revenue that CED has been determined to not be a public corporation for purposes of the ITA.

15. I have discussed the contents of this certificate with Dale A. Holland and understand the meaning of the terms used herein for purposes of the ITA.

16. Each of the above statements is true as of the date of this certificate and CED expects that the above statements will remain true.

For purposes of this certificate, the term "Securities" means

Membership Shares,

Class A Preference Shares,

Class B Preference Shares,

Class C Preference Shares, and

Bonds (being Series L1-4 Bonds, Series M1-5 Bonds, Series N1-5 Bonds, Series O1 Bonds, Series O2 Bonds, Series P1 Bonds, Series P2 Bonds, Series Q1 Bonds, Series R1 Bonds and Series S1 Bonds) all as defined in the Offering Statement of CED dated March 31, 2025.

The undersigned hereby acknowledges that this certificate will be relied upon by Dale A. Holland in rendering his opinion as to whether the Securities of CED are "qualified investments" within the meaning of the ITA.

DATED as of the day first written above.

COMMUNITY ENERGY DEVELOPMENT CO-OPERATIVE LTD.

Brian Unrau
President

APPENDIX A

"**prescribed labour-sponsored venture capital corporation**" means, at any particular time,

(a) the corporation established by the *Act to establish the Fonds de solidarité des travailleurs du Québec 1983*, c. 58,

(b) a corporation that is registered under the provisions of *The Labour-sponsored Venture Capital Corporations Act*, Statutes of Saskatchewan 1986, c. L-0.2,

(c) a corporation that is registered under Part 2 of the *Employee Investment Act*, Revised Statutes of British Columbia, 1996, c. 112;

(d) a registered labour-sponsored venture capital corporation;

(e) a corporation that is registered under Part III of the *Community Small Business Investment Funds Act*, chapter 18 of the Statutes of Ontario, 1992;

(f) the corporation established by *The Manitoba Employee Ownership Fund Corporation Act*, Continuing Consolidation of the Statutes of Manitoba, c. E95,

(f.1) a corporation that is registered under *The Labour-Sponsored Venture Capital Corporations Act*, Continuing Consolidation of the Statutes of Manitoba c. L12, or

(g) the corporation established by *An Act to establish Fondaction, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi*, Statutes of Québec 1995, c. 48,

(h) a corporation that is registered under Part II of the *Equity Tax Credit Act*, Statutes of Nova Scotia 1993, c. 3, or

(i) a corporation that is registered under Part II of the *Risk Capital Investment Tax Credits Act*, chapter 22 of the Statutes of Northwest Territories, 1998.

APPENDIX B

"**credit union**" means a corporation, association or federation incorporated or organized as a credit union or cooperative credit society if

(a) it derived all or substantially all of its revenues from

(i) loans made to, or cashing cheques for, members,

(ii) debt obligations or securities of, or guaranteed by, the Government of Canada or a province, a Canadian municipality, or an agency thereof, or debt obligations or securities of a municipal or public body performing a function of government in Canada or an agency thereof,

(iii) debt obligations of or deposits with, or guaranteed by, a corporation, commission or association not less than 90% of the shares or capital of which was owned by the Government of Canada or a province or by a municipality in Canada,

(iv) debt obligations of or deposits with, or guaranteed by, a bank, or debt obligations of or deposits with a corporation licensed or otherwise authorized under a law of Canada or a province to carry on in Canada the business of offering to the public its services as trustee, or

(v) charges, fees and dues levied against members or members of members,

(vi) loans made to or deposits with a credit union or cooperative credit society of which it is a member, or

(vii) a prescribed revenue source,

(b) all or substantially all the members thereof having full voting rights therein were corporations, associations or federations

(i) incorporated as credit unions or cooperative credit societies, all of which derived all or substantially all of their revenues from the sources described in paragraph (a), or all or substantially all of the members of which were credit unions, cooperatives or a combination thereof,

(ii) incorporated, organized or registered under, or governed by a law of Canada or a province with respect to cooperatives, or

(iii) incorporated or organized for charitable purposes,

or were corporations, associations or federations no part of the income of which was payable to, or otherwise available for the personal benefit of, any shareholder or member thereof, or

(c) the corporation, association or federation would be a credit union by virtue of paragraph (b) if all the members (other than individuals) having full voting rights in each member thereof that is a credit union were members having full voting rights in the corporation, association or federation;

a corporation is a ***mortgage investment corporation*** throughout a taxation year if, throughout the year,

(a) it was a Canadian corporation;

(b) its only undertaking was the investing of funds of the corporation and it did not manage or develop any real or immovable property;

(c) none of the property of the corporation consisted of

(i) debts owing to the corporation that were secured on real or immovable property situated outside Canada,

(ii) debts owing to the corporation by non-resident persons, except any such debts that were secured on real or immovable property situated in Canada,

(iii) shares of the capital stock of corporations not resident in Canada, or

(iv) real or immovable property situated outside Canada, or any leasehold interest in such property;

(d) there were 20 or more shareholders of the corporation and no person would have been a specified shareholder of the corporation at any time in the year if

(i) the portion of the definition ***specified shareholder*** in subsection 248(1) before paragraph (a) were read as follows:

"**Insider**" means

(a) any director or officer of a corporation,

(b) any person who beneficially owns, directly or indirectly, shares of a corporation carrying more than ten per cent of the voting rights attached to all shares of the corporation for the time being outstanding, but in computing the percentage of voting rights attached to shares owned by an underwriter there shall be excluded any shares that have been acquired by him as underwriter in the course of distribution to the public of such shares, but such exclusion ceases to have effect on completion or cessation of the distribution to the public by him, or

(c) any person who exercises control or direction over the shares of a corporation carrying more than ten per cent of the voting rights attached to all shares of the corporation for the time being outstanding;

and includes a person who is an employee of the corporation, or of a person who does not deal at arm's length with the corporation, and whose right to sell or transfer any share of the capital stock of the corporation, or to exercise the voting rights, if any, attaching to the share, is restricted by

(a) the terms and conditions attaching to the share, or

(b) any obligation of the person, under a contract, in equity or otherwise, to the corporation or to any person with whom the corporation does not deal at arm's length.

APPENDIX N: Consent to Use of the Legal Opinion in this Offering Statement

dh:law

Dale A. Holland
Barrister • Solicitor • Notary Public

April 7, 2026

COMMUNITY ENERGY DEVELOPMENT CO-OPERATIVE LTD.
3-5 Forwell Road,
Kitchener ON N2B 1W3

Attention: Brian Unrau, President

Sent by email only to bunrau@vctgroup.co

Dear Sir,

Re: CONSENT OF LEGAL COUNSEL

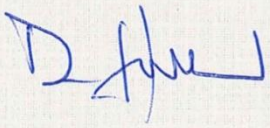
I, **Dale Holland**, Barrister & Solicitor, consent to the inclusion and use of the **summary of my legal opinion dated November 28, 2025** (the "Opinion") in the **March 31, 2026 Offering Statement** of **Community Energy Development Co-operative Ltd.** (the "Co-operative"), relating to the sale and issue of Membership Shares, Class C Preference Shares, and Bonds Series S1 of the Co-operative.

The Opinion addresses the eligibility of the Co-operative's securities to be held within registered plans under the *Income Tax Act (Canada)* and the *Income Tax Regulations*, and I consent to the reference to that Opinion and its conclusions within Section 4.8 of the Offering Statement.

This consent is provided in accordance with subsection 12(1.5) of Ontario Regulation 178 under the *Co-operative Corporations Act* and is solely for use in connection with the Offering Statement dated **March 31, 2026**. My consent does not authorize the use of the Opinion or any summary thereof for any other purpose, nor does it extend to any updates, amendments, or future offering documents unless expressly agreed in writing.

Dated this 7th day of April, 2026
in Waterloo, Ontario

Yours very truly,



Dale A. Holland,
Barrister and Solicitor

30 Dupont Street East, Suite 202 Waterloo Ontario N2J 2G9
Toll Free: 844.553.4006 **Phone:** 519.745.9744 **Fax:** 519.745.9722
dale@holland-law.ca | www.holland-law.ca

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community energy development co-operative

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