

*Canada Enterprise
Emergency Funding Corporation*

*La Corporation de financement
d'urgence d'entreprises du Canada*

CANADA ENTERPRISE EMERGENCY FUNDING CORPORATION

a subsidiary of

CANADA DEVELOPMENT INVESTMENT CORPORATION

**2026 to 2030
CORPORATE PLANSUMMARY**

and

2026 CAPITAL BUDGET SUMMARY

October 2025

CEEFC CORPORATE PLAN SUMMARY
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1.0 EXECUTIVE SUMMARY AND CORPORATE PROFILE

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

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

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

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

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

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

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

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

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

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

2.0 MANDATE AND BUSINESS OVERVIEW

2.1 Mandate

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

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

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

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

Terms under LEEFF and LETL can be periodically amended or supplemented by the Minister. Initial terms of LEEFF loans were provided by the Minister to CEEFC in May 2020. In April 2021, the Minister authorized two new sets of LEEFF terms applicable to borrowers that are air carriers. In February 2022, the Minister authorized amendments

to CEEFC's loan agreements with mid-sized air carriers to mitigate the effects of the Omicron COVID-19 wave at that time. Initial terms of LETL loans were provided by the Minister to CEEFC in April 2025. In July 2025, the Minister authorized broader terms for the steel sector. In September 2025, these terms were extended to all sectors.

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

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

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

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

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

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

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

2.2 Business Overview

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

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

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

2.3 Loan Application and Approval Process

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

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

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

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

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

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

High Level LETL Loan Terms

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

2.4 Loan Administration

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

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

2.5 Equity Holdings

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

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

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

3.0 CORPORATE GOVERNANCE AND OPERATING ENVIRONMENT

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

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

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

An Organization Chart is provided in Appendix A-1.

3.1 Cash Management and Dividend Policy

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

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

4.0 CORPORATE PERFORMANCE

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

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

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

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

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

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

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

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

Risks and risk mitigation summary

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

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

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

6.0 FINANCIAL SECTION

6.1 Financial Overview for 2025

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

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

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

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

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

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

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

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

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

6.2 Financial and other reporting

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

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

6.3 Commentary, Highlights and Key Assumptions in Financial Projections

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

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

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

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

6.4 Capital Budget

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

Chief Financial Officer attestation

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

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

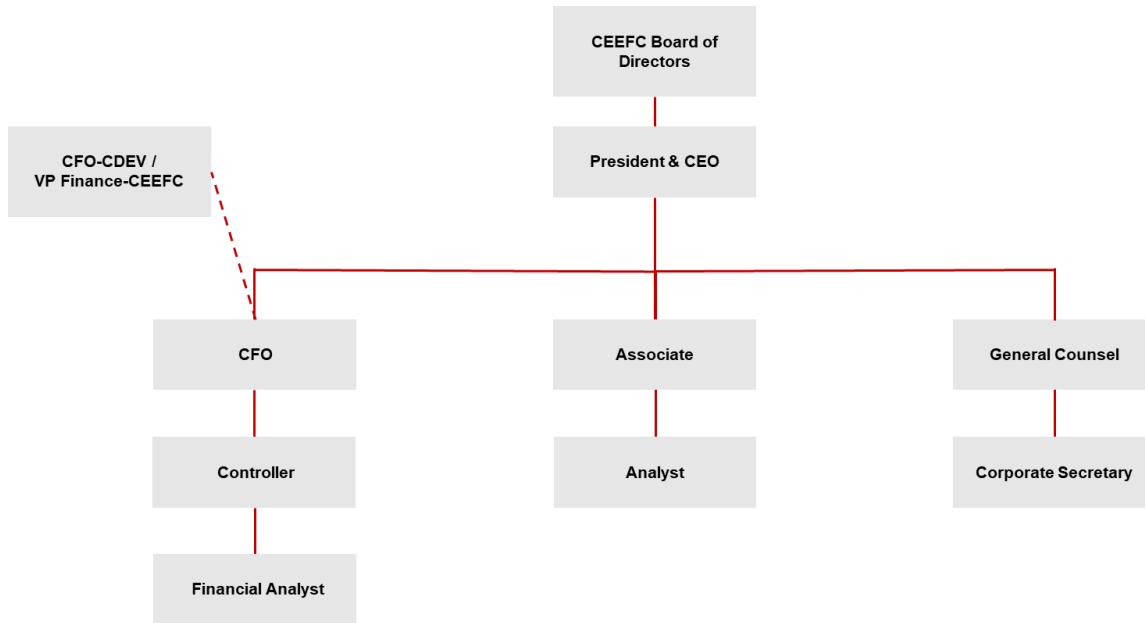
1. The nature and extent of the financial and related information is reasonably described, and assumptions having a significant bearing on the associated financial requirements have been identified and are supported with the following observations:
 - Assumptions around the loan portfolio size and composition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

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

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

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

Appendix A-1 – Organization Chart and Board of Directors



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

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

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

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

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

Schedule 1
PSAS

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

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

Schedule 2
 PSAS

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

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

Schedule 3
PSAS

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

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

Schedule 4
PSAS

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

Appendix A-3 – Planned results for 2026

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

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

Government Priorities

Transparency and Open Government

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

Gender-Based Analysis / Diversity and Employment Equity

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

Environmental, Social and Governance (ESG)

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

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

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

IT Processes and Security

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

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

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

Harassment and Violence Prevention

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

Compliance

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

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

Appendix A-5 – Mandate Letter for LEEFF

May 20, 2020

Ms. Sandra Rosch
Chair
Canada Enterprise Emergency Funding Corporation

Mr. Stephen Swaffield
Chair
Canada Development Investment Corporation

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

Dear Ms. Rosch and Mr. Swaffield:

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

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

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

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

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

Objective

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

Operations

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

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

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

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

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

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

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

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

Supervision

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

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

Conclusion

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

Yours sincerely,

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