REVENUE REQUIREMENT SUFFICIENCY / DEFICIENCY

1. REVENUE REQUIREMENT OVERVIEW

This schedule provides a summary of Elexicon Energy Inc.'s ("Elexicon") requested revenue requirement for 2027. The utility's 2027 total Service Revenue Requirement of $146.5 million is offset by $4.9 million in revenues obtained through sources other than distribution rates (i.e. Other Revenue or Revenue Offsets), yielding a Base Revenue Requirement of $141.6 million for recovery via base distribution rates. In accordance with the Filing Requirements, costs and revenues related to energy are kept separate from the determination of the distribution revenue sufficiency/deficiency, as are the clearance of deferral and variance accounts, and low voltage charges.

Table 1 below summarizes Elexicon's 2027 revenue requirement.

Table 1: 2027 Forecast Revenue Requirement[1]

Item	2027 Test Year
OM&A (incl. property taxes) ($M)	78.1
Amortization/Depreciation ($M)	28.5
Income Taxes (grossed up) ($M)	0.0
Deemed Interest Expense ($M)	17.4
Return on Deemed Equity ($M)	22.5
Service Revenue Requirement ($M)	**146.5**
Revenue Offsets ($M)	(4.9)
Base Revenue Requirement ($M)	**141.6**

Elexicon has calculated a 2027 revenue deficiency of $33.4 million. Full details on the calculation of revenue requirement, including the Determination of Net Utility Income, Statement of Rate Base, Actual Utility Return on Rate Base, Indicated Rate of Return, Requested Rate of Return, and the Deficiency in Revenue, can be found in the 2027 Revenue Requirement Workform ("RRWF"), filed as Attachment 1 to this schedule.

As outlined in Exhibit 1 - Tab 5 - Schedule 1, Elexicon is proposing a 5-year Custom Incentive Rate-Setting ("CIR") rate framework. To provide details relevant to its CIR proposal, as well as the revenue requirement impact of the capital and OM&A evidence provided in Exhibits 2A, 2B and 4, respectively, Elexicon has also provided RRWFs for the years 2028 through 2031, provided as Attachments 2 to 5 to

[1] May not sum due to rounding.

this schedule. Table 2 below summarizes Elexicon's forecast revenue requirement over the 2027 through 2031 period. Elexicon's CIR proposal will decouple rates and revenues from forecast costs. As such, the figures below represent Elexicon's forecast costs, and are not reflective of Elexicon's forecast revenue over the 2028 to 2031 period, which is forecast to be lower as a result of its CIR proposal.

Table 2: 2027-2031 Forecast Revenue Requirement[2]

Item	2027	2028	2029	2030	2031
OM&A (incl. property taxes) ($M)	78.1	84.9	86.9	89.3	91.7
Amortization/Depreciation ($M)	28.5	29.1	33.6	37.4	43.3
Income Taxes (grossed up) ($M)	0.0	0.0	0.0	0.0	0.0
Deemed Interest Expense ($M)	17.4	19.2	22.0	24.7	28.9
Return on Deemed Equity ($M)	22.5	24.9	28.5	32.0	37.5
Service Revenue Requirement ($M)	**146.5**	**158.1**	**170.9**	**183.5**	**201.4**
Revenue Offsets ($M)	(4.9)	(5.0)	(5.1)	(5.2)	(5.3)
Base Revenue Requirement ($M)	**141.6**	**153.2**	**165.9**	**178.3**	**196.1**

In order to meet the specific requirements of Elexicon, some minor adjustments to the OEB's RRWF were required. Section 7 of this Schedule fully documents these adjustments.

This Schedule provides the following with respect to Elexicon's 2027 revenue requirement and calculated revenue deficiency:

- Determination of Net Utility Income
- Statement of Rate Base
- Actual Utility Return on Rate Base
- Indicated Rate of Return
- Requested Rate of Return
- Deficiency or Sufficiency in Revenue
- Gross Deficiency or Sufficiency in Revenue

2. DETERMINATION OF NET UTILITY INCOME

Elexicon has determined its allowable 2027 Net Income as $22.5 million. Table 3 below provides a Net Income calculation for the 2027 Test Year.

[2] Numbers may not sum due to rounding.

Table 3: 2027 Net Utility Income

Details	Amount
Operating Revenues:	
Distribution Revenue (at Proposed Rates) ($M)	141.6
Other Revenue ($M)	4.9
Total Operating Revenues ($M)	**146.5**
Operating Expenses:	
OM&A Expenses ($M)	77.3
Depreciation/Amortization ($M)	28.5
Property Taxes ($M)	0.8
Subtotal: Operating Expenses ($M)	**106.6**
Deemed Interest Expense ($M)	17.4
Total Expenses ($M)	**124.0**
Utility Income before Income Taxes ($M)	**22.5**
Income Taxes (grossed-up) ($M)	0.0
Utility Net Income ($M)	**22.5**

3. STATEMENT OF RATE BASE

A summary of Elexicon's rate base for the 2027 Test Year, calculated on Elexicon's deemed capital structure in accordance with the OEB Filing Requirements and as presented in Exhibit 5, is summarized in Table 4. Elexicon's 2027 rate base is $617.3 million.

Table 4: 2027 Rate Base[3]

Particulars	Amount
Net Capital Assets in Service:	
2027 Avg Gross Assets ($M)	838.5
2027 Avg Acc. Depr. ($M)	257.2
Average Net Fixed Assets ($M)	**581.2**
Working Capital Allowance ($M)	36.1
Total 2027 Rate Base ($M)	**617.3**
Allowance for Working Capital Derivation:	
Controllable Expense ($M)	78.1
Cost of Power ($M)	467.0
Working Capital Base ($M)	545.1
Working Capital Rate (%)	6.62%
Working Capital Allowance ($M)	**36.1**

[3] Numbers may not sum due to rounding.

4. INDICATED UTILITY RETURN ON RATE BASE

Table 5 summarizes the computation of Elexicon's 2027 Test Year at Existing Rates and the 2027 Test Year at Proposed Rates in order to achieve the Required Revenue.

Table 5: 2027 Actual and Required Return on Rate Base

Description	2027 at Existing Rates	2027 at Proposed Rates (Required)
Rate Base ($M)	**617.3**	**617.3**
Deemed Interest Expense ($M)	17.4	17.4
Net Income ($M)	(10.9)	22.5
Total Return on Rate Base ($M)	**6.5**	**39.9**
Total Return on Rate Base (%)	**1.05%**	**6.46%**
Short-Term Interest Rate (%)	2.72%	2.72%
Long-Term Interest Rate (%)	4.83%	4.83%
Return on Equity (%)	-4.41%	9.11%

Elexicon's 2027 Indicated Rate of Return is 1.05% as presented in Table 5 and is calculated as the sum of Utility Net Income and Deemed Interest Expense divided by Rate Base. Elexicon's requested rate of return is 6.46% or $39.9 million.

5. DEFICIENCY OR SUFFICIENCY IN REVENUE

Elexicon has provided a detailed calculation supporting its 2027 Revenue Deficiency in Table 6 below, including calculation of Gross Deficiency. Calculation of 2027 Revenue at Existing Rates has been provided in Exhibit 7 - Tab 1 - Schedule 1. The Gross Revenue Deficiency is calculated at $33.4 million. Table 6 provides the Revenue Deficiency calculation for the 2027 Test Year at Proposed Rates, which provides the required Net Income and Total Return on Rate Base.

Table 6: 2027 Revenue Deficiency Calculation[4]

Particulars	2027 at Existing Rates	2027 at Proposed Rates (Required)
	Revenue Deficiency from Below ($M) -->	**33.4**
Distribution Revenue ($M)	108.2	108.2
Other Operating Revenue Offsets – net ($M)	4.9	4.9
Total Revenue ($M)	**113.1**	**146.5**
Operating Expenses ($M)	106.6	106.6
Deemed Interest Expense ($M)	17.4	17.4
Total Cost and Expenses ($M)	**124.0**	**124.0**
Utility Income Before Income Taxes ($M)	(10.9)	22.5
Tax Adjustments to Accounting Income ($M)	(28.8)	(28.8)
Taxable Income ($M)	**(39.7)**	**(6.4)**
Income Tax Rate (%)	0.00%	26.50%
Income Tax on Taxable Income ($M)	0.0	0.0
Income Tax Credits ($M)	0.0	0.0
Utility Net Income ($M)	**(10.9)**	**22.5**
Utility Rate Base ($M)	617.3	617.3
Deemed Equity Portion of Rate Base ($M)	246.9	246.9
Income/(Equity Portion of Rate Base) (%)	-4.41%	9.11%
Target Return - Equity on Rate Base (%)	9.11%	9.11%
Deficiency/Sufficiency in Return on Equity (%)	**-13.52%**	**0.00%**
Indicated Rate of Return (%)	1.05%	6.46%
Requested Rate of Return on Rate Base (%)	6.46%	6.46%
Deficiency/Sufficiency in Rate of Return (%)	**-5.41%**	**0.00%**
Target Return on Equity ($M)	22.5	22.5
Revenue Deficiency/(Sufficiency) ($M)	33.4	0.0
Gross Revenue Deficiency/(Sufficiency) ($M)	**33.4**	**0.0**

[4] Numbers may not sum due to rounding.

6. COST DRIVERS OF REVENUE DEFICIENCY

Table 7 below shows trends and variances in Elexicon's revenue requirement from 2020 Actuals to the 2027 Test Year period. The cost of capital for 2020 has been calculated using the OEB's deemed structure and cost of capital parameters underpinning rates. Elexicon has relied on 2020 as the base year for this analysis as the first full year post the merger of Whitby Hydro and Veridian Connections to form Elexicon. The analysis uses deemed interest rates and ROE to normalize for variances in actual interest rates and achieved ROE.

Table 7: 2027 Revenue Deficiency Drivers by Component[5]

	Actual					Bridge		Test	Variance: 2020 Deemed Actual vs 2027 Test ($M)	Variance: 2020 Deemed Actual vs 2027 Test (%)	CAGR: 2020 Deemed Actual vs 2027 Test (%)
Particulars	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**			
Rate Base ($M)	**420.2**	**431.3**	**453.7**	**472.6**	**498.4**	**521.6**	**550.5**	**617.3**	**197.1**	**47%**	**5.65%**
Cost of Capital											
Long-Term Debt (%)	5.07%	5.07%	5.07%	5.07%	5.07%	5.07%	5.07%	4.83%			
Short-Term Debt (%)	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%	2.72%			
Deemed Interest Expense ($M)	12.3	12.6	13.3	13.8	14.6	15.3	16.1	17.4	5.1	41%	5.05%
Return on Equity (%)	9.43%	9.43%	9.43%	9.43%	9.43%	9.43%	9.43%	9.11%			
Deemed Return on Equity ($M)	15.8	16.3	17.1	17.8	18.8	19.7	20.8	22.5	6.6	42%	5.13%
Sub Total ($M)	**28.1**	**28.9**	**30.4**	**31.7**	**33.4**	**34.9**	**36.9**	**39.9**	**11.7**	**42%**	**5.09%**
Operating Expenses											
Depreciation ($M)	18.3	19.0	21.1	22.0	22.0	24.6	25.7	28.5	10.3	56%	6.57%
OM&A ($M) [6]	42.3	42.9	44.9	46.7	53.6	58.2	61.8	77.3	35.0	83%	8.98%
Property Taxes ($M)	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.2	23%	3.02%
PILs (Grossed Up) ($M)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Sub Total ($M)	**61.2**	**62.6**	**66.8**	**69.4**	**76.4**	**83.6**	**88.3**	**106.6**	**45.4**	**74%**	**8.24%**
Service Revenue Requirement ($M)	89.4	91.5	97.2	101.1	109.8	118.5	125.2	146.5	57.1	64%	7.31%
Other Revenue ($M)	-1.4	-6.9	-12.4	5.3	-$5.3	-4.0	-4.1	-4.9	-3.5	257%	-209.49%
Base Revenue Requirement ($M)	**88.0**	**84.5**	**84.8**	**106.4**	**104.5**	**114.5**	**121.1**	**141.6**	**53.6**	**61%**	**7.03%**

[5] Numbers may not sum due to rounding.
[6] Including LEAP

The contributors to Elexicon's revenue deficiency are broadly dispersed across the components making up its revenue requirement. One of the most notable drivers of Elexicon's revenue deficiency relates to the significant length of time since Whitby Hydro and Veridian Connections rebased, in the years 2010 and 2014, respectively. This has resulted in a very significant decoupling between rates and costs as the Capital-Related Revenue Requirement[7] ("CRRR") is based off an asset base that is more than a decade old. Combined with a period of significant growth within Elexicon's service territory which has required levels of capital investment above what is funded in rates, the length of deferred rebasing requires a 'catch-up' of distribution revenues to accurately reflect the actual size of Elexicon's present-day rate base and associated CRRR. Calculating 2026 CRRR at 2027 cost of capital parameters yields a value of $65.5 million, suggesting that of the total 2027 CRRR requested of $68.4 million, only $2.9 million relates to 2027 in-service additions, with the remainder relating to Elexicon's existing rate base as of year-end 2026. Similarly, as outlined in Exhibit 1 - Tab 4 - Schedule 1 - Appendix A about $10.8 million of the incremental OM&A funding requested relates to catching Elexicon up to its existing OM&A costs required in 2026. In sum, of the total $33.4 million revenue deficiency outlined in Table 6, $25 million (75%) represents a catch-up of funding in rates to actual Elexicon costs as of year-end 2026.

Since the first full year of Elexicon's merged operations in 2020, Elexicon's rate base has grown by 47%, or a Compound Annual Growth Rate ("CAGR") of 5.65%, in order to make prudent and necessary investments to maintain safe and reliable service, and support customer and load growth. Comprehensive evidence regarding Elexicon's rate base can be found in Exhibit 2A.

With growth in rate base comes corresponding increases to depreciation expense and cost of capital. Depreciation/amortization expense has increased by 64% over this period, at a CAGR of 7.31%. Deemed interest expense and ROE have grown by 41% and 42%, or CAGRs of 5.05% and 5.13%, respectively, with the impact of growth in rate base partially offset by lower long-term interest rates, lower working capital allowance, and lower deemed ROE in 2027. Depreciation/amortization is further discussed in Exhibit 2A, while cost of capital is discussed in Exhibit 5.

[7] i.e. depreciation/amortization expense, interest, return on equity and taxes

In order to maintain pace with an expanding rate base and continue to serve customers in the historical period and Test Year, Elexicon's OM&A expenses have grown by a CAGR of 8.98% relative to 2020. Further discussion of Elexicon's OM&A can be found in Exhibit 4.

Increases to Elexicon's Service Revenue Requirement are partially offset by a 209.5% increase to Other Revenue relative to 2020, increasing from ($1.4) million to ($4.9) million. Further discussion of Other Revenue can be found in Tab 3 of this Exhibit.

7. CHANGE IN METHODOLOGY

Elexicon has made a change to the OEB's RRWF calculation of gross revenue deficiency / sufficiency for the purpose of this application to remove the gross up for income taxes. The RRWF calculation grosses up the revenue deficiency / sufficiency according to the income tax rate, however, Elexicon's proposed PILs amount is $0 in each year, so the pre-tax revenue deficiency / sufficiency does not need to be grossed up. The formula for gross revenue deficiency / sufficiency in Tab 8 of the RRWF has been revised such that the revenue deficiency / sufficiency is not grossed up when taxable income is negative. This change ensures that the two revenue deficiency / sufficiency calculations in Tab 9 of the RRWF are equal in 2027.

Elexicon has prepared a RRWF model for each year from 2027 to 2031. A revenue deficiency remains in the 2028 to 2031 period due to the impact of the Custom Revenue Cap Index. The difference between Elexicon's base revenue requirement and revenues forecasted with the Customer Revenue Cap Index is included in the revenue reconciliation in Tab 13 of the 2028 to 2031 RRWFs. The total revenue deficiency from 2028 to 2031 is $2.9 million, growing from $0.3 million in 2028 to $1.2 million in 2031.

8. LIST OF ATTACHMENTS

- Attachment 1 (Excel): 2027 Revenue Requirement Workform
- Attachment 2 (Excel): 2028 Revenue Requirement Workform
- Attachment 3 (Excel): 2029 Revenue Requirement Workform
- Attachment 4 (Excel): 2030 Revenue Requirement Workform
- Attachment 5 (Excel): 2031 Revenue Requirement Workform

EXHIBIT 6 - TAB 1 - SCHEDULE 1: ATTACHMENT 1
“2027 REVENUE REQUIREMENT WORKFORM”
(REFER TO ATTACHMENT IN EXCEL FORMAT)

EXHIBIT 6 - TAB 1 - SCHEDULE 1: ATTACHMENT 2
“2028 REVENUE REQUIREMENT WORKFORM”
(REFER TO ATTACHMENT IN EXCEL FORMAT)

EXHIBIT 6 - TAB 1 - SCHEDULE 1: ATTACHMENT 3
“2029 REVENUE REQUIREMENT WORKFORM”
(REFER TO ATTACHMENT IN EXCEL FORMAT)

EXHIBIT 6 - TAB 1 -SCHEDULE 1: ATTACHMENT 4
"2030 REVENUE REQUIREMENT WORKFORM"
(REFER TO ATTACHMENT IN EXCEL FORMAT)

EXHIBIT 6 - TAB 1 - SCHEDULE 1: ATTACHMENT 5
“2031 REVENUE REQUIREMENT WORKFORM”
(REFER TO ATTACHMENT IN EXCEL FORMAT)

CORPORATE TAXES (PAYMENT-IN-LIEU-OF-TAXES – "PILS")

1. INTRODUCTION

Elexicon is subject to the payment of Payment-in-Lieu-of-Taxes ("PILs") under Section 93 of the Electricity Act, 1998, as amended. Elexicon is exempt from the payment of income taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act. In this Application, Elexicon is forecasting negative regulatory taxable income in 2027 of ($6.4) million, and as such is not requesting recovery of grossed-up PILs in rates for the 2027 Test Year.

As outlined in Exhibit 1 - Tab 5 - Schedule 1, Elexicon is proposing a 5-year CIR framework in which a Custom Revenue Cap Index is relied upon to set rates from 2028 to 2031, informed in part by a forecast of capital-related revenue requirement over this period. As such, Elexicon's forecast PILs over the 2028 to 2031 period are relevant to this application and are discussed- within this Schedule. Table 1 below summarizes Elexicon's projected grossed-up PILs over the 2027 to 2031 period:

Table 1: Proposed Grossed-Up PILs by Year

	Actual	Bridge		Test	Forecast			
	2024	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Regulatory Taxable Income ($M)	(9.0)	(36.5)	(3.4)	(6.4)	0.0	0.0	8.3	11.5
Calculated PILs ($M)	0.0	0.0	0.0	0.0	0.0	0.0	2.2	3.0
Tax Credits ($M)	0.0	0.0	0.0	0.0	0.0	0.0	(2.2)	(3.0)
PILs in Rates (Not Grossed Up) ($M)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gross-Up ($M)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grossed-Up PILs in Rates ($M)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Excessive Interest and Finance Expenses Limitation (EIFEL) rules were applied in the 2024 tax return, however, for rate-making purposes, Elexicon has treated EIFEL balances in the same manner as tax loss carry forward amounts, and has directed such balances to the benefit of ratepayers.

A copy of Elexicon's 2024 Federal and Provincial (Ontario) tax return has been provided in Attachment 2 to this schedule. PILs amounts included in the 2024 financial statements are based on the actuals included within this tax return.

At the time of filing this Application, Elexicon has not yet filed its 2025 corporate income tax return. Elexicon does not expect significant changes between the final 2025 corporate income tax return and the 2025 forecast income tax provision. Elexicon will provide a copy of the final 2025 tax return as soon as it is available and update the OEB's PILs model accordingly.

Financial Statements included with this Application as Attachment 3 to this schedule are the same as those provided with the tax return.

2. OEB PILS TAX WORKFORM

Elexicon has used the OEB's PILs Tax Workform model to calculate the amount of PILs for inclusion in 2027 rates, relying on MIFRS accounting policies. Elexicon has also relied on the OEB's PILs Tax Workform to complete forecasts of PILs for the 2028 to 2031 period, for incorporation into the capital-related revenue requirement underpinning Elexicon's proposed Custom Revenue Cap Index. To complete this exercise, the OEB's PILs Tax Workform included within this application was revised to allow for five Test Years (2027 to 2031). Detailed calculation of Elexicon's forecast PILs requirement can be found in a completed version of the OEB's PILs Workform, provided as Attachment 1 to this schedule.

Elexicon confirms its use of the standalone principle in determining PILs amounts and verifies it has exercised sound tax planning and that for rate setting purposes, it maximized tax credits and takes the maximum deductions allowed where it makes sense for the utility to do so.

3. ACCELERATED CCA, ACCOUNT 1592, DX NEXT DEFERRAL ACCOUNT, AND TAX LOSS CARRY FORWARD BALANCES

3.1 Account 1592 – Accelerated CCA Tax Loss Carry forward Balance Adjustment

On June 21, 2019, Bill C-97, the Budget Implementation Act, 2019, No. 1, received Royal Assent. This legislation introduced several amendments to the federal income tax regime, including the implementation of the Accelerated Investment Incentive Program ("AIIP"). The AIIP allows for a first-year increase in capital cost allowance ("CCA") deductions on eligible capital assets acquired after November 20, 2018.

The OEB recognized that these changes to the CCA rules under Bill C-97 could have a significant impact on the taxes and PILs owed by electricity and natural gas utilities, as well as Ontario Power Generation Inc. ("OPG") (collectively referred to as "Utilities"). In response, on July 25, 2019, the OEB issued a letter titled "Accounting Direction Regarding Bill C-97 and Other Changes in Regulatory or Legislated Tax Rules for Capital Cost Allowance." This communication indicated that, to enhance transparency, the OEB would establish a separate sub-account dedicated to track the effects of changes in CCA rules.

Electricity distributors were instructed to utilize this sub-account to monitor the impact of the CCA rule changes introduced by Bill C-97, as well as any future modifications to CCA rules enacted by relevant regulatory or taxation authorities. Pursuant to the above noted Accounting Direction, Elexicon established a separate sub-account of Account 1592 – PILS and Tax Variance Account - CCA Changes to track the impact of changes in CCA rules. Elexicon calculated the difference in CCA with and without AIIP and applied its combined Federal and Provincial tax rate to this amount to determine PILs savings resulting from AIIP. These PILs savings were subsequently grossed-up and entered as credits into the 1592 sub-account.

On July 15, 2025, Elexicon submitted its 2026 Incentive Rate-setting Mechanism ("IRM") application, inclusive of a request to clear the majority of Group 2 Deferral and Variance Account ("DVA") balances accumulated to that point. Elexicon proposed deferring disposition of Account 1592 – Sub-Account, Accelerated CCA, for the reasons outlined below:

- For clarity, these [Account 1592] entries may represent actual PILs savings on a cash basis, or tax loss carry forward balances available for use to offset PILs in future years. In Elexicon's case, the vast majority of credit entries relate to tax loss carry forward balances.
- For Elexicon, the tax benefits of accelerated CCA are reflected in credits applicable to future years when the entity is expected to be assessed as having taxes payable. As such, for Elexicon the result of accelerated CCA has been the accumulation of additional tax loss carry forward balances, as opposed to cash-in-hand PILs savings.
- In normal course, these tax benefits will offset tax liability in future years for a taxable business. However, tax loss carry forward balances carried by an OEB-regulated utility at the time of

> rebasing are typically used for the purpose of reducing PILs in rates, benefiting ratepayers by reducing the tax burden embedded in rates at rebasing.[1]

Elexicon went on to articulate the challenge that in the event the credit balance in Account 1592 – Sub-Account Accelerated CCA were disposed of in full, and tax loss carry forward balances derived from Accelerated CCA were subsequently used to reduce PILs in rates in 2027 and beyond, ratepayers would effectively be credited the tax benefits of Accelerated CCA twice. This outcome would be facilitated by way of an inappropriate loss to Elexicon. To avoid this outcome, Elexicon argued that Elexicon's Account 1592 balance, tax loss carry forward balance, and proposed PILs in rates must be heard in tandem to allow for a comprehensive decision to be rendered on these interrelated amounts.

In this Application, Elexicon has presented comprehensive evidence regarding the balances in Account 1592, its accumulated tax loss carry forward balance, and its proposed PILs in rates from 2027 to 2031, to facilitate the OEB's consideration of this matter. Elexicon proposes to dispose of the full credit balance accumulated in Account 1592 – Sub-Account Accelerated CCA, up to December 31, 2026, to ratepayers over a period of one year starting January 1, 2027. At the same time, Elexicon has calculated the portion of its tax loss carry forward balance which is directly derived from Accelerated CCA. Elexicon proposes to exclude this portion of the tax loss carry forward balance from the OEB's PILs model for the purpose of calculating PILs in rates from 2027 to 2031.

This approach ensures that ratepayers receive the full benefit of accelerated CCA, via Account 1592, while also ensuring that these benefits are received as tax savings by Elexicon in the future, leaving the utility in a net neutral position. Elexicon contemplated an alternative approach, wherein the full available tax loss carry forward balance was utilized to reduce PILs in rates beginning in 2027, and the balance in Account 1592 – Sub-Account Accelerated CCA was reduced to reflect only Accelerated CCA tax savings realized by Elexicon on a cash basis since 2018. Due to other inputs to Elexicon's 2027 PILs calculation however, ratepayers would see $0 PILs in rates in 2027 regardless of whether the full or a partial tax loss carry forward balance was utilized in the OEB's PILs Model. Elexicon chose to rely on Account 1592 as the means to credit ratepayers the benefit of Accelerated CCA sooner and provide rate mitigation beginning in 2027.

[1] Ontario Energy Board, EB-2025-0046, "Appendix D: Group 2 Accounts – Request for Disposal", page 15

Table 2 below presents Elexicon's calculation of the balance in Account 1592 – Sub-Account Accelerated CCA up to December 31, 2026.

Table 2: Calculation of Account 1592 – Sub-Account Accelerated CCA[2]

	Year	CCA without AIIP	CCA with AIIP	Difference	Tax Rate (%)	PILs Impact	Grossed-Up PILs
Actual ($)	**2018**	23,214,061	23,661,828	447,767	26.50%	118,658	161,440
Actual ($)	**2019**	23,135,851	26,026,326	2,890,475	26.50%	765,976	1,042,144
Actual ($)	**2020**	26,007,020	29,341,725	3,334,705	26.50%	883,697	1,202,309
Actual ($)	**2021**	27,681,405	31,238,675	3,557,271	26.50%	942,677	1,282,553
Actual ($)	**2022**	30,854,010	38,070,660	7,216,650	26.50%	1,912,412	2,601,921
Actual ($)	**2023**	33,388,278	36,182,881	2,794,603	26.50%	740,570	1,007,578
Actual ($)	**2024**	33,645,861	32,539,027	(1,106,834)	26.50%	(293,311)	(399,063)
Forecast ($)	**2025**	35,304,112	36,336,436	1,032,324	26.50%	273,566	372,198
Forecast ($)	**2026**	37,133,573	36,832,708	(300,865)	26.50%	(79,729)	(108,475)
Total ($)						**5,264,515**	**7,162,606**

The figures presented above to derive the total tax benefit of $5.3 million, or $7.2 million on a grossed-up basis, owed to ratepayers as a result of Accelerated CCA are consistent with the build-up of the principal balance in Account 1592 – Sub-Account Accelerated CCA presented in Exhibit 9 of this application (at Tab 3 - Schedule 5, Section 10).

To determine the portion of tax loss carry forward balance to exclude from the OEB PILs Model in this application, Elexicon must complete the following:

1. Determine the amount of tax savings realized by Elexicon due to Accelerated CCA which remain held in the tax loss carry forward balance ("Step 1"). These amounts are equal to total tax savings resulting from Accelerated CCA, less tax savings realized by Elexicon on a cash basis over the 2018 to 2026 period. These amounts represent tax savings which will be refunded to ratepayers via Account 1592 disposition, but which have not yet been realized by Elexicon on a cash basis and must be preserved for the utility by way of exclusion from the tax loss carry forward balance used to offset PILs in rates for customers.
2. Convert the future tax savings derived in Step 1 to a tax loss carry forward balance ("Step 2"). Tax loss carry forward balances are reflected as adjustments to taxable income, as opposed to being direct offset credits to taxes owed. As such, the tax savings derived in Step 2 must be

[2] Numbers may not sum due to rounding.

divided by Elexicon's tax rate to yield the tax loss carry forward balance to be reserved for the Utility and excluded from the OEB PILs Model.

Step 1: Accelerated CCA Tax Savings Held in the Tax Loss Carry forward Balance

Accelerated CCA Tax Savings ($5.3 million) – Tax Savings Realized on Cash Basis ($1.4 million)
= Future Tax Savings held in Tax Loss Carry Forward Balance ($3.9 million)

To determine the proportion of Accelerated CCA tax benefits still held in the tax loss carry forward balance, Elexicon must first establish the tax savings realized by Elexicon on a cash basis since 2018. To do so, Elexicon analysed for each year whether the impact of Accelerated CCA was to reduce taxes paid by Elexicon in that year, or to increase the size of the tax loss carry forward recorded in that year. Where the impact reduced taxes paid, Elexicon subtracted Corporate Minimum Taxes paid from what taxes owed would have been without Accelerated CCA to determine the tax savings realized on a cash basis. Elexicon subsequently subtracted tax savings realized on a cash basis from the total tax savings resulting from Accelerated CCA, to determine the tax savings from Accelerated CCA which remain held in the tax loss carry forward balance.

Table 3 below presents calculation of Accelerated CCA tax savings realized on an actual basis from 2018 to 2025.

Table 3: Accelerated CCA Tax Savings Held in the Tax Loss Carry forward Balance[3]

	Year	Accelerated CCA PILs Impact / Tax Savings	Tax Savings Realized on a Cash Basis	Future Tax Savings Held in Tax Loss Carry forward
Actual ($)	**2018**	(118,658)	(118,658)	0
Actual ($)	**2019**	(765,976)	(264,659)	(501,316)
Actual ($)	**2020**	(883,697)	(159,706)	(723,991)
Actual ($)	**2021**	(942,677)	(809,105)	(133,572)
Actual ($)	**2022**	(1,912,412)	0	(1,912,412)
Actual ($)	**2023**	(740,570)	0	(740,570)
Actual ($)	**2024**	293,311	0	293,311
Forecast ($)	**2025**	(273,566)	0	(273,566)
Forecast ($)	**2026**	79,729	0	79,729
Total ($)			**(1,352,129)**	**(3,912,387)**

[3] Numbers may not sum due to rounding.

Step 2: Convert Future Tax Savings into Tax Loss Carry forward Balance

Future Tax Savings Owed to Utility ***($3.9 MILLION) / TAX RATE (26.50%)***

= Tax Loss Carry Forward Balance Reserved for Utility ***($14.8 MILLION)***

As presented in Step 1 above, Elexicon must realize future tax savings associated with accelerated CCA equal to $3.9 million to remain neutral after its disposition of account 1592 – sub-account accelerated CCA to ratepayers. As presented in Table 4 below, $3.9 million is divided by Elexicon's applicable tax rate of 26.50%, yielding a value of $14.8 million. This amount must be excluded from Elexicon's total tax loss carry forward balance within the OEB Pils model.

Table 4: Derivation of Tax Loss Carry forward Balance Reserved for Utility

Future Tax Savings Owed to Utility ($)	3,912,387
Tax Rate (%)	26.50%
Tax Loss Carry forward Balance Reserved for Utility ($)	**14,763,725**

In completing the OEB PILs Model, Elexicon has removed $14.8 million from its tax loss carry forward balance for the purpose of determining PILs in distribution rates. This is completed in Tab "B4 - Sch 4 Loss Cfwd Bridge" of the PILs Workform (Attachment 1), reflecting the adjustment being made December 31, 2026. This will ensure that ratepayers receive the full benefit of historical Accelerated CCA, via an Account 1592 credit of $7.2 million on a grossed-up basis, while also ensuring that these credits are equal to actual tax savings realized by Elexicon.

3.2 Cloud Computing Implementation Costs Deferral Account Tax Loss Carry forward Balance Adjustment

As described in Exhibit 9 - Tab 3 - Schedule 5, Elexicon is requesting approval to recover all Dx NEXT implementation costs (Dx NEXT is Elexicon's cloud-based ERP solution) over a 10-year period. The deferral of Dx NEXT implementation costs incurred over the 2025 to 2026 period have tax implications which warrant adjustment to the tax loss carry forward balance used to offset PILs in rates for customers.

Over the course of 2025 to 2026, Elexicon will spend a significant amount on Dx NEXT implementation. From a tax perspective, the impact of this spending is a decrease to Net Income, and a decrease to PILs owed. These tax reductions are directly tied to expenses incurred by Elexicon to implement Dx NEXT through increased tax losses and should be used to offset the tax payments due on recovery of Dx NEXT costs through rate riders upon approval of the Cloud Computing Implementation Costs deferral account. Under normal circumstances the tax losses associated for a deferred project would result in tax savings which offset the tax payment due upon recovery of the deferred project through rates; however, in light of Elexicon's tax loss position over the course of 2025 to 2026, the tax reductions resulting from utility losses are held in the tax loss carry forward balance.

An adjustment[4] of $17.3 million has been made to the 2025 tax loss carry forward balance, while an adjustment of $8.2 million has been made to the 2026 tax loss carry forward balance, to rectify this issue related to Dx NEXT costs and recovery**.**

3.3 Summary of Adjustments to Tax Loss Carry forward Balance

Table 5 below summarizes the impact of the adjustments to tax loss carry forward balances described above.

Table 5: Summary of Tax Loss Carry forward Adjustments

	2025	2026
Accelerated CCA / Account 1592 Adjustments ($)	0	14,763,725
Dx NEXT Adjustments ($)	17,316,758	8,178,447
Total Tax Loss Carry forward Adjustments ($)	**17,316,758**	**22,942,172**

Despite this adjustment, the remaining tax loss carry forward balance of $17.1 million forecast as of December 31, 2026, in addition to a forecast 2027 loss carry forward of $6.4 million, result in $0 PILs in rates in 2027, 2028 and 2029. There is a Regulatory Taxable Income of $8.3 million and $11.5 million in 2030 and 2031 respectively, but the carried forward balance forecast related to Investment Tax Credits as of December 31, 2030, and 2031 Investment Tax Credit forecast result in $0 PILs in rates in 2030 and 2031.

[4] Includes Carrying Charges

4. DISCLOSURE OF PILS TAX ADMINISTRATION AND TAX RULINGS

Elexicon has not been subject to any specific tax rulings which are inconsistent with Elexicon's previously filed and approved tax model.

5. TAX STATUS

Elexicon has not changed its tax status.

6. TAX RE-ASSESSMENTS

The Ministry of Finance completed a review of Elexicon's 2019 tax return in 2024 and 2020 tax return in 2025. The PILs values presented in this application are consistent with methodologies approved by the Ministry of Finance through its audits.

7. TAX TREATMENT OF DIVIDENDS PAID

Elexicon notes that it pays dividends to its shareholders; however, since the shareholders are municipalities and not subject to income taxes, such dividends are treated as non-taxable and do not affect the PILs return. Effective 2025, Elexicon will not be paying shareholder dividends through 2031, as further discussed in Exhibit 5 - Tab 1 - Schedule 1.

8. LOSS CARRY FORWARDS

As shown in in the attached PILS Workform, Tabs H4, B4, T4 2027 to 2031, and as further discussed in Section 3 above, Elexicon has provided information regarding tax loss carry forward balances and their application in determining PILs rates and is shown in Table 6 below:

Table 6: Loss Carry forward Continuity Schedule

Ratepayer Tax Loss Carry forward Balance and Use	2027	2028	2029	2030	2031
Total Tax Loss Carry forward Balance (Start of Period) ($M)	**17.1**	**23.5**	**11.7**	**1.4**	**0.0**
Tax Loss Carry forward Generated in Year ($M)	6.4	0.0	0.0	0.0	0.0
Tax Loss Carry forward Used in Year ($M)	0.0	11.8	10.3	1.4	0.0
Total Tax Loss Carry forward Balance (End of Period) ($M)	**23.5**	**11.7**	**1.4**	**0.0**	**0.0**

9. CAPITALIZED INTEREST

Interest is not capitalized to construction work in progress (CWIP) for tax purposes; however, interest is capitalized for accounting purposes in the 2027 projection.

10. NON-DISTRIBUTION ELIMINATION

Elexicon has removed any income and expenses related to non rate-regulated business activities from the calculation of regulated net income and PILs in this application.

11. TAX CREDITS

Elexicon anticipates rate-regulated expenditures qualifying for SR&ED tax credits from 2025-2031 and a forecast based on an average of actual qualifying expenditure from 2020 to 2024 is used to arrive at a tax credit to offset Income Taxes in 2030 and 2031 in the PILs model. The forecast SR&ED expenditure in the financial statement is added back and SR&ED expenditure claim for a year is deducted in Sch1 Taxable Income. The capital expenditure reduces the cost of acquisition in Schedule 8 CCA from the specific CCA class.

Table 7 below shows the SR&ED credit, SR&ED expense additions / deductions in Schedule 1, and Table 8 below shows the Schedule 8 adjustment forecast for the Bridge and the Test years based on 2020-2024 Averages. For further details please see Attachment 4 Supporting Schedules.

Table 7: SR&ED Credits for Bridge and Test Years

	Amount
Qualified SR&ED Expense ($)	2,281,548
Provincial Credit ($)	79,854
Federal Credit ($)	330,254
Total SR&ED credit ($)	**410,108**
Schedule 1 Addition ($)	1,171,333
Schedule 1 Deduction ($)	1,662,291

Table 8: Schedule 8 Adjustment[5]

	Amount
Class 8 ($)	61,079
Class 12 ($)	172,338
Class 47 ($)	318,854
Class 50 ($)	5,771
Total Capital Expenditure ($)	**558,041**

Elexicon has relied on historical actuals to forecast Federal Apprenticeship Job Creation tax credits of $0.0 million. The forecast for Ontario Co-operative Education Tax credits is also $0.0 million as only a small amount has been claimed in prior years. These credits have not been included in the calculation of PILs and revenue requirement in 2027.

[5] Numbers may not sum due to rounding.

12. CAPITAL LEASES

Appropriate adjustments have been made in determining taxable income in the 2027 tax model with respect to leases capitalized for accounting purposes.

13. REGULATORY ASSETS AND LIABILITIES

Deferred Variances movement is captured as a deduction or addition in Schedule 1 of the yearly tax returns.

14. INTEGRITY CHECKS

The following integrity checks have been completed to verify the results of the 2027 PILs Workform attached to this evidence:

- Depreciation and amortization added back agrees with the numbers disclosed in the rate base section of the application. For further details see Attachment 4 Supporting Schedules;
- Capital additions and deductions agree with the rate base section for historical, bridge and test years;
- Schedule 8 of the most recent tax return filed with the application has a closing December 31 historical year undepreciated capital cost ("UCC") that agrees with the opening bridge year UCC at January 1. The only non-distribution amounts included in Schedule 8 relate to immaterial UCC balances[6] and CCA claims in CCA Class 43.2. Given the immaterial size of these balances, Elexicon has not adjusted UCC or CCA amounts related to these assets out of UCC balances and CCA claims used to benefit the ratepayer in the derivation of PILs in rates;
- The CCA deductions in the application's PILs tax model for historical, bridge and test years agree with the numbers in Schedule 8;
- Elexicon does not make adjustments to Schedule 1 or Schedule 8 for other post-employment benefits or pension expenses. As such, no reconciliation is required between the OM&A analysis for compensation and Schedules 1 and 8 for these items; and
- The income tax rate used to calculate the tax expense is consistent with the current legislated rate.

[6] 2026 Opening UCC balances of $290 in Class 43.2

15. TAX PAYABLE FILINGS

Elexicon has been paying Corporate Minimum Tax ("CMT") since 2019. Details of actual taxes (CMT) paid by Elexicon from 2019 to 2024, as well as the forecasted taxes (CMT) to be paid for 2025 and 2026, are outlined in Table 9 below.

Table 9: Summary of PILs (CMT) by Year

	Actual						Bridge	
	2019	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Income Taxes (CMT) ($M)	0.2	0.3	0.5	0.6	0.03	0.2	0.2	0.3

A combination of high growth and increasing cost pressures have pushed Elexicon into a tax loss position for the majority of the historical years since its establishment in 2019. The high growth necessitated increased capital investments and enhanced first year CCA due to AIIP tax measures resulted in large CCA claims relative to accounting depreciation, further depressing PILs owed or increasing the loss carry forwards in Elexicon's scenario.

16. PROPERTY TAX

Elexicon pays property taxes to the following municipalities:

- Town of Ajax
- City of Pickering
- City of Belleville
- Municipality of Clarington
- Town of Gravenhurst
- Town of Whitby
- Town of Brock
- Township of Scugog
- Township of Uxbridge
- Municipality of Port Hope

Elexicon's actual property taxes paid in 2024 totalled $0.8 million across the above noted municipalities. Elexicon has forecast the following property taxes for the 2025 and 2026 Bridge, and 2027 to 2031 Test Years as shown in Table 10 below.

Table 10: Property Taxes: Actual, Bridge, Test Year and Forecast Period (2028 to 2031)

	2024 (Actual)	2025 (Bridge)	2026 (Bridge)	2027 (Test)	2028	2029	2030	2031
Property Taxes ($M)	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9

The forecasts provided above and included for revenue requirement purposes in the years 2027 to 2031 were determined based on a general inflation rate.

17. NON-RECOVERABLE AND DISALLOWED EXPENSES

Elexicon does not have any distribution-only expenses that are deductible for general tax purposes but for which recovery in 2027 to 2031 distribution rates is partially or fully disallowed. Elexicon has not included donations, other than LEAP, in the calculation of revenue requirement. As such, Elexicon has excluded non-regulated charitable donations from its regulatory tax calculation.

18. LIST OF ATTACHMENTS:

- Attachment 1 (Excel): PILS Workform
- Attachment 2: Tax Return (2024)
- Attachment 3: Financial Statements (2024)
- Attachment 4 (Excel): Supporting Schedules

EXHIBIT 6 - TAB 2 - SCHEDULE 1: ATTACHMENT 1
“PILS WORKFORM”
(REFER TO ATTACHMENT IN EXCEL FORMAT)

EXHIBIT 6-TAB 2-SCHEDULE 1: ATTACHMENT 2
“TAX RETURN (2024)”
(REFER TO ATTACHMENT IN PDF FORMAT)

Canada Revenue Agency / Agence du revenu du Canada

Code 1901

Scientific Research and Experimental Development (SR&ED) Expenditures Claim

Use this form:
- to provide technical information on your SR&ED projects;
- to calculate your SR&ED expenditures; and
- to calculate your qualified SR&ED expenditures for investment tax credits (ITC).

To claim an ITC, use either:
- Schedule T2SCH31, Investment Tax Credit – Corporations; or
- Form T2038(IND), Investment Tax Credit (Individuals).

The information requested in this form and documents supporting your expenditures and project information (Part 2) are prescribed information.

In Part 6, a new box is added: Box 758 that must be filled if traditional method is used. The information is required for tax year ends after 2020 and optional for tax year ends before 2021.

Your SR&ED claim must be filed within 12 months of the filing due date of your income tax return.

To help you fill out this form, use the T4088, Guide to Form T661, which is available on our website: **canada.ca/taxes-sred**.

Part 1 – General information

010 Name of claimant: Elexicon Energy Inc.

Tax year: From 2024-01-01 (Year Month Day) to 2024-12-31 (Year Month Day)

Enter one of the following:

Business number (BN): [redacted]

Social insurance number (SIN):

050 Total number of projects you are claiming this tax year: 6

100 Contact person for the financial information: [redacted]	**105** Telephone number/extension: (905) 427-9870	**110** Fax number: (905) 668-6598
115 Contact person for the technical information: [redacted]	**120** Telephone number/extension: (905) 427-9870	**125** Fax number: (905) 668-6598

151 If this claim is filed for a partnership, was Form T5013 Partnership Information Return filed? . . . . ☐ Yes ☐ No

If you answered **no** to line 151, complete lines 153, 156 and 157.

153 Names of the partners	**156** %	**157** BN or SIN
1		
2		
3		
4		
5		

Part 2 - Project information

CRA internal form identifier 060
Code 1901

Complete a separate Part 2 for each project claimed this year.

Section A - Project identification

200 Project title (and identification code if applicable)

See schedule

T661 E (20)

Part 3 – Calculation of SR&ED expenditures

What did you spend on your SR&ED projects?

Section A – Select the method to calculate the SR&ED expenditures

I elect (choose) to use the following method to calculate my SR&ED expenditures and related investment tax credits (ITC) for this tax year.
I understand that my election is irrevocable (cannot be changed) for this tax year.

160 [X] I elect to use the proxy method (Enter "0" on line 360 and complete Part 5.)

162 [ ] I choose to use the traditional method (Enter "0" on line 502. Complete line 360.)

Section B – Calculation of allowable SR&ED expenditures (to the nearest dollar)

• SR&ED portion of salary or wages of employees directly engaged in the SR&ED:			
a) Employees other than specified employees for work performed in Canada	300	+	1,633,816
b) Specified employees for work performed in Canada	305	+	
Subtotal (add lines 300 and 305)	306	=	1,633,816
c) Employees other than specified employees for work performed outside Canada (subject to limitations – see guide)	307	+	
d) Specified employees for work performed outside Canada (subject to limitations – see guide)	309	+	
• Salary or wages identified on line 315 in prior years that were paid in this tax year	310	+	
• Salary or wages incurred in the year but not paid within 180 days of the tax year end	315		
• Cost of materials consumed in performing SR&ED	320	+	
• Cost of materials transformed in performing SR&ED	325	+	
• Contract expenditures for SR&ED performed on your behalf:			
a) Arm's length contracts	340	+	682,823
b) Non-arm's length contracts	345	+	
• Overhead and other expenditures (enter "0" if you elected to use the proxy method at line 160)	360	+	
• Third-party payments (complete Form T1263*)	370	+	
Total allowable SR&ED expenditures (add lines 306 to 370; do not add line 315)	380	=	2,316,639

If the above expenditures have been included in your income statement, enter this amount on line 118 of Schedule T2SCH1 or, if you are an individual, include this amount in your self-employment income (lines 135 to 143) reported on your individual income tax and benefit return.

Section C – Calculation of pool of deductible SR&ED expenditures (to the nearest dollar)

Amount from line 380	420		2,316,639
Deduct			
• provincial government assistance for expenditures included on line 380	429	–	76,303
• other government assistance for expenditures included on line 380	431	–	
• non-government assistance for expenditures included on line 380	432	–	
• SR&ED ITCs applied and/or refunded in the prior year (do not include ITCs allocated from a partnership)	435	–	
• sale of SR&ED capital assets and other deductions	440	–	
Subtotal (line 420 minus lines 429 to 440)	442	=	2,240,336
Add			
• repayments of government and non-government assistance that previously reduced the SR&ED expenditure pool	445	+	
• prior year's pool balance of deductible SR&ED expenditures (from line 470 of prior year T661)	450	+	
• SR&ED expenditure pool transfer from amalgamation or wind-up	452	+	
• amount of SR&ED ITC recaptured in the prior year	453	+	
Amount available for deduction (add lines 442 to 453) (enter positive amount only, include negative amount in income)	455	=	2,240,336
• Deduction claimed in the year (Corporations should enter this amount on line 411 of schedule T2SCH1)	460	–	2,240,336
Pool balance of deductible SR&ED expenditures to be carried forward to future years (line 455 minus 460)	470	=	

* Form T1263, Third-Party Payments for Scientific Research and Experimental Development (SR&ED)

Part 4 – Calculation of qualified SR&ED expenditures for investment tax credit (ITC) purposes (to the nearest dollar)

The resulting amount is used to calculate your refundable and/or non refundable ITC.

Total allowable SR&ED expenditures (from line 380)	492		2,316,639
Add			
• payment of prior years' unpaid amounts (other than salary or wages) (see note 1)	500	+	
• prescribed proxy amount (complete Part 5) (Enter "0" if you use the traditional method)	502	+	815,793
• qualified expenditures transferred to you (see note 3) (complete Form T1146**)	508	+	
Subtotal (add lines 492 to 508)	511	=	3,132,432
Deduct			
• provincial government assistance	513	–	104,855
• other government assistance	515	–	
• non-government assistance and contract payments	517	–	
• current expenditures (other than salary or wages) not paid within 180 days of the tax year end (see **note 1**)	520	–	
• 80% of the amounts paid in respect of an SR&ED contract to a person or partnership that is not a taxable supplier	528	–	
• 20% of the amount on lines 340 and 370	529	–	136,565
• prescribed expenditures not allowed by regulations (see guide)	530	–	
• other deductions (see guide)	533	–	
• non-arm's length transactions			
– assistance allocated to you (complete Form T1145*)	538	–	
– expenditures for non-arm's length SR&ED contracts (from line 345)	541	–	
– adjustments to purchases (limited to costs) of goods and services from non-arm's length suppliers (see guide)	542	–	
– qualified expenditures you transferred (complete Form T1146**)	544	–	
Qualified SR&ED expenditures (line 511 minus lines 513 to 544)	559	=	2,891,012
Add			
• repayments of assistance and contract payments made in the year	560	+	
Total qualified SR&ED expenditures for ITC purposes (add lines 559 and 560)	570	=	2,891,012

* Form T1145, Agreement to Allocate Assistance for SR&ED Between Persons Not Dealing at Arm's Length

** Form T1146, Agreement to Transfer Qualified Expenditures Incurred in Respect of SR&ED Contracts Between Persons Not Dealing at Arm's Length

Note 1 – For arm's length contracts, only include 80% of the contract amount.

Part 5 – Calculation of prescribed proxy amount (PPA)

A notional amount representing your overhead and other expenditures.

This part calculates the PPA to enter on line 502 in Part 4. Do not complete this part if you have chosen to use the traditional method in Part 3 (line 162).
You can only claim a PPA if you elected to use the proxy method for the year in Part 3 (line 160).

Special rules apply for specified employees. Calculate your salary base in Section A and the PPA in Section B.

Section A – Salary base

Salary or wages of employees other than specified employees (from lines 300 and 307) . . . . . **810** + 1,633,816

Deduct

Bonuses, remuneration based on profits, and taxable benefits that were included on line 810 . . . . . **812** – 150,556

Subtotal (line 810 minus 812) . . . . . **814** = 1,483,260

Salary or wages of specified employees

850	852	854	856	858	860
Column 1	**Column 2**	**Column 3**	**Column 4**	**Column 5**	**Column 6**
Name of specified employee	Total salary or wages for the year (SR&ED and non-SR&ED) excluding bonuses, remuneration based on profits, and taxable benefits (to the nearest dollar)	% of time spent on SR&ED (maximum 75%)	Amount in column 2 multiplied by percentage in column 3	2,5 x A x B/365 A = Year's maximum pensionable earnings B = Number of days employed in tax year	Amount in column 4 or 5, whichever amount is less

(Enter total of column 6 on line 816) **816** +

Salary base (total of lines 814 and 816) . . . . . **818** = 1,483,260

Section B – Prescribed proxy amount (PPA)

Enter 55 % of the salary base (line 818) . . . . . **820** = 815,793

Enter the amount from line 820 on to line 502 in Part 4 unless the overall cap on PPA applies to you. (See the guide for explanation and example of the overall cap on PPA)

Part 6 – Project costs

Information requested in this part must be provided for **all** SR&ED projects claimed in the year.
Expenditures should be recorded and allocated on a project basis.

* For Box 758, the information is required for tax year ends after 2020 and optional for tax year ends before 2021.

	750	752	754	756	758
	Project title or identification code	Salary or wages in the tax year (Total of lines 306 to 309)	Cost of materials in the tax year (Total of lines 320 and 325)	Contract expenditures for SR&ED performed on your behalf in the tax year (Total of lines 340 and 345)	Overhead and other expenditures in the tax year* (total of line 360, if applicable)
1	P1: Distribution system automation	407,447			
2	P2: Operations Information Systems improvements	452,787			
3	P3: System planning & analysis for improvements to the distr	520,076		566,606	
4	P4: Developing and applying Smart Grid (SG) concepts, techni	40,904		116,217	
5	P5: Mobile Workforce Management System (MWFMS) design, deve	7,550			
6	P6: Improved Engineering project Design/Analysis through Cus	205,052			
	Total	1,633,816		682,823	

Part 7 – Additional information

Expenditures for SR&ED performed by you in Canada (line 380 minus lines 307, 309, 340, 345, and 370) 605 1,633,816

From the total you entered on line 605, estimate the percentage of distribution of the sources of funds for SR&ED performed within your organization.

		Canadian (%)		Foreign (%)
Internal	600	100.000		
Parent companies, subsidiaries, and affiliated companies	602		604	
Federal grants (do not include funds or tax credits from SR&ED tax incentives)	606			
Federal contracts	608			
Provincial funding	610			
SR&ED contract work performed for other companies on their behalf	612		614	
Other funding (e.g., universities, foreign governments)	616		618	

For statistical purposes indicate whether the work you performed falls within the realm of Basic or Applied research (to advance scientific knowledge) or Experimental development (to achieve a technological advancement):

620 [ ] Basic or Applied research 622 [X] Experimental development

Enter the number of SR&ED personnel in full-time equivalents (FTE):

Scientists and engineers	632	16
Technologists and technicians	634	
Managers and administrators	636	
Other technical supporting staff	638	

Part 8 – Claim checklist

To ensure your claim is complete, make sure you have:

1. used the current version of this form . . . [X]
2. entered the method you have chosen for reporting your SR&ED expenditures in Section A of Part 3 . . . [X]
3. completed Part 2 for each project . . . [X]
4. filed a completed Schedule T2SCH31 or Form T2038(IND) to claim ITCs on your qualified SR&ED expenditures . . . [X]
5. filed a completed Form T1145*, T1146**, T1174*** and/or T1263**** including any required attachments, if applicable . . . [X]

To expedite the processing of your claim, make sure you have:

1. completed Form T2, Corporation Income Tax Return or Form T1, Income Tax and Benefit Return . . . [X]
2. filed the appropriate provincial and/or territorial tax credit forms, if applicable . . . [X]
3. retained documents to support the SR&ED work performed and SR&ED expenditures you claimed . . . [X]
4. checked boxes 231 and 232 on page 2 of your T2 return to indicate attachment of Form T661 and Schedule T2SCH31 . . . [X]

* Form T1145, Agreement to Allocate Assistance for SR&ED Between Persons Not Dealing at Arm's Length

** Form T1146, Agreement to Transfer Qualified Expenditures Incurred in Respect of SR&ED Contracts Between Persons Not Dealing at Arm's Length

*** Form T1174, Agreement Between Associated Corporations to Allocate Salary or Wages of Specified Employees for Scientific Research and Experimental Development (SR&ED)

**** Form T1263, Third-Party Payments for Scientific Research and Experimental Development (SR&ED)

Part 9 – Claim preparer information

Information requested in this part must be provided for each claim preparer that has accepted consideration to prepare or assist in the preparation of this SR&ED claim. Certification is required on lines 935, 970, and 975.

A $1,000 penalty may be assessed if the information requested below about the claim preparer(s) and billing arrangement(s), is missing, incomplete, or inaccurate. Where a claim preparer has prepared or assisted in the preparation of this SR&ED form, the claimant and the claim preparer will be jointly and severally, or solidarily, liable for the penalty.

935 Was a claim preparer engaged in any aspect of the preparation of this SR&ED claim?

- [X] Yes (complete the claim preparer information table and lines 970 and 975 below)
- [ ] No (complete lines 970 and 975)

Claim preparer information table

940	945	950	955	960	965
Name of claim preparer (company or individual)	Business number	Billing arrangement code (see codes below*)	Billing rate (percentage, hourly/daily rate or flat fee)	Other billing arrangement(s) (Maximum 10 words)	Total fee paid, payable, or expected to pay
1. Deloitte LLP	[redacted]	4	28,185.00		28,185
				Total	28,185

*** Billing arrangement codes**

Code	Type of billing arrangement
1	Contingency fee arrangement – where the fee is based on a percentage of the investment tax credit earned
2	Hourly rate
3	Daily rate
4	Flat fee arrangement (lump sum)
5	Other arrangements – describe the arrangement in box 960 in 10 words or less

970 I, Cynthia Chan, certify that the information provided in this part is complete and accurate.
Name of authorized signing officer of the corporation, or individual (print)

Signature

975 2025-06-25
Year Month Day

Part 10 – Certification

I certify that I have examined the information provided on this form and on the attachments and it is true, correct, and complete.

165 Cynthia Chan		**170** 2025-06-28
Name of authorized signing officer of the corporation, or individual	Signature	Date
175		
Name of person/firm who completed this form		

Privacy Notice

Personal information is collected pursuant to subsections 37(1), 37(11), and 162(5.1) of the Income Tax Act (the Act) and is used for verification of compliance, administration and enforcement of the Scientific Research and Experimental Development (SR&ED) program requirements.

Information may also be used for the administration and enforcement of other provisions of the Act, including assessment, audit, enforcement, collections, and appeals, and may be disclosed under information-sharing agreements in accordance with the Act. Incomplete or inaccurate information may result in assessment of monetary penalties and delays in processing SR&ED claims.

The social insurance number is collected pursuant to section 237 of the Act and is used for identification purposes.

Refer to Personal Information Bank CRA PPU 441 in the Canada Revenue Agency (CRA) Information about Programs and Information Holdings – Personal Information Banks – Canada.ca. Under the Privacy Act, individuals have a right of access to, protection, and correction of their personal information and to file a complaint with the Privacy Commissioner of Canada regarding our handling of their personal information.

Part 2 – Project information (continued)

Project number **1**

CRA internal form identifier 060
Code 1901

Complete a separate Part 2 for each project claimed this year.

Section A – Project identification

200 Project title (and identification code if applicable)

P1: Distribution system automation

202 Project start date	**204** Completion or expected completion date	**206** Field of science or technology code (See guide for list of codes)
2015-05 (Year Month)	2026-12 (Year Month)	2.02.01 Electrical and electronic engineering

Project claim history

208 ☒ Continuation of a previously claimed project **210** ☐ First claim for the project

218 Was any of the work done jointly or in collaboration with other businesses? .... ☐ Yes ☒ No

If you answered **yes** to line 218, complete lines 220 and 221.

220 Names of the businesses	**221** BN
1	

Section B – Project descriptions

242 What scientific or technological uncertainties did you attempt to overcome?
(*Maximum 50 lines*)

The obstacles to be resolved were all connected with completing the installation of the balance of the U/G switches, testing them individually and then networking, and integrating their operations/communications within Elexicon's SCADA system. As the items involved were all new to Elexicon and had to be installed on, within or adjacent to the existing facilities, physical limitations and accessibility issues were constraints in practically every case. More specifically the obstacles were:
(1) Determining, for the U/G switch installations yet to be finished, the site specific design modifications to the base design used for the first partially completed installation, taking into consideration, as needed, locational and surrounding terrain constraints, potential foundation redesign for below grade installation, possible provision of a foundation for the low voltage control unit to be located above grade, and adding both drainage and sump pumping capability to deal with anticipated water incursions.
(2) Understanding why any installed U/G switch unit malfunctions and developing solutions to eliminate any re-occurrence.
(3) Integrating all U/G switches and the O/H switches with the SCADA system with intelligence that control the operation of the U/G units and O/H switches, with reliable, fail-safe communications.
(4) Deciding what spare parts and modules should be provided to support the pilot after it goes live.
(5) Conceiving and planning how the DAS pilot would be brought into service after the balance of the 18 switches were installed, and their operation verified on a standalone basis.
(6) Establishing what monitoring and reporting was required to establish the reliability performance improvements that were actually achieved its operation.
While Elexicon was used to operating switches remotely through its SCADA system tool, it would be a new mode of network operations for local automated switch operation to be performed on its own without any centralized intelligence or SCADA intervention. Radio survey and placement of Radios and RTU were essential part of the project to attempt to meet the SCADA communication requirement. However, communication to SCADA was a challenge due to obstructions and an alternate solution was sought. Ongoing development challenges would extend as new devices were installed across all Elexicon districts along with new communication access points to attempt to enable

T661 E (20)

242 What scientific or technological uncertainties did you attempt to overcome?
(*Maximum 50 lines*)

reliable communications - Energizing and testing would remain ongoing with technological obstacles persisting and further lessons to be learned.

244 What work did you perform **in the tax year** to overcome the scientific or technological uncertainties described in line 242?
(Summarize the systematic investigation or search) (*Maximum 100 lines*)

Previously, Elexicon had made detailed installation designs for the set of automated intelligent O/H switches and U/G switches and their installation & testing on a standalone basis. Elexicon had also designed & implemented the IT infrastructure arrangements and radio communication system using a separate IP network, after deciding how to route information from O/H switch to U/G switchgear and vice versa, and on communications with the SCADA system master. Software was upgraded and tested under various system loading scenarios. Elexicon has continued work for the firmware upgrade. Communication upgrades and testing of the field devices to meet the software and self-healing system requirements also continued. The process of creating new standard operating procedures for line and the system control center; with a specific focus on in-fault and post-fault analysis has extended. SOP's continued to be developed to encompass all Districts. Development also continued with devising methods for improvement to limitations in radio communication between field devices and the SCADA master. Furthermore, we added access points and conducted corresponding signal survey analysis, developed protection improvements on switchgear within our substations, integrated new transformer condition factors into ACA, and commenced in protection coordination studies for equipment connected to the distribution system.

DAS pilot efforts continued. However, component replacements remain necessary to progress to the next stage in which the DA would be capable of running on its own and opening and closing switches based upon distribution network grid events. Testing on a standalone switch basis continued to verify communications linkages with the SCADA system. This work had led to a decision to replace a below grade switchgear with a pad mounted switchgear at grade. Efforts towards conducting the DA pilot to go live continued without this unit in place. We continued installation of SCADA operable pad mounted switchgear which includes protection settings and completed radio surveys to allow us to broaden our deployment of automated devices.

We continued work on SCADA programming for the self-healing system, so that if there is a power-loss, then the switch will identify there is a power loss, and the power will re-route automatically. We also continued working on the SMART portion of this pilot trial all year. The system went live for testing in earlier fiscal periods, and while it appeared to work well; the self-healing switches had required additional development. Reprogrammed the self-healing team using most updated technology to achieve better functionalities. This upgrade allows Elexicon engineers to remotely control and reconfigure/ reroute the system devices without going into the field.

While the primary development work is now considered complete there have been observed failures with incremental development activity ongoing. Study and design for the Gravenhurst area will include examining additional automated devices. An assessment of communicating faulted circuit indicators is planned for 2025.

Development was also continued on Autotowns Micro grid; attempts to Implement new protections on Automation on Sub-stations; Fault circuit detectors for sub-stations; Stations Upgrades - from analog to digital devices and then incorporation into the system; New Batteries / Rectifiers - with data and information used to detect faults; and Stations and Battery upgrades.

246 What scientific or technological advancements did you achieve or attempt to achieve as a result of the work described in line 244? (*Maximum 50 lines*)

The advancement sought was to increase the understanding and the application know-how; to implement distribution automation system (DAS) concepts with intelligent switches to improve reliability performance in an area whose performance was continuing to deteriorate. VCI wanted to use groups of switches, incorporating automatic sensing and operation, to sense/isolate faults, and then restore power to unaffected parts of the local network. Elexicon had examined the issues, challenges and obstacles associated with a DAS pilot for the 13.8kV O/H lines and U/G cables on the 4-feeders. Its analysis indicated an improvement potential to go to 24.4 minutes from 72.3 minutes/customer/year. Other notable achievements included: S&C self-healing system - firmware upgrade, reprogramming SCADA redundancy and back up control room as well as mobile SCADA control room. Further advancements were achieved with [redacted] software and system self-configurable based solutions; The ability to accommodate future addition of the switches in the self-healing system; the knowledge of repeater locations, orientations, and configurations; and improvement methodologies to attempt to achieve greater reliability of communication paths. We also gained knowledge of Micro grid; Implemented new protections on Automation on Sub-stations; added Fault circuit detectors for sub-stations; and other Stations Upgrades. Analog to digital device conversions methods were tested and data and information used to enhance fault detection.

Section C – Additional project information

Who prepared the responses for Section B?

253	[X] Employee directly involved in the project	254 Name	[redacted]
255	[ ] Other employee of the company	256 Name	
257	[X] External consultant	258 Name: Deloitte LLP	259 Firm: Deloitte LLP

List the key individuals directly involved in the project and indicate their qualifications/experience.

260 Names	261 Qualifications/experience and position title
1 [redacted]	[redacted]
2 [redacted]	[redacted]
3 [redacted]	[redacted]

		Yes	No
265	Are you claiming any salary or wages for SR&ED performed outside Canada?	[ ]	[X]
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	[ ]	[X]
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	[ ]	[X]

If you answered **yes** to line 267, complete lines 268 and 269.

268 Names of individuals or companies	269 BN
1	

What evidence do you have to support your claim? (Check any that apply)
You do not need to submit these items with the claim. However, you are required to retain them in the event of a review.

270	[X] Project planning documents	276	[X] Progress reports, minutes of project meetings
271	[ ] Records of resources allocated to the project, time sheets	277	[ ] Test protocols, test data, analysis of test results, conclusions
272	[ ] Design of experiments	278	[ ] Photographs and videos
273	[X] Project records, laboratory notebooks	279	[ ] Samples, prototypes, scrap or other artefacts
274	[ ] Design, system architecture and source code	280	[ ] Contracts
275	[ ] Records of trial runs	281	[X] Others, specify 282 Emails

T661 E (20)

Part 2 – Project information (continued)

Project number **2**

CRA internal form identifier 060
Code 1901

Complete a separate Part 2 for each project claimed this year.

Section A – Project identification

200 Project title (and identification code if applicable)

P2: Operations Information Systems improvements

202 Project start date	**204** Completion or expected completion date	**206** Field of science or technology code (See guide for list of codes)
2015-01 (Year Month)	2026-08 (Year Month)	2.02.01 Electrical and electronic engineering

Project claim history

208 [X] Continuation of a previously claimed project **210** [ ] First claim for the project

218 Was any of the work done jointly or in collaboration with other businesses? . . . . [ ] Yes [X] No

If you answered **yes** to line 218, complete lines 220 and 221.

220 Names of the businesses	**221** BN
1	

Section B – Project descriptions

242 What scientific or technological uncertainties did you attempt to overcome?
(*Maximum 50 lines*)

Interfacing the OMS tool to various other systems, remained an ongoing concern through the fiscal year. The OMS/GIS interface required additional testing and experimentation with continued incremental improvements in communication by interfacing with media, phone systems and email systems. The improvement contribution from using an Enterprise Service Bus (ESB) and whether one was technically feasible remained uncertain. While progress continued on the enhancement of the GIS to attempt to improve performance, as well as to create operating geo-schematics directly from the GIS, uncertainties in the understanding of how to interface two distinctly different GIS systems and in manipulating schematic engines persisted. Continuing from previous periods, updates to existing applications were required, such as moving to token-based authentication on the OMS/GIS and various other enhancements. The DMB (Digital Map Board) application provided some unique challenges in requiring maps at different scales and pixel density to be displayed on a single continuous interface. Elexicon attempted to overcome many of these challenges by caching at various resolutions, reconfiguring schematics, and devising software tools to attempt to allow for quick high-quality zooming, leading to the conversion of almost all distribution level maps. However, there are still some challenges with regards to operating level maps. The pixel density of the hardware itself has become an issue. Elexicon has tried multiple hardware configurations in an attempt to resolve this, so far with no success. Work continued in attempts to optimize such map services. Specifically, a new caching scheme was devised for incremental caching such that the entire map is cached into bitmaps and served to consumers (similar to web mapping applications), but then changes were incrementally cached on demand when detected. While still in development, this new mechanism, along with the new vector caching functions has been very promising but remain unproven. There are still issues to overcome how to cache layers incompatible with vector caching such as annotations. There is currently no known industry solution for this problem when using a hybrid GIS systems. Many of these challenges persisted and were amplified by Elexicon's move from a single control room to three, and required ongoing experimentation with digitizing previous workflow models include new Advanced Distribution Management System (ADMS) architectures. These challenges continued into FY2024 and with the intricacies involved to maintain the system, we identified system sustainability constraints and

242 What scientific or technological uncertainties did you attempt to overcome?
(*Maximum 50 lines*)

began exploring alternative concepts to provide the system control centre with an operating map.

244 What work did you perform **in the tax year** to overcome the scientific or technological uncertainties described in line 242?
(Summarize the systematic investigation or search) (*Maximum 100 lines*)

Progress on the new GIS application recommenced with the aging [redacted] browser application functional such as switching to token-based authentication and adding support for vector tiles. Because the GIS vendor [redacted] behind the application has been deprecated, these features had to be manually ported back to the application by Elexicon. The [redacted] expired and to limit operational impact, Elexicon continued to develop a unique workaround concept that required users to modify settings. Trials continued to be conducted with the underlying GIS software to improve performance. Furthermore, In order to align integration efforts with the new SAP S4/HANA implementation (Dx NEXT), Elexicon began exploratory work with ESRI regarding implementation of ESRI's Utility Network product which will replace the GIS Viewer application and the Hexagon GIS toolset with a unified application suite.

Enhancements to the schematics solution included adding the ability to have multiple schematic diagrams for a single area to accommodate different switching maps. This involved engineering and use of undocumented features in the Esri Schematics schema. This work continued with the addition of a new custom built and designed app to replace the paper maps in the system control centre with a 'digital map board', with deployment and field testing.

Migration of existing schematics was continued, with the porting of a switching map (44kV Ajax Pickering switching map), which presented several new problems due to the difference in scaling and the geographic overlap with the existing distribution maps. The existing schematics had to be migrated over to suite the new GIS data model that was the product of the GIS consolidation project. Work extended to 27.6kV maps, 13.8kV maps and 44kV maps, now merged with Whitby data. Schematics continued to be updated as incremental changes were identified and a fully digital process leveraging our [redacted] application and migration of GIS maps in ESRI to ESRI web maps.

The first version of the Digital Map Board was successfully launched and work continued to enhance and expand its use. Almost all distribution-level paper maps were ported to the new system and work begun on migrating switching maps as well, though new challenges arose from that work as described above. A new version to the digital map board was developed and brought a two-way interface between the GIS data and the digital map board, enabling the digital map board to also interact with a future Advanced Distribution Management System (ADMS). Extensive ADMS Work continued to be undertaken. In FY2022, ADMS Phase 1 - Outage Management System (OMS) went into service. However, due to a critical safety defect (vendor phasing nomenclature was defaulting to ABC rather than RWB) the system was not operationalized, the resolution was identified through a version upgrade and was tested in FY2023. In FY24, Elexicon worked on the development of ADMS Phase 2 with engineering analysis undertaken. We also began migrating outage management from OMS system and GIS viewer to ADMS.

CYME development - Following the GIS consolidation, the existing tools used to export to CYME were no longer compatible with the new data model. In an attempt to create a reusable export from the GIS, Elexicon began to test a solution that would export the GIS data to a CIM-compliant model, which could be then imported by the CYME software. After multiple iterations and some development effort, it was found that the Common Information Model (CIM) was not standardized or well documented enough to be imported successfully by CYME. This effort was subsequently abandoned, and the CYME gateway was instead updated to conform to the new data model. In FY2022, final gateway

244 What work did you perform **in the tax year** to overcome the scientific or technological uncertainties described in line 242? (Summarize the systematic investigation or search) (*Maximum 100 lines*)

modifications were made, and the concept tested in FY23. Underlying data challenges with the GIS database were encountered with modifications performed and improvements realized in FY24. 'The Modern Workplace' - development on migrations and data conditioning - In 2024, Elexicon Energy began its ""Modern Workplace"" journey following reference architecture to enhance cyber security across the board, increase collaboration, provide modern tools to employees, and improve overall efficiency. Elexicon utilized Intune to provide endpoint device management, ensuring that compliance policies and device governance reach was extended to devices which are ""off-net"" - this enhanced and extended our capabilities for securing end-user devices. In partnership with Softchoice, Elexicon migrated data to Exchange Online to attempt to improve Elexicon's cyber security. As part of the Modern Workplace initiative, Elexicon examined and tested [redacted] - the platform is hypothesized to bring synergies to a number of critical areas of cyber security defense such as email, end user devices, servers, identities, and cloud applications creating a single pane of glass administration experience for Elexicon's cyber security team. Leveraging [redacted] technologies greatly increases visibility and enhances overall cyber security posture for the organization. We plan to test OneDrive for Business across the organization, introducing modern file sharing and collaboration tools to empower staff in the next fiscal period. Elexicon expects that this will enhance data security and provides robust file access controls, ensuring greater protection and management of information.

246 What scientific or technological advancements did you achieve or attempt to achieve as a result of the work described in line 244? (*Maximum 50 lines*)

We have continued to incrementally add capability in the interface between an ESRI (new) GIS system with the (existing) Intergraph system - grafting two distinct, somewhat incompatible GIS systems together in order to take advantage of the strengths of each. We also successfully developed, tested and deployed to public beta a customer outage notification system that now interfaces not only with twitter, email, and web systems but also directly to customers via SMS and text to speech voice calls. Development is nearly complete on a rebuild of the GIS Viewer using c# which will enable us to reuse the vast majority of client-side code to redeploy to IOS and Android in the future. In addition, the development of a new robust digital map board application allowed us to gradually replace paper mapping processes with more reliable, efficient and robust digital processes. Elexicon unfortunately had to abandon much of the work performed on the rebuild of the GIS viewer, however the development effort was not wasted: much of the inking and mapping code was ported to the new Digital Map Board (DMB) application, which was launched successfully in the system control centre. Because the DMB application requires close to 100% up-time, improvements have been incrementally added to the communications module to address synching issues, many of which were discovered during a 'disaster' recovery scenario in the main office. With the continued incremental improvements to the DMB and the GIS caching, the process has become more streamlined and is now ready to be passed on as a regular part of business to non-technical users. Elexicon continued to attempt to implement an export to the common information model (CIM), an emerging industry standard data exchange format, from its new consolidated GIS. While the CIM proved to be underdeveloped with third party partners, Elexicon laid the framework to perform such an export in the future. In addition, a new GIS data model was designed and migrated to that will enable future use of more advanced tools such as an ADMS. Knowledge was gained on cyber security concepts specific to our systems. Cyber security development and system considerations continue to be explored.

Specific ongoing new insight gained and lessons learned:

The data model within the ADMS leverages coordinate mappings. This proved to be a challenge as Elexicon's consolidated data model is spatial based. As a result, the network model build between GIS Data Model and ADMS did not translate one to one and impacted visual layout of annotations in ADMS. As a result, Elexicon explored automating scripts to adjust the annotations, this continues to be under development.

Section C – Additional project information

Who prepared the responses for Section B?

253 [X] Employee directly involved in the project	254 Name [redacted]	
255 [ ] Other employee of the company	256 Name	
257 [X] External consultant	258 Name Deloitte LLP	259 Firm Deloitte LLP

List the key individuals directly involved in the project and indicate their qualifications/experience.

260 Names	261 Qualifications/experience and position title
1 [redacted]	[redacted]
2 [redacted]	[redacted]
3	

265 Are you claiming any salary or wages for SR&ED performed outside Canada?	[ ] Yes	[X] No
266 Are you claiming expenditures for SR&ED carried out on behalf of another party?	[ ] Yes	[X] No
267 Are you claiming expenditures for SR&ED performed by people other than your employees?	[ ] Yes	[X] No

If you answered **yes** to line 267, complete lines 268 and 269.

268 Names of individuals or companies	269 BN
1	

What evidence do you have to support your claim? (Check any that apply)
You do not need to submit these items with the claim. However, you are required to retain them in the event of a review.

270 [X] Project planning documents	276 [X] Progress reports, minutes of project meetings
271 [ ] Records of resources allocated to the project, time sheets	277 [ ] Test protocols, test data, analysis of test results, conclusions
272 [ ] Design of experiments	278 [ ] Photographs and videos
273 [X] Project records, laboratory notebooks	279 [ ] Samples, prototypes, scrap or other artefacts
274 [ ] Design, system architecture and source code	280 [ ] Contracts
275 [ ] Records of trial runs	281 [X] Others, specify 282 Emails

Part 2 – Project information (continued)

Project number 3

CRA internal form identifier 060
Code 1901

Complete a separate Part 2 for each project claimed this year.

Section A – Project identification

200 Project title (and identification code if applicable)

P3: System planning & analysis for improvements to the distr

202 Project start date	**204** Completion or expected completion date	**206** Field of science or technology code (See guide for list of codes)
2019-01 (Year Month)	2026-08 (Year Month)	2.02.01 Electrical and electronic engineering

Project claim history

208 [X] Continuation of a previously claimed project **210** [ ] First claim for the project

218 Was any of the work done jointly or in collaboration with other businesses? . . . . [ ] Yes [X] No

If you answered **yes** to line 218, complete lines 220 and 221.

220 Names of the businesses	**221** BN
1	

Section B – Project descriptions

242 What scientific or technological uncertainties did you attempt to overcome?
(*Maximum 50 lines*)

1. P3: System planning & analysis for improvements to the distribution network
2. Elexicon faces a number challenges with regards to its distribution network.
3. These challenges include: Its network's ability to accept the connection of
4. new residential, commercial and industrial loads; how to reinforce or augment
5. the network based on existing loading, and deteriorating reliability issues,
6. to create longer term plans for servicing future expected growth areas and
7. reliability performance improvements; making proper load switching decisions
8. for station outages due to maintenance given existing loading conditions,
9. and; its network's ability to accept FIT and micro-FIT sustainable generation
10. connection applications approved by the OPA. At the core of resolving all
11. these challenges is the need for an accurate picture/model of the network in
12. its current state. Such models are invaluable to investigate and accurately
13. assess the impact of accommodating any of the above proposed changes in
14. network capability and capacity. Even with an existing set of models of the
15. configuration carried over from prior years, a specific challenge is to meet
16. the essential need to keep the models up-to-date so that they continue to
17. reflect the status quo. Ideally, GIS downloads, either manually or
18. automatically, facilitate model updating. Elexicon relies on manual updates.
19. If updating is not done, the results of studies and simulation runs in terms
20. of impacts of proposed changes is compromised. Even if up-to-date models are
21. available for simulation studies to investigate capacity/capability issues,
22. another important factor is that the network improvement proposals (that
23. results from system planning and analysis activities) have to be both
24. technically sound and cost effective. This challenge usually means that all
25. the solution candidates identified as possibilities need to be investigated
26. in detail before a preferred solution emerges from the modeling and
27. simulation efforts that identified them in the first place. Load forecasting
28. is necessary to attempt to resolve uncertainties in advance. With older
29. areas, when modeling and simulation is being used to identify options from
30. improving reliability performance, the other factor that is incorporated in
31. the analysis is that of refurbishment or replacement of the existing
32. infrastructure. Further challenges included: CYME integration so that we have
33. one model for the entire Elexicon service territory remains an ongoing
34. challenge; Improving the maturity of load forecast models beyond excel-based
35. platforms; There is a need to develop a technology-based tool to improve the
36. visibility of the condition and health of the distribution network; and, in

242 What scientific or technological uncertainties did you attempt to overcome? (*Maximum 50 lines*)

addition to the software, we also need field hardware devices in remote areas so that we can have more effective control on the far stretch network to improve reliability. We also would work with partners on an innovation efforts for LDC Tomorrow. The scope would involve devising and testing advanced analytical techniques such as machine learning algorithm on the field data collected from Intellirupters and Tripsavers to perform fault localizations.

244 What work did you perform **in the tax year** to overcome the scientific or technological uncertainties described in line 242? (Summarize the systematic investigation or search) (*Maximum 100 lines*)

Work Performed:

As per the previous fiscal periods, modeling and simulation efforts continued on improving the configuration and performance of the network. The area model was first updated before simulations were run. The area has the most complex network arrangements with deteriorating infrastructure and reliability performance. Unjacketed, direct buried cables with brittle neutrals are failing and these failures continued to be the driver of planning and analysis efforts to consider adding/refurbishing transformer stations, cables, and other grid assets.

The existing system models were used to investigate potential improvements in the Belleville, Brockville and Clarington areas of Elexicon's service territory. In our Whitby Service Area Elexicon completed an electrical system model to enable load flow calculations to be conducted and identified potential improvement opportunities. Work continued into FY2024 on a new consolidated model with advanced features that will enable Elexicon to conduct more accurate load flow studies using smart meter data of individual customers.

We also continued work on developing new load forecasts. This involved ongoing analysis of connected generation sites with Micro-Gen projects (<10kW) as part of the model enhancement project. Further work is planned with larger and more complex solar PV and BESS projects in Belleville, Ajax, etc. In FY24, we continued incorporating all DER >10KW and Micro-Gen < 10KW projects, were all successfully integrated into the consolidated system model although while this work was completed, the full capabilities of the model have yet to be realized.

A new Load Forecast Model [Metsco assisted in the activity] was initiated to attempt to overcome ongoing uncertainties of future variations of distribution voltages and the network to industrial, commercial, and residential end-customers with the main objective to supply the electrical load to its customers safely, reliably, and economically. To meet the normal, abnormal or emergency load requirements of the area, the present capacities of the feeders, transformers, switchgears and substations would be analyzed and reliable future plans for upgrades to the power system developed. Updates to the Load Forecasting Model remain ongoing and will extended into FY24 with METSCO-BBA.

In order to complete comprehensive system study of the existing Elexicon grid (i.e system thermal loading, short circuit capacity, load flow and system voltage profile, power quality, protection and control, upstream Hydro One requirements, metering etc...), we continued to construct accurate distribution system model using CYME software. Then the generators also needed to be accurately modelled and studied. A fine balance must be established between ensuring the safety of operation and accommodating customer requirements. The volume and complexity of these studies remained a challenge. CYME modelling work remains in progress.

Continuing from previous periods we performed further work to predict responses under fault conditions. We also continued with our analysis for creating new applications of the generators. Special attention was paid to develop the predicted response of these generators under fault conditions;

244 What work did you perform **in the tax year** to overcome the scientific or technological uncertainties described in line 242? (Summarize the systematic investigation or search) (*Maximum 100 lines*)

where each application required thorough analysis of the impacts to system's reliability and the stability of the supply voltage. Other ongoing activities included: Protection settings and coordination studies; Developed and programmed for SCADA monitoring and control; and P&C work on renewable generation alternatives.

TripSavers as part of Grid Modernization Strategies to Enhance Reliability: In 2023, we deployed several TripSavers on problematic laterals on Worst Performing Feeders in order to reduce sustained outages and momentary interruptions for Elexicon customers, hence improving reliability. This activity continued into 2024 as per a phased approach to target more feeders. (E.g. James F1 Feeder Automation for Fault Isolation). ADMS: ADMS advanced functionality and integration testing with the system control center was completed

Hyperion: Initiated activities to install monitored underground egress cables at the substation with Hyperion (vendor) - These cables provide near-real-time monitoring data which can be used to proactively detect problems and anomalies within the cables These cables were in-service and analyzed in 2024. Modernization of Protection at Aging Elexicon Substations: Adding or upgrading existing reclosers to vacuum reclosures/breakers with electronic relay control modules allowing for more sophisticated feeder protection and asset protection schemes while increasing reliability.

New Processes & Standards for Grid Modernization: Introducing upgrades to SCADA, including upgrading manual load break (LIS) switches to SCADA-motorized LIS switches allowing real-time remote operation of grid by power system operators. These will also serve as part of future Distribution Automation strategy. Moving forward, we will introduce a new standard practice that all major feeders including sub-transmission feeder design should include these SCADA-motorized LIS switches at all open points for rapid sectionalization, load transfer and isolation capabilities, thereby improving reliability.

Enhancement to Asset Management Analytics: In 2023, Elexicon continued to advance their AM practice through the continued improvement and updates to their Asset Condition Assessment (ACA) framework, thereby producing more accurate health index (HI) results, which represent a foundational input to support decision-making within the utility. Introduction & Planning for CFCI Deployments: In 2023, we explored various technologies for Communicating Fault Circuit Interrupters (CFCI) as part of Elexicon's broader Grid Modernization strategy. In 2024 we developed and deployed a standard for CFCI's within Elexicon's Whitby Rate Zone.

Subcontractors listed in Section 268 assisted us in our development activities.

246 What scientific or technological advancements did you achieve or attempt to achieve as a result of the work described in line 244? (*Maximum 50 lines*)

There are, in general, a set of proposed improvements to the current configuration and facilities of a distribution network - across an unconsolidated service territory - that have been developed for each specific area and district from the modeling and analysis studies undertaken with a specialized simulation S/W tool. These proposed improvements are typically the results of analyzing aspects such as: feeder layout in an area to determine new transformer locations to maximize operational flexibility and minimize losses; servicing requirements of a new proposed development to understand the best connection plans to the network such as that for the proposed Seaton community investigated last year through multiple analyses of voltage levels and fault currents to estimate increased loading and supply options with existing and possible new feeders; substation loading across Elexicon's service territories to assess its network's operability with certain substations being off-line; The network's ability to handle new/expanded commercial/industrial loads; evaluation and impact analysis of new distributed/embedded generators being proposed to feed into the Elexicon network as a consequence of the Green Energy and Green Economy Act (GEGEA) Feed-in-Tariff (FIT) and micro-FIT programs; and examining how areas with older, aging infrastructure can be reconfigured or reinforced using predictive modeling/forecasting to mitigate the impacts of possible substation failures during peak load times on customer service and system stability, to prepare contingency operational plans to prepare Elexicon's response in the event of failures, and to reduce the incidence of outages. With a set of models for all sections of its service territory - from the 44kV through 4.16kV levels - of its existing configurations, Elexicon has the basis to investigate potential changes (via load forecast modelling) to attempt to deal with, for example, the impact of load changes, potential solutions to segments of the network with chronic problems, in order to improve its distribution system performance from the perspectives of reliability, balanced loading, level of losses and delivered power quality. The volume and complexity of these studies remain a challenge and we continue to gain experience to accurately assess or distribution network. Specific new insights / lessons learned included: new station upgrade concepts to improve reliability and system contingencies; Devising connecting concepts for new net metering applications for solar PV and BESS; energizing concepts stations; and development on plans for new DESN stations and adding new feeder breakers, intellerupters, and tripsavers.

Section C – Additional project information

Who prepared the responses for Section B?

253 [X] Employee directly involved in the project	254 Name [redacted]	
255 [ ] Other employee of the company	256 Name	
257 [X] External consultant	258 Name Deloitte LLP	259 Firm Deloitte LLP

List the key individuals directly involved in the project and indicate their qualifications/experience.

	260 Names	261 Qualifications/experience and position title
1	[redacted]	[redacted]
2	[redacted]	[redacted]
3		Click here to enter Qualifications

		Yes	No
265	Are you claiming any salary or wages for SR&ED performed outside Canada?	[ ]	[X]
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	[ ]	[X]
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	[X]	[ ]

If you answered **yes** to line 267, complete lines 268 and 269.

	268 Names of individuals or companies	269 BN
1	BBA E&C INC.	[redacted]

What evidence do you have to support your claim? (Check any that apply)
You do not need to submit these items with the claim. However, you are required to retain them in the event of a review.

270	X	Project planning documents	276	X	Progress reports, minutes of project meetings
271	X	Records of resources allocated to the project, time sheets	277	X	Test protocols, test data, analysis of test results, conclusions
272		Design of experiments	278		Photographs and videos
273	X	Project records, laboratory notebooks	279		Samples, prototypes, scrap or other artefacts
274		Design, system architecture and source code	280	X	Contracts
275		Records of trial runs	281	X	Others, specify 282 Emails

Part 2 – Project information (continued)

Project number 4

CRA internal form identifier 060
Code 1901

Complete a separate Part 2 for each project claimed this year.

Section A – Project identification

200 Project title (and identification code if applicable)

P4: Developing and applying Smart Grid (SG) concepts, techni

202 Project start date	**204** Completion or expected completion date	**206** Field of science or technology code (See guide for list of codes)	
2017-01 (Year Month)	2026-06 (Year Month)	2.02.01	Electrical and electronic engineering

Project claim history

208 [X] Continuation of a previously claimed project **210** [ ] First claim for the project

218 Was any of the work done jointly or in collaboration with other businesses? . . . . [ ] Yes [X] No

If you answered **yes** to line 218, complete lines 220 and 221.

220 Names of the businesses	**221** BN
1	

Section B – Project descriptions

242 What scientific or technological uncertainties did you attempt to overcome?
(*Maximum 50 lines*)

1. P4: Developing and applying Smart Grid (SG) concepts, techniques,
2. methodologies & related equipment
3. Elexicon had developed a better understanding of the Ontario SG Forum's SG
4. definition as one that ""uses sensors, monitoring, communication, automation
5. and computers to improve the flexibility, security, reliability, efficiency
6. and safety of the electricity system"", and Ontario's Green Energy & Green
7. Economy Act requirements. It reviewed how existing tools/practices and those
8. under development could be incorporated into a SG framework. In addition,
9. Elexicon investigated: (1) the state-of-the-art in SG technologies; (2)
10. actual and proposed SG-like innovations already available; (3) the principal
11. drivers for SG efforts and their impact on work either undertaken or still in
12. progress. From the data collected and analyzed, a preliminary approach was
13. developed to deploy SG concepts, techniques, methodologies & related
14. equipment. It was not, however, taken to the detailed level of a Green Plan
15. and uncertainties persisted. Smart Community Microgrid project was
16. subsequently determined to be a test bed for the company for deployment of
17. DERs for grid benefits, islanding and grid connected microgrid assets for
18. added resiliency, EV charging profiles and growth in the community, etc.
19. Testing these constructs and identifying operational procedures in this
20. environment would lead to more confidence within the utility to promote and
21. plan for higher adoption of DERs and EVs, rather than having an aversion for
22. them. The uncertainties of the activity would be associated with whether
23. residents would have sufficient system intelligence and analytics to better
24. manage their energy needs and challenges with and viable solutions for
25. deploying a smart energy community in Ontario, given its unique electricity
26. grid and standards. In this fiscal period Modifications continued to be
27. required to the SCM equipment. Key uncertainties included:
28. (A) would different types and capabilities of SG systems and equipment be
29. integrated into Elexicon sets of preferred concepts, techniques and
30. methodologies?
31. (B) could we reliably facilitate system improvements via reduced outages and
32. quicker response times?
33. (C) could we make more efficient use of existing infrastructure while
34. reducing losses?
35. (D) could we empower customers to participate in conservation?
36. (E) could we progress towards the transition to a SG?

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242 What scientific or technological uncertainties did you attempt to overcome? (*Maximum 50 lines*)

(F) would an understanding grid benefits, islanding and grid connected microgrid assets add the desired resiliency? (G) could Power Monitoring of the Smart Grid system for the grid effects on the large operations be applied to the micro-grid? (H) would multiple approaches required for relay elements lead to overall grid systematic uncertainties?

244 What work did you perform **in the tax year** to overcome the scientific or technological uncertainties described in line 242? (Summarize the systematic investigation or search) (*Maximum 100 lines*)

Elexicon had started working on the Smart Community Microgrid (SCM) project in a past fiscal period and the work continues into the present. It initiated with a SCM demonstration project designed & developed together with the City of Pickering, Marshall Homes (the developer), Opus One Solutions (technology partner). The intended result was greater efficient energy use, decrease in GHG consumption from reduced electricity required from the grid & lowering usage at home using smart appliances & thermostats. The community would generate clean electricity during the day & store electricity during the night when GHG based electrons are at its lowest. Resiliency against loss of power (grid failure) increased due to self-generation & storage for community purposes. The site included the energy storage, roof top solar, EV charging station, GridOS Distributed Energy resources management system (DERMS) to provide an innovative approach to community development to provide resiliency, energy conservation and demand management for the residents and electric utility respectively. Extensive work continued on design, equipment specifications evolved and a microgrid developed and DERMS software iteratively devised and interfaced with the expanding community storage and generation concepts. DERMS testing continues to be performed using actual feeder parameters. Actual field work design continues to be in progress. Power quality failures continue to be encountered and advanced meters used in follow up investigations. In order to capture the power quality data, we acquired and utilized [redacted] software with testing initiated in earlier fiscal periods and extending to present day. The software was able to collect and export data that supports the failure was caused by a large user operation and data analysis continued to be performed. There was also extensive work performed to attempt to finalize the Site Acceptance Test (SAT) for the SCM. Engineering was involved in development work for the SAT including equipment bench-tests. The SAT project continued with various scope changes with the BESS being used only for outage mitigation which has now been completed. The recloser initiative was energized and we pursued engineering completion to enable Microgrid mode on the battery. We also replaced and installed 4 EV charger at Elexicon Ajax HQ with load patterns to be monitored. Other development initiatives were pursued for Grid Advancement, IOC IT Enhancements, OEB Cyber Framework- Risk Mitigation), OT & Innovation Software Enhancements, Quadra Upgrades (E-JPF), Technology and Innovation initiatives and the Whitby Smart Grid-ICM. Our previous generation communication system was end-of-life and would no longer be able to meet our growing operational demands or the stringent communication standards required for safety. In its place, we would develop a [redacted] radio system, [redacted] This system is renowned for its exceptional coverage, reliability, and the added capability of mission-critical Push-To-Talk over cellular networks provided by Bell and Rogers. We hypothesized that this would extend our reach throughout Elexicon's broader service areas, ensuring communication even in remote locations. Furthermore, our SCADA system would need integrate with this new environment and would involve developing new IT infrastructure concepts, DERMS applications, Web

244 What work did you perform **in the tax year** to overcome the scientific or technological uncertainties described in line 242? (Summarize the systematic investigation or search) (*Maximum 100 lines*)

applications to view SCADA data, Renewed single line diagrams and stations diagram, Configuration of alarms and communication protocols, and new automated reporting schemes.

Other Smart Grid development work involved: Analysis of fast chargers on Level 3 EV charger for public use; APN planning and initial testing (fault circuit indicator communications, SCADA devices, and isolated APN for different use cases); 'Power Consumer' concepts for NWA (non wire alternatives) with a study to evaluate non-wires alternative solution versus feeder upgrade; and [redacted] development to attempt to achieve a seamless failover for critical applications used by IOC (including SCADA, ADMS, [redacted], ...).

246 What scientific or technological advancements did you achieve or attempt to achieve as a result of the work described in line 244? (*Maximum 50 lines*)

Elexicon sought to acquire the knowledge and capabilities it needed to deploy and implement a range of Smart Grid concepts and technologies across its existing distribution network to transition it to one that has a fully intelligent infrastructure with:

(1) Compatible, durable and reliable equipment with built-in sensing and intelligent electronic devices for monitoring, fault diagnosis, and self-restoration capabilities.

(2) Fail-safe, robust, fast, high band-width, 2-way advanced communications from customers to the grid control center.

(3) Centralized monitoring and control utilizing integrated data bases for customer information, for asset records including their geographic locations, for the management of outages, for grid operations and for making physical changes to the grid infrastructure.

(4) Informed & intelligent operators and customers regarding electricity use and the assets for local generation, distribution & storage and initiatives to facilitate wise consumption for system-wide benefits; and

(5) Unrestricted capability to accommodate, plug-in hybrid electric vehicles (EV), distributed generation (DG), and potentially energy storage. In summary, an SG is one that supports the 2-way flows of electricity, data & information.

To date, we have advanced our knowledge and general understanding on:

(A) the applicability of different types & capabilities of SG systems and equipment - either currently commercially available or at a prototype stage - to permit their evaluation with a view to establishing a set of preferred concepts, techniques and methodologies that elexicon could implement;

(B) facilitating system reliability improvements via reduced outages and quicker response times and adding more visibility to the system;

(C) making more efficient use of existing infrastructure and reducing losses;

(D) empowering customers to participate in conservation; and

(E) Progressing towards the transition to a SG.

(F) Smart Community Microgird development - understanding grid benefits, islanding and grid connected microgrid assets for added resiliency, EV charging profiles and growth in the community, etc. The unique methods and techniques required for system intelligence and analytics would result in a considerable knowledge gain.

(G) Power Monitoring of the Smart Grid system for the grid effects of large operations on the micro-grid

(H) Multiple parties working on different components for programming and logics on relays for our community SG project continue to lead to systematic uncertainties which will require resolution in future fiscal periods.

Section C – Additional project information

Who prepared the responses for Section B?

253 [X] Employee directly involved in the project	254 Name [redacted]		
255 [ ] Other employee of the company	256 Name		
257 [X] External consultant	258 Name Deloitte LLP	259 Firm Deloitte LLP	

List the key individuals directly involved in the project and indicate their qualifications/experience.

	260 Names	261 Qualifications/experience and position title
1	[redacted]	[redacted]
2	[redacted]	[redacted]
3	[redacted]	[redacted]

		Yes	No
265	Are you claiming any salary or wages for SR&ED performed outside Canada?	[ ]	[X]
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	[ ]	[X]
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	[X]	[ ]

If you answered **yes** to line 267, complete lines 268 and 269.

	268 Names of individuals or companies	269 BN
1	BBA E&C INC.	[redacted]

What evidence do you have to support your claim? (Check any that apply)
You do not need to submit these items with the claim. However, you are required to retain them in the event of a review.

- 270 [X] Project planning documents
- 271 [X] Records of resources allocated to the project, time sheets
- 272 [ ] Design of experiments
- 273 [X] Project records, laboratory notebooks
- 274 [ ] Design, system architecture and source code
- 275 [ ] Records of trial runs
- 276 [X] Progress reports, minutes of project meetings
- 277 [X] Test protocols, test data, analysis of test results, conclusions
- 278 [ ] Photographs and videos
- 279 [ ] Samples, prototypes, scrap or other artefacts
- 280 [ ] Contracts
- 281 [X] Others, specify 282 Emails

Part 2 – Project information (continued)

Project number **5**

CRA internal form identifier 060
Code 1901

Complete a separate Part 2 for each project claimed this year.

Section A – Project identification

200 Project title (and identification code if applicable)

P5: Mobile Workforce Management System (MWFMS) design, devel

202 Project start date: 2015-01 (Year Month)

204 Completion or expected completion date: 2025-02 (Year Month)

206 Field of science or technology code (See guide for list of codes): 2.02.01 Electrical and electronic engineering

Project claim history

208 [X] Continuation of a previously claimed project **210** [ ] First claim for the project

218 Was any of the work done jointly or in collaboration with other businesses? . . . . [ ] Yes [X] No

If you answered **yes** to line 218, complete lines 220 and 221.

220 Names of the businesses	**221** BN
1	

Section B – Project descriptions

242 What scientific or technological uncertainties did you attempt to overcome? (*Maximum 50 lines*)

1. P5: Mobile Workforce Management System (MWFMS) design, development and pilot
2. implementation
3. For a MWFMS (Mobile Workforce Management System) to be an effective tool for
4. Elexicon (formerly VCI), it must be integrated with a diverse range of
5. existing tools and systems which include a custom Geographic Information
6. System (GIS), Customer Information System (CIS), Outage Management System
7. (OMS), Veridian Equipment Database (VED), major financial and inventory and
8. work estimation systems among others. Elexicon was challenged to define
9. processes encompassed by these systems and where mobile computing could
10. benefit them, and devise methods of interfacing such systems and processes to
11. meet the project's objectives for Elexicon's MWFMS.
12. As per previous fiscal periods, the emphasis continued to be on the software
13. side of the MWFMS with a stated purpose of customizing existing available
14. commercial S/W tools to the maximum extent possible. The key obstacle that
15. Elexicon faced was resolving interface issues of candidate tools with its
16. existing suite of tools and systems.
17. Various MWFM systems continued to be tested. Line Operations leveraged the
18. Clevest application for a number of workflows such as trouble calls and
19. equipment inspections. Metering teams leverage [redacted] for
20. meter exchange workflows. Elexicon continued to explore migrating the meter
21. exchange workflows from [redacted] into Clevest to attempt to integrate the system
22. but encountered systematic challenges.

244 What work did you perform **in the tax year** to overcome the scientific or technological uncertainties described in line 242? (Summarize the systematic investigation or search) (*Maximum 100 lines*)

1. Elexicon continued to work with the CIS to test/direct development of a
2. business layer with which to interact. This involved several iterative
3. development and test cycles. Once the business layer was completed to an
4. acceptable level, development of the meter install workflow continued and was
5. piloted, tested and iteratively improved with the end users.
6. In addition, there were some issues with the trouble call workflow. The
7. workflow was designed to infer the assets that were damaged and replaced
8. based on as little input as possible from field crews. There were some
9. scenarios discovered where the software was incorrectly identifying assets
10. and so there was some significant re-engineering required to correct the
11. issues. Work continued to refine the accuracy and detail of the trouble

244 What work did you perform **in the tax year** to overcome the scientific or technological uncertainties described in line 242? (Summarize the systematic investigation or search) (*Maximum 100 lines*)

12. calls, enabling cleaner data that was subsequently used for more detailed
13. analytics on tree trimming activities. Development activities also included
14. ongoing modifications to the existing MWFM workflows to work with the new
15. consolidated GIS model. Work to change system inspections and add new
16. workflows such as digitized trench inspections also continued. MWFM via the
17. Clevest application is operational. However, Elexicon developed and tested
18. the workflow for meter exchanges leveraging Clevest. The team ran into
19. ongoing hardware and software challenges. An initial step in the process
20. requires scanning a meter's identification number/barcode. Typically, this is
21. done using the field device, however, in this circumstance, the Metering team
22. utilized the built-in camera within their Microsoft Surface Pro. It was found
23. that the resolution was unable to accurately recognize the meter's
24. identification number/barcode. As a resolution, external scanners were
25. acquired and tested with development undertaken to improve reliability and
26. repeatability.

246 What scientific or technological advancements did you achieve or attempt to achieve as a result of the work described in line 244? (*Maximum 50 lines*)

1. It is the capability to achieve increased back office & field resource
2. efficiencies through the development & implementation of enhanced
3. office/field communications using MWFMS. The objectives established for the
4. MWFMS were to:
5. (1) improve safe vehicle use and efficiency through a combination of software
6. & hardware;
7. (2) reduce or eliminate paper-based communication of in-field conditions to
8. in-office personnel;
9. (3) improve customer experience through faster response times & consistent,
10. effective service;
11. (4) provide easier access to enterprise-wide information & ensure data
12. accuracy to/from the field ;
13. (5) improve visibility into workforce & workload for tactical & strategic
14. decisions; and
15. (6) assure flexibility and scale-ability through an open, distributed
16. architecture.
17. 2017 saw the expansion of an xml message contract between the middleware and
18. the involved systems, as well as the design and development of new workflow
19. to capture trouble calls. In addition, a new REST Api was designed by a
20. vendor in cooperation with Veridian to accommodate a new workflow to capture
21. meter installations.
22. 2018 saw the improvement of the asset identification algorithms based on user
23. input as well as the refinement of the REST Api delivered by the vendor in
24. cooperation with Elexicon.
25. After an upgrade to the vendor's software in 2019, Elexicon continued to
26. advance the trouble call workflow to increase accuracy of the asset
27. identification algorithms. 2020 and 2021 saw the modification of the existing
28. systems to match the new GIS consolidated data model and added digitized
29. trench inspection capabilities. In 2022 and into 2023 we developed the
30. workflow for meter exchanges and further advanced our capabilities. In 2024
31. we performed ongoing testing and further modifications to the MWFMS were
32. made. Development is now considered complete.

Section C – Additional project information

Who prepared the responses for Section B?

253 [X] Employee directly involved in the project	254 Name [redacted]		
255 [ ] Other employee of the company	256 Name		
257 [X] External consultant	258 Name Deloitte LLP	259 Firm Deloitte LLP	

List the key individuals directly involved in the project and indicate their qualifications/experience.

	260 Names	261 Qualifications/experience and position title
1	[redacted]	[redacted]
2	[redacted]	[redacted]
3	[redacted]	[redacted]

265 Are you claiming any salary or wages for SR&ED performed outside Canada? [ ] Yes [X] No

266 Are you claiming expenditures for SR&ED carried out on behalf of another party? [ ] Yes [X] No

267 Are you claiming expenditures for SR&ED performed by people other than your employees? [ ] Yes [X] No

If you answered **yes** to line 267, complete lines 268 and 269.

	268 Names of individuals or companies	269 BN
1		

What evidence do you have to support your claim? (Check any that apply)
You do not need to submit these items with the claim. However, you are required to retain them in the event of a review.

270 [X] Project planning documents	276 [X] Progress reports, minutes of project meetings
271 [X] Records of resources allocated to the project, time sheets	277 [X] Test protocols, test data, analysis of test results, conclusions
272 [ ] Design of experiments	278 [ ] Photographs and videos
273 [X] Project records, laboratory notebooks	279 [ ] Samples, prototypes, scrap or other artefacts
274 [ ] Design, system architecture and source code	280 [ ] Contracts
275 [ ] Records of trial runs	281 [X] Others, specify 282 Emails

Part 2 – Project information (continued)

Project number **6**

CRA internal form identifier 060
Code 1901

Complete a separate Part 2 for each project claimed this year.

Section A – Project identification

200 Project title (and identification code if applicable)

P6: Improved Engineering project Design/Analysis through Cus

202 Project start date: 2012-09 (Year Month)

204 Completion or expected completion date: 2025-01 (Year Month)

206 Field of science or technology code (See guide for list of codes): 2.02.01 Electrical and electronic engineering

Project claim history

208 [X] Continuation of a previously claimed project **210** [ ] First claim for the project

218 Was any of the work done jointly or in collaboration with other businesses? . . . . [ ] Yes [X] No

If you answered **yes** to line 218, complete lines 220 and 221.

220 Names of the businesses	**221** BN
1	

Section B – Project descriptions

242 What scientific or technological uncertainties did you attempt to overcome?
(*Maximum 50 lines*)

Project Title: P6: Improved Engineering project Design/Analysis through Custom Software Tools

For this project, we sought to improve our engineering standards and analysis methods through the development and customization of various software tools.

A common problem when CAD software tools are being used to generate engineering design drawings is the lack of a common methodology so that no matter which designer prepares the drawings, all of the drawings released for construction look the same, and use the same symbolism and conventions. The problem exists in a single engineering office with multiple technical staff creating drawings and tends to be much worse when multiple offices are involved working on the same multi-disciplinary project.

The obstacles/uncertainties faced going in were:

- Understanding the criteria that should be adopted to rationalize and standardize the existing practices used across the design staff in the Engineering Department using the AutoCAD S/W tool for design development with their individual approaches, practices, subroutines/macros and symbolism;
- whether or not the scope of the design work for the CAD initiative/methodology would cover would include all aspects of the Engineering Departments activities and not just the areas already using AutoCAD;
- Developing and verifying the testing protocols that should be used to verify the components of the new methodology (s) and to ensure application consistency across all of its users.
- Understanding how to capture/characterize all of the design inputs and allow the model to be updated through testing.
- For SpidaCalc - We anticipated a CSA ruling that would mean that linear evaluation for guying analysis would no longer be acceptable. We needed to develop an approach to be able to perform non-linear analysis under a wide range of loading conditions.

We also pursued developing a e-JPF (electronic job-planning folder) whereby we would transition from a paper-based workflow to electronic, leveraging the available Quadra platform - a pilot was planned and with an intention on being fully operational. However, technical uncertainties continued to be encountered while attempting to adapt the Quadra tool to unify job documentation to be uploaded, downloaded, and accessed by all users and departments. Obstacles in achieving 'in real time' updating of construction

242 What scientific or technological uncertainties did you attempt to overcome?
(*Maximum 50 lines*)

status, including mapping, energizations, and construction status through the E-JPF process/procedure also persisted.

244 What work did you perform **in the tax year** to overcome the scientific or technological uncertainties described in line 242?
(Summarize the systematic investigation or search) (*Maximum 100 lines*)

In this project, we worked on an AutoCAD standardization concept, custom guying analysis and design system integration development initiatives. The first activity involved attempting to use AutoCAD to standardize existing engineering practices, and this project continued from prior fiscal periods. A team had been formed in previous fiscal periods, with representatives from different areas to contribute their expertise to the definition and specification of what the new methodology had to achieve, and what its outputs had to deliver. Various sessions were held before the working documents were sufficiently detailed and a customizing solution in AutoCAD format could be tested and trialed. Ongoing development included continued modification of the interface between the AutoCAD template and the GIS tools with initiatives between Standards and GIS to attempt to resolve ongoing export/import failures. Development and customization of software tools for the concept continued with development undertaken for unique failures. The second project involved working to develop a custom software package for guying analysis. The goal was to develop a model where the physical properties of pole-framing equipment could be incorporated into a client file. Prior to this initiative starting, we had been doing linear analysis in Excel. Our goal with the non-linear approach was to evaluate the pole-loading as a whole. In the course of ongoing development, we had devised overhead and underground & overhead construction standards and associated policies; transitioned to CAD certified interfaces; and utilized Spida-Calc client file conversion to attempt to allow for dynamic non-linear guying as required by CSA. We continue to observe equipment failures and perform investigations of possible system modifications with ongoing development of in-house ArcGIS to CAD export tools and Inter-Utility Standards. Other development continued on engineer design and systems integration as we sought to improve our engineering standards and analysis methods through the development and customization of various software tools. Extending into FY23 we continued to explore and test a e-JPF (electronic job-planning folder) whereby we attempted to transition from a paper-based workflow to electronic, leveraging the available Quadra platform - the pilot was tested and we had to make the downloading / uploading features more user friendly and efficient (Erth. We monitored platform for occasional anomalies and devised and tested new approaches and solutions. This work is now considered complete.

246 What scientific or technological advancements did you achieve or attempt to achieve as a result of the work described in line 244? (*Maximum 50 lines*)

Elexicon wanted to create, verify and validate a new methodology to standardize the look and content of its digitally created engineering drawings released for construction by either is internal line crews or external line or specialist contractors. So Elexicon needed to acquire the knowledge to do so. In addition, it wanted the new CAD tool, which would be at the core of the new methodology, to be integrated with its GIS so that the preparation of W.O. packages could be made more efficient as well as more consistent and understandable by the personnel who have to interpret the drawings that these packages contain. As it did not have expertise in developing solutions within AutoCAD, the tool it used for electrical drawing production for infrastructure additions and modifications, Elexcion recognized at the outset that it would likely need to obtain assistance from an external specialist contractor. Progress towards achieving these advancements was incremental over multiple fiscal periods, and further work

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would continue. In addition, Elexicon worked to develop a non-linear method for guying analysis and load-modelling under a wide range of installation conditions. Unique Arc GIS concepts continue to be devised and tested with further knowledge gained (ArcGIS to CAD export tool concepts and Inter-Utility Standards models). Knowledge from e-JPF development will be gained in future fiscal periods. Other new knowledge gained and lessons learned includes efficiency advancements in the E-JPF process/procedure, mainly the 'in real time' updating of construction status, including mapping, energizations, and construction status.

Section C – Additional project information

Who prepared the responses for Section B?

253 [X] Employee directly involved in the project	254 Name [redacted]		
255 [ ] Other employee of the company	256 Name		
257 [X] External consultant	258 Name Deloitte LLP	259 Firm Deloitte LLP	

List the key individuals directly involved in the project and indicate their qualifications/experience.

260 Names	261 Qualifications/experience and position title
1 [redacted]	[redacted]
2 [redacted]	[redacted]
3	

265 Are you claiming any salary or wages for SR&ED performed outside Canada?	[ ] Yes	[X] No
266 Are you claiming expenditures for SR&ED carried out on behalf of another party?	[ ] Yes	[X] No
267 Are you claiming expenditures for SR&ED performed by people other than your employees?	[ ] Yes	[X] No

If you answered **yes** to line 267, complete lines 268 and 269.

268 Names of individuals or companies	269 BN
1	

What evidence do you have to support your claim? (Check any that apply)
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273 [ ] Project records, laboratory notebooks	279 [ ] Samples, prototypes, scrap or other artefacts
274 [X] Design, system architecture and source code	280 [ ] Contracts
275 [ ] Records of trial runs	281 [X] Others, specify 282 Emails

Federal Tax Instalments

Federal tax instalments

For the taxation year ended 2025-12-31

Business number [redacted]

The following is a list of instalments payable for the current taxation year, and the last column indicates the instalments payable to the Canada Revenue Agency (CRA). The instalments must be paid on each of the dates indicated below, otherwise non-deductible interest might be charged.

You can pay using one of the methods listed at **canada.ca/payments**. However, when a remittance must mandatorily be made using electronic means, use one of the following electronic payment methods:

- a Canadian financial institution's services;
- the CRA's *My Payment* service, at **canada.ca/cra-my-payment**;
- a pre-authorized debit agreement set up in the CRA's *My Business Account* service, at **canada.ca/my-cra-business-account**;
- a wire transfer.

Monthly instalment workchart

Date	Monthly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2025-01-31	17,741				17,741
2025-02-28	17,741				17,741
2025-03-31	17,741				17,741
2025-04-30	17,741				17,741
2025-05-31	17,741				17,741
2025-06-30	17,741				17,741
2025-07-31	17,741				17,741
2025-08-31	17,741				17,741
2025-09-30	17,741				17,741
2025-10-31	17,741				17,741
2025-11-30	17,741				17,741
2025-12-31	17,740				17,740
Totals	212,891				212,891

Quarterly instalment workchart

Date	Quarterly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2025-03-31					
2025-06-30					
2025-09-30					
2025-12-31					
Totals					

Instalment method

Indicate instalment method chosen [1-3] 1

1st Instalment base method

If payment of instalments other than quarterly instalments is delayed, indicate the MONTH in which you want them to begin (1=January, 2=February, etc.). 1

Select this box if you want the instalments to be calculated without taking the applicable threshold into account ☐

Quarterly instalments calculation

The corporation must meet requirements 1 to 5 to be eligible for quarterly instalments for a tax year.

		Yes	No
1 –	Is the corporation a Canadian-controlled private corporation (CCPC)?	X	
2 –	Did the corporation claim any deduction under the section 125, during either the current or previous year?		X
3 –	Is the corporation's, or any of its associated corporations', taxable income for the current or previous year less than or equal to $500,000?		
4 –	Is the corporation and any associated corporations' taxable capital employed in Canada for the current or previous year less than or equal to $10,000,000?		
5 –	Does the corporation have a perfect compliance history in the last 12 months?		

If you do not want to use the quarterly instalments option, select this box to go back to monthly instalments. ☐

1 – 1st Instalment base method

1st Instalment base amount (amount N below)	212,891	÷ 12	=	17,741	
	Monthly instalments required			17,741	
Quarterly tax instalments required	212,891	÷ 4	=		

2 – Combined 1st and 2nd instalment base method

Select this box if you want the first 2 payments* to be calculated without taking the applicable threshold into account? ☐

2nd Monthly instalment base amount

Indicate: Part I tax						
Parts VI, VI.1 and XIII.1 tax	+					
Federal adjustment for amalgamation, winding up or transfer	+					
Provincial tax, other than Alberta, Québec and Ontario	+					
Ontario tax	+	37,807				
Provincial adjustment for amalgamation, winding up or transfer	+					
Total	=	37,807	÷ 12	=	3,151	A
1/12 of estimated current year credits (M below /12)				–	4,529	
Each of the first two instalment payments				=		B
Total tax from N below		212,891				
Amount B above x 2	–					
	=	212,891	÷ 10	=	21,290	
Each of the remaining ten instalment payments				=	21,290	

2nd Quarterly instalment base amount

Indicate: Part I tax						
Parts VI, VI.1 and XIII.1 tax	+					
Federal adjustment for amalgamation, winding up or transfer	+					
Provincial tax, other than Alberta, Québec and Ontario	+					
Ontario tax	+	37,807				
Provincial adjustment for amalgamation, winding up or transfer	+					
Total	=	37,807	÷ 4	=	9,452	A
1/4 of estimated current year credits (M below /4)				–	13,587	
The first instalment payment				=		B
Total tax from N below		212,891				
Amount B above	–					
	=	212,891	÷ 3	=	70,964	
Each of the remaining three instalment payments				=		

* It is the first payment if the quarterly instalments are applicable.

3 – Estimated tax method

Instalment base amount (amount N below)		÷ 12	=	
	Monthly instalments required			
Quarterly tax instalments required		÷ 4	=	

Instalment base calculation

Federal tax		1st instalment base method		Estimated tax method	
Taxable income					
Calculation of tax payable					
Federal part I tax					
Additional tax on personal services business income	+		+		
Additional tax on banks and life insurers	+		+		
Total labour requirements addition to tax	+		+		
Recapture of investment tax credit	+		+		
Refundable tax on a CCPC's investment income	+		+		
Subtotal	=		=		A
Deduction					
Small business deduction					
Investment corporation deduction	+		+		
Federal tax abatement	+		+		
Manufacturing and processing profits deductions	+		+		
Non-business foreign tax credit	+		+		
Business foreign tax credit	+		+		
General tax reduction	+		+		
Logging tax credit	+		+		
Investment tax credit per Schedule 31	+		+		
Eligible Canadian bank deduction	+		+		
Qualifying environmental trust tax credit	+		+		
Subtotal	=		=		B
Federal tax summary					
Total part I tax payable (A minus B)					C
Part VI tax	+		+		D
Part VI.1 tax	+		+		E1
Part XIII.1 tax	+		+		E2
Parts I, VI, VI.1 and XIII.1 **Total**	=		=		F
Federal adjustments					
Adjustment for short taxation years multiplied by 365 and divided by the number of days in the year if less than 365	x	365 / 365	x	365 / 365	
Subtotal	=		=		
Federal adjustment for amalgamation, winding up or transfer	+		+	N/A	
Total federal tax after adjustments	=		=		G

Provincial tax				1st instalment base method		Estimated tax method	
Provincial/territorial tax other than Alberta, Québec and Ontario before provincial refundable tax credits			+		+		H
Ontario tax							
Income tax							
Corporate minimum tax paid (credited)	+	267,237					
Special additional tax on life insurance corporations	+						
Total Ontario tax	=	267,237	+ ▶	267,237	+		I
Harmonized provincial tax (H + I)							
Provincial/territorial tax other than Alberta and Québec before provincial refundable tax credits			=	267,237	=		J

Instalment base calculation (continued)

Provincial adjustments

Adjustment for short taxation years multiplied by 365 and divided by the number of days in the year if less than 365	x	365 / 365	x	365 / 365	
Subtotal	=	267,237	=		
Provincial adjustment for amalgamation, winding up or transfer	+		+	N/A	
Total provincial tax after adjustments	=	267,237	=		**K**
Total of tax before refundable credits**	=	267,237	=		**L**

Estimated current year credits

Investment tax credit refund					
Dividend refund	+		+		
Federal capital gains refund	+		+		
Provincial and territorial capital gains refund	+		+		
Tax withheld at source	+		+		
Canadian journalism labour tax credit	+		+		
Other estimated credits	+		+		
Provincial/territorial refundable tax credits other than Alberta, Québec and Ontario*	+		+		
Ontario refundable tax credits*	+	54,346	+		
Total estimated current year credits	=	54,346	=		**M**
Instalment base amount (L – M)		212,891			**N**

* For more details with regards to the impact of the refundable tax credits in the instalment base calculation, consult the Help.

** For instalments payable, the amount on line G will only be included in the amount of line L when it exceeds $3,000. The same rule applies to line K.

Canada Revenue Agency / Agence du revenu du Canada

200

T2 Corporation Income Tax Return

055 **Do not use this area**

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

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

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

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

Identification

Business number (BN) . . . . 001 [redacted]

Corporation's name
002 Elexicon Energy Inc.

Address of head office
Has this address changed since the last time the CRA was notified? . . . . 010 Yes [ ] No [X]
If **yes**, complete lines 011 to 018.
011 55 Taunton Road East
012

City	Province, territory, or state
015 Ajax	016 ON
Country (other than Canada)	Postal or ZIP code
017	018 L1T 3V3

Mailing address (if different from head office address)
Has this address changed since the last time the CRA was notified? . . . . 020 Yes [ ] No [X]
If **yes**, complete lines 021 to 028.
021 c/o 100 Taunton Road East
022
023

City	Province, territory, or state
025 Whitby	026 ON
Country (other than Canada)	Postal or ZIP code
027	028 L1N 5R8

Location of books and records (if different from head office address)
Has this address changed since the last time the CRA was notified? . . . . 030 Yes [ ] No [X]
If **yes**, complete lines 031 to 038.
031 100 Taunton Road East
032

City	Province, territory, or state
035 Whitby	036 ON
Country (other than Canada)	Postal or ZIP code
037	038 L1N 5R8

040 **Type of corporation at the end of the tax year** (tick one)
- [X] 1 Canadian-controlled private corporation (CCPC)
- [ ] 2 Other private corporation
- [ ] 3 Public corporation
- [ ] 4 Corporation controlled by a public corporation
- [ ] 5 Other corporation (specify)

If the type of corporation changed during the tax year, provide the effective date of the change . . . . 043 Year Month Day

To which tax year does this return apply?

	Tax year start (Year Month Day)		Tax year-end (Year Month Day)
060	2024-01-01	061	2024-12-31

Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060? . . . . 063 Yes [ ] No [X]

If **yes**, provide the date control was acquired . . . . 065 Year Month Day

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? . . . . 066 Yes [ ] No [X]

Is the corporation a professional corporation that is a member of a partnership? . . . . 067 Yes [ ] No [X]

Is this the first year of filing after:
Incorporation? . . . . 070 Yes [ ] No [X]
Amalgamation? . . . . 071 Yes [ ] No [X]
If **yes**, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year? . . . . 072 Yes [ ] No [X]
If **yes**, complete and attach Schedule 24.

Is this the final tax year before amalgamation? . . . . 076 Yes [ ] No [X]

Is this the final return up to dissolution? . . . . 078 Yes [ ] No [X]

If an election was made under section 261, state the functional currency used 079

Is the corporation a resident of Canada? 080 Yes [X] No [ ]
If **no**, give the country of residence on line 081 and complete and attach Schedule 97.
081

Is the non-resident corporation claiming an exemption under an income tax treaty? . . . . 082 Yes [ ] No [X]
If **yes**, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:
085
- [ ] 1 Exempt under paragraph 149(1)(e) or (l)
- [ ] 2 Exempt under paragraph 149(1)(j)
- [ ] 4 Exempt under other paragraphs of section 149

Do not use this area
095 096 898

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Is the corporation an associated CCPC?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders who own voting shares?	151		19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter?	166		T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168		22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	170		29
Did the corporation have a total amount over CAN$1 million of reportable transactions with non-arm's length non-residents?	171		T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		———
Does the corporation earn income from one or more Internet web pages or websites?	180		88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	202	X	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203	X	3
Is the corporation claiming any type of losses?	204	X	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	X	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	207		7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming deductible reserves?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Is the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	221		21
Does the corporation have any Canadian manufacturing and processing profits or zero-emission technology manufacturing profits?	227		27
Is the corporation claiming an investment tax credit?	231	X	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232	X	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	X	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	———
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
Is the corporation claiming a Canadian film or video production tax credit?	253		T1131
Is the corporation claiming a film or video production services tax credit?	254		T1177
Is the corporation claiming a Canadian journalism labour tax credit?	272		58
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255		92

Attachments (continued)

	Line	Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	271		T1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN$100,000?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265	X	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266		T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267		T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	268		53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	269		54
Is the corporation claiming a return of fuel charge proceeds to farmers tax credit?	273		63
Are you an employer reporting a non-qualified security agreement under subsection 110(1.9)?	274		59
Is the corporation claiming an air quality improvement tax credit?	275		65
Is the corporation subject to the additional 1.5% tax on banks and life insurers?	276		68
Is the corporation a covered entity that redeemed, acquired or cancelled equity of the corporation in the tax year?	277		56
Is the corporation subject to the excessive interest and financing expenses limitation (EIFEL) rules contained primarily in sections 18.2 and 18.21, or is it a party to any election under the EIFEL rules?	278	X	130

Additional information

	Line	Yes	No
Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	X	
Is the corporation inactive?	280		X
Did the corporation meet the definition of substantive CCPC under subsection 248(1) at any time during the tax year?	290		X

What is the corporation's main revenue-generating business activity? 221122 Electric Power Distribution

Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

Line	Product or service	Line	%
284	Electric Power Distribution in Canada	285	100.000 %
286		287	%
288		289	%

	Line	Yes	No
Did the corporation immigrate to Canada during the tax year?	291		X
Did the corporation emigrate from Canada during the tax year?	292		X
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293		

If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible 294 Year Month Day

	Line	Yes	No
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295		

Taxable income

	Line	Amount	
Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI	300	-4,623,766	A
Deduct:			
Charitable donations from Schedule 2	311		
Cultural gifts from Schedule 2	313		
Ecological gifts from Schedule 2	314		
Gifts of medicine made before March 22, 2017, from Schedule 2	315		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320		
Part VI.1 tax deduction*	325		
Non-capital losses of previous tax years from Schedule 4	331		
Net capital losses of previous tax years from Schedule 4	332		
Restricted farm losses of previous tax years from Schedule 4	333		
Farm losses of previous tax years from Schedule 4	334		
Limited partnership losses of previous tax years from Schedule 4	335		
Restricted interest and financing expenses from Schedule 4	336		
Taxable capital gains or taxable dividends allocated from a central credit union	340		
Prospector's and grubstaker's shares	350		
Employer deduction for non-qualified securities	352		
Subtotal ▶			B
Subtotal (amount A **minus** amount B) (if negative, enter "0")			C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
Taxable income (amount C **plus** amount D)	360		

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

Small business deduction

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

Income eligible for the small business deduction from Schedule 7 . . . . **400** ________ A

Taxable income from line 360 on page 3, **minus** 100/28 (3.57143) of the amount on line 632* on page 8, **minus** 4 times the amount on line 636** on page 8, and **minus** any amount that, because of federal law, is exempt from Part I tax . . . . **405** ________ B

Business limit (see notes 1 and 2 below) . . . . **410** ________ C

Notes:

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

Business limit reduction

Taxable capital business limit reduction

Amount C ________ x **415** *** 733,078 D / 90,000 = ... ________ E

Passive income business limit reduction

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

Amount C ________ x Amount F ________ / 100,000 = ... ________ G

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

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

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

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

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

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

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

** Calculate the amount of foreign business income tax credit deductible on line 636 without reference to the corporation tax reductions under section 123.4.

*** **Large corporations**

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

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

Small business deduction (continued)

Specified corporate income and assignment under subsection 125(3.2)

	L1 Name of corporation receiving the income and assigned amount	L Business number of the corporation receiving the assigned amount 490	M Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column L [3] 500	N Business limit assigned to corporation identified in column L [4] 505
1.				
			Total 510	Total 515

Notes:

3. This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income (other than specified farming or fishing income of the corporation for the year) from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if
   (A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and
   (B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to
   (I) persons (other than the private corporation) with which the corporation deals at arm's length, or
   (II) partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.
4. The amount of the business limit you assign to a CCPC cannot be greater than the amount determined by the formula A – B, where A is the amount of income referred to in column M in respect of that CCPC and B is the portion of the amount described in A that is deductible by you in respect of the amount of income referred to in clauses 125(1)(a)(i)(A) or (B) for the year. The amount on line 515 cannot be greater than the amount on line 426.

General tax reduction for Canadian-controlled private corporations

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

Taxable income from line 360 on page 3 . . . . A

Lesser of amounts 9B and 9H from Part 9 of Schedule 27 . . . . B
Amount 13K from Part 13 of Schedule 27 C
Personal services business income . . . . 432 D
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least* . . . . E
Aggregate investment income from line 440 on page 6** . . . . F

Subtotal (**add** amounts B to F) ▶ G

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

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

Enter amount I on line 638 on page 8.

* This is not applicable to substantive CCPCs.

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

General tax reduction

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

Taxable income from line 360 on page 3 . . . . J

Lesser of amounts 9B and 9H from Part 9 of Schedule 27 . . . . K
Amount 13K from Part 13 of Schedule 27 L
Personal services business income . . . . 434 M

Subtotal (**add** amounts K to M) ▶ N

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

General tax reduction – Amount O **multiplied** by 13 % . . . . P

Enter amount P on line 639 on page 8.

Refundable portion of Part I tax

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

Aggregate investment income from Schedule 7 . . . . **440** ______ x 30 2 / 3 % = ... ______ A

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

Foreign investment income from Schedule 7 . . . . **445** ______ x 8 % = ______ C

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

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

Taxable income from line 360 on page 3 . . . . ______ F

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

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

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

Subtotal (**add** amounts G to I) ______ ▶ ______ J

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

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

Refundable portion of Part I tax – Amount E, L, or M, whichever is the least . . . . **450** ______ N

* This is not applicable to substantive CCPCs. . . . .

Refundable dividend tax on hand

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

Dividend refund

38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3)		AA
ERDTOH balance at the end of the tax year (line 530)		BB
Eligible dividend refund (amount AA or BB, whichever is less)		CC
38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3)	3,069,048	DD
NERDTOH balance at the end of the tax year (line 545)		EE
Non-eligible dividend refund (amount DD or EE, whichever is less)		FF
Amount DD **minus** amount EE (if negative, enter "0")	3,069,048	GG
Amount BB **minus** amount CC (if negative, enter "0")		HH
Additional non-eligible dividend refund (amount GG or HH, whichever is less)		II
Dividend refund – Amount CC **plus** amount FF **plus** amount II		JJ

Enter amount JJ on line 784 on page 9.

Part I tax

Base amount Part I tax – Taxable income (from line 360 on page 3) **multiplied** by 38 %			550	A
Additional tax on personal services business income (section 123.5)				
Taxable income from a personal services business	555	x 5 % =	560	B
Additional tax on banks and life insurers from Schedule 68			565	C
Total labour requirements addition to tax			580	D
Recapture of investment tax credit from Schedule 31			602	E

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) or substantive CCPC's investment income (if it was a CCPC throughout the tax year or a substantive CCPC at any time in the tax year)

Aggregate investment income from line 440 on page 6			F
Taxable income from line 360 on page 3		G	
Deduct:			
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least*		H	
Net amount (amount G **minus** amount H)		▶	I

Refundable tax on CCPC's or substantive CCPC's investment income – 10 2 / 3 % of whichever is less: amount F or amount I ..... 604 ____ J

Subtotal (**add** amounts A to E and J) ____ K

Deduct:

Small business deduction from line 430 on page 4			L
Federal tax abatement	608		
Manufacturing and processing profits deduction and zero-emission technology manufacturing deduction from Schedule 27	616		
Investment corporation deduction	620		
Taxed capital gains 624			
Federal foreign non-business income tax credit from Schedule 21	632		
Federal foreign business income tax credit from Schedule 21	636		
General tax reduction for CCPCs from amount I on page 5	638		
General tax reduction from amount P on page 5	639		
Federal logging tax credit from Schedule 21	640		
Eligible Canadian bank deduction under section 125.21	641		
Federal qualifying environmental trust tax credit	648		
Investment tax credit from Schedule 31	652		
Subtotal		▶	M

Part I tax payable – Amount K **minus** amount M ____ N

Enter amount N on line 700 on page 9.

* This is not applicable to substantive CCPCs.

Privacy notice

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

Summary of tax and credits

Federal tax

Part I tax payable from amount N on page 8	700	
Part II.2 tax payable from Schedule 56	705	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part VI.2 tax payable from Schedule 67	725	
Part XII.7 tax payable from Schedule 78	726	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		

Add provincial or territorial tax:

Provincial or territorial jurisdiction 750 ON
(If more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial or territorial tax payable (except Quebec and Alberta)	760	212,891
Total tax payable	770	212,891 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780		
Dividend refund from amount JJ on page 7	784		
Federal capital gains refund from Schedule 18	788		
Federal qualifying environmental trust tax credit refund	792		
Return of fuel charge proceeds to farmers tax credit from Schedule 63	795		
Canadian film or video production tax credit (Form T1131)	796		
Film or video production services tax credit (Form T1177)	797		
Canadian journalism labour tax credit from Schedule 58	798		
Air quality improvement tax credit from Schedule 65	799		
Tax withheld at source	800		
Total payments on which tax has been withheld 801			
Provincial and territorial capital gains refund from Schedule 18	808		
Provincial and territorial refundable tax credits from Schedule 5	812		
Tax instalments paid	840	400,000	
Total credits	890	400,000 ▶	400,000 B

Balance (amount A minus amount B) -187,109

If the result is negative, you have a **refund**. If the result is positive, you have a **balance owing**.
Enter the amount below on whichever line applies.

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

Refund code 894 1 Refund 187,109 Balance owing

For information on how to enrol for direct deposit, go to **canada.ca/cra-direct-deposit**. For information on how to make your payment, go to **canada.ca/payments**.

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? 896 Yes ☐ No ☒

If this return was prepared by a tax preparer for a fee, provide their: EFILE number 920 ; RepID 925

Certification

I, 950 Chan (Last name) 951 Cynthia (First name) 954 Chief Financial Officer (Position, office, or rank),
am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

955 2025-06-28 — Date (yyyy/mm/dd)
Signature of the authorized signing officer of the corporation
956 (905) 427-9870 — Telephone number

Is the contact person the same as the authorized signing officer? If no, complete the information below 957 Yes ☐ No ☒

958 [redacted] — Name of other authorized person
959 (905) 427-9870 — Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering 1 for English or 2 for French.
Indiquez votre langue de correspondance en inscrivant 1 pour anglais ou 2 pour français. 990 1

Schedule of Instalment Remittances

Name of corporation contact: Elexicon Energy Inc
Telephone number: (905) 427-9870

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
	Instalments	400,000
	Total amount of instalments claimed (carry the result to line 840 of the T2 Return)	400,000 **A**
	Total instalments credited to the taxation year per T9	400,000 **B**

Transfer

	Account number	Taxation year end	Amount	Effective interest date	Description
From:					
To:					
From:					
To:					
From:					
To:					
From:					
To:					
From:					
To:					

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SCHEDULE 100

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year end Year Month Day
Elexicon Energy Inc.	[redacted]	2024-12-31

Balance sheet information

Account	Description	GIFI		Current year	Prior year
	Assets				
	Total current assets	1599	+	117,589,030	111,867,964
	Total tangible capital assets	2008	+	892,001,031	813,340,150
	Total accumulated amortization of tangible capital assets	2009	–	189,182,388	166,783,366
	Total intangible capital assets	2178	+	107,365,332	94,077,356
	Total accumulated amortization of intangible capital assets	2179	–	24,143,069	21,358,661
	Total long-term assets	2589	+	53,871,593	56,421,959
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	957,501,529	887,565,402
	Liabilities				
	Total current liabilities	3139	+	175,348,701	159,622,245
	Total long-term liabilities	3450	+	539,455,880	485,125,152
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	714,804,581	644,747,397
	Shareholder equity				
	Total shareholder equity (mandatory field)	3620	+	242,696,948	242,818,005
	Total liabilities and shareholder equity	3640	=	957,501,529	887,565,402
	Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849	=	63,608,284	63,649,790

* Generic item

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SCHEDULE 125

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year-end Year Month Day
Elexicon Energy Inc.	[redacted]	2024-12-31

Income statement information

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

Account	Description	GIFI		Current year	Prior year
	Income statement information				
	Total sales of goods and services	8089	+	546,940,513	500,446,700
	Cost of sales	8518	–	447,347,278	406,873,361
	Gross profit/loss	8519	=	99,593,235	93,573,339
	Cost of sales	8518	+	447,347,278	406,873,361
	Total operating expenses	9367	+	100,545,184	100,506,859
	Total expenses (mandatory field)	9368	=	547,892,462	507,380,220
	Total revenue (mandatory field)	8299	+	557,869,686	509,401,030
	Total expenses (mandatory field)	9368	–	547,892,462	507,380,220
	Net non-farming income	9369	=	9,977,224	2,020,810
	Farming income statement information				
	Total farm revenue (mandatory field)	9659	+		
	Total farm expenses (mandatory field)	9898	–		
	Net farm income	9899	=		
	Net income/loss before taxes and extraordinary items	9970	=	9,977,224	2,020,810
	Total – other comprehensive income	9998	=	-79,551	-620,557
	Extraordinary items and income (linked to Schedule 140)				
	Extraordinary item(s)	9975	–		
	Legal settlements	9976	–		
	Unrealized gains/losses	9980	+		
	Unusual items	9985	–		
	Current income taxes	9990	–	298,709	446,499
	Future (deferred) income tax provision	9995	–	1,713,809	-4,601,662
	Total – Other comprehensive income	9998	+	-79,551	-620,557
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	7,885,155	5,555,416

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Schedule 141

General Index of Financial Information (GIFI) – Additional Information

Corporation's name	Business number	Tax year-end Year Month Day
Elexicon Energy Inc.	[redacted]	2024-12-31

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

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

Can you identify the person* specified in the heading of Part 1? . . . . . 111 Yes [X] No [ ]

If you answered **no**, go to Part 2.

Does that person have a professional designation in accounting? . . . . . 095 Yes [X] No [ ]

Is that person connected** with the corporation? . . . . . 097 Yes [ ] No [X]

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

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

Part 2 – Type of involvement

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

- Completed an auditor's report . . . . . 300 [X]
- Completed a review engagement report . . . . . 301 [ ]
- Conducted a compilation engagement . . . . . 302 [ ]
- Provided accounting services . . . . . 303 [ ]
- Provided bookkeeping services . . . . . 304 [ ]
- Other (please specify) 305

Part 3 – Reservations

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

Has the person referred to in Part 1 expressed a reservation? . . . . . 099 Yes [ ] No [X]

Part 4 – Other information

Were notes to the financial statements prepared? . . . . . 101 Yes [X] No [ ]

Did the corporation have any subsequent events? . . . . . 104 Yes [ ] No [X]

Did the corporation re-evaluate its assets during the tax year? . . . . . 105 Yes [ ] No [X]

Did the corporation have any contingent liabilities during the tax year? . . . . . 106 Yes [ ] No [X]

Did the corporation have any commitments during the tax year? . . . . . 107 Yes [ ] No [X]

Does the corporation have investments in joint venture(s) or partnership(s)? . . . . . 108 Yes [ ] No [X]

Part 4 – Other information (continued)

Impairment and fair value changes

In any of the following assets, was an amount recognized in net income or other comprehensive income (OCI) as a result of an impairment loss in the tax year, a reversal of an impairment loss recognized in a previous tax year, or a change in fair value during the tax year? . . . **200** Yes [ ] No [X]

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

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

Financial instruments

Did the corporation derecognize any financial instrument(s) during the tax year (other than trade receivables)? . . . **250** Yes [ ] No [X]

Did the corporation apply hedge accounting during the tax year? . . . **255** Yes [ ] No [X]

Did the corporation discontinue hedge accounting during the tax year? . . . **260** Yes [ ] No [X]

Adjustments to opening equity

Was an amount included in the opening balance of retained earnings or equity, in order to correct an error, to recognize a change in accounting policy, or to adopt a new accounting standard in the current tax year? . . . **265** Yes [ ] No [X]

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

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

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

Prepared the T2 return and the financial information contained therein . . . **310** [ ]

The client provided the financial statements . . . **311** [ ]

The client provided a trial balance . . . **312** [ ]

The client provided a general ledger . . . **313** [ ]

Other (please specify) . . . **314**

SCHEDULE 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 100

Name of corporation	Business Number	Tax year-end Year Month Day
Elexicon Energy Inc.	[redacted]	2024-12-31

Assets – lines 1000 to 2599

1000	487,137	1060	108,092,140	1061	-4,775,000
1064	120,800	1066	174,763	1120	10,800,100
1484	2,689,090	1599	117,589,030	1900	892,001,031
1901	-189,182,388	2008	892,001,031	2009	-189,182,388
2010	43,016,841	2011	-24,143,069	2012	64,348,491
2178	107,365,332	2179	-24,143,069	2420	53,871,593
2589	53,871,593	2599	957,501,529		

Liabilities – lines 2600 to 3499

2620	76,122,547	2700	77,125,942	2770	4,440,874
2920	709,313	2960	16,950,025	3139	175,348,701
3140	306,311,534	3220	180,677,109	3240	18,995,068
3320	33,472,169	3450	539,455,880	3499	714,804,581

Shareholder equity – lines 3500 to 3640

3500	98,796,044	3541	77,871,812	3580	2,420,808
3600	63,608,284	3620	242,696,948	3640	957,501,529

Retained earnings – lines 3660 to 3849

3660	63,649,790	3680	7,964,706	3700	-8,006,212
3849	63,608,284				

SCHEDULE 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 125

Name of corporation	Business Number	Tax year-end Year Month Day
Elexicon Energy Inc.	[redacted]	2024-12-31

Description

Sequence number 0003 01

Other comprehensive income – lines 7000 to 7020

7002	-79,551

Revenue – lines 8000 to 8299

8000	546,940,513	8089	546,940,513	8100	1,619,272
8210	44,476	8230	9,265,425	8299	557,869,686

Cost of sales – lines 8300 to 8519

8320	447,347,278	8518	447,347,278	8519	99,593,235

Operating expenses – lines 8520 to 9369

8522	370,799	8523	167,333	8670	21,722,718
8710	16,998,971	9270	61,285,363	9367	100,545,184
9368	547,892,462	9369	9,977,224		

Extraordinary items and taxes – lines 9970 to 9999

9970	9,977,224	9990	298,709	9995	1,713,809
9998	-79,551	9999	7,885,155		

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Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business number	Tax year-end Year Month Day
Elexicon Energy Inc.	[redacted]	2024-12-31

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

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125			7,885,155	A1
Net income (loss) after extraordinary items from line 110 of Schedule 150			0	A2
Total			7,885,155	A
Add:				
Provision for income taxes – current	101	298,709		
Provision for income taxes – deferred	102	1,713,809		
Amortization of tangible assets	104	21,722,718		
Charitable donations and gifts from Schedule 2	112	370,799		
Scientific research expenditures deducted per financial statements	118	1,914,750		
Non-deductible club dues and fees	120	50,511		
Non-deductible meals and entertainment expenses	121	83,667		
Reserves from financial statements – balance at the end of the year	126	7,396,807		
Subtotal of additions		33,551,770	33,551,770	
Add:				
Taxable/non-deductible other comprehensive income items	239	79,551		
Excess IFE under subsection 18.2(2) from Schedule 130	251	4,384,515		

Other additions:

	1 Description 605	2 Amount 295
1	OITC/ORDTC/BCRDTC/ABRDTC/ABIEG from prior year 12(1)(x) ITA	26,067
2	Vehicle amortization	459,508
3	12(1)(x) CIAC	9,763,652
4	Co-op education credit 2020 sch550 part#4	3,000
5	Interest on leased assets	16,060
6	Golf tournament expenses	29,273
7	Unrealized loss on interest rate swap	1,207,766
8	POEB capitalized for accounting	16,180
9	Sick leave cost capitalized for acctg.	7,443
10	Other amortization	56,226
	Total of column 2	11,585,175

Total of column 2	296	11,585,175		
Subtotal of other additions	199	16,049,241	16,049,241	D
Total additions	500	49,601,011	49,601,011	
Amount A **plus** line 500			57,486,166	B

Deduct:

Gain on disposal of assets per financial statements	401	44,476	
Capital cost allowance from Schedule 8	403	32,570,775	
SR&ED expenditures claimed in the year on line 460 from Form T661	411	2,240,336	
Reserves from financial statements – balance at the beginning of the year	414	7,448,891	
Subtotal of deductions		42,304,478 ▶	42,304,478

Deduct:

Other deductions:

	1 Description 705	2 Amount 395
1	13(7.4) election CIAC	9,763,652
2	Pension contribution capitalized for accounting	1,091,133
3	Borrowing costs capitalized	974,514
4	Proceeds on sales recorded for accounting	271,941
5	Lease payments on leased assets	140,394
6	Deferred revenue - CDM and ICM	1,699,013
7	Regulatory assets - increase	5,864,807
	Total of column 2	19,805,454

Total of column 2 ▶	396	19,805,454	
Subtotal of other deductions	499	19,805,454 ▶	19,805,454 E
Total deductions	510	62,109,932 ▶	62,109,932

Net income (loss) for income tax purposes (amount B **minus** line 510) . . . . -4,623,766 C

Enter amount C on line 300 of the T2 return.

Canada Revenue Agency Agence du revenu du Canada

Schedule 130

Excessive Interest and Financing Expenses Limitation

Corporation's name	Business number	Tax year end Year Month Day
Elexicon Energy Inc.	[redacted]	2024-12-31

- Use this schedule to determine the deductibility of **interest and financing expenses** (IFE) under the excessive interest and financing expenses limitation (EIFEL) rules and to provide information on **exempt interest and financing expenses** (exempt IFE).
- The main provisions of the EIFEL rules are paragraph 12(1)(l.2), sections 18.2 and 18.21, and clause 95(2)(f.11)(ii)(D).
- The ratio of permissible expenses is 40% for tax years that start on or after October 1, 2023 but before January 1, 2024. For tax years that start on or after January 1, 2024, the ratio of permissible expenses is 30%.
- All legislative references are to the Income Tax Act.
- File this schedule with your T2 Corporation Income Tax Return for the tax year.

Part 1A – Received capacity

1. Does the corporation have received capacity as defined in subsection 18.2(1) in the year? . . . . **001** ☐ Yes ☒ No

If line 001 is **yes**, complete the following table.

Row	1 Name of each eligible group entity the corporation received capacity from **002**	2 Account number **003**	3 Tax year end (yyyy/mm/dd) **004**	4 Amount of capacity received **005**
1				

Total of column 4 (enter on line 130 in Part 2J and line 136 in Part 2K) ______ A

Part 1B – Exempt IFE

1. Has the corporation incurred any amounts for a borrowing or other financing that are exempt IFE as defined in subsection 18.2(1)? . . . . . **006** [ ] Yes [X] No

If line 006 is **yes**, complete the following table.

Row	1 Name of **public sector authority** with which an agreement has been entered into **007**	2 Principal amount of borrowing or other financing entered into as a result of the agreement **008**	3 IFE incurred regarding amount in column 2 (see **note 1**) **009**	4 Corporation income from activities that the amount in column 2 wholly or partially funded **010**	5 Corporation loss from activities that the amount in column 2 wholly or partially funded (enter as positive amount) **011**
1					

Total of column 3 ______ A

Total of column 4 (enter on line 104 in Part 2F) ______ B

Total of column 5 (enter on line 092 in Part 2F) ______ C

Note 1: IFE determined as if the description of variable A in the definition of IFE were read without reference to exempt IFE.

Part 1C – Information on borrowings and other financings and related derivatives

Complete the following table if the corporation has a borrowing or other financing.

1 Relationship with others parties	2 Total of the principal amounts of borrowing or other financing at any point in the tax year **012**	3 Total of the notional amounts of derivatives entered into in respect of a borrowing or other financing at any point in the tax year **013**	4 Total of all amounts included in paragraph (a) of variable A of IFE in respect of a borrowing or other financing **014**	5 Total of all amounts included in paragraph (e) of variable A of IFE (other than a loss or capital loss) **015**	6 Total of all amounts included in paragraph (a) of variable B of IFE (other than a dividend or exempt IFE or a gain included in taxpayer income) **016**
Canadian arm's length	288,589,470		12,798,852		
Canadian non-arm's length	95,566,076		3,973,681		
Non-resident arm's length					
Non-resident non-arm's length					

Total of column 4 (enter on line 027 in Part 2A) 16,772,533 A

Total of column 5 (enter on line 033 in Part 2A) ______ B

Total of column 6 (enter on line 042 in Part 2A) ______ C

Part 1D – Information on loans and other financings and related derivatives

Complete the following table if the corporation has a loan or other financing.

1 Relationship with others parties	2 Total of the principal amounts of loans or other financings at any point in the tax year 017	3 Total of the notional amounts of derivatives entered into in respect of loans or other financings at any point of the year 018	4 Total of all amounts included in paragraph (d) of variable A of IFR (other than a dividend or a gain included in corporation's income) 019	5 Total of all amounts included in paragraph (a) of variable B of IFR (other than a loss or capital loss) 020
Canadian arm's length				
Canadian non-arm's length	498,325		34,587	
Non-resident arm's length				
Non-resident non-arm's length				

Total of column 4 (enter on line 061 in Part 2D) 34,587 A

Total of column 5 (enter on line 066 in Part 2D) B

Part 1E – IFE allocated from partnership

Complete the following table if the corporation is a member of a partnership that has IFE.

Row	1 Name of the partnership 021	2 Partnership account number (leave blank if the partnership is non-resident) 022	3 Corporation's share of amount included under variable A of partnership IFE (box 247 of the T5013 slips if applicable) 023	4 Portion of amount in column 3 in which paragraph 12(1)(l.1) applies 024	5 Portion of amount in column 3, not deductible in the corporation's income or included in corporation's non-capital loss because of subsection 96(2.1) 025	6 Amount to be included under paragraph (h) of variable A of IFE (column 3 **minus** column 4 **minus** column 5) 026
1						

Total of column 6 (enter on line 039 in Part 2A, line 142 in Part 2L and line 156 in Part 2N) A

Part 2A – Interest and financing expenses (IFE)

Variable A: Total of all amounts (other than an amount included in exempt IFE), each of which is:

An amount (other than **excluded interest**, deemed interest under subsection 137(4.1), or an amount included in any other line below), that is,

Interest paid or payable on a borrowing or other financing (excluding shares) (amount A from Part 1C)	027	16,772,533
Interest paid or payable – other	028	1,193,261
An amount that, on the assumption that it is not deductible under another section, would be deductible under subparagraphs 20(1)(e)(ii), 20(1)(e)(ii.1), 20(1)(e)(ii.2) and paragraphs 20(1)(e.1), 20(1)(e.2) and 20(1)(f)	029	
Amount attributable to IFE that your corporation has claimed for the particular tax year as:		
Capital cost allowance (CCA) (amount B from Part 2B)	030	
Resource expenses (amount A from Part 2C)	031	
Terminal loss (amount A from Part 2B)	032	
An amount, under or as a result of an agreement or arrangement entered into as or in relation to a borrowing or other financing of the corporation (or a non-arm's length person or partnership) that can reasonably be considered to increase or be part of the cost of funding with respect to the borrowing or other financing of the corporation (or a non-arm's length person or partnership), that is,		
Paid or payable that is deductible in the tax year (other than under subparagraph 20(1)(e)(i)) (amount B from Part 1C)	033	
A loss that is deductible in the tax year (other than under subparagraph 20(1)(e)(i))	034	
A capital loss that reduces the amount determined under paragraph 3(b) or deducted when calculating the corporation's taxable income for the tax year	035	
Expense or fee payable (other than an amount already included on line 029) under (or in contemplation of, in the course of entering into, or in relation to) an agreement or an arrangement that gives rise to, or can reasonably be expected to give rise to,		
An amount being included in IFE – under paragraph (e) of variable A of the definition of IFE	036	
An amount that reduces the IFE for the year under variable B of the definition of IFE	037	
A **lease financing amount** (other than an **excluded lease** and excluded interest)	038	16,060
The corporation's share of the IFE of a partnership it is a member of (amount A from Part 1E)	039	
The portion of an amount claimed under paragraph 111(1)(e) that was denied under subsection 96(2.1) in a preceding tax year that is attributable to IFE	040	
An amount that is a controlled foreign affiliate's (CFA) **relevant affiliate interest and financing expenses**, to the extent of the corporation's **specified participating percentage** in respect of the affiliate for the affiliate tax year (enter on line 143 in Part 2L)	041	
Total of lines 027 to 041 (enter on lines 139 in Part 2K and 141 in Part 2L)		17,981,854 A

Variable B

An amount, under or as a result of an agreement or arrangement entered into as or in relation to a borrowing or other financing of the corporation (or a non-arm's length person or partnership) that can reasonably be considered to reduce the cost of funding with respect to the borrowing or other financing of the corporation (or a non-arm's length person or partnership), that is,

Received or receivable (other than as a dividend or exempt IFE) included in computing the corporation's income for the year (amount C from Part 1C)	042	
A gain included in the corporation's income for the year	043	
to the extent the amount is not sheltered from Canadian tax by virtue of a credit or deduction in respect of foreign taxes.		
The corporation's share of an amount that, if received or receivable by the corporation, would meet the description of an amount to be included on lines 042 or 043, but that is received or receivable by a partnership of which the corporation is a member (total of amounts from box 249 of the T5013 slips plus relevant amounts from non-resident partnerships)	044	
Total of lines 042 to 044		B
Total IFE. Amount A **minus** Amount B. If negative, **enter** "0". (enter on line 083 in Part 2F, line 113 in Part 2G, line 117 in Part 2H and on line 131 in Part 2K)	045	17,981,854

Part 2B – Capitalized IFE in the cost of depreciable assets

Complete the following table if the corporation has an amount that is paid or payable on or after February 4, 2022, that is attributable to IFE and is part of the capital cost of depreciable assets.

Row	1 Class number 046	2 IFE in undepreciated capital cost (UCC) at beginning of the tax year 047	3 IFE in the cost of acquisitions, adjustments and transfers, and proceeds of dispositions 048	4 IFE in UCC (column 2 **plus or minus** column 3) If negative, **enter** "0" 049	5 IFE in terminal loss (see **note 2**) 050	6 IFE in CCA (cannot be more than column 4) 051	7 IFE in UCC at the end of the year (column 4 **minus** column 6) If negative, **enter** "0" 052
1							

Note 2: If no property is left in the class at the end of the year and there is still a positive amount in column 4, you have a terminal loss. If applicable, enter the positive amount from column 4 in column 5.

Total of column 5 (enter on line 032 in Part 2A) ______ A

Total of column 6 (enter on line 030 in Part 2A) ______ B

Part 2C – IFE included in resource deductions

Complete the following table if the corporation has an amount that is paid or payable on or after February 4, 2022, that is attributable to IFE and is included in a resource expense pool.

Row	1 Resource expenses (see **note 3**)	2 IFE in the opening balance 053	3 IFE in amounts added or deducted from pool balance during the tax year 054	4 IFE in amount available before current year claim (column 2 **plus** or **minus** column 3) If negative, **enter** "0" 055	5 IFE in current year claims (cannot be more than column 4) 056	6 IFE in closing balance (column 4 **minus** column 5) If negative, **enter** "0" 057
1	Cumulative Canadian exploration expenses (CCEE) – regular expenses					
2	CCEE – successor expenses					
3	Cumulative Canadian development expenses (CCDE) – regular expenses					
4	CCDE – successor expenses					
5	Cumulative Canadian oil and gas property expenses (CCOGPE) – regular expenses					
6	CCOGPE – successor expenses					
7	Foreign exploration and development expenses (FEDE) – regular expenses					
8	FEDE – successor expenses					
9	Cumulative foreign resource expenses (CFRE) – regular expenses					
10	CFRE – successor expenses					

Note 3: Expenses incurred by the corporation are referred to as **regular expenses** and expenses incurred by the predecessor corporation that a successor corporation is entitled to claim are referred to as **successor expenses**.

Total of column 5 (enter on line 031 in Part 2A) ______ A

Part 2D – Interest and financing revenues (IFR)

Variable A: Total of all amounts (other than an amount included under variable B of the definition of IFE), each of which is:

Interest received or receivable (other than excluded interest, deemed interest under subsection 137(4.1), or an amount included in any of the other lines in Part 2D)	058	1,585,479	
Amount included in the income because of subsection 12(9) or section 17.1 (other than an amount included in any of the other lines in Part 2D)	059		
Fee or similar amount in respect of a guarantee or a similar credit support for the payment of any amount on a debt obligation owing by another person or partnership that is included in computing the corporation's income for the year (other than an amount included in any of the other lines in Part 2D)	060		
An amount, under or as a result of a agreement or arrangement, entered into as or in relation to a loan or other financing, owing to or provided by the corporation (or a non-arm's length person or partnership) that can reasonably be expected to increase or be part of the return of the corporation (or a non-arm's length person or partnership), that is,			
Received or receivable (other than as a dividend) included in computing the corporation's income for the year (amount A from Part 1D)	061	34,587	
A gain included in the corporation's income for the year	062		
A lease financing amount (other than a lease that would meet the definition of an excluded lease in subsection 18.2(1), if that definition were read without regard to paragraph (a)) that is included in income, that is not excluded interest for the year	063		
The corporation's share of the IFR of a partnership it is a member of (total of amounts from box 248 of the T5013 slips plus relevant amounts from non-resident partnerships)	064		
Amount that is a CFA's relevant affiliate interest and financing revenues, to the extent of the corporation's specified participating percentage in respect of the affiliate for the affiliate tax year, less any deduction in respect of foreign accrual tax	065		
Total of lines 058 to 065		1,620,066	A

Variable B: Total of all amounts, each of which is:

Under or as a result of an agreement or arrangement entered into as or in relation to a loan or other financing, owing to or provided by the corporation (or a non-arm's length person or partnership) that can reasonably be considered to reduce the return in respect of the loan or financing of the corporation (or a non-arm's length person or partnership), that is,			
An amount paid or payable (other than a loss or capital loss) that is deductible in computing the corporation's income for the year (amount B from Part 1D)	066		
A loss that is deductible in computing the corporation's income for the year	067		
A capital loss that reduces the amount determined under paragraph 3(b) for the tax year	068		
The corporation's share of an amount that, if received or receivable by the corporation, would correspond the description of an amount to be included on lines 066, 067 and 068, but that is received or receivable by a partnership of which the corporation is a member (total of amounts from box 250 of the T5013 slips plus relevant amounts from non-resident partnerships)	069		
An amount otherwise included in the corporation's IFR (amount A), to the extent the amount is sheltered from Canadian tax by virtue of a credit or deduction in respect of foreign taxes, other than a credit or deduction in respect of foreign withholding taxes	070		
Amounts included in amount A of Part 2D that are exempt from tax under Part I of the Income Tax Act	071		
Total of lines 066 to 071			B
Total IFR. Amount A **minus** amount B. If negative, **enter** "0". (enter on line 096 in Part 2F, line 109 in Part 2G, line 121 in Part 2H and line 135 in Part 2K.)	072	1,620,066	

Part 2E – Paragraph (h) of variable B of adjusted taxable income

Complete this section if the corporation is deducting an amount under paragraph 111(1)(a) for a non-capital loss that is not a specified pre-regime loss defined in subsection 18.2(1).

Row	1 Tax year of origin of the non-capital loss 073	2 Non-capital loss (amount determined under (i) of variable J) 074	3 Amounts determined under (ii) of variable J 075	4 Variable J (**lesser** of column 2 and column 3) 076	5 Amount deducted under paragraph 111(1)(a) when calculating taxable income for the year 077	6 Amount determined for paragraph (h) of variable B of the adjusted taxable income (column 5 **multiplied** by column 4 **divided** by column 2) 078
1						

Total of column 6 (enter on line 089 in Part 2F) ________ A

Part 2F – Adjusted taxable income (ATI)

Variable A

If corporation is a non-resident, the corporation's taxable income earned in Canada (determined without regard to subsection 18.2(2), paragraphs 12(1)(l.2) and 111(1)(a.1)). In any other case, the corporation's taxable income (determined without regard to subsection 18.2(2), paragraphs 12(1)(l.2) and 111(1)(a.1) and clause 95(2)(f.11)(ii)(D))			079	
Non-capital loss for the year (determined without regard to subsection 18.2(2), paragraphs 12(1)(l.2) and 111(1)(a.1) and clause 95(2)(f.11)(ii)(D))	080	9,008,281		
Total of all amounts determined under paragraph (b) of variable E of the ATI for CFAs of the corporation	081			
Total of all amounts determined under paragraph (b) of variable E of the ATI for CFAs of partnerships of which the corporation or a CFA of the corporation is a member	082			
Total of lines 080 to 082		9,008,281	►	9,008,281 A
Line 079 **minus** amount A (can be positive or negative amount)				-9,008,281 B

Variable B

The corporation's IFE for the year (line 045 from Part 2A)	083	17,981,854
Amounts deducted when calculating income under paragraphs 20(1)(a) and 59.1(a), subsections 66(4), 66.1(2) or (3), 66.2(2), 66.21(4), 66.4(2), or 66.7(1), (2), (2.3), (3), (4) or (5), other than any portion already included in IFE	084	32,570,775
Terminal loss deducted under subsection 20(16) when calculating income for the year, other than any portion already included in IFE	085	
The corporation's share of the CCA or terminal loss of a partnership it is a member of (other than the portion that is already included in IFE), minus the portion of the amount that is not deductible when calculating the corporation's income or non-capital loss for the year because of subsection 96(2.1)	086	
If an amount has been deducted under paragraph 111(1)(e), the portion of the amount deducted that can reasonably be considered to be attributable to the CCA or terminal loss of a partnership (other than any portion that has been included in IFE)	087	
Amount deducted under paragraph 110(1)(k) when calculating taxable income for the year	088	
The portion of non-capital loss being deducted under paragraph 111(1)(a) that can reasonably be considered to be derived from IFE (amount A from Part 2E)	089	
25% of the amount deducted for a specified pre-regime loss under paragraph 111(1)(a) (see **note 4**)	090	
Additional amount, if any, that would be included in the corporation's income, in respect of a CFA or a CFA of a partnership of which the corporation or a CFA of the corporation is a member of, if the affiliate's foreign accrual property income (FAPI) was increased by an amount determined by the formula L x M/N contained in paragraph (j) of variable B of the definition of the ATI	091	
The corporation's loss if it had no income or loss other than a loss that can reasonably be considered to be from activities funded by a borrowing that results in exempt IFE (amount C from Part 1B)	092	
The corporation's share of the loss of a partnership it is a member of, if the partnership had no income or loss other than a loss that can reasonably be considered to be from activities funded by a borrowing that results in exempt IFE	093	
An amount deducted under subsections 127(5) or (6), 127.44(3), 127.45(6), 127.48(3) or 127.49(6) for a property acquired in a preceding tax year that the corporation did not include in income for the year or for a preceding year and did not include in the ATI for a preceding year to the extent it is included in an amount determined under paragraph 13(7.1)(e) and subparagraphs 53(2)(c)(vi) to (c)(vi.4) or (h)(ii) in the definition **undepreciated capital cost** in subsection 13(21)	094	
An amount described in clause 12(1)(x)(i)(C) or subparagraph 12(1)(x)(ii) that the corporation received, to the extent it reduces the cost or capital cost of property and is not included when calculating the corporation's income of the year under subparagraph 12(1)(x)(vi) or (vii)	095	
Total of lines 083 to 095. If negative, **enter** "0".		50,552,629 C

Part 2F continues on the next page >>

Note 4: Paragraph (i) of variable B of ATI in subsection 18.2(1) requires that a specified pre-regime loss election form (T2228) be filed.

Part 2F – Adjusted taxable income (ATI) (continued)

Variable C

IFR of the corporation for the year (line 072 from Part 2D)	096	1,620,066
Recaptured depreciation amount under subsection 13(1)	097	
The corporation's share of the recaptured depreciation amount of a partnership of which it is a member	098	
Amount included under subsection 59(1) or (3.2) or paragraph 59.1(b) in computing income for the year	099	
Foreign-source income, to the extent it is sheltered from Canadian tax by foreign tax credits under subsection 126(1) or (2)	100	
Amount included under section 110.5 in computing the corporation's taxable income for the year	101	
Amount included in income of the corporation under subsection 104(13), less any portion designated under subsection 104(19) or any amount that gives rise to a deduction under paragraph 94.2(3)(a) in computing FAPI	102	
Amount of taxable income for the year that is not, because of an Act of Parliament, subject to tax under Part I of the Income Tax Act	103	
Income of the corporation if it had no income or loss other than income that can reasonably be considered to derive from activities funded by a borrowing that results in exempt IFE (amount B from Part 1B)	104	
Corporation's share of the income or loss of a partnership of which it is a member, if the partnership had no income or loss other than income that can reasonably be considered to derive from activities funded by a borrowing that results in exempt IFE	105	
Total of lines 096 to 105. If negative, **enter** "0".		1,620,066 D
ATI of the corporation for the year. Amount B **plus** amount C **minus** amount D. If negative, **enter** "0". (enter on line 107 in Part 2G, line 119 in Part 2H, and line 133 in Part 2K)	106	39,924,282

Part 2G – Excess capacity

If a **group ratio** election under subsection 18.21(2) has been made, the excess capacity is nil, in any other case:

ATI of the corporation for the year (line 106 from Part 2F)	107	39,924,282		
The ratio of permissible expenses of the corporation for the year	108	30 %		
Line 107 **multiplied by** line 108		11,977,285	11,977,285	A
IFR of the corporation for the year (line 072 from Part 2D)	109	1,620,066		
The amount by which the IFR exceeds the IFE for the year. If negative, **enter** "0"	110			
If, in the absence of section 257, the ATI is a negative amount, the absolute value of ATI, otherwise nil	111			
The **lesser** of lines 110 and 111				B
The ratio of permissible expenses of the corporation for the year	112	30 %		
Amount B **multiplied by** line 112				C
Line 109 **minus** amount C. If negative, **enter** "0".		1,620,066	1,620,066	D
Amount A **plus** amount D			13,597,351	E
The corporation's IFE for the year (line 045 from Part 2A)	113		17,981,854	
Amount E **minus** line 113. If negative, **enter** "0". (enter on line 129 in Part 2J)				F
The restricted interest and financing expenses deductible under paragraph 111(1)(a.1) for the year (amount B from Part 2J)	114			
Excess capacity for the current year. Amount F **minus** line 114. If negative, **enter** "0". (enter on line 126 in Part 2I)	115			

Part 2H – Absorbed capacity

Cumulative unused excess capacity determined as if the absorbed capacity for the year were nil (amount B in Part 2I)	116				
The corporation's IFE for the year (line 045 in Part 2A)	117		17,981,854		
If the corporation has made a group ratio election under subsection 18.21(2), the allocated group ratio amount	118				
If it has not made a group ratio election, the ATI (line 106 from Part 2F)	119	39,924,282			
Ratio of permissible expenses for the year	120	30 %			
Line 119 **multiplied** by line 120		11,977,285	11,977,285		A
The corporation's IFR for the year (line 072 from Part 2D)	121	1,620,066			
Either line 118 **or** amount A, whichever applies, **plus** line 121		13,597,351	13,597,351		B
Line 117 **minus** amount B. If negative, **enter** "0".			4,384,503	4,384,503	C
Absorbed capacity. The **lesser** of line 116 or amount C. (enter on line 127 in Part 2I and on line 138 in Part 2K)					D

Part 2I – Cumulative unused excess capacity (CUEC)

If the corporation has been subject to a loss restriction event, the CUEC for any tax year after the event, is determined without regard to the absorbed capacity, excess capacity and transferred capacity for the tax years ending before the event.

Row		1 Excess capacity 122	2 Amounts previously transferred under subsection 18.2(4) 123	3 Amounts previously absorbed under subsection 18.2(2) 124	4 Column 1 **minus** column 2 **minus** column 3 If negative, **enter** "0" 125
1	Third immediately preceding year				
2	Second immediately preceding year				
3	First immediately preceding year				

Total of column 4 ______ A

Excess capacity for the year (line 115 from Part 2G) . . . . 126 ______

CUEC determined as if the absorbed capacity for the year were nil.
Amount A **plus** line 126 (enter on line 116 in Part 2H) ______ ► ______ B

Absorbed capacity (amount D from Part 2H) . . . . 127 ______

CUEC. Amount B **minus** line 127. If negative, **enter** "0". ______ C

Part 2J – Restricted interest and financing expenses (RIFE) under paragraph 111(1)(a.1)

RIFE from previous tax years . . . . 128 ______

Corporation's excess capacity for the year if the amount determined for C in that definition were nil (amount F from Part 2G) . . . . 129 ______

Total of all amounts of the corporation's received capacity for the year (amount A from Part 1A) . . . . 130 ______

Line 129 **plus** line 130 ______ ► ______ A

RIFE deductible under paragraph 111(1)(a.1) for the year. The **lesser** of line 128 and amount A (enter on line 114 in Part 2G and on line 137 in Part 2K) ______ B

Part 2K – Proportion determined under subsection 18.2(2)

The corporation's IFE for the year (line 045 from Part 2A)			131	17,981,854
If a group ratio election under subsection 18.21(2) has been made, the amount determined and allocated in respect of the corporation for the year under the group ratio election		132		
If no group ratio election has been made, the ATI (line 106 from Part 2F)	133	39,924,282		
Ratio of permissible expenses	134	30 %		
Line 133 **multiplied** by line 134		11,977,285 ▶	11,977,285 A	
Either line 132 **or** amount A, whichever applies				11,977,285 B
The corporation's IFR for the year (line 072 from Part 2D)			135	1,620,066
Received capacity for the year (amount A from Part 1A)		136		
RIFE deductible under paragraph 111(1)(a.1) for the year (amount B from Part 2J)		137		
The amount of received capacity that exceeds the deductible amount under paragraph 111(1)(a.1). Line 136 **minus** line 137. If negative, **enter** "0".			▶	C
Absorbed capacity amount for the year (amount D from Part 2H)			138	
Amount B **plus** line 135 **plus** amount C **plus** line 138				13,597,351 D
Line 131 **minus** amount D				4,384,503 E
If IFE does not include any amount for relevant affiliate interest and financing expenses:				
Variable A of IFE (amount A from Part 2A)		139	17,981,854	
In all other situations:				
Variable A of IFE, adjusted to remove any amounts that are part of a CFA's relevant affiliate interest and financing expenses under variable B of IFE		140		
Either line 139 **or** line 140, whichever applies				17,981,854 F
Amount E **divided** by amount F. If negative, **enter** "0". (enter in column 3 in Part 2M)				24.383 % G

Part 2L – Excess IFE under subsection 18.2(2)

Variable A of IFE (amount A from Part 2A)	141	17,981,854		
Total of the amounts determined under paragraph (h) of variable A of IFE (amount A from Part 1E)	142			
Total of the amounts determined under paragraph (j) of variable A of IFE (line 041 from Part 2A)	143			
Line 141 **minus** line 142 **minus** line 143. If negative, **enter** "0".		17,981,854	▶	17,981,854 A
Total of all amounts determined under subsection 18.2(2). Amount G in Part 2K **multiplied** by amount A in Part 2L. (enter on line 159 in Part 2O and in Schedule 1 of T2 return)				4,384,515 B

Part 2M – Amounts determined under clause 95(2)(f.11)(ii)(D)

Use the following table to determine amounts that are not deductible under subclause 95(2)(f.11)(ii)(D)(I).

Row	1 Name of CFA 144	2 Amounts determined for variable A in the definition of IFE for the affiliate 145	3 Proportion determined under subsection 18.2(2) Amount G in Part 2K % 146	4 Denied amount under subclause 95(2)(f.11)(ii)(D)(I) Column 2 **multiplied** by column 3 147	5 The corporation's specified participating percentage under subsection 18.2(1) for the affiliate's tax year % 148	6 Corporation's share of the denied amount under subclause 95(2)(f.11)(ii)(D)(I) for the affiliate's tax year Column 4 **multiplied** by column 5 149
1						

Total of column 6 (enter on line 161 in Part 2O) 150 ______

Use the following table to determine amounts to be included under subclause 95(2)(f.11)(ii)(D)(II).

Row	1 Name of the CFA that is a member of the partnership 151	2 Amount determined under subclause 95(2)(f.11)(ii)(D)(II) in computing a CFA's FAPI 152	3 The corporation's specified participating percentage under subsection 18.2(1) for the affiliate's tax year % 153	4 The corporation's share of an amount included under subclause 95(2)(f.11)(ii)(D)(II) for the affiliate's tax year Column 2 **multiplied** by column 3 154
1				

Total of column 4 (enter on line 162 in Part 2O) 155 ______

Part 2N – Partnership IFE add-back under paragraph 12(1)(l.2)

Total of all amounts included under paragraph (h) of variable A of corporation's IFE (amount A from Part 1E)	156	
Ratio determined under subsection 18.2(2) (amount G from Part 2K)	157	24.383 %
Total add-back of partnership IFE under paragraph 12(1)(l.2) (line 156 **multiplied** by line 157) (enter on line 160 in Part 2O and in Schedule 1 of T2 return)	158	

Part 2O – RIFE under subsection 111(8)

Excess IFE under subsection 18.2(2) (amount B from Part 2L)	159	4,384,515
Partnership IFE add-back under paragraph 12(1)(l.2) (line 158 from Part 2N)	160	
Amount determined under subclause 95(2)(f.11)(ii)(D)(I) (line 150 from Part 2M)	161	
Amount determined under subclause 95(2)(f.11)(ii)(D)(II) (line 155 from Part 2M)	162	
RIFE for the tax year. **Total** of lines 159 to 162 (enter in Schedule 4)		4,384,515 A

Canada Revenue Agency / Agence du revenu du Canada

Schedule 2

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
Elexicon Energy Inc.	[redacted]	2024-12-31

- For use by corporations to claim any of the following:
  - the eligible amount of charitable donations to qualified donees
  - the Ontario, Nova Scotia, and British Columbia food donation tax credits for farmers
  - the eligible amount of gifts of certified cultural property
  - the eligible amount of gifts of certified ecologically sensitive land or
  - the additional deduction for gifts of medicine made before March 22, 2017
- All legislative references are to the federal Income Tax Act, unless stated otherwise.
- The eligible amount of a gift is the amount by which the fair market value of the gifted property exceeds the amount of an advantage, if any, for the gift.
- The donations and gifts can be carried forward for 5 years except for gifts of certified ecologically sensitive land made after February 10, 2014, which can be carried forward for 10 years.
- Use this schedule to show a transfer of unused amounts from previous years following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1).
- Subsection 110.1(1.2) provides as follows:
  - Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control.
  - If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- An eligible medical gift made before March 22, 2017, to a qualifying organization for activities outside of Canada may be eligible for an additional deduction. Calculate the additional deduction in Part 5.
- File this schedule with your T2 Corporation Income Tax Return.
- For more information, see the T2 Corporation – Income Tax Guide.

Part 1 – Charitable donations

Charity/Recipient	Amount ($100 or more only)
Available upon request	370,799
Subtotal	370,799
Add: Total donations of less than $100 each	
Total donations in current tax year	370,799

Part 1 – Charitable donations

		Federal		Québec	Alberta
Charitable donations at the end of the previous tax year		698,771	1A	698,771	698,771
Charitable donations expired after five tax years*	239				
Charitable donations at the beginning of the current tax year (amount 1A **minus** line 239)	240	698,771		698,771	698,771
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250				
Total charitable donations made in the current year (include this amount on line 112 of Schedule 1, Net Income (Loss) for Income Tax Purposes)	210	370,799		370,799	370,799
Subtotal (line 250 **plus** line 210)		370,799	1B	370,799	370,799
Subtotal (line 240 **plus** amount 1B)		1,069,570	1C	1,069,570	1,069,570
Adjustment for an acquisition of control	255				
Total charitable donations available (amount 1C **minus** line 255)		1,069,570	1D	1,069,570	1,069,570
Amount applied in the current year against taxable income (cannot be more than amount 2H in Part 2) (enter this amount on line 311 of the T2 return)	260				
Charitable donations closing balance (amount 1D **minus** line 260)	280	1,069,570		1,069,570	1,069,570
The amount of qualifying donations for the Ontario community food program donation tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2013)	262				
Ontario community food program donation tax credit for farmers (amount on line 262 **multiplied** by 25 %)			1		

Enter amount 1 on line 420 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Ontario income tax otherwise payable or amount 1. For more information, see section 103.1.2 of the Taxation Act, 2007 (Ontario).

The amount of qualifying donations for the Nova Scotia food bank tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2015)	263		
Nova Scotia food bank tax credit for farmers (amount on line 263 **multiplied** by 25 %)			2

Enter amount 2 on line 570 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Nova Scotia income tax otherwise payable or amount 2. For more information, see section 50A of the Nova Scotia Income Tax Act.

The amount of qualifying gifts for the British Columbia farmers' food donation tax credit included in the amount on line 260 (for donations made after February 16, 2016, and before January 1, 2027)	265		
British Columbia farmers' food donation tax credit (amount on line 265 **multiplied** by 25 %)			3

Enter amount 3 on line 683 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the British Columbia income tax otherwise payable or amount 3. For more information, see section 20.1 of the British Columbia Income Tax Act.

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amounts carried forward – Charitable donations

Year of origin:		Federal	Québec	Alberta
1st prior year	2023-12-31	448,116	448,116	448,116
2nd prior year	2022-12-31	250,655	250,655	250,655
3rd prior year	2021-12-31			
4th prior year	2020-12-31			
5th prior year	2019-12-31			
6th prior year*				
7th prior year				
8th prior year				
9th prior year				
10th prior year				
11th prior year				
12th prior year				
13th prior year				
14th prior year				
15th prior year				
16th prior year				
17th prior year				
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total (to line A)		698,771	698,771	698,771

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 2 – Maximum allowable deduction for charitable donations

Net income for tax purposes **(Note 1) multiplied** by 75 % 2A

Taxable capital gains arising in respect of gifts of capital property included in Part 1 **(Note 2)** **225**

Taxable capital gain in respect of a disposition of a non-qualifying security under subsection 40(1.01) **227**

The amount of the recapture of capital cost allowance in respect of charitable donations **230**

Proceeds of disposition, **less** outlays and expenses **(Note 2)** 2B

Capital cost **(Note 2)** 2C

Amount 2B or 2C, whichever is less **235**

Amount on line 230 or 235, whichever is less 2D

Subtotal (**add** lines 225, 227, and amount 2D) 2E

Amount 2E **multiplied** by 25 % 2F

Subtotal (amount 2A **plus** amount 2F) 2G

Maximum allowable deduction for charitable donations
(enter amount 1D from Part 1, amount 2G, or net income for tax purposes, whichever is the least) 2H

Note 1: For credit unions, this amount is before the deduction of bonus interest payments and payments pursuant to allocations in proportion to borrowing made by the credit union that is otherwise deductible under subsection 137(2).

Note 2: This amount must be prorated by the following calculation: eligible amount of the gift **divided** by the proceeds of disposition of the gift.

Part 3 – Gifts of certified cultural property

	Line	Federal		Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year			3A		
Gifts of certified cultural property expired after five tax years*	439				
Gifts of certified cultural property at the beginning of the current tax year (amount 3A **minus** line 439)	440				
Gifts of certified cultural property transferred on an amalgamation or the wind-up of a subsidiary	450				
Total gifts of certified cultural property in the current year (include this amount on line 112 of Schedule 1)	410				
Subtotal (line 450 **plus** line 410)			3B		
Subtotal (line 440 **plus** amount 3B)			3C		
Adjustment for an acquisition of control	455				
Amount applied in the current year against taxable income (enter this amount on line 313 of the T2 return)	460				
Subtotal (line 455 **plus** line 460)			3D		
Gifts of certified cultural property closing balance (amount 3C **minus** amount 3D)	480				

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Québec	Alberta
1st prior year	2023-12-31			
2nd prior year	2022-12-31			
3rd prior year	2021-12-31			
4th prior year	2020-12-31			
5th prior year	2019-12-31			
6th prior year*				
7th prior year				
8th prior year				
9th prior year				
10th prior year				
11th prior year				
12th prior year				
13th prior year				
14th prior year				
15th prior year				
16th prior year				
17th prior year				
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 4 – Gifts of certified ecologically sensitive land

		Federal		Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year			4A		
Gifts of certified ecologically sensitive land expired after 5 tax years, or after 10 tax years for gifts made after February 10, 2014*	539				
Gifts of certified ecologically sensitive land at the beginning of the current tax year (amount 4A **minus** line 539)	540				
Gifts of certified ecologically sensitive land transferred on an amalgamation or the wind-up of a subsidiary	550				
Total current-year gifts of certified ecologically sensitive land (include this amount on line 112 of Schedule 1)	520				
Subtotal (line 550 **plus** line 520)			4B		
Subtotal (line 540 **plus** amount 4B)			4C		
Adjustment for an acquisition of control	555				
Amount applied in the current year against taxable income (enter this amount on line 314 of the T2 return)	560				
Subtotal (line 555 **plus** line 560)			4D		
Gifts of certified ecologically sensitive land closing balance (amount 4C **minus** amount 4D)	580				

* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, expire after five tax years and gifts made after February 10, 2014, expire after ten tax years. For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donation and gifts expire after twenty tax years.

Amounts carried forward – Gifts of certified ecologically sensitive land

Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date ________

Year of origin:		Federal	Québec	Alberta
1st prior year	2023-12-31			
2nd prior year	2022-12-31			
3rd prior year	2021-12-31			
4th prior year	2020-12-31			
5th prior year	2019-12-31			
6th prior year*				
7th prior year				
8th prior year				
9th prior year				
10th prior year				
11th prior year*				
12th prior year				
13th prior year				
14th prior year				
15th prior year				
16th prior year				
17th prior year				
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, that are included on line *6th prior year* and gifts that are included on line *11th prior year* expire automatically in the current year.

The field "Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date" is used to distinguish the portion of the gifts made in the tax year straddling February 11, 2014, that expires after ten tax years, from the portion that expires in the current tax year.

For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, that are included on line *6th prior year* and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 5 – Additional deduction for gifts of medicine

	Line	Federal		Québec	Alberta
Additional deduction for gifts of medicine at the end of the previous tax year			5A		
Additional deduction for gifts of medicine expired after five tax years*	639				
Additional deduction for gifts of medicine at the beginning of the current tax year (amount 5A **minus** line 639)	640				
Additional deduction for gifts of medicine made before March 22, 2017 transferred on an amalgamation or the wind-up of a subsidiary	650				
Additional deduction for gifts of medicine made before March 22, 2017:					
Proceeds of disposition	602				
Cost of gifts of medicine made before March 22, 2017	601				
Subtotal (line 602 **minus** line 601)			5B		
Amount 5B **multiplied** by 50 %			5C		
Eligible amount of gifts	600				

Federal

a ______ x (b / c) = Additional deduction for gifts of medicine made before March 22, 2017 **610** ______

Québec

a ______ x (b / c) = Additional deduction for gifts of medicine made before March 22, 2017 ______

Alberta

a ______ x (b / c) = Additional deduction for gifts of medicine made before March 22, 2017 ______

where:

a is the **lesser** of line 601 and amount 5C

b is the eligible amount of gifts (line 600)

c is the proceeds of disposition (line 602)

	Line	Federal		Québec	Alberta
Subtotal (line 650 **plus** line 610)			5D		
Subtotal (line 640 **plus** amount 5D)			5E		
Adjustment for an acquisition of control	655				
Amount applied in the current year against taxable income (enter this amount on line 315 of the T2 return)	660				
Subtotal (line 655 **plus** line 660)			5F		
Additional deduction for gifts of medicine closing balance (amount 5E **minus** amount 5F) **(Note 3)**	680				

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Note 3: The amount at line 680 is not available for carryforward.

Amounts carried forward – Additional deduction for gifts of medicine

Year of origin:		Federal	Québec	Alberta
1st prior year	2023-12-31			
2nd prior year	2022-12-31			
3rd prior year	2021-12-31			
4th prior year	2020-12-31			
5th prior year	2019-12-31			
6th prior year*				
7th prior year				
8th prior year				
9th prior year				
10th prior year				
11th prior year				
12th prior year				
13th prior year				
14th prior year				
15th prior year				
16th prior year				
17th prior year				
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Québec – Gifts of musical instruments

Gifts of musical instruments at the end of the previous tax year		A
Deduct: Gifts of musical instruments expired after twenty tax years		B
Gifts of musical instruments at the beginning of the tax year		C
Add:		
Gifts of musical instruments transferred on an amalgamation or the wind-up of a subsidiary		D
Total current-year gifts of musical instruments		E
Subtotal (line D **plus** line E)		F
Deduct: Adjustment for an acquisition of control		G
Total gifts of musical instruments available		H
Deduct: Amount applied against taxable income (enter this amount on line 255 of form CO-17)		I
Gifts of musical instruments closing balance		J

Amounts carried forward – Gifts of musical instruments

Year of origin:		Québec
1st prior year	2023-12-31	
2nd prior year	2022-12-31	
3rd prior year	2021-12-31	
4th prior year	2020-12-31	
5th prior year	2019-12-31	
6th prior year		
7th prior year		
8th prior year		
9th prior year		
10th prior year		
11th prior year		
12th prior year		
13th prior year		
14th prior year		
15th prior year		
16th prior year		
17th prior year		
18th prior year		
19th prior year		
20th prior year		
21st prior year*		
Total		

* These gifts expired in the current year.

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Schedule 3

Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
Elexicon Energy Inc.	[redacted]	2024-12-31

- Corporations must use this schedule to report:
  - non-taxable dividends under section 83
  - deductible dividends under subsection 138(6)
  - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (a.1), (b) or (d)
  - taxable dividends paid in the tax year that qualify for a dividend refund (see page 3)
- All legislative references are to the federal Income Tax Act.
- The calculations in this schedule apply only to private or subject corporations (as defined in subsection 186(3)).
- A payer corporation is **connected** with a recipient corporation at any time in a tax year, if at that time the recipient corporation meets either of the following conditions:
  - it controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b)
  - it owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation
- If you need more space, continue on a separate schedule.
- File this schedule with your T2 Corporation Income Tax Return.
- Column A1 – Enter "X" if dividends were received from a foreign source.
  Column F1 – Enter the code that applies to the deductible taxable dividend.

Part 1 – Dividends received in the tax year

- Do **not** include dividends received from foreign non-affiliates.
- Complete columns B, C, D, H, H.1, I, I.1, I.2 and L **only if** the payer corporation is **connected**.

Important instructions to follow if the payer corporation is connected

- If your corporation's tax year-end is different than that of the **connected** payer corporation, dividends could have been received from more than one tax year of the payer corporation. If so, **use a separate line** to provide the information according to each tax year of the payer corporation.
- When completing columns J, K and L use the **special calculations provided in the notes**.

	A Name of payer corporation (from which the corporation received the dividend) 200	A1	B Enter 1 if payer corporation is **connected** 205	C Business number of **connected** corporation 210	D Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends in column F were paid YYYYMMDD 220	E Non-taxable dividends under section 83 230
1			2			
					Total of column E (enter amount on line 402 of Schedule 1)	

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Part 1 – Dividends received in the tax year (continued)

	F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (a.1), (b), or (d) [1] **240**	F1	G Eligible dividends included in column F **242**	H Total taxable dividends paid by the **connected** payer corporation (line 460 in Schedule 3 for the tax year in column D) **250**	H.1 Total eligible dividends paid by the **connected** payer corporation (line 465 in Schedule 3 for the tax year in column D)	I Dividend refund of the **connected** payer corporation (for tax year in column D) [2] **260**
1						

	I.1 Eligible dividend refund of the **connected** payer corporation from its eligible refundable dividend tax on hand (ERDTOH) (amount CC from T2 return for the tax year in column D)	I.2 Additional non-eligible dividend refund of the **connected** payer corporation from its ERDTOH (amount II from T2 return for the tax year in column D)	J Part IV tax for eligible dividends. Dividends (from column G) **multiplied** by 38 1/3% [3] **265**	K Part IV tax before deductions. Dividends (from column F) **multiplied** by 38 1/3% [4] **275**	L Part IV tax before deductions on taxable dividends received from **connected** corporations [5] **280**
1					

Total of column L (enter amount on line 2E in Part 2) ______

Taxable dividends received from connected corporations (total amounts from column F with code 1 in column B) . . . . ______ 1A

Taxable dividends received from non-connected corporations (total amounts from column F with code 2 in column B) . . . . ______ 1B

Subtotal (amount 1A **plus** amount 1B, include this amount on line 320 of the T2 return) ______ 1C

Eligible dividends received from connected corporations (total amounts from column G with code 1 in column B) . . . . ______ 1D

Eligible dividends received from non-connected corporations (total amounts from column G with code 2 in column B) . . . . ______ 1E

Part IV tax before deductions on taxable dividends received from connected corporations (total amounts from column K with code 1 in column B) . . . . ______ 1F

Part IV tax before deductions on taxable dividends received from non-connected corporations (total amounts from column K with code 2 in column B) . . . . ______ 1G

Subtotal (amount 1F **plus** amount 1G) ______ ► ______ 1H

Part IV tax on eligible dividends received from connected corporations (total amounts from column J with code 1 in column B) . . . . ______ 1I

Part IV tax on eligible dividends received from non-connected corporations (total amounts from column J with code 2 in column B) . . . . ______ 1J

Subtotal (amount 1I **plus** amount 1J) ______ ► ______ 1K

Part IV tax before deductions on taxable dividends (other than eligible dividends) (amount 1H **minus** amount 1K) . . . . ______ 1L

1 If taxable dividends are received, enter the amount in column F, but if the corporation is not subject to Part IV tax (such as a public corporation other than a subject corporation as defined in subsection 186(3)), enter "0" in column K (and column J, if applicable). Life insurers are not subject to Part IV tax on subsection 138(6) dividends.

2 If the **connected** payer corporation's tax year ends after the corporation's balance-due day for the tax year (two or three months, as applicable), you have to estimate the payer's dividend refund when you calculate the corporation's Part IV tax payable.

3 For eligible dividends received from **connected** corporations, Part IV tax on dividends is equal to column I **divided** by column H **multiplied** by column G.

4 For taxable dividends received from **connected** corporations, Part IV tax on dividends is equal to column I **divided** by column H **multiplied** by column F.

5 For the purpose of calculating your eligible refundable dividend tax on hand (ERDTOH), Part IV tax on taxable dividends received from **connected** corporations (with a tax year starting after 2018) is equal to the sum of Part IV tax on eligible dividends and non-eligible dividends received from **connected** corporations to the extent that such dividends caused a dividend refund to those corporations from their ERDTOH.

Part IV tax before deductions on taxable dividends received from **connected** corporations for purposes of column L is the sum of (i) and (ii), where

(i) Part IV tax on eligible dividends received from **connected** corporations is equal to amount CC of the **connected** payer corporation (on page 7 of the T2 return) **divided** by line 465 of the **connected** payer corporation, **multiplied** by column G; and

(ii) Part IV tax on non-eligible dividends received from **connected** corporations is equal to amount II of the **connected** payer corporation (on page 7 of the T2 return) **divided** by line 470 of the **connected** payer corporation, **multiplied** by the difference between columns F and G.

Part 2 – Calculation of Part IV tax payable

Part IV tax on dividends received before deductions (amount 1H in part 1)			2A	
Part IV.I tax payable on dividends subject to Part IV tax (from line 360 of Schedule 43)	320			
Subtotal (amount 2A **minus** line 320)			▶	2B
Current-year non-capital loss claimed to reduce Part IV tax	330			
Non-capital losses from previous years claimed to reduce Part IV tax	335			
Current-year farm loss claimed to reduce Part IV tax	340			
Farm losses from previous years claimed to reduce Part IV tax	345			
Total losses applied against Part IV tax (total of lines 330 to 345)			2C	
Amount 2C **multiplied** by 38 1 / 3 %				2D
Part IV tax payable (amount 2B **minus** amount 2D, if negative enter "0") (enter amount on line 712 of the T2 return)	360			

If your tax year begins after 2018, complete the following part to determine the required amount of Part IV taxes payable in order to calculate the eligible refundable dividend tax on hand (ERDTOH) at the end of the tax year.

Part IV tax before deductions on taxable dividends received from connected corporations (total of column L in part 1)		2E
Amount 4A from Schedule 43		2F
Part IV tax payable on taxable dividends received from connected corporations (amount 2E **minus** amount 2F, if negative enter "0") (enter at amount C on page 7 of the T2 return)		2G
Part IV tax on eligible dividends received from non-connected corporations (amount 1J in part 1)		2H
Amount 4C from Schedule 43		2I
Part IV tax payable on taxable dividends received from non-connected corporations (amount 2H **minus** amount 2I, if negative enter "0") (enter at amount D on page 7 of the T2 return)		2J

Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund

If your corporation's tax year-end is different than that of the recipient corporation with which you are connected, your corporation could have paid dividends in more than one tax year of the recipient corporation. If so, use a separate line to provide the information according to each tax year of the recipient corporation.

	M Name of recipient corporation with which you are connected 400	N Business number 410	O Tax year-end of recipient corporation in which the dividends in column P were received YYYYMMDD 420	P Taxable dividends paid to recipient corporations with which you are connected 430	Q Eligible dividends included in column P 440
1	Elexicon Corporation	[redacted]	2024-12-31	8,006,212	
				8,006,212 (Total of column P)	(Total of column Q)

Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund (continued)

Total taxable dividends paid in the tax year to other than connected corporations		450	
Eligible dividends included in line 450	455		
Total taxable dividends paid in the tax year that qualify for a dividend refund (total of column P **plus** line 450)		460	8,006,212
Total eligible dividends paid in the tax year (total of column Q **plus** line 455)		465	
Total non-eligible taxable dividends paid in the tax year (line 460 **minus** line 465)		470	8,006,212

Complete this part to determine the following amounts in order to calculate the dividend refund.

Line 465 **multiplied** by 38 1 / 3 % (enter at amount AA on page 7 of the T2 return)		3A
Line 470 **multiplied** by 38 1 / 3 % (enter at amount DD on page 7 of the T2 return)	3,069,048	3B

Part 4 – Total dividends paid in the tax year

Complete this part **if** the total taxable dividends paid in the tax year that qualify for a dividend refund (line 460) is different from the total dividends paid in the tax year.

Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above)			8,006,212	
Other dividends paid in the tax year (total of 510 to 540)				
Total dividends paid in the tax year		500	8,006,212	
Dividends paid out of capital dividend account	510			
Capital gains dividends	520			
Dividends paid on shares described in subsection 129(1.2)	530			
Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year	540			
Subtotal (total of lines 510 to 540)		►		4A
Total taxable dividends paid in the tax year that qualify for a dividend refund (Line 500 **minus** amount 4A)			8,006,212	4B

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Schedule 4

Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
Elexicon Energy Inc.	[redacted]	2024-12-31

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

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes				-4,623,766	1A
Restricted interest and financing expenses (RIFE) deducted in the year (enter as a positive amount)			1B		
Net capital losses deducted in the year (enter as a positive amount)			1C		
Taxable dividends deductible under section 112 or subsections 113(1) or 138(6)			1D		
Amount of Part VI.1 tax deductible under paragraph 110(1)(k)			1E		
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)			1F		
Employer deduction for non-qualified securities – Paragraph 110(1)(e)			1G		
Subtotal (total of amounts 1B to 1G)			▶		1H
Subtotal (amount 1A **minus** amount 1H; if positive, enter "0")				-4,623,766	1I
Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions					1J
Subtotal (amount 1I **minus** amount 1J)				-4,623,766	1K
Current-year farm loss (the lesser of: the net loss from farming or fishing included in income and the non-capital loss before deducting the farm loss)					1L
Current-year non-capital loss (amount 1K **plus** amount 1L, if positive enter "0")				-4,623,766	1M

If amount 1M is negative, enter it on line 110 as a positive amount.

Continuity of non-capital losses and request for a carryback

Non-capital losses at the end of the previous tax year		8,415,777	1N		
Non-capital loss expired [1]	100				
Non-capital losses at the beginning of the tax year (amount 1N **minus** line 100)	102	8,415,777	▶	8,415,777	
Non-capital losses transferred on an amalgamation or on the wind-up of a subsidiary corporation [2]	105				
Current-year non-capital loss (from amount 1M)	110	4,623,766			
Subtotal (line 105 **plus** line 110)		4,623,766	▶	4,623,766	1O
Subtotal (line 102 **plus** amount 1O)				13,039,543	1P

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

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

Part 1 – Non-capital losses (continued)

Other adjustments (includes adjustments for an acquisition of control)	150			
Section 80 – Adjustments for forgiven amounts	140			
Subsection 111(10) – Adjustments for fuel tax rebate				
Non-capital losses of previous tax years applied in the current tax year Enter the amount from line 130 on line 331 of the T2 return.	130			
Current and previous years non-capital losses applied against current-year taxable dividends subject to Part IV tax [3]	135			
Subtotal (total of lines 150, 140, 130 and 135)				1Q
Non-capital losses before any request for a carryback (amount 1P **minus** amount 1Q)			13,039,543	1R

Request to carry back non-capital loss to:

First previous tax year to reduce taxable income	901			
Second previous tax year to reduce taxable income	902			
Third previous tax year to reduce taxable income	903			
First previous tax year to reduce taxable dividends subject to Part IV tax	911			
Second previous tax year to reduce taxable dividends subject to Part IV tax	912			
Third previous tax year to reduce taxable dividends subject to Part IV tax	913			
Total of requests to carry back non-capital losses to previous tax years (total of lines 901 to 913)				1S
Closing balance of non-capital losses to be carried forward to future tax years (amount 1R **minus** amount 1S)	180		13,039,543	

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

Part 2 – Capital losses

Continuity of capital losses and request for a carryback

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

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

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

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

Part 2 – Capital losses (continued)

Capital losses from previous tax years applied against the current-year net capital gain [6] . . . 225 ______

Capital losses before any request for a carryback (amount 2F **minus** line 225) ______ 2G

Request to carry back capital loss to: [7]

	Capital gain (100%)		Amount carried back (100%)
First previous tax year		951	
Second previous tax year		952	
Third previous tax year		953	

Subtotal (total of lines 951 to 953) ______ ► ______ 2H

Closing balance of capital losses to be carried forward to future tax years (amount 2G **minus** amount 2H) [8] 280 ______

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

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

[8] Capital losses can be carried forward indefinitely.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year . . . ______ 3A

Farm loss expired [9] . . . 300 ______

Farm losses at the beginning of the tax year (amount 3A **minus** line 300) . . . 302 ______ ► ______

Farm losses transferred on an amalgamation or on the wind–up of a subsidiary corporation 305 ______

Current-year farm loss (amount 1L in Part 1) . . . 310 ______

Subtotal (line 305 **plus** line 310) ______ ► ______ 3B

Subtotal (line 302 **plus** amount 3B) ______ 3C

Other adjustments (includes adjustments for an acquisition of control) . . . 350 ______

Section 80 – Adjustments for forgiven amounts . . . 340 ______

Farm losses of previous tax years applied in the current tax year . . . 330 ______
Enter the amount from line 330 on line 334 of the T2 Return.

Current and previous years farm losses applied against current-year taxable dividends subject to Part IV tax [10] . . . 335 ______

Subtotal (total of lines 350, 340, 330 and 335) ______ ► ______ 3D

Farm losses before any request for a carryback (amount 3C **minus** amount 3D) ______ 3E

Request to carry back farm loss to:

First previous tax year to reduce taxable income . . . 921 ______

Second previous tax year to reduce taxable income . . . 922 ______

Third previous tax year to reduce taxable income . . . 923 ______

First previous tax year to reduce taxable dividends subject to Part IV tax . . . 931 ______

Second previous tax year to reduce taxable dividends subject to Part IV tax . . . 932 ______

Third previous tax year to reduce taxable dividends subject to Part IV tax . . . 933 ______

Subtotal (total of lines 921 to 933) ______ ► ______ 3F

Closing balance of farm losses to be carried forward to future tax years (amount 3E **minus** amount 3F) 380 ______

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

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

Part 4 – Restricted farm losses

Current-year restricted farm loss

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

Continuity of restricted farm losses and request for a carryback

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

Request to carry back restricted farm loss to:

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

Note

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

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

Part 5 – Listed personal property losses

Continuity of listed personal property losses and request for a carryback

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

Request to carry back listed personal property loss to:

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

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

Part 7 – Limited partnership losses

Current-year limited partnership losses

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

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

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

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

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

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

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

Part 8 – Restricted interest and financing expenses (RIFE)

Continuity of RIFE

RIFE at the end of the previous tax year	700		
RIFE transferred on an amalgamation or on the wind-up of a subsidiary corporation	705		
RIFE adjustments for an acquisition of control	750		
Subtotal (line 700 **plus** line 705 **minus** line 750)		►	8A

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

Current-year restricted interest and financing expense determined under subsection 111(8) (amount A from Part 2O of Schedule 130)	710	4,384,515
RIFE deducted for the tax year [16]	730	

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

Closing balance of RIFE (amount 8A **plus** line 710 **minus** line 730)	780	4,384,515

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

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

If you are making an election under paragraph 88(1.1)(f), tick the box . . . 190 Yes ☐

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

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

See the privacy notice on your return.

Non-Capital Loss Continuity Workchart

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

Non-capital losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A	4,623,766			N/A		4,623,766
1st preceding taxation year 2023-12-31		N/A		N/A			
2nd preceding taxation year 2022-12-31	8,415,777	N/A		N/A			8,415,777
3rd preceding taxation year 2021-12-31		N/A		N/A			
4th preceding taxation year 2020-12-31		N/A		N/A			
5th preceding taxation year 2019-12-31		N/A		N/A			
6th preceding taxation year		N/A		N/A			
7th preceding taxation year		N/A		N/A			
8th preceding taxation year		N/A		N/A			
9th preceding taxation year		N/A		N/A			
10th preceding taxation year		N/A		N/A			
11th preceding taxation year		N/A		N/A			
12th preceding taxation year		N/A		N/A			
13th preceding taxation year		N/A		N/A			
14th preceding taxation year		N/A		N/A			
15th preceding taxation year		N/A		N/A			
16th preceding taxation year		N/A		N/A			
17th preceding taxation year		N/A		N/A			
18th preceding taxation year		N/A		N/A			
19th preceding taxation year		N/A		N/A			
20th preceding taxation year		N/A		N/A			*
Total	8,415,777	4,623,766					13,039,543

* **This balance expires this year and will not be available next year.**

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Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
Elexicon Energy Inc.	[redacted]	2024-12-31

- Use this schedule if any of the following apply to your corporation during the tax year:
  - it had a permanent establishment in more than one jurisdiction (corporations that have no taxable income should only fill out columns A, B, and D in Part 1)
  - it is claiming provincial or territorial tax credits or rebates (see Part 2)
  - it has to pay taxes, other than income tax, for Newfoundland and Labrador or Ontario (see Part 2)
- All legislative references are to the Income Tax Regulations (the Regulations).
- For more information, see the T2 Corporation – Income Tax Guide.

Part 1 – Allocation of taxable income

100 ____________ Enter the regulation that applies (402 to 413).

A Jurisdiction. (tick **yes** if your corporation had a permanent establishment in the jurisdiction during the tax year) **Note 1**		B Total salaries and wages paid in jurisdiction	C B **multiplied** by taxable income, **divided** by G	D Gross revenue attributable to jurisdiction	E D **multiplied** by taxable income, **divided** by H	F Allocation of taxable income (C + E x 1/2) **Note 2** (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador	003 Yes ☐	103		143		
Newfoundland and Labrador Offshore	004 Yes ☐	104		144		
Prince Edward Island	005 Yes ☐	105		145		
Nova Scotia	007 Yes ☐	107		147		
Nova Scotia Offshore	008 Yes ☐	108		148		
New Brunswick	009 Yes ☐	109		149		
Quebec	011 Yes ☐	111		151		
Ontario	013 Yes ☐	113		153		
Manitoba	015 Yes ☐	115		155		
Saskatchewan	017 Yes ☐	117		157		
Alberta	019 Yes ☐	119		159		
British Columbia	021 Yes ☐	121		161		
Yukon	023 Yes ☐	123		163		
Northwest Territories	025 Yes ☐	125		165		
Nunavut	026 Yes ☐	126		166		
Outside Canada	027 Yes ☐	127		167		
Total		129 G		169 H		

Note 1: **Permanent establishment** is defined in subsection 400(2).
Note 2: For corporations other than those described under section 402, use the appropriate calculation described in the Regulations to allocate taxable income.

Notes:

1. After determining the allocation of taxable income, you have to calculate the corporation's provincial or territorial tax payable. For more information on how to calculate the tax for each province or territory, see the instructions for Schedule 5 in the T2 Corporation – Income Tax Guide.
2. If your corporation has provincial or territorial tax payable, fill out Part 2 on the following pages.
3. If your corporation is a member of a partnership and the partnership had a permanent establishment in a jurisdiction, select the jurisdiction in Column A and include your proportionate share of the partnership's salaries and wages and gross revenue in columns B and D, respectively.

Part 2 – Ontario tax payable, tax credits, and rebates

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits

Ontario basic income tax (from Schedule 500)	270		
Ontario small business deduction (from Schedule 500)	402		
Subtotal (line 270 **minus** line 402)			5A
Ontario transitional tax debits and credits (from Schedule 506)	276		
Recapture of Ontario research and development tax credit (from Schedule 508)	277		
Subtotal (line 276 **plus** line 277)			5B
Gross Ontario tax (amount 5A **plus** amount 5B)			5C
Ontario tax credit for manufacturing and processing (from Schedule 502)	406		
Ontario foreign tax credit (from Schedule 21)	408		
Ontario credit union tax reduction (from Schedule 500)	410		
Ontario political contributions tax credit (from Schedule 525)	415		
Ontario non-refundable tax credits (total of lines 406 to 415)			5D
Subtotal (amount 5C **minus** amount 5D) (if negative, enter "0")			5E
Ontario research and development tax credit (from Schedule 508)	416		
Ontario corporate income tax payable before Ontario corporate minimum tax credit and Ontario community food program donation tax credit for farmers (amount 5E **minus** line 416) (if negative, enter "0")			5F
Ontario corporate minimum tax credit (from Schedule 510)	418		
Ontario community food program donation tax credit for farmers (from Schedule 2)	420		
Ontario corporate income tax payable (amount 5F **minus** the total of lines 418 and 420) (if negative, enter "0")			5G
Ontario corporate minimum tax (from Schedule 510)	278	267,237	
Ontario special additional tax on life insurance corporations (from Schedule 512)	280		
Subtotal (line 278 **plus** line 280)		267,237	267,237 5H
Total Ontario tax payable before refundable tax credits (amount 5G **plus** amount 5H)			267,237 5I
Ontario qualifying environmental trust tax credit	450		
Ontario co-operative education tax credit (from Schedule 550)	452	54,346	
Ontario computer animation and special effects tax credit (from Schedule 554)	456		
Ontario film and television tax credit (from Schedule 556)	458		
Ontario production services tax credit (from Schedule 558)	460		
Ontario interactive digital media tax credit (from Schedule 560)	462		
Ontario book publishing tax credit (from Schedule 564)	466		
Ontario innovation tax credit (from Schedule 566)	468		
Ontario business-research institute tax credit (from Schedule 568)	470		
Ontario regional opportunities investment tax credit (from Schedule 570)	472		
Ontario made manufacturing investment tax credit (from Schedule 572)	474		
Ontario refundable tax credits (total of lines 450 to 474)		54,346	54,346 5J
Net Ontario tax payable or refundable tax credit (amount 5I **minus** amount 5J) (if a credit, enter amount in brackets). Include this amount on line 255.	290		212,891

Summary

Enter the total net tax payable or refundable tax credits for all provinces and territories on line 255.

Net provincial and territorial tax payable or refundable tax credits . . . 255 212,891

If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the T2 return.
If the amount on line 255 is negative, enter the net provincial and territorial refundable tax credits on line 812 of the T2 return.

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Elexicon Energy Inc.	[redacted]	2024-12-31

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

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

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

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

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

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

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

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

	1 Name of EPOP **110**	2 Identification number **Note 1** **115**	3 Percentage assigned under the agreement **120**
1.			
		Total	

Immediate expensing limit allocated to the corporation (see **Note 2**) **125**

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

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

Part 2 – CCA calculation

	1 Class number **Note 3** 200	Description	2 Undepreciated capital cost (UCC) at the beginning of the year 201	3 Cost of acquisitions during the year (new property must be available for use) **Note 4** 203	4 Cost of acquisitions from column 3 that are designated immediate expensing property (DIEP) **Note 5** 232	5 Adjustments and transfers **Note 6** 205	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition **Note 7** 221	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition **Note 8** 222	8 Proceeds of dispositions **Note 9** 207
1.	1	Trans/dist before Feb 22/05	91,498,809						0
2.	1b	Building - Office	14,303,481	613,154					0
3.	2	GEN & DISTR < 1988	3,416,714						0
4.	8	Equipment	3,278,863	1,028,731					0
5.	10	Vehicles/Computer equipmet	2,699,356	877,035					44,476
6.	10.1	Vehicles#285 2008 ford escape	138						N/A
7.	10.1	Vehicles#284 2008 ford escape	138						N/A
8.	10.1	Vehicles#250 2009 silverado hybrid	200						N/A
9.	10.1	Vehicles#302 2009 ford escape	286						N/A
10.	12	Software		1,216,740					0
11.	17	Yard improvements	175,999						0
12.	42	Fibre optics	1,148						0
13.	45	Computers>22-03-04<19-03-07	41						0
14.	47	Trans/dist acquired after Feb 22/05	252,656,050	25,771,237					271,941
15.	50	Computer Hardware and Systems	579,431	2,824,951					0
16.	43.2	Clean energy generation	1,158						0
17.	14.1	Eligible Capital Property	8,017,914						0
18.	95	WIP no depreciation taken	24,358,549			26,308,635			0
19.	46	ADMS software/equipment	242,021						0
		Totals	401,230,296	32,331,848		26,308,635			316,417

	1 Class number	Description	9 Proceeds of dispositions of the DIEP (enter amount from column 8 that relates to the DIEP reported in column 4) 234	10 UCC (column 2 **plus** column 3 **plus** or **minus** column 5 **minus** column 8) **Note 10**	11 UCC of the DIEP (enter the UCC amount that relates to the DIEP reported in column 4) **Note 11** 236	12 Immediate expensing **Note 12** 238	13 Cost of acquisitions on remainder of Class (column 3 **minus** column 12)	14 Cost of acquisitions from column 13 that are accelerated investment incentive properties (AIIP) or properties included in Classes 54 to 56 **Note 13** 225	15 Remaining UCC (column 10 **minus** column 12) (if negative, enter "0")	16 Proceeds of disposition available to reduce the UCC of AIIP and property included in Classes 54 to 56 (column 8 **plus** column 6 **minus** column 13 **plus** column 14 **minus** column 7) (if negative, enter "0")
1.	1	Trans/dist before Feb 22/05		91,498,809					91,498,809	
2.	1b	Building - Office		14,916,635			613,154	613,154	14,916,635	
3.	2	GEN & DISTR < 1988		3,416,714					3,416,714	
4.	8	Equipment		4,307,594			1,028,731	1,028,731	4,307,594	
5.	10	Vehicles/Computer equipmet		3,531,915			877,035	877,035	3,531,915	44,476
6.	10.1	Vehicles#285 2008 ford escape		138					138	
7.	10.1	Vehicles#284 2008 ford escape		138					138	
8.	10.1	Vehicles#250 2009 silverado hybrid		200					200	
9.	10.1	Vehicles#302 2009 ford escape		286					286	
10.	12	Software		1,216,740			1,216,740		1,216,740	
11.	17	Yard improvements		175,999					175,999	
12.	42	Fibre optics		1,148					1,148	
13.	45	Computers>22-03-04<19-03-07		41					41	
14.	47	Trans/dist acquired after Feb 22/05		278,155,346			25,771,237	25,771,237	278,155,346	271,941
15.	50	Computer Hardware and Systems		3,404,382			2,824,951	2,824,951	3,404,382	
16.	43.2	Clean energy generation		1,158					1,158	
17.	14.1	Eligible Capital Property		8,017,914					8,017,914	
18.	95	WIP no depreciation taken		50,667,184					50,667,184	
19.	46	ADMS software/equipment		242,021					242,021	
		Totals		459,554,362			32,331,848	31,115,108	459,554,362	316,417

Part 2 – CCA calculation (continued)

	1 Class number	Description	17 Net capital cost additions of AIIP and property included in Classes 54 to 56 acquired during the year (column 14 **minus** column 16) (if negative, enter "0")	18 UCC adjustment for AIIP and property included in Classes 54 to 56 acquired during the year (column 17 **multiplied** by the relevant factor) Note 14	19 UCC adjustment for property acquired during the year other than AIIP and property included in Classes 54 to 56 (0.5 **multiplied** by the result of column 13 **minus** column 14 **minus** column 6 **plus** column 7 **minus** column 8) (if negative, enter "0") Note 15 224	20 CCA rate % Note 16 212	21 Recapture of CCA Note 17 213	22 Terminal loss Note 18 215	23 CCA (for declining balance method, the result of column 15 **plus** column 18 **minus** column 19, **multiplied** by column 20, or a lower amount, **plus** column 12) Note 19 217	24 UCC at the end of the year (column 10 **minus** column 23) 220
1.	1	Trans/dist before Feb 22/05				4	0	0	3,659,952	87,838,857
2.	1b	Building - Office	613,154			6	0	0	894,998	14,021,637
3.	2	GEN & DISTR < 1988				6	0	0	205,003	3,211,711
4.	8	Equipment	1,028,731			20	0	0	861,519	3,446,075
5.	10	Vehicles/Computer equipmet	832,559			30	0	0	1,059,575	2,472,340
6.	10.1	Vehicles#285 2008 ford escape				30	N/A	N/A	41	97
7.	10.1	Vehicles#284 2008 ford escape				30	N/A	N/A	41	97
8.	10.1	Vehicles#250 2009 silverado hybrid				30	N/A	N/A	60	140
9.	10.1	Vehicles#302 2009 ford escape				30	N/A	N/A	86	200
10.	12	Software				100	0	0	1,216,740	
11.	17	Yard improvements				8	0	0	14,080	161,919
12.	42	Fibre optics				12	0	0	138	1,010
13.	45	Computers>22-03-04<19-03-07				45	0	0	18	23
14.	47	Trans/dist acquired after Feb 22/05	25,499,296			8	0	0	22,252,428	255,902,918
15.	50	Computer Hardware and Systems	2,824,951			55	0	0	1,872,410	1,531,972
16.	43.2	Clean energy generation				50	0	0	579	579
17.	14.1	Eligible Capital Property				5	0	0	460,501	7,557,413
18.	95	WIP no depreciation taken				0	0	0		50,667,184
19.	46	ADMS software/equipment				30	0	0	72,606	169,415
		Totals	30,798,691						32,570,775	426,983,587

Enter the total of column 21 on line 107 of Form T2 SCH 1, *Net Income (Loss) for Income Tax Purposes*.
Enter the total of column 22 on line 404 of Form T2 SCH 1.
Enter the total of column 23 on line 403 of Form T2 SCH 1.

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

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

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

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

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

Part 2 – CCA calculation (continued)

Note 8: Include all amounts you have repaid during the year for any legally required repayment, made after the disposition of a corresponding property, of:

- assistance that would have otherwise increased the capital cost of the property under paragraph 13(7.1)(d) and
- an inducement, assistance, or any other amount contemplated in paragraph 12(1)(x) received, that otherwise would have increased the capital cost of the property under paragraph 13(7.4)(b)

Include the UCC of each property of a prescribed class acquired in the course of a corporate reorganization described under paragraph 55(3)(b) (also known as "butterfly reorganization") or include property acquired in a non-arm's length transaction [other than by virtue of a right referred to in paragraph 251(5)(b)] if the property was a depreciable property acquired by the transferor less than 364 days before the end of your tax year and continuously owned by the transferor until it was acquired by you.

Note 9: For each property disposed of during the year, deduct from the proceeds of disposition any outlays and expenses to the extent that they were made or incurred for the purpose of making the disposition(s). The amount reported in respect of the property cannot exceed the property's capital cost, unless that property is a timber resource property as defined in subsection 13(21).
If the cost of a zero-emission passenger vehicle (or a passenger vehicle that was, at any time, a DIEP) exceeds the prescribed amount and it is disposed of to a person or partnership with which you deal at arm's length, the proceeds of disposition will be adjusted based on a factor equal to the prescribed amount as a proportion of the actual cost of the vehicle. The actual cost of the vehicle will be adjusted for payment or repayment of government assistance.

Note 10: If the amount in column 5 (as shown in brackets) reduces the undepreciated capital cost, you must subtract it for the purposes of the calculation. Otherwise, add the amount in column 5 for the purposes of the calculation.

Note 11: The amount to enter in column 11 must not exceed the amount in column 10. If it does, enter in column 11 the amount from column 10. If the amount determined in column 10 is zero or a negative amount, enter "0". The only amounts incurred before April 19, 2021, to be included in this column are certain inventory purchases from arm's length persons or partnerships where the conditions in paragraphs 1100(0.3)(a) to (c) of the Regulations are met.

Note 12: Immediate expensing applies to a DIEP included in column 11. The total immediate expensing for the tax year (total of column 12) should not exceed the lesser of:

- Immediate expensing limit: it is equal to one of the following five amounts, whichever is applicable:
  - $1.5 million, if you are not associated with any other EPOP in the tax year
  - amount from line 125, if you are associated in the tax year with one or more EPOPs
  - nil, if the total of the percentages assigned in Part 1 is more than 100% or you are associated in the tax year with one or more EPOPs and have not filed an agreement in prescribed form as required under subsection 1104(3.3) of the Regulations
  - the amount determined under subsection 1104(3.5) of the Regulations for any second or subsequent tax years ending in a calendar year, if you have two or more tax years ending in the calendar year in which you are associated with another EPOP that has a tax year ending in that calendar year
  - any amount allocated by the minister under subsection 1104(3.4) of the Regulations

The immediate expensing limit has to be prorated if your tax year is less than 365 days. You cannot carry forward any unused amount of the immediate expensing limit.

- UCC of the DIEP: total of column 11

You have to maintain the CCPC status throughout the relevant tax year in order to claim the immediate expensing.

Note 13: An AIIP is a property (other than property included in Classes 54 to 56) that you acquired after November 20, 2018, and that became available for use before 2028.
Classes 54 and 55 include zero-emission vehicles that you acquired after March 18, 2019, and that became available for use before 2028.
Class 56 applies to eligible zero-emission automotive equipment and vehicles (other than motor vehicles) that are acquired after March 1, 2020, and that became available for use before 2028.
See Guide T4012 for more information.

Note 14: The relevant factors for property of a class in Schedule II, that is an AIIP or included in Classes 54 to 56, available for use respectively before 2024 or in 2024 are:

- 2 1/3 or 1 1/2 for property in Classes 43.1, 54, and 56
- 1 1/2 or 7/8 for property in Class 55
- 1 or 1/2 for property in Classes 43.2 and 53
- 0 for property in Classes 12, 13, 14, 15, and 59, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 19 for additional information) and
- 0.5 or 0 for all other property that is an AIIP

If the tax year begins in 2023 and ends in 2024, the relevant factor is determined under paragraph 1100(2.01)(a) of the Regulations.

Part 2 – CCA calculation (continued)

Note 15: The UCC adjustment for property acquired during the year (also known as the half-year rule or 50% rule) does not apply to certain property (including AIIP and property included in Classes 54 to 56). For special rules and exceptions, see Income Tax Folio S3-F4-C1, *General Discussion of Capital Cost Allowance*.

Note 16: Enter a rate only if you are using the declining balance method. For any other method (for example, the straight-line method, where calculations are always based on the cost of acquisitions), enter "N/A". Then enter the amount you are claiming in column 23.

Note 17: If the amount in column 10 is negative, you have a recapture of CCA. If applicable, enter the negative amount from column 10 in column 21 as a positive. The recapture rules do not apply to passenger vehicles in Class 10.1. However, they do apply to a passenger vehicle that was, at any time, a DIEP.

Note 18: If no property is left in the class at the end of the tax year and there is still a positive amount in the column 10, you have a terminal loss. If applicable, enter the positive amount from column 10 in column 22. The terminal loss rules do not apply to:

- passenger vehicles in Class 10.1
- property in Class 14.1, unless you have ceased carrying on the business to which it relates
- limited-period franchises, concessions, or licences in Class 14 if, at the time of acquisition, the property was a former property of the transferor or any similar property attributable to the same fixed place of business, and you had jointly elected with the transferor to have the replacement property rules apply, unless certain conditions are met

Note 19: If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See Guide T4012 for more information.
For property in Class 10.1 disposed of during the year, deduct a maximum of 50% of the regular CCA deduction if you owned the property at the beginning of the tax year.
For AIIP listed below, the maximum first year allowance you can claim is determined as follows:

- Class 13: if the capital cost of the property was incurred before 2024, the lesser of 150% of the amount calculated in Schedule III of the Regulations and the UCC at the end of the tax year (before any CCA deduction), and in any other case, the amount for the year calculated in accordance with Schedule III of the Regulations
- Class 14: the lesser of 150% (if the property becomes available for use in the year and before 2024) or 125% (if the property becomes available for use in the year and after 2023) of the allocation for the year of the capital cost of the property apportioned over the remaining life of the property (at the time the cost was incurred) and the UCC at the end of the tax year (before any CCA deduction)
- Class 15: the lesser of 150% (if the property is acquired in the year and before 2024) or 125% (if the property is acquired in the year and after 2023) of an amount calculated on the basis of a rate per cord, board foot, or cubic metre cut in the tax year and the UCC at the end of the tax year (before any CCA deduction)
- Canadian vessels described under paragraph 1100(1)(v) of the Regulations: the lesser of 50% (for property acquired in the year and before 2024) or 33 1/3% (in any other case) of the capital cost of the property and the UCC at the end of the tax year (before any CCA deduction)
- Class 41.2: use a 25% CCA rate. The additional allowance under paragraphs 1100(1)(y.2) (for single mine properties) and 1100(1)(ya.2) (for multiple mine properties) of the Regulations is not eligible for the accelerated investment incentive. The additional allowance in respect of natural gas liquefaction under paragraph 1100(1)(yb) of the Regulations is eligible for the accelerated investment incentive

The AIIP provisions also apply to property (other than a timber resource property) that is a timber limit or a right to cut timber from a limit as well as to an industrial mineral mine or a right to remove minerals from an industrial mineral mine. See the *Income Tax Regulations* for more details.

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
Elexicon Energy Inc.	[redacted]	2024-12-31

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

	Name 100	Country of residence (other than Canada) 200	Business number (see note 1) 300	Relationship code (see note 2) 400	Number of common shares you own 500	% of common shares you own 550	Number of preferred shares you own 600	% of preferred shares you own 650	Book value of capital stock 700
1.	Elexicon Corporation		[redacted]	1					
2.	Elexicon Group Inc.		[redacted]	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.
Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

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Canada

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	Employee Future Liability	6,355,191		33,916		6,389,107
2	Sick Leave Liability	1,093,700			86,000	1,007,700
3						
	Reserves from Part 2 of Schedule 13					
	Totals	7,448,891		33,916	86,000	7,396,807

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

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Schedule 23

Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one tax year ending in a calendar year must file an agreement for each tax year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group, including those deemed to be associated under subsection 256(2) of the Income Tax Act.

Column 2: Provide the business number for each corporation (if a corporation is not registered, enter "NR").

Column 3: Enter the association code from the list below that applies to each corporation:

1 – Associated for purposes of allocating the business limit (unless association code 5 applies)
2 – CCPC that is a **third corporation** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation
3 – Non-CCPC that is a **third corporation**
4 – Associated non-CCPC
5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28

Column 4: Enter the business limit for the year of each corporation in the associated group. Enter "0" if the corporation has association code 2, 3 or 4 in column 3 (except if the corporation is a cooperative or a credit union eligible for the SBD and it has association code 4).

Column 5: Assign a percentage to allocate the business limit to each corporation that has association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A.

Ensure that the total at line A does not exceed $500,000.

Allocating the business limit

Date filed (do not use this area) . . . . . **025** Year Month Day

Enter the calendar year the agreement applies to . . . . . **050** Year 2024

Is this an amended agreement for the above calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? . . . . . **075** [ ] Yes [X] No

	1 Name of associated corporations 100	2 Business number of associated corporations 200	3 Association code 300	4 Business limit for the year before the allocation $	5 Percentage of the business limit % 350	6 Business limit allocated* $ 400	
1	Elexicon Energy Inc.	[redacted]	1	500,000			
2	Elexicon Corporation		1	500,000	100.0000	500,000	
3	Elexicon Group Inc.		1	500,000			
				Total	100.0000	500,000	A

Business limit reduction under subsection 125(5.1) of the Act

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "large corporation amount" at line 415 of the T2 return. The amount at line 415 is determined using the formula 0.225% x (C - $10,000,000). Another factor is the "adjusted aggregate investment income" from lines 744 and 745 of Schedule 7, Aggregate Investment Income and Income Eligible for the Small Business Deduction. Details of these formulas and variable C are in subsection 125(5.1) of the Act.

* Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's tax year is less than 51 weeks, prorate the amount in column 6 by the number of days in the tax year divided by 365, and enter the result on line 410 of the T2 return.

Special rules for business limit

Special rules apply under subsection 125(5) if a CCPC has more than one tax year ending in the same calendar year and it is associated in more than one of those tax years with another CCPC that has a tax year ending in that calendar year. The business limit for the second or later tax year will be equal to the lesser of: the business limit determined for the first tax year ending in the calendar year or the business limit determined for the second or later tax year ending in the same calendar year.

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Schedule 31

Investment Tax Credit – Corporations

General information

- Use this schedule:
  - to calculate an investment tax credit (ITC) earned during the tax year
  - to claim a deduction against Part I tax payable
  - to claim a refund of credit earned during the current tax year
  - to claim a carryforward of credit from previous tax years
  - to transfer a credit following an amalgamation or the wind-up of a subsidiary, as described under subsections 87(1) and 88(1)
  - to request a credit carryback to one or more previous years
  - if you are subject to a recapture of ITC
- Unless otherwise stated, all legislative references are to the Income Tax Act or, where appropriate, the Income Tax Regulations.
- Certain ITCs are eligible for a three-year carryback (if not deductible in the year earned) and are also eligible for a twenty-year carryforward. This does not apply to the clean economy ITCs, which are refundable tax credits.
- Investments or expenditures, described in subsection 127(9) and Regulation Part XLVI, that earn an ITC are:
  - qualified property and qualified resource property (Parts 4 to 7 of this schedule)
    - You can no longer claim the ITC for the qualified resource property expenditures. Only unused credits that have not expired can be carried forward for up to 20 tax years following the tax year in which you incurred the expenditures.
  - qualified scientific research and experimental development (SR&ED) expenditures (Parts 8 to 17). File Form T661, Scientific Research and Experimental Development (SR&ED) Expenditures Claim
  - pre-production mining expenditures (Part 18)
    - You can no longer claim the ITC for the pre-production mining expenditures. Only unused credits that have not expired can be carried forward for up to 20 tax years following the tax year in which you incurred the expenditures.
  - apprenticeship job creation expenditures (Parts 19 to 21)
  - child care spaces expenditures (Part 22)
    - You can no longer claim the ITC for the child care spaces expenditures. Only unused credits that have not expired can be carried forward for up to 20 tax years following the tax year in which you incurred the expenditures.
- Investments or expenditures for the clean economy, described in sections 127.44, 127.45, 127.48, and 127.49, that earn an ITC are investments in (Part 24):
  - carbon capture, utilization, or storage (CCUS) projects, for qualifying expenditures made after 2021
  - clean technology property that is acquired and becomes available for use after March 27, 2023
  - eligible clean hydrogen property that is acquired and becomes available for use after March 27, 2023
  - clean technology manufacturing (CTM) property that is used in qualifying manufacturing and processing activities or the extraction and processing of certain critical minerals and that is acquired and becomes available for use after 2023
- File this schedule with the T2 Corporation Income Tax Return. If you need more space, attach additional schedules.
- For more information on ITCs, see **Investment Tax Credits** in Guide T4012, T2 Corporation – Income Tax Guide.
- For more information on SR&ED, see Guide T4088, Scientific Research and Experimental Development (SR&ED) Expenditures Claim – Guide to Form T661.

Detailed information

- For the purpose of this schedule, **investment** means the capital cost of the property (excluding amounts added by an election under section 21), determined without reference to subsections 13(7.1) and 13(7.4), minus the amount of any government or non-government assistance that the corporation has received, is entitled to receive, or can reasonably be expected to receive for that property at the time it files the income tax return for the year in which the property was acquired. For rules related to capital cost for the CCUS ITC, clean technology ITC, clean hydrogen ITC, and clean technology manufacturing ITC, see, respectively, subsections 127.44(9), 127.45(5), 127.48(10), and 127.49(5).
- An ITC deducted in a tax year for a depreciable property reduces both the capital cost of that property and the undepreciated capital cost of that class in the next tax year. An ITC for SR&ED deducted or refunded in a tax year will reduce the balance in the pool of deductible SR&ED expenditures and the adjusted cost base (ACB) of an interest in a partnership in the next tax year. An ITC from pre-production mining expenditures deducted in a tax year reduces the balance in the pool of deductible cumulative Canadian exploration expenses in the next tax year.
- Property acquired has to be **available for use (AFU)** before a claim for an ITC can be made. See subsections 127(11.2), 127.45(4), 127.48(5), 127.49(4), and 248(19) for more information. The AFU rules do not apply to claims for the CCUS ITC.
- Expenditures for SR&ED qualifying for an ITC must be identified by the claimant on Form T661 and Schedule 31 no later than one year after the claimant's income tax return is due for the tax year in which it incurred the expenditures. A claimant that does not meet this reporting deadline will not be able to file Schedule 508, Ontario Research and Development Tax Credit, and Schedule 566, Ontario innovation Tax Credit.
- Expenditures for an apprenticeship ITC must be identified by the claimant on Schedule 31 no later than one year after the claimant's income tax return is due for the tax year in which it incurred the expenditures.
- The claimant must identify the clean economy ITC on Schedule 31 no later than one year after the claimant's income tax return is due for the tax year it is entitled to claim the credit for (for the CCUS ITC and the clean hydrogen ITC, the claimant must identify the ITC by the later of this date and December 31, 2025).

Detailed information (continued)

- Partnership allocations – Subsection 127(8) provides for the allocation of the amount that may reasonably be considered to be a partner's share of the ITCs of the partnership at the end of the fiscal period of the partnership. An allocation of ITCs is generally considered to be the partner's reasonable share of the ITCs if it is made in the same proportion in which the partners have agreed to share any income or loss and if section 103 is not applicable for the agreement to share any income or loss. Special rules apply to specified members of a partnership and limited partners. For more information, see Guide T4068, Guide for the Partnership Information Return (T5013 Forms). See section 127.47 for rules that apply to partnerships for the clean economy ITCs generally. For more information on partnership allocations for the CCUS ITC, clean technology ITC, clean hydrogen ITC, and clean technology manufacturing ITC, see, respectively, subsections 127.44(11), 127.45(8), 127.48(12), and 127.49(8).
- For certain purposes, Canada includes the **exclusive economic zone of Canada** as defined in the Oceans Act (which generally consists of an area of the sea that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil of that zone. For the clean technology ITC, Canada includes the exclusive economic zone of Canada only for property that is described in subparagraph (d)(v) or (xiv) of Class 43.1 in Schedule II of the Regulations.
- For the purpose of this schedule, the expression **Atlantic Canada** includes the Gaspé Peninsula and the provinces of Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick, as well as their respective offshore regions (prescribed in Regulation 4609).
- For the purpose of this schedule, **qualified property** means property in Atlantic Canada that is used primarily for manufacturing and processing, farming or fishing, logging, storing grain, or harvesting peat. Qualified property includes new buildings and new machinery and equipment (prescribed in Regulation 4600), and new energy generation and conservation property (prescribed in Regulation 4600). Certain qualified property can also be used primarily to produce or process electrical energy or steam in a prescribed area (as described in Regulation 4610). See the definition of **qualified property** in subsection 127(9) for more information.

Part 1 – Investments, expenditures and percentages

Investments	**Specified percentage**
Qualified property and qualified resource property (Part 5)	
Qualified property acquired primarily for use in Atlantic Canada	10 %
Expenditures	
If you are a Canadian-controlled private corporation (CCPC), this percentage may apply to the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10)	35 %
Note: If your current year's qualified expenditures are more than your expenditure limit (see Part 10), the excess is eligible for an ITC calculated at the 15 % rate.	
If you are a corporation that is not a CCPC and have incurred qualified expenditures for SR&ED in any area in Canada	15 %
If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment	10 %

Clean economy ITCs (Part 24)

For work performed after November 27, 2023, to qualify for the investment tax credit rates indicated below, an incentive claimant must elect (in prescribed form) to meet certain labour requirements – prevailing wage requirements and apprenticeship requirements. Otherwise, the credit rate will be reduced by 10 percentage points. The incentive claimant must also attest (in prescribed form) to have met these requirements. The labour requirements do not apply to the clean technology manufacturing ITC.

CCUS

If you incurred qualified carbon capture expenditures to capture carbon directly from ambient air:	
after 2021 and before 2031	60%
after 2030 and before 2041	30%
If you incurred qualified carbon capture expenditures to capture carbon other than directly from ambient air:	
after 2021 and before 2031	50%
after 2030 and before 2041	25%
If you incurred qualified expenditures for carbon transportation, use, or storage:	
after 2021 and before 2031	37.5%
after 2030 and before 2041	18.75%

Clean technology

If you acquired clean technology property after March 27, 2023, and it becomes available for use:	
before 2034	30%
in 2034	15%

Clean hydrogen

If you acquired an eligible clean hydrogen property after March 27, 2023, and it becomes available for use:	
before 2034	depending on the carbon intensity tier 40%, 25% or 15%
in 2034	depending on the carbon intensity tier 20%, 12.5%, or 7.5%

For clean ammonia equipment or certain other equipment used solely in connection with clean ammonia equipment, the rate is 15% if the equipment becomes available for use before 2034 and 7.5% if it becomes available for use in 2034.

Clean technology manufacturing

If you acquired CTM property after 2023 and it becomes available for use:	
before 2032	30%
in 2032	20%
in 2033	10%
in 2034	5%

Corporation's name	Business number	Tax year-end Year Month Day
Elexicon Energy Inc.	[redacted]	2024-12-31

Part 2A – Determination of a qualifying corporation

This section does not apply to the clean economy investment tax credits.

Is the corporation a qualifying corporation? . . . . . 101 Yes ☐ No ☒

Enter your taxable income for the previous tax year[1] (prior to any loss carrybacks applied) . . . . . 390 ______

For the purpose of a refundable ITC, a **qualifying corporation** is defined under subsection 127.1(2). The corporation has to be a CCPC and its taxable income (before any loss carrybacks) for its previous tax year cannot be more than its **qualifying income limit** for the particular tax year. If the corporation is associated with any other corporations during the tax year, the total of the taxable incomes of the corporation and the associated corporations (before any loss carrybacks), for their last tax year ending in the previous calendar year, cannot be more than their qualifying income limit for the particular tax year.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered **not** associated for the calculation of a refundable ITC if both of the following conditions are met:

- one corporation is associated with another corporation only because one or more persons own shares of the capital stock of both corporations
- one of the corporations has at least one shareholder who is not common to both corporations

If you are a **qualifying** corporation, you will earn a **100**% refund on your share of any ITCs earned at the 35% rate on qualified expenditures for SR&ED, up to the allocated expenditure limit.

Some CCPCs that are **not qualifying** corporations may also earn a **100**% refund on their share of any ITCs earned at the 35% rate on qualified expenditures for SR&ED, up to the allocated expenditure limit. The expenditure limit can be determined in Part 10.

[1] If the tax year referred to on line 390 is less than 51 weeks, **multiply** the taxable income by the following result: 365 **divided** by the number of days in that tax year.

Part 2B – Determination of an excluded corporation – SR&ED

Is the qualifying corporation an excluded corporation as defined under subsection 127.1(2)? . . . . . 650 Yes ☐ No ☒

Only a 40% refund will be available to a qualifying corporation that is an **excluded corporation** as defined under subsection 127.1(2). A corporation is an excluded corporation if, at any time during the year, it is a corporation that is either controlled by (directly or indirectly, in any manner whatever) or is related to one of the following:

a) one or more persons exempt from Part I tax under section 149
b) Her Majesty in right of a province, a Canadian municipality, or any other public authority
c) any combination of persons referred to in a) or b) above

Part 3 – Corporations in the farming industry

Complete this area if the corporation is making SR&ED contributions.

Is the corporation claiming a contribution in the current year to an agricultural organization whose goal is to finance SR&ED work (for example, check-off dues)? . . . . . 102 Yes ☐ No ☒

If **yes**, complete Schedule 125, Income Statement Information, to identify the type of farming industry the corporation is involved in.

Contributions to agricultural organizations for SR&ED[2] . . . . . ______ x 80 % = 103 ______
Enter on line 350 of Part 8.

[2] Enter only contributions not already included on Form T661.

Qualified Property and Qualified Resource Property

Part 4 – Eligible investments for qualified property from the current tax year

Capital cost allowance class number 105	Description of investment 110	Date available for use 115	Location used in Atlantic Canada (province) 120	Amount of investment 125
			Total of investments for qualified property	4A

Part 5 – Current-year credit and account balances – ITC from investments in qualified property and qualified resource property

ITC at the end of the previous tax year			5A
Credit deemed as a remittance of co-op corporations	210		
Credit expired	215		
Subtotal (line 210 **plus** line 215)		▶	5B
ITC at the beginning of the tax year (amount 5A **minus** amount 5B)		220	
Credit transferred on an amalgamation or the wind-up of a subsidiary	230		
ITC from repayment of assistance	235		
Qualified property (amount 4A) ____ x 10 % =	240		
Credit allocated from a partnership	250		
Subtotal (total of lines 230 to 250)		▶	5C
Total credit available (line 220 **plus** amount 5C)			5D
Credit deducted from Part I tax	260		
Credit carried back to previous years (amount 6A)	5E		
Credit transferred to offset Part VII tax liability	280		
Subtotal (total of line 260, amount 5E, and line 280)		▶	5F
Credit balance before refund (amount 5D **minus** amount 5F)			5G
Refund of credit claimed on investments from qualified property (from Part 7)		310	
ITC closing balance of investments from qualified property and qualified resource property (amount 5G **minus** line 310)		320	

Part 6 – Request for carryback of credit from investments in qualified property

	Year	Month	Day		
1st previous tax year				Credit to be applied	901
2nd previous tax year				Credit to be applied	902
3rd previous tax year				Credit to be applied	903

Total of lines 901 to 903 Enter at amount 5E. 6A

Part 7 – Refund of ITC for qualifying corporations on investments from qualified property

Current-year ITCs (line 240 **plus** line 250 in Part 5)	7A
Credit balance before refund (from amount 5G)	7B
Refund (40 % of amount 7A or 7B, whichever is less)	7C

Enter amount 7C or a lesser amount on line 310 in Part 5 (also include in line 780 of the T2 return if you do not claim an SR&ED ITC refund).

SR&ED

Part 8 – Qualified SR&ED expenditures

Qualified SR&ED expenditures (line 559 on Form T661)		2,891,012		
Contributions to agricultural organizations for SR&ED				
Deduct:				
Government assistance, non-government assistance, or contract payment				
Subtotal				
x	80 %			
Contributions to agricultural organizations for SR&ED for the federal ITC (this amount is updated to line 103 of Part 3. For more details, consult the Help.)[3]	▶	+		
Qualified SR&ED expenditures (line 559 on Form T661 **plus** line 103 in Part 3)[3]		2,891,012 ▶	350	2,891,012
Repayments made in the year (from line 560 on Form T661)			370	
Total qualified SR&ED expenditures (line 350 **plus** line 370)			380	2,891,012

[3] If you are claiming only contributions made to agricultural organizations for SR&ED, line 350 should equal line 103 in Part 3. Do not file Form T661.

Part 9 – Components of the SR&ED expenditure limit calculation

Part 9 only applies if you are a CCPC.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered not associated for the calculation of an SR&ED expenditure limit if both of the following apply:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation
- one of the corporations has at least one shareholder who is not common to both corporations

Is the corporation associated with another CCPC for the purpose of calculating the SR&ED expenditure limit? **385** Yes [X] No [ ]

If you answered **no** to the question on line 385 or if you are not associated with any other corporations, complete line 398.
If you answered **yes**, complete Schedule 49, Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Expenditure Limit, to determine the amounts for associated corporations.

Enter your taxable capital employed in Canada for the previous tax year **minus** $10 million.
If this amount is nil or negative, enter "0". If this amount is over $40 million, enter $40 million **398** ______

Part 10 – SR&ED expenditure limit for a CCPC

For a stand-alone (not associated) corporation

$ 40,000,000 **minus** line 398 in Part 9 ______ 10A

Amount 10A divided by $ 40,000,000 ______ 10B

Expenditure limit for the stand-alone corporation ($ 3,000,000 **multiplied** by amount 10B)[4] ______ 10C

For an associated corporation

If associated, the allocation of the SR&ED expenditure limit, as provided on Schedule 49[4] **400** ______

If your tax year is less than 51 weeks, calculate the amount of the expenditure limit as follows:

Amount 10C or line 400 ______ x Number of days in the tax year / 365 = 366 ______ 10D

Your SR&ED expenditure limit for the year (enter amount 10C, line 400, or amount 10D, whichever applies) **410** ______

[4] Amount 10C or line 400 cannot be more than $3,000,000.

Part 11 – Investment tax credits on SR&ED expenditures

Qualified SR&ED expenditures (from line 350 in Part 8) or the expenditure limit (from line 410 in Part 10), whichever is less[5]	420		x 35 %	=		11A
Line 350 **minus** line 410 (if negative, enter "0")	430	2,891,012	x 15 %	=	433,652	11B

If a corporation makes a repayment of any government or non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC purposes, the amount of the repayment is eligible for a credit.

Repayments (amount from line 370 in Part 8) ....

Enter the amount of the repayment on the line that corresponds to the appropriate rate.

Repayment of assistance that reduced a qualifying expenditure for a CCPC[6]	460		x 35 %	=		11C
Repayment of assistance made after September 16, 2016, that reduced a qualifying expenditure incurred before 2015	480		x 20 %	=		11D
Repayment of assistance made after September 16, 2016, that reduced a qualifying expenditure incurred after 2014	490		x 15 %	=		11E
Subtotal (total of amounts 11C to 11E)				▶		11F
Current-year SR&ED ITC (total of amounts 11A, 11B, and 11F; enter on line 540 in Part 12)					433,652	11G

[5] For corporations that are not CCPCs, enter "0" for amount 11A.

[6] If you were a CCPC, this percentage was applied to the portion that you claimed of the SR&ED qualified expenditure pool that did not exceed your expenditure limit at the time. This percentage includes the rate under subsection 127(10.1), **Additions to investment tax credit**. See subsection 127(10.1) for details about exceptions. For expenditures not eligible for this rate use line 480 or 490 as appropriate.

Part 12 – Current-year credit and account balances – ITC from SR&ED expenditures

ITC at the end of the previous tax year				1,174,069	12A
Credit deemed as a remittance of co-op corporations	510				
Credit expired	515				
Subtotal (line 510 **plus** line 515)					12B
ITC at the beginning of the tax year (amount 12A **minus** amount 12B)			520	1,174,069	
Credit transferred on an amalgamation or the wind-up of a subsidiary	530				
Total current-year credit (from amount 11G)	540	433,652			
Credit allocated from a partnership	550				
Subtotal (total of lines 530 to 550)		433,652	▶	433,652	12C
Total credit available (line 520 **plus** amount 12C)				1,607,721	12D
Credit deducted from Part I tax	560				
Credit carried back to previous years (amount 13A)			12E		
Credit transferred to offset Part VII tax liability	580				
Subtotal (total of line 560, amount 12E, and line 580)			▶		12F
Credit balance before refund (amount 12D **minus** amount 12F)				1,607,721	12G
Refund of credit claimed on SR&ED expenditures (from Part 14 or 15, whichever applies)			610		
ITC closing balance on SR&ED (amount 12G **minus** line 610)			620	1,607,721	

Part 13 – Request for carryback of credit from SR&ED expenditures

	Year Month Day				
1st previous tax year		Credit to be applied	911		
2nd previous tax year		Credit to be applied	912		
3rd previous tax year		Credit to be applied	913		
		Total of lines 911 to 913 Enter at amount 12E.			13A

Part 14 – Refund of ITC for qualifying corporations – SR&ED

Complete this part if you are a qualifying corporation as determined on line 101 in Part 2A.[7]

Current-year ITC (lines 540 **plus** 550 in Part 12 **minus** amount 11F)		14A
Refundable credits (amount 14A or amount 12G, whichever is less)		14B
Amount 14B or amount 11A, whichever is less		14C
Net amount (amount 14B **minus** amount 14C; if negative, enter "0")		14D
Amount 14D **multiplied** by 40 %		14E
Amount 14C		14F
Refund of ITC (amount 14E **plus** amount 14F – enter this, or a lesser amount, on line 610 in Part 12)		14G

Include the total of line 310 in Part 5 and line 610 in Part 12 in line 780 of the T2 return.

[7] If you are also an excluded corporation, as determined in Part 2B, amount 14B must be multiplied by 40%. Claim this, or a lesser amount, as your refund of ITC for amount 14G.

Part 15 – Refund of ITC for CCPCs that are neither qualifying nor excluded corporations – SR&ED

Complete this part only if you are a CCPC that is not a qualifying corporation as determined on line 101 in Part 2A or an excluded corporation as determined on line 650 in Part 2B.

Credit balance before refund (amount 12G)	1,607,721	15A
Refund of ITC (amount 15A or amount 11A, whichever is less)		15B

Enter amount 15B, or a lesser amount, on line 610 in Part 12 and also include it in line 780 of the T2 return.

Recapture – SR&ED

Part 16 – Recapture of ITC for corporations and partnerships – SR&ED

You will have a recapture of ITC in a year when **all** of the following conditions are met:

- you acquired a particular property in the current year or in any of the 20 previous tax years, and the credit was earned in a tax year ending after 1997 and did not expire before 2008
- you claimed the cost of the property as a qualified expenditure for SR&ED on Form T661
- the cost of the property was included in calculating your ITC or was the subject of an agreement made under subsection 127(13) to transfer qualified expenditures
- you disposed of the property or converted it to commercial use after February 23, 1998. This condition is also met if you disposed of or converted to commercial use a property that incorporates the particular property previously referred to

Note:

The recapture **does not apply** if you disposed of the property to a non-arm's-length purchaser who intended to use it all or substantially all for SR&ED. When the non-arm's-length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical ITC rate of the original user.

You will report a recapture on the T2 return for the year in which you disposed of the property or converted it to commercial use. In the following tax year, add the amount of the ITC recapture to the SR&ED expenditure pool.

If you have more than one disposition for calculations 1 and 2, complete the columns for each disposition for which a recapture applies, using the calculation formats below.

Calculation 1 – If you meet all of the above conditions

Amount of ITC you originally calculated for the property you acquired, or the original user's ITC where you acquired the property from a non-arm's length party, as described in the **note** above **700**	Amount calculated using ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case) **710**	Amount from column 700 or 710, whichever is less

Subtotal Enter at amount 17A. ______ 16A

Calculation 2 – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil at amount 16B.

A Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement **720**	B Proceeds of disposition of the property if you dispose of it to an arm's length person; or, in any other case, enter the fair market value of the property at conversion or disposition **730**	C Amount, if any, already provided for in Calculation 1 (This allows for the situation where only part of the cost of a property is transferred under a subsection 127(13) agreement.) **740**	D Amount determined by the formula (A x B) – C	E ITC earned by the transferee for the qualified expenditures that were transferred **750**	F Amount from column D or E, whichever is less

Subtotal (total of column F) Enter at amount 17B. ______ 16B

Calculation 3

As a member of the partnership, you will report your share of the SR&ED ITC of the partnership after the SR&ED ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 550 in Part 12. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 760.

Corporate partner's share of the excess of SR&ED ITC **760** ______
Enter at amount 17C.

Part 17 – Total recapture of SR&ED investment tax credit

Recaptured ITC from calculation 1, amount 16A		17A
Recaptured ITC from calculation 2, amount 16B		17B
Recaptured ITC from calculation 3, line 760 in Part 16		17C
Total recapture of SR&ED investment tax credit (total of amounts 17A to 17C)		17D

Enter at amount 25A in Part 25.

Pre-Production Mining

Part 18 – Account balances – ITC from pre-production mining expenditures

ITC at the end of the previous tax year				18A
Credit deemed as a remittance of co-op corporations	841			
Credit expired	845			
Subtotal (line 841 **plus** line 845)		►		18B
ITC at the beginning of the tax year (amount 18A **minus** amount 18B)		850		
Credit transferred on an amalgamation or the wind-up of a subsidiary		860		
Total credit available (line 850 **plus** line 860)				18C
Amount of unused credit carried forward from previous years and applied to reduce Part I tax payable in the current year		885		
ITC closing balance from pre-production mining expenditures (amount 18C **minus** line 885)		890		

Apprenticeship Job Creation

Part 19 – Total current-year credit – ITC from apprenticeship job creation expenditures

If you are a related person as defined under subsection 251(2), has it been agreed in writing that you are the only employer who will be claiming the apprenticeship job creation tax credit for this tax year for each apprentice whose contract number (or social insurance number (SIN) or name) appears below? (If not, you cannot claim the tax credit.) . . . . **611** Yes ☐ No ☐

For each apprentice in their first 24 months of the apprenticeship, enter the apprenticeship contract number registered with Canada, or a province or territory, under an apprenticeship program designed to certify or license individuals in the trade. For the province, the trade must be a Red Seal trade. If there is no contract number, enter the SIN or the name of the eligible apprentice.

A Contract number (SIN or name of apprentice) **601**	B Name of eligible trade **602**	C Eligible salary and wages[8] **603**	D Column C x 10 % **604**	E Lesser of column D or $ 2,000 **605**

Total current-year credit (total of column E) Enter on line 640 in Part 20. ________ 19A

[8] Other than qualified expenditure incurred, and net of any other government or non-government assistance received or to be received. **Eligible salary and wages**, and **qualified expenditures** are defined under subsection 127(9).

Part 20 – Current-year credit and account balances – ITC from apprenticeship job creation expenditures

ITC at the end of the previous tax year			4,000 20A
Credit deemed as a remittance of co-op corporations	**612**		
Credit expired after 20 tax years	**615**		
Subtotal (line 612 **plus** line 615)		►	20B
ITC at the beginning of the tax year (amount 20A **minus** amount 20B)	**625**		4,000
Credit transferred on an amalgamation or the wind-up of a subsidiary	**630**		
ITC from repayment of assistance	**635**		
Total current-year credit (amount 19A)	**640**		
Credit allocated from a partnership	**655**		
Subtotal (total of lines 630 to 655)		►	20C
Total credit available (line 625 **plus** amount 20C)			4,000 20D
Credit deducted from Part I tax	**660**		
Credit carried back to previous years (amount 21A)		20E	
Subtotal (line 660 **plus** amount 20E)		►	20F
ITC closing balance from apprenticeship job creation expenditures (amount 20D **minus** amount 20F)	**690**		4,000

Part 21 – Request for carryback of credit from apprenticeship job creation expenditures

	Year	Month	Day		
1st previous tax year				Credit to be applied	**931**
2nd previous tax year				Credit to be applied	**932**
3rd previous tax year				Credit to be applied	**933**

Total of lines 931 to 933 Enter at amount 20E. ________ 21A

Child Care Spaces

Part 22 – Account balances – ITC from child care spaces expenditures

ITC at the end of the previous tax year				22A
Credit deemed as a remittance of co-op corporations	765			
Credit expired after 20 tax years	770			
Subtotal (line 765 **plus** line 770)			▶	22B
ITC at the beginning of the tax year (amount 22A **minus** amount 22B)		775		
Credit transferred on an amalgamation or the wind-up of a subsidiary	777			
Credit allocated from a partnership	782			
Subtotal (line 777 **plus** line 782)			▶	22C
Total credit available (line 775 **plus** amount 22C)				22D
Credit deducted from Part I tax		785		
ITC closing balance from child care spaces expenditures (amount 22D **minus** line 785)		790		

Recapture – Child Care Spaces

Part 23 – Recapture of ITC for corporations and partnerships – Child care spaces

The ITC will be added to the taxpayer's tax otherwise payable under Part I of the Act if, at any time within 60 months of the day on which the taxpayer acquired the property, one of the following situations takes place:

- the new child care space is no longer available
- property that was an eligible expenditure for the child care space is
  - disposed of or leased to a lessee
  - converted to another use

If the property disposed of is a child care space, the amount that can reasonably be considered to have been included in the original ITC (paragraph 127(27.12)(a)) **792**

In the case of eligible expenditures (paragraph 127(27.12)(b)), the lesser of:

The amount that can reasonably be considered to have been included in the original ITC	795	
25% of either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value (in any other case) of the property	797	

Amount from line 795 or line 797, whichever is less 23A

Partnerships

As a member of the partnership, you will report your share of the child care spaces ITC of the partnership after the child care spaces ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 782 in Part 22. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 799 below.

Corporate partner's share of the excess of ITC **799**

Total recapture of child care spaces investment tax credit (total of line 792, amount 23A, and line 799) 23B

Enter at amount 25B in Part 25.

Summary of Investment Tax Credits

Part 24 – Clean economy ITCs

Clean hydrogen ITC	140		
Clean technology ITC (from Schedule 75)	155		
Clean technology manufacturing ITC (from Schedule 76)	170		
Carbon capture, utilization, and storage ITC (from Schedule 78)	200		
Clean economy ITCs (total of lines 140 to 200)			24A

Include the total on line 780 of the T2 return.

Part 25 – Total recapture of investment tax credit

Recaptured SR&ED ITC (amount 17D)		25A
Recaptured child care spaces ITC (amount 23B)		25B
Recaptured or recovered clean hydrogen ITC		25C
Recaptured clean technology ITC (from Schedule 75)		25D
Recaptured clean technology manufacturing ITC (from Schedule 76)		25E
Total recapture of investment tax credit (total of amounts 25A to 25E)		25F

Enter on line 602 of the T2 return.

Part 26 – Total ITC deducted from Part I tax

ITC from investments in qualified property deducted from Part I tax (line 260 in Part 5)		26A
ITC from SR&ED expenditures deducted from Part I tax (line 560 in Part 12)		26B
ITC from pre-production mining expenditures deducted from Part I tax (line 885 in Part 18)		26C
ITC from apprenticeship job creation expenditures deducted from Part I tax (line 660 in Part 20)		26D
ITC from child care space expenditures deducted from Part I tax (line 785 in Part 22)		26E
Total ITC deducted from Part I tax (total of amounts 26A to 26E)		26F

Enter on line 652 of the T2 return.

Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class number 99 Cur. or cap. R&D for ITC

Current year

Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)
433,652				433,652

Prior years

Taxation year	ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)
2023-12-31	359,051			359,051
2022-12-31	350,405			350,405
2021-12-31	240,158			240,158
2020-12-31	224,455			224,455
2019-12-31				
				*
Total	1,174,069			1,174,069

B+C+D+G **Total ITC utilized**

* The **ITC end of year** includes the amount of ITC expired from the 20th preceding year. Note that this credit expires at the end of the tax year and any expired credit will be posted to line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 the following year.

Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class number 97 Apprenticeship job creation ITC

Current year

Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)

Prior years

Taxation year	ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)
2023-12-31				
2022-12-31				
2021-12-31				
2020-12-31	4,000			4,000
2019-12-31				
				*
Total	4,000			4,000

B+C+D+G **Total ITC utilized**

* The **ITC end of year** includes the amount of ITC expired from the 20th preceding year. Note that this credit expires at the end of the tax year and any expired credit will be posted to line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 the following year.

Canada Revenue Agency Agence du revenu du Canada

Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
Elexicon Energy Inc.	[redacted]	2024-12-31

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

Part 1 – Capital

Add the following year-end amounts:

Reserves that have not been deducted in calculating income for the year under Part I	101			
Capital stock (or members' contributions if incorporated without share capital)	103	98,796,044		
Retained earnings	104	63,608,284		
Contributed surplus	105	77,871,812		
Any other surpluses	106			
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108			
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109			
Any dividends declared but not paid by the corporation before the end of the year	110			
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111			
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112			
Subtotal (**add** lines 101 to 112)		240,276,140 ▶	240,276,140	A

Note:

Line 112 is determined by the formula (A – B) x C/D (as per paragraph 181.2(3)(g)) where:

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

B is the partnership's deferred unrealized foreign exchange losses at the end of the period,

C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and

D is the partnership's income or loss for the period.

Part 1 – Capital (continued)

Subtotal A (from page 1)		240,276,140	A
Deduct the following amounts:			
Deferred tax debit balance at the end of the year	121		
Any deficit deducted in calculating its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122		
To the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above for the year, any amount deducted under subsection 135(1) in calculating income under Part I for the year.	123		
Deferred unrealized foreign exchange losses at the end of the year	124		
Subtotal (**add** lines 121 to 124)		▶	B
Capital for the year (amount A **minus** amount B) (if negative, enter "0")	190	240,276,140	

Part 2 – Investment allowance

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

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend payable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1)	406	
An interest in a partnership (see note 2 below)	407	
Investment allowance for the year (add lines 401 to 407)	490	

Notes:

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

Part 3 – Taxable capital

Capital for the year (line 190)		240,276,140	C
Deduct: Investment allowance for the year (line 490)			D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	240,276,140	

Part 4 – Taxable capital employed in Canada

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

Taxable capital for the year (line 500)	240,276,140	x	Taxable income earned in Canada **610**	1,000	= **Taxable capital employed in Canada** **690**	240,276,140
			Taxable income	1,000		

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

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

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

Deduct the following amounts:

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

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

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

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

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

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

Part 5 – Calculation for purposes of the small business deduction

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

Taxable capital employed in Canada (amount from line 690)		F
Deduct:	10,000,000	G
Excess (amount F **minus** amount G) (if negative, enter "0")		H
Calculation for purposes of the small business deduction (amount H x 0.225%)		I

Enter this amount at line 415 of the T2 return.

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Schedule 50

Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
Elexicon Energy Inc.	[redacted]	2024-12-31

- All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.
- Provide only one number (business number, partnership account number, social insurance number or trust number) per shareholder.

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust) 100	Business number or partnership account number (9 digits, 2 letters, and 4 digits. If not registered, enter "**NR**") 200	Social insurance number (9 digits) 300	Trust number (T followed by 8 digits) 350	Percentage common shares 400	Percentage preferred shares 500
1	Elexicon Corporation	[redacted]			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

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Schedule 55

Part III.1 Tax on Excessive Eligible Dividend Designations

Corporation's name	Business number	Tax year-end Year Month Day
Elexicon Energy Inc.	[redacted]	2024-12-31

- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1 of this schedule. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, General Rate Income Pool (GRIP) Calculation, or Schedule 54, Low Rate Income Pool (LRIP) Calculation, whichever is applicable.
- File the schedules with your T2 Corporation Income Tax Return no later than six months from the end of the tax year.
- All legislative references are to the Income Tax Act and the Income Tax Regulations.
- Subsection 89(1) defines the terms **eligible dividend**, **excessive eligible dividend designation**, **general rate income pool**, and **low rate income pool**.
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

Do not use this area

Part 1 – Canadian-controlled private corporations and deposit insurance corporations

Taxable dividends paid in the tax year **not included** in Schedule 3					
Taxable dividends paid in the tax year **included** in Schedule 3		8,006,212			
Total taxable dividends paid in the tax year	100	8,006,212			
Total eligible dividends paid in the tax year			150		
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")			160		
Excessive eligible dividend designation (line 150 **minus** line 160)					A
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *			180		
Subtotal (amount A **minus** line 180)					B
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount B **multiplied** by 20 %)			190		

Enter the amount from line 190 on line 710 of the T2 return.

Part 2 – Other corporations

Taxable dividends paid in the tax year **not included** in Schedule 3					
Taxable dividends paid in the tax year **included** in Schedule 3					
Total taxable dividends paid in the tax year	200				
Total excessive eligible dividend designations in the tax year (amount A of Schedule 54)					C
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *			280		
Subtotal (amount C **minus** line 280)					D
Part III.1 tax on excessive eligible dividend designations – Other corporations (amount D **multiplied** by 20 %)			290		

Enter the amount from line 290 on line 710 of the T2 return.

* You can elect to treat all or part of your excessive eligible dividend designation as a separate taxable dividend in order to eliminate or reduce the Part III.1 tax otherwise payable. You must file the election on or before the day that is 90 days **after** the day the notice of assessment for Part III.1 tax was sent. We will accept an election before the assessment of the tax.

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Schedule 508

Ontario Research and Development Tax Credit

Corporation's name	Business number	Tax year-end Year Month Day
Elexicon Energy Inc.	[redacted]	2024-12-31

- Use this schedule to:
  - calculate an Ontario research and development tax credit (ORDTC);
  - claim an ORDTC earned in the tax year or carried forward from any of the 20 previous tax years that are a tax year ending after December 31, 2008, to reduce Ontario corporate income tax payable in the current tax year;
  - carry back an ORDTC earned in the tax year to reduce Ontario corporate income tax payable in any of the three previous tax years;
  - add an ORDTC that was allocated to the corporation by a partnership of which it was a member;
  - add an ORDTC transferred after an amalgamation or windup; or
  - calculate a recapture of the ORDTC.
- The ORDTC is a non-refundable tax credit on eligible expenditures incurred by a corporation in a tax year. The ORDTC rate is:
  - 4.5% for tax years that end before June 1, 2016;
  - 3.5% for tax years that start after May 31, 2016; and
  - prorated for a tax year that ends on or after June 1, 2016, and includes May 31, 2016.
- An eligible expenditure is an expenditure for a permanent establishment in Ontario of a corporation, that is a qualified expenditure for the purposes of section 127 of the federal *Income Tax Act* for scientific research and experimental development (SR&ED) carried on in Ontario.
- Only corporations that are not exempt from Ontario corporate income tax and none of whose income is exempt income can claim the ORDTC.
- Complete and attach this schedule to the *T2 Corporation Income Tax Return* for the tax year.
- To claim this credit, you must also send in completed copies of the Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim*, and the Schedule 31, *Investment Tax Credit - Corporations*, within 18 months of the tax year end.

Part 1 – Ontario SR&ED expenditure pool

	Line	Amount		Line	Amount	
Total eligible expenditures incurred by the corporation in Ontario in the tax year	100	2,995,867	A			
Government assistance, non-government assistance, or a contract payment for eligible expenditures	105		B			
Net eligible expenditures for the tax year (amount A **minus** amount B) (if negative, enter "0")		2,995,867	C			
Eligible expenditures transferred to the corporation by another corporation	110		D			
Subtotal (amount C **plus** amount D)		2,995,867	▶		2,995,867	E
Eligible expenditures the corporation transferred to another corporation				115		F
Ontario SR&ED expenditure pool (amount E **minus** amount F) (if negative, enter "0")				120	2,995,867	G

Part 2 – Eligible repayments

The repayment of the ORDTC is calculated using the ORDTC rate that you used to determine your tax credit at the time your eligible expenditures were reduced because of the government or non-government assistance, or contract payments. Enter the amount of the repayment on the line that corresponds to the appropriate rate.

Repayments for tax years that end before June 1, 2016 . . . . **210** ________ x 4.5 % = **215** ________ H

Repayment for a tax year that ends on or after June 1, 2016 and includes May 31, 2016. Complete the proration calculation below.

Number of days in the tax year before June 1, 2016 **240** ____ / Number of days in the tax year **241** ____ x 4.5 % = ____ % 1

Number of days in the tax year after May 31, 2016 **242** ____ / Number of days in the tax year **243** ____ x 3.5 % = ____ % 2

Subtotal (percentage 1 **plus** percentage 2) ____ % 3

Repayments for a tax year that ends on or after June 1, 2016 and includes May 31, 2016 . . . . . . **211** ________ x percentage 3 ____ % = **216** ________ I

Part 2 – Eligible repayments (continued)

Repayments for tax years that start after May 31, 2016	212		x	3.5 %	= 217		J
Repayments made in the tax year of government or non-government assistance or contract payments that reduced eligible expenditures for first term or second term shared-use equipment acquired before 2014	220	x 1 / 4 =	x	4.5 %	= 225		K
Eligible repayments (total of amounts H to K)					229		L

Part 3 – Calculation of the current part of the ORDTC

For tax years that end before June 1, 2016

Ontario SR&ED expenditure pool (amount G in Part 1)		x	4.5 %	= 200		M
ORDTC allocated to the corporation by a partnership of which it is a member (other than a specified member) for a fiscal period that ends in the corporation's tax year *				205		N
Eligible repayments (amount L in Part 2)						O
Current part of the ORDTC for tax years that end before June 1, 2016 (total of amounts M to O)				230		P

For a tax year that ends on or after June 1, 2016, and includes May 31, 2016

Number of days in the tax year before June 1, 2016 / Number of days in the tax year ______ x 4.5 % = ______ % 4

Number of days in the tax year after May 31, 2016 / Number of days in the tax year ______ x 3.5 % = ______ % 5

Subtotal (percentage 4 **plus** percentage 5) ______ % 6

Ontario SR&ED expenditure pool (amount G in Part 1)		x	percentage 6 ______ %	= 201		Q
ORDTC allocated to the corporation by a partnership of which it is a member (other than a specified member) for a fiscal period that ends in the corporation's tax year *				206		R
Eligible repayments (amount L in Part 2)						S
Part of the ORDTC for a tax year that ends on or after June 1, 2016, and includes May 31, 2016 (total of amounts Q to S)				231		T

For tax years that start after May 31, 2016

Ontario SR&ED expenditure pool (amount G in Part 1)	2,995,867	x	3.5 %	= 202	104,855	U
ORDTC allocated to the corporation by a partnership of which it is a member (other than a specified member) for a fiscal period that ends in the corporation's tax year *				207		V
Eligible repayments (amount L in Part 2)						W
The ORDTC for tax years that start after May 31, 2016 (total of amounts U to W)				232	104,855	X

* If there is a disposal or change of use of eligible property, see Part 7 on page 4.

Part 4 – Calculation of ORDTC available for deduction and ORDTC balance

ORDTC balance at the end of the previous tax year			220,875 Y	
ORDTC expired after 20 tax years		300	Z	
ORDTC at the beginning of the tax year (amount Y **minus** amount Z)		305	220,875 AA	
ORDTC transferred to the corporation on amalgamation or windup		310	BB	
Current part of ORDTC (amount P, T or X in Part 3 whichever applies)	104,855 CC			

Are you waiving all or part of the current part of the ORDTC? 315 Yes 1 ☐ No 2 ☒

If you answered **yes** at line 315, enter the amount of the tax credit waived on line 320.

If you answered **no** at line 315, enter "0" on line 320.

Waiver of the current part of the ORDTC	320	DD			
Subtotal (amount CC **minus** amount DD)		104,855 ▶	104,855 EE		
ORDTC available for deduction (total of amounts AA, BB and EE)			325,730 ▶		325,730 FF
ORDTC claimed ** (Enter amount GG on line 416 on page 5 of Schedule 5, *Tax Calculation Supplementary – Corporations*)			GG		
ORDTC carried back to previous tax years (from Part 5)			HH		
Subtotal (amount GG **plus** amount HH)			▶		II
ORDTC balance at the end of the tax year (amount FF **minus** amount II)				325	325,730 JJ

** This amount cannot be more than the lesser of the following amounts:
– ORDTC available for deduction (amount FF); or
– Ontario corporate income tax payable before the ORDTC and the Ontario corporate minimum tax credit (amount from line E6 on page 5 of Schedule 5).

Part 5 – Request for carryback of tax credit

	Year Month Day			
1st previous tax year	2023-12-31	Credit to be applied	901	
2nd previous tax year	2022-12-31	Credit to be applied	902	
3rd previous tax year	2021-12-31	Credit to be applied	903	

Total (total of amount 901 to 903)(enter at amount HH in Part 4)

Part 6 – Analysis of tax credit available for carryforward by tax year of origin

You can complete this part to show all the credits from previous tax years available for carryforward, by year of origin. This will help you determine the amount of credit that could expire in following years.

Tax year of origin (earliest tax year first) Year/Month/Day	Credit available

	Tax year of origin (earliest tax year first) Year/Month/Day	Credit available
	2019-12-31	
	2020-12-31	
	2021-12-31	49,331
	2022-12-31	84,727
	2023-12-31	86,817
Current tax year	2024-12-31	104,855

Total (equals line 325 in Part 4) 325,730

The amount available from the 20th previous tax year will expire after this year. When you file your return for the next year, you will enter the expired amount on line 300 of Schedule 508 for that year.

Part 7 – Calculation of a recapture of ORDTC

You will have a recapture of ORDTC in a tax year when you meet **all** of the following conditions:

- you acquired a particular property in the current year or in any of the 20 previous tax years if the ORDTC was earned in a tax year ending after 2008;
- you claimed the cost of the property as an eligible expenditure for the ORDTC;
- the cost of the property was included in computing your ORDTC or was subject to an agreement made under subsection 127(13) of the federal Act to transfer qualified expenditures and section 42 of the *Taxation Act, 2007* (Ontario) applied; and
- you disposed of the property or converted it to commercial use in a tax year ending after December 31, 2008. You also meet this condition if you disposed of or converted to commercial use a property which incorporates the particular property previously referred to.

  Note: The recapture **does not apply** if you disposed of the property to a non-arm's length purchaser who intended to use it all or substantially all for SR&ED in Ontario. When the non-arm's length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical federal investment tax credit (ITC) rate ******* of the original user in Calculation 1 below.

You have to report the recapture on Schedule 5 for the year in which you disposed of the property or converted it to commercial use. If the corporation is a member of a partnership, report its share of the recapture.

Complete the columns for each disposition for which a recapture applies, using the calculation formats below.

*** Federal ITC in calculations 1 and 2 should be determined without reference to paragraph (e) of the definition **investment tax credit** in subsection 127(9) of the federal Act.

Calculation 1 – Complete this part If you meet all of the above conditions

	KK Amount of federal ITC you originally calculated for the property you acquired, or the original user's federal ITC where you acquired the property from a non-arm's length party, as described in the note above 700	LL Amount calculated using the federal ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case) 710	MM Amount from column 700 or 710, whichever is less
1.			

Total of column MM (enter at amount WW in Part 8) ______ NN

Part 7 – Calculation of a recapture of ORDTC (continued)

Calculation 2 – If the corporation is deemed by subsection 42(1) of the *Taxation Act, 2007* (Ontario) to have transferred all or part of the eligible expenditure to another corporation as a consequence of an agreement described in subsection 127(13) of the federal Act complete Calculation 2. Otherwise, enter nil on line SS.

	OO Rate percentage that the transferee used to determine its federal ITC for qualified expenditure that was transferred under an agreement under subsection 127(13) of the federal Act 720	PP Proceeds of disposition of the property if you dispose of it to a person at arm's length; or, in any other case, the fair market value of the property at conversion or disposition 730	QQ Amount, if any, already provided for in Calculation 1 (this allows for the situation where only part of the cost of a property is transferred for an agreement under subsection 127(13) of the federal Act) 740
1.			

	RR Amount determined by the formula (OO x PP) - QQ (using the columns above)	SS Federal ITC earned by the transferee for the qualified expenditure that was transferred 750	TT Amount from column RR or SS, whichever is less
1.			

Total of column TT (enter at amount XX in Part 8) ________ UU

Calculation 3

As a member of a partnership, you will report your share of the ORDTC of the partnership after the ORDTC has been reduced by the amount of the recapture. If this is a positive amount, you will report it on line 205, 206, or 207 in Part 3, whichever applies. However, if the partnership does not have enough ORDTC otherwise available to offset the recapture, then the amount by which reductions to the ORDTC exceeds additions (the excess) will be determined and reported on line VV.

Corporate partner's share of the excess of ORDTC (enter at amount ZZ in Part 8) . . . . **760** ________ VV

Part 8 – Total recapture of ORDTC

Recaptured federal ITC for Calculation 1 (amount NN from Part 7) . . . . ________ WW

Recaptured federal ITC for Calculation 2 (amount UU from Part 7) . . . . ________ XX

Amount WW **plus** amount XX . . . . ________ x 23.56 % = ________ YY

Corporate partner's share of the excess of ORDTC for Calculation 3 (amount VV from Part 7) . . . . ________ ZZ

Recapture of ORDTC (amount YY **plus** amount ZZ) (enter amount AAA on line 277 on page 5 of Schedule 5) . . . . ________ AAA

Schedule A - Worksheet for eligible expenditures incurred by the corporation in Ontario for the current taxation year

This worksheet allows you to report the amount of eligible expenditures entered on Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim* which represents eligible expenditures as defined in section 127 of the *Income Tax Act* (ITA) with regard to scientific research and experimental development (SR&ED) **carried on in Ontario and attributable to a permanent establishment in Ontario of a corporation**.

Data on the worksheet is calculated based on the amounts on Form T661, but will have to be adjusted according to the rules of Ontario, if applicable, in particular when the corporation has had a permanent establishment in more than one jurisdiction. This data will be used when calculating Schedule 508 and Schedule 566.

Total expenditures for SR&ED		2,316,639	
Add			
• payment of prior years' unpaid expenses (other than salary or wages)	+		
• prescribed proxy amount (Enter "0" if you use the traditional method)	+	815,793	
• other additions	+		
Subtotal	=	3,132,432	
Less			
• current expenditures (other than salary or wages) not paid within 180 days of the tax year end	–		
• amounts paid in respect of an SR&ED contract to a person or partnership that is not taxable supplier	–		
• 20% of contract expenditures for SR&ED performed on your behalf	–	136,565	
• prescribed expenditures not allowed by regulations	–		
• other deductions	–		
• non-arm's length transactions			
– expenditures for non-arm's length SR&ED contracts	–		
– purchases (limited to costs) of goods and services from non-arm's length suppliers	–		
Total	=	2,995,867	I

Enter amount I on line 100 of Schedule 508.

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Schedule 510

Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
Elexicon Energy Inc.	[redacted]	2024-12-31

- File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 55 of the *Taxation Act, 2007* (Ontario), referred to as the "Ontario Act".
- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the tax year is still required to file this schedule if it is deducting a CMT credit, has a CMT credit carryforward, or has a CMT loss carryforward or a current year CMT loss.
- A corporation that has Ontario special additional tax on life insurance corporations (SAT) payable in the tax year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
  1) a corporation exempt from income tax under section 149 of the federal *Income Tax Act*;
  2) a mortgage investment corporation under subsection 130.1(6) of the federal Act;
  3) a deposit insurance corporation under subsection 137.1(5) of the federal Act;
  4) a congregation or business agency to which section 143 of the federal Act applies;
  5) an investment corporation as referred to in subsection 130(3) of the federal Act; or
  6) a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Determination of CMT applicability

Total assets of the corporation at the end of the tax year *	112	957,501,529
Share of total assets from partnership(s) and joint venture(s) *	114	
Total assets of associated corporations (amount from line 450 on Schedule 511)	116	112,424,631
Total assets (total of lines 112 to 116)		1,069,926,160
Total revenue of the corporation for the tax year **	142	557,869,686
Share of total revenue from partnership(s) and joint venture(s) **	144	
Total revenue of associated corporations (amount from line 550 on Schedule 511)	146	12,693,520
Total revenue (total of lines 142 to 146)		570,563,206

The corporation is subject to CMT if:
- for tax years ending before July 1, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are more than $5,000,000, or the total revenue for the year of the corporation or the associated group of corporations is more than $10,000,000.
- for tax years ending after June 30, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are equal to or more than $50,000,000, and the total revenue for the year of the corporation or the associated group of corporations is equal to or more than $100,000,000.

If the corporation is not subject to CMT, do not complete the remaining parts unless the corporation is deducting a CMT credit, or has a CMT credit carryforward, a CMT loss carryforward, a current year CMT loss, or SAT payable in the year.

* **Rules for total assets**
- Report total assets according to generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Do not include unrealized gains and losses on assets and foreign currency gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
- The amount on line 114 is determined at the end of the last fiscal period of the partnership or joint venture that ends in the tax year of the corporation. Add the proportionate share of the assets of the partnership(s) and joint venture(s), and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

** **Rules for total revenue**
- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the tax year is less than 51 weeks, **multiply** the total revenue of the corporation or the partnership, whichever applies, by 365 and **divide** by the number of days in the tax year.
- The amount on line 144 is determined for the partnership or joint venture fiscal period that ends in the tax year of the corporation. If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

Part 2 – Adjusted net income/loss for CMT purposes

Net income/loss per financial statements *			210	7,885,155
Add (to the extent reflected in income/loss):				
Provision for current income taxes/cost of current income taxes	220	298,709		
Provision for deferred income taxes (debits)/cost of future income taxes	222	1,713,809		
Equity losses from corporations	224			
Financial statement loss from partnerships and joint ventures	226			
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	230			
Other additions (see note below):				
Share of adjusted net income of partnerships and joint ventures **	228			
Total patronage dividends received, not already included in net income/loss	232			
281	282			
283	284			
Subtotal		2,012,518 ▶		2,012,518 A
Deduct (to the extent reflected in income/loss):				
Provision for recovery of current income taxes/benefit of current income taxes	320			
Provision for deferred income taxes (credits)/benefit of future income taxes	322			
Equity income from corporations	324			
Financial statement income from partnerships and joint ventures	326			
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	330			
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	332			
Gain on donation of listed security or ecological gift	340			
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	342			
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	344			
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	346			
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	348			
Other deductions (see note below):				
Share of adjusted net loss of partnerships and joint ventures **	328			
Tax payable on dividends under subsection 191.1(1) of the federal Act **multiplied** by 3	334			
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	336			
Patronage dividends paid (from Schedule 16) not already included in net income/loss	338			
381	382			
383	384			
385	386			
387	388			
389	390			
Subtotal		▶		B
Adjusted net income/loss for CMT purposes (line 210 **plus** amount A **minus** amount B)			490	9,897,673

If the amount on line 490 is positive and the corporation is subject to CMT as determined in Part 1, enter the amount on line 515 in Part 3.

If the amount on line 490 is negative, enter the amount on line 760 in Part 7 (enter as a positive amount).

Note

In accordance with *Ontario Regulation 37/09*, when calculating net income for CMT purposes, accounting income should be adjusted to:

- exclude unrealized gains and losses due to mark-to-market changes or foreign currency changes on specified mark-to-market property (assets only);
- include realized gains and losses on the disposition of specified mark-to-market property not already included in the accounting income, if the property is not a capital property or is a capital property disposed in the year or in a previous tax year ended after March 22, 2007.

"Specified mark-to-market property" is defined in subsection 54(1) of the Ontario Act.

These rules also apply to partnerships. A corporate partner's share of a partnership's adjusted income flows through on a proportionate basis to the corporate partner.

* **Rules for net income/loss**

- Banks must report net income/loss as per the report accepted by the Superintendent of Financial Institutions under the federal *Bank Act*, adjusted so consolidation and equity methods are not used.

Part 2 – Calculation of adjusted net income/loss for CMT purposes (continued)

– Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.

– Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.

– Corporations, other than insurance corporations, should report net income from line 9999 of the GIFI (Schedule 125) on line 210.

** The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the Ontario Act.

*** A joint election will be considered made under subsection 60(1) of the Ontario Act if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.

**** A joint election will be considered made under subsection 60(2) of the Ontario Act if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.

***** A joint election will be considered made under subsection 61(1) of the Ontario Act if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

For more information on how to complete this part, see the *T2 Corporation – Income Tax Guide*.

Part 3 – CMT payable

Adjusted net income for CMT purposes (line 490 in Part 2, if positive)		515	9,897,673	
Deduct:				
CMT loss available (amount R from Part 7)				
Minus: Adjustment for an acquisition of control *	518			
Adjusted CMT loss available		▶		C
Net income subject to CMT calculation (if negative, enter "0")		520	9,897,673	

Amount from line 520: 9,897,673 x (Number of days in the tax year before July 1, 2010 ____ / Number of days in the tax year 366) x 4 % = ____ 1

Amount from line 520: 9,897,673 x (Number of days in the tax year after June 30, 2010 366 / Number of days in the tax year 366) x 2.7 % = 267,237 2

Subtotal (amount 1 **plus** amount 2) 267,237 3

Gross CMT: amount on line 3 above x OAF **	540	267,237	
Deduct:			
Foreign tax credit for CMT purposes ***	550		
CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0")		267,237	D
Deduct:			
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)			
Net CMT payable (if negative, enter "0")		267,237	E

Enter amount E on line 278 of Schedule 5, *Tax Calculation Supplementary – Corporations*, and complete Part 4.

* Enter the portion of CMT loss available that exceeds the adjusted net income for the tax year from carrying on a business before the acquisition of control. See subsection 58(3) of the Ontario Act.

*** Enter "0" on line 550 for life insurance corporations as they are not eligible for this deduction. For all other corporations, enter the cumulative total of amount J for the province of Ontario from Part 9 of Schedule 21 on line 550.

**** Calculation of the Ontario allocation factor (OAF):**

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line F.

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation, and enter the result on line F:

Ontario taxable income **** / Taxable income ***** ____ = ____

Ontario allocation factor 1.00000 F

**** Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5. If the taxable income is nil, calculate the amount in column F as if the taxable income were $1,000.

***** Enter the taxable income amount from line 360 or amount Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000".

Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year *		1,699,429 G		
Deduct:				
CMT credit expired *	600			
CMT credit carryforward at the beginning of the current tax year * (see note below)		1,699,429 ▶	620	1,699,429
Add:				
CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)			650	
CMT credit available for the tax year (amount on line 620 **plus** amount on line 650)				1,699,429 H
Deduct:				
CMT credit deducted in the current tax year (amount P from Part 5)				I
Subtotal (amount H **minus** amount I)				1,699,429 J
Add:				
Net CMT payable (amount E from Part 3)		267,237		
SAT payable (amount O from Part 6 of Schedule 512)				
Subtotal		267,237 ▶		267,237 K
CMT credit carryforward at the end of the tax year (amount J **plus** amount K)			670	1,966,666 L

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
- do not enter an amount on line G or line 600;
- for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

Note: If you entered an amount on line 620 or line 650, complete Part 6.

Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable

CMT credit available for the tax year (amount H from Part 4)			1,699,429 M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)		1	
For a corporation that is not a life insurance corporation:			
CMT after foreign tax credit deduction (amount D from Part 3)	267,237 2		
For a life insurance corporation:			
Gross CMT (line 540 from Part 3)	3		
Gross SAT (line 460 from Part 6 of Schedule 512)	4		
The **greater** of amounts 3 and 4	5		
Deduct: line 2 or line 5, whichever applies:		267,237 6	
Subtotal (if negative, enter "0")		▶	N
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)			
Deduct:			
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 **minus** line 450 from Schedule 5)		54,346	
Subtotal (if negative, enter "0")		▶	O
CMT credit deducted in the current tax year (least of amounts M, N, and O)			P

Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.

Is the corporation claiming a CMT credit earned before an acquisition of control? **675** 1 Yes ☐ 2 No ☒

If you answered **yes** to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the Ontario Act.

Part 6 – Analysis of CMT credit available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	CMT credit balance *
10th previous tax year	680
9th previous tax year	681
8th previous tax year	682
7th previous tax year	683
6th previous tax year	684
5th previous tax year	685
4th previous tax year	686
3rd previous tax year	687
2nd previous tax year	688
1st previous tax year	689
Total **	

* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

** Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

Part 7 – Calculation of CMT loss carryforward

CMT loss carryforward at the end of the previous tax year *			Q
Deduct:			
CMT loss expired *	700		
CMT loss carryforward at the beginning of the tax year * (see note below)		▶ 720	
Add:			
CMT loss transferred on an amalgamation under section 87 of the federal Act ** (see note below)		750	
CMT loss available (line 720 **plus** line 750)			R
Deduct:			
CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3)			
Subtotal (if negative, enter "0")			S
Add:			
Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount)		760	
CMT loss carryforward balance at the end of the tax year (amount S **plus** line 760)		770	T

* For the first harmonized T2 return filed with a tax year that includes days in 2009:

- do not enter an amount on line Q or line 700;
- for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

** Do not include an amount from a predecessor corporation if it was controlled at any time before the amalgamation by any of the other predecessor corporations.

Note: If you entered an amount on line 720 or line 750, complete Part 8.

Part 8 – Analysis of CMT loss available for carryforward by year of origin

Complete this part if:
- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	Balance earned in a tax year ending before March 23, 2007 *	Balance earned in a tax year ending after March 22, 2007 **
10th previous tax year	810	820
9th previous tax year	811	821
8th previous tax year	812	822
7th previous tax year	813	823
6th previous tax year	814	824
5th previous tax year	815	825
4th previous tax year	816	826
3rd previous tax year	817	827
2nd previous tax year	818	828
1st previous tax year		829
Total ***		

* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

** Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

*** The total of these two columns must equal the total of the amounts entered on lines 720 and 750.

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 511

ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS AND REVENUE FOR ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
Elexicon Energy Inc.	[redacted]	2024-12-31

- For use by corporations to report the total assets and total revenue of all the Canadian or foreign corporations with which the filing corporation was associated at any time during the tax year. These amounts are required to determine if the filing corporation is subject to corporate minimum tax.
- Total assets and total revenue include the associated corporation's share of any partnership(s)/joint venture(s) total assets and total revenue.
- Attach additional schedules if more space is required.
- File this schedule with the *T2 Corporation Income Tax Return.*

	Names of associated corporations 200	Business number (Canadian corporation only) (see Note 1) 300	Total assets* (see Note 2) 400	Total revenue** (see Note 2) 500
1	Elexicon Corporation	[redacted]	109,080,537	8,927,654
2	Elexicon Group Inc.	[redacted]	3,344,094	3,765,866
		Total	450 112,424,631	550 12,693,520

Enter the total assets from line 450 on line 116 in Part 1 of Schedule 510, *Ontario Corporate Minimum Tax*.
Enter the total revenue from line 550 on line 146 in Part 1 of Schedule 510.

Note 1: Enter ¨NR¨ if a corporation is not registered.

Note 2: If the associated corporation does not have a tax year that ends in the filing corporation's current tax year but was associated with the filing corporation in the previous tax year of the filing corporation, enter the total revenue and total assets from the tax year of the associated corporation that ends in the previous tax year of the filing corporation.

* **Rules for total assets**

- Report total assets in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Include the associated corporation's share of the total assets of partnership(s) and joint venture(s) but exclude the recorded asset(s) for the investment in partnerships and joint ventures.
- Exclude unrealized gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.

** **Rules for total revenue**

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the associated corporation has 2 or more tax years ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of those tax years by 365 and **divide** by the total number of days in all of those tax years.
- If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, **multiply** the associated corporation's total revenue by 365 and **divide** by the number of days in the associated corporation's tax year.
- Include the associated corporation's share of the total revenue of partnerships and joint ventures.
- If the partnership or joint venture has 2 or more fiscal periods ending in the associated corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.

T2 SCH 511 Canada

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SCHEDULE 550

ONTARIO CO-OPERATIVE EDUCATION TAX CREDIT

Name of corporation	Business Number	Tax year-end Year Month Day
Elexicon Energy Inc.	[redacted]	2024-12-31

- Use this schedule to claim an Ontario co-operative education tax credit (CETC) under section 88 of the *Taxation Act, 2007* (Ontario).
- The CETC is a refundable tax credit that is equal to an eligible percentage (10% to 30%) of the eligible expenditures incurred by a corporation for a qualifying work placement. The maximum credit amount is $1,000 for each qualifying work placement ending before March 27, 2009, and $3,000 for each qualifying work placement beginning after March 26, 2009. For a qualifying work placement that straddles March 26, 2009, the maximum credit amount is prorated.
- Eligible expenditures are salaries and wages (including taxable benefits) paid or payable to a student in a qualifying work placement, or fees paid or payable to an employment agency for services performed by the student in a qualifying work placement. These expenditures must be paid on account of employment or services, as applicable, at a permanent establishment of the corporation in Ontario. Expenditures for a work placement (WP) are not eligible expenditures if they are greater than the amounts that would be paid to an arm's length employee.
- A WP must meet all of the following conditions to be a qualifying work placement:
  - the student performs employment duties for a corporation under a qualifying co-operative education program (QCEP);
  - the WP has been developed or approved by an eligible educational institution as a suitable learning situation;
  - the terms of the WP require the student to engage in productive work;
  - the WP is for a period of at least 10 consecutive weeks or, in the case of an internship program, not less than 8 consecutive months and not more than 16 consecutive months;
  - the student is paid for the work performed in the WP;
  - the corporation is required to supervise and evaluate the job performance of the student in the WP;
  - the institution monitors the student's performance in the WP; and
  - the institution has certified the WP as a qualifying work placement.
- Make sure you keep a copy of the letter of certification from the Ontario eligible educational institution containing the name of the student, the employer, the institution, the term of the WP, and the name/discipline of the QCEP to support the claim. Do not submit the letter of certification with the *T2 Corporation Income Tax Return*.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Corporate information

110 Name of person to contact for more information	120 Telephone number including area code
[redacted]	(905) 427-9870

Is the claim filed for a CETC earned through a partnership?* . . . . . **150** 1 Yes [ ] 2 No [X]

If you answered **yes** to the question at line 150, what is the name of the partnership? . . . . . **160** ______

Enter the percentage of the partnership's CETC allocated to the corporation . . . . . **170** ______ %

* When a corporate member of a partnership is claiming an amount for eligible expenditures incurred by a partnership, complete a Schedule 550 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 550 to claim the partner's share of the partnership's CETC. The allocated amounts can not exceed the amount of the partnership's CETC.

Part 2 – Eligibility

1. Did the corporation have a permanent establishment in Ontario in the tax year? . . . . . **200** 1 Yes [X] 2 No [ ]
2. Was the corporation exempt from tax under Part III of the *Taxation Act*, 2007 (Ontario)? . . . . . **210** 1 Yes [ ] 2 No [X]

If you answered **no** to question 1 or **yes** to question 2, then the corporation is **not eligible** for the CETC.

Part 3 – Eligible percentage for determining the eligible amount

Corporation's salaries and wages paid in the previous tax year * **300** 28,070,000

For eligible expenditures incurred before March 27, 2009:

- If line 300 is $400,000 or less, enter 15% on line 310.
- If line 300 is $600,000 or more, enter 10% on line 310.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 310 using the following formula:

$$\text{Eligible percentage} = 15\,\% - \left[5\,\% \times \left(\frac{\text{amount on line 300} \ \textbf{minus} \ \$ \ 400{,}000}{\$ \ 200{,}000} \right) \right]$$

Eligible percentage for determining the eligible amount . . . . . **310** 10.000 %

For eligible expenditures incurred after March 26, 2009:

- If line 300 is $400,000 or less, enter 30% on line 312.
- If line 300 is $600,000 or more, enter 25% on line 312.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 312 using the following formula:

$$\text{Eligible percentage} = 30\,\% - \left[5\,\% \times \left(\frac{\text{amount on line 300} \ \textbf{minus} \ \$ \ 400{,}000}{\$ \ 200{,}000} \right) \right]$$

Eligible percentage for determining the eligible amount . . . . . **312** 25.000 %

* If this is the first tax year of an amalgamated corporation and subsection 88(9) of the *Taxation Act, 2007* (Ontario) applies, enter the salaries and wages paid in the previous tax year by the predecessor corporations.

Part 4 – Calculation of the Ontario co-operative education tax credit

Complete a separate entry for each student for each qualifying work placement that ended in the corporation's tax year. If a qualifying work placement would otherwise exceed four consecutive months, divide the WP into periods of four consecutive months and enter each full period of four consecutive months as a separate WP. If the WP does not divide equally into four-month periods and if the period that is less than 4 months is 10 or more consecutive weeks, then enter that period as a separate WP. If that period is less than 10 consecutive weeks, then include it with the WP for the last period of 4 consecutive months. Consecutive WPs with two or more associated corporations are deemed to be with only one corporation, as designated by the corporations.

	A Name of university, college, or other eligible educational institution **400**	B Name of qualifying co-operative education program **405**
1	[redacted]	Energy Systems Engineering Technology
2		Energy Systems Engineering Technology
3		Powerline Technician
4		Bachelor of Electrical Engineering
5		Bachelor of Electrical Engineering
6		Bachelor of Mechatronics Engineering
7		Bachelor of Mechatronics Engineering
8		Bachelor of Mechatronic Engineering
9		Bachelor of Mechatronic Engineering
10		Powerline Technician
11		Powerline Technician
12		Powerline Technician
13		Bachelor of Networking and IT Security
14		Bachelor of Networking and IT Security
15		Bachelor of Electrical Engineering
16		Bachelor of Computer Science
17		Bachelor of Computer Science
18		Powerline Technician
19		Bachelor of Mechatronic Engineering

	C Name of student	D Start date of WP (see note 1 below)	E End date of WP (see note 2 below)
	410	430	435
1.	[redacted]		
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
16.			
17.			
18.			
19.			

Note 1: When the WP has been divided into separate periods because it exceeds four consecutive months, enter the start date for the separate WP.

Note 2: When the WP has been divided into separate periods because it exceeds four consecutive months, enter the end date for the separate WP.

Part 4 – Calculation of the Ontario co-operative education tax credit (continued)

	F1 Eligible expenditures before March 27, 2009 (see note 1 below) 450	Eligible percentage before March 27, 2009 (from line 310 in Part 3)	F2 Eligible expenditures after March 26, 2009 (see note 1 below) 452	Eligible percentage after March 26, 2009 (from line 310a in Part 3)	X Number of consecutive weeks of the WP completed by the student before March 27, 2009 (see note 3 below)	Y Total number of consecutive weeks of the student's WP (see note 3 below)
1.		10.000 %	[redacted]	25.000 %		17
2.		10.000 %		25.000 %		17
3.		10.000 %		25.000 %		20
4.		10.000 %		25.000 %		17
5.		10.000 %		25.000 %		15
6.		10.000 %		25.000 %		16
7.		10.000 %		25.000 %		17
8.		10.000 %		25.000 %		17
9.		10.000 %		25.000 %		12
10.		10.000 %		25.000 %		17
11.		10.000 %		25.000 %		17
12.		10.000 %		25.000 %		17
13.		10.000 %		25.000 %		17
14.		10.000 %		25.000 %		16
15.		10.000 %		25.000 %		34
16.		10.000 %		25.000 %		17
17.		10.000 %		25.000 %		16
18.		10.000 %		25.000 %		17
19.		10.000 %		25.000 %		16

	G Eligible amount (eligible expenditures **multiplied** by eligible percentage) (see note 2 below) 460	H Maximum CETC per WP (see note 3 below) 462	I CETC on eligible expenditures (column G or H, whichever is less) 470	J CETC on repayment of government assistance (see note 4 below) 480	K CETC for each WP (column I or column J) 490
1.	[redacted]	3,000	[redacted]		[redacted]
2.		3,000			
3.		3,000			
4.		3,000			
5.		3,000			
6.		3,000			
7.		3,000			
8.		3,000			
9.		3,000			
10.		3,000			
11.		3,000			
12.		3,000			
13.		3,000			
14.		3,000			
15.		3,000			
16.		3,000			
17.		3,000			
18.		3,000			
19.		3,000			

Ontario co-operative education tax credit (total of amounts in column K) 500 54,346 L or, if the corporation answered **yes** at line 150 in Part 1, determine the partner's share of amount L:

Amount L ____________ x percentage on line 170 in Part 1 ________ % = ... ________ **M**

Enter amount L or M, whichever applies, on line 452 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 550, add the amounts from line L or M, whichever applies, on all the schedules and enter the total amount on line 452 of Schedule 5.

Note 1: Reduce eligible expenditures by all government assistance, as defined under subsection 88(21) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, for the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.

Note 2: Calculate the eligible amount (Column G) using the following formula:

Column G = (column F1 x percentage on line 310) + (column F2 x percentage on line 312)

Note 3: If the WP ends before March 27, 2009, the maximum credit amount for the WP is $1,000.
If the WP begins after March 26, 2009, the maximum credit amount for the WP is $3,000.
If the WP begins before March 27, 2009, and ends after March 26, 2009, calculate the maximum credit amount using the following formula:

($1,000 x X/Y) + [$3,000 x (Y – X)/Y]

where "X" is the number of consecutive weeks of the WP completed by the student before March 27, 2009,
and "Y" is the total number of consecutive weeks of the student's WP.

Note 4: When claiming a CETC for repayment of government assistance, complete a **separate entry** for each repayment and complete columns A to E and J and K with the details for the previous year WP in which the government assistance was received.
Include the amount of government assistance repaid in the tax year multiplied by the eligible percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the CETC in that tax year.

Corporate Taxpayer Summary

Corporate information

Corporation's name . . . . Elexicon Energy Inc.

Taxation Year . . . . 2024-01-01 to 2024-12-31

Jurisdiction . . . . Ontario

BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC
				X											

Corporation is associated . . . . Y

Corporation is related . . . . Y

Number of associated corporations . . 2

Type of corporation . . . . Canadian-Controlled Private Corporation

Total amount due (refund) federal and provincial* . . . . -187,109

* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensitive help.

Summary of federal information

Net income		-4,623,766
Taxable income		
Donations		370,799
Calculation of income from an active business carried on in Canada		
Dividends paid		8,006,212
Dividends paid – Regular	8,006,212	
Dividends paid – Eligible		
Balance of the low rate income pool at the end of the previous year		
Balance of the low rate income pool at the end of the year		
Balance of the general rate income pool at the end of the previous year		
Balance of the general rate income pool at the end of the year		
Part I tax (base amount)		

Credits against Part I tax		Summary of tax		Refunds/credits	
Small business deduction		Part I		ITC refund	
M&P deductions		Part IV		Dividends refund:	
Foreign tax credit		Part III.1		– Eligible dividends	
Investment tax credits		Other*		– Non-eligible dividends	
Abatement/Other*		Provincial or territorial tax	212,891	Instalments	400,000
				Other*	
				Balance due/refund (–)	-187,109

* The amounts displayed on lines "Other" are all listed in the Help. Press F1 to consult the context-sensitive help.

Summary of federal carryforward/carryback information

Carryforward balances

Charitable donations	1,069,570
Investment tax credits	1,611,721
Non-capital losses	13,039,543
Restricted interest and financing expenses (RIFE)	4,384,515
Financial statement reserve	7,396,807

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	-4,623,766		
Taxable income			
% Allocation	100.00		
Attributed taxable income			
Tax payable before deduction*			
Deductions and credits			
Net tax payable			
Attributed taxable capital	N/A		N/A
Capital tax payable**	N/A		N/A
Total tax payable***	267,237		
Instalments and refundable credits	54,346		
Balance due/Refund (-)	212,891		
Logging Operations Return (COZ-1179)			
Logging tax payable	N/A		N/A

* For Québec, this includes special taxes.

** For Québec, this includes compensation tax and registration fee.

*** For Ontario, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations. The Balance due/Refund is included in the federal Balance due/refund.

Summary of provincial carryforward amounts

Other carryforward amounts

Ontario

Ontario research and development tax credit – Schedule 508	325,730
Corporate minimum tax credit that can be carried forward over 20 years – Schedule 510	1,966,666

Summary – taxable capital

Federal

Corporate name	Taxable capital used to calculate the business limit reduction (T2, line 415)	Taxable capital used to calculate the SR&ED expenditure limit for a CCPC (Schedules 31 and 49)	Taxable capital used to calculate line 233 of the T2 return	Taxable capital used to calculate line 234 of the T2 return	Taxable capital used to calculate line 120 in Schedule 65
Elexicon Energy Inc.	240,317,646	240,317,646	240,276,140	240,276,140	
Elexicon Corporation	92,329,321	92,329,321	90,840,645	90,840,645	
Elexicon Group Inc.	3,165,292	3,165,292	2,451,821	2,451,821	
Total	335,812,259	335,812,259	333,568,606	333,568,606	

Québec

Corporate name	Paid-up capital used to calculate the Québec business limit reduction (CO-771) and to calculate the additional deduction for transportation costs of remote manufacturing SMEs (CO-156.TR)	Paid-up capital used to calculate the tax credit for investment (CO-1029.8.36.IN) and to determine the applicability of Forms CO-1029.8.33.CS and CO-1029.8.33.TE	Paid-up capital used to calculate the $1 million deduction (CO-1137.A and CO-1137.E)
Total			

Ontario

Corporate name	Specified capital used to calculate the expenditure limit – Ontario innovation tax credit (Schedule 566)
Elexicon Energy Inc.	242,818,005
Elexicon Corporation	
Elexicon Group Inc.	
Total	242,818,005

Alberta

Corporate name	Taxable capital used to calculate the Alberta innovation employment grant (Schedule A29)
Total	

Other provinces

Corporate name	Capital used to calculate the Newfoundland and Labrador capital deduction on financial institutions (Schedule 306)	Capital used to calculate the Nova Scotia basic capital deduction on financial institutions (Schedule 353)
Total		

Five-Year Comparative Summary

Federal information (T2)

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Taxation year end	**2024-12-31**	**2023-12-31**	**2022-12-31**	**2021-12-31**	**2020-12-31**
Net income	-4,623,766	239,909	-8,475,754	1,764,740	30,314
Taxable income					
Active business income		239,909		1,764,740	30,314
Dividends paid	8,006,212			12,793,750	9,869,812
Dividends paid – Regular	8,006,212			12,793,750	9,869,812
Dividends paid – Eligible					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year					
GRIP – end of the year					
Donations	370,799	448,116	430,587	423,718	378,452
Balance due/refund (-)	-187,109	-365,193	-12,000	-23,158	-103,952
Line 996 – Amended tax return	☐	☐	☐	☐	☐

Loss carrybacks requested in prior years to reduce taxable income

Taxation year end	**2024-12-31**	**2023-12-31**	**2022-12-31**	**2021-12-31**	**2020-12-31**
Taxable income before loss carrybacks	N/A	N/A			
Non-capital losses	N/A	N/A			
Net capital losses (50%)	N/A	N/A			
Restricted farm losses	N/A	N/A			
Farm losses	N/A	N/A			
Listed personal property losses (50%)	N/A	N/A			
Total loss carried back to prior years	N/A	N/A			
Adjusted taxable income after loss carrybacks	N/A	N/A			

Losses in the current year carried back to previous years to reduce taxable income (according to Schedule 4)

Taxation year end	**2024-12-31**	**2023-12-31**	**2022-12-31**	**2021-12-31**	**2020-12-31**
Adjusted taxable income before current year loss carrybacks*	N/A				N/A
Non-capital losses	N/A				N/A
Net capital losses (50%)	N/A				N/A
Restricted farm losses	N/A				N/A
Farm losses	N/A				N/A
Listed personal property losses (50%)	N/A				N/A
Total current year losses carried back to prior years	N/A				N/A
Adjusted taxable income after loss carrybacks	N/A				N/A

* The adjusted taxable income before current year loss carryback takes into account loss carrybacks that were made in prior taxation years.

Loss carrybacks requested in prior years to reduce taxable dividends subject to Part IV tax

Taxation year end	2024-12-31	2023-12-31	2022-12-31	2021-12-31	2020-12-31
Adjusted Part IV tax multiplied by the multiplication factor**, before loss carrybacks	N/A	N/A			
Non-capital losses	N/A	N/A			
Farm losses	N/A	N/A			
Total loss carried back to prior years	N/A	N/A			
Adjusted Part IV tax multiplied by the multiplication factor**, after loss carrybacks	N/A	N/A			

Losses in the current year carried back to previous years to reduce taxable dividends subject to Part IV tax (according to Schedule 4)

Taxation year end	2024-12-31	2023-12-31	2022-12-31	2021-12-31	2020-12-31
Adjusted Part IV tax multiplied by the multiplication factor**, before current-year loss carrybacks***	N/A				N/A
Non-capital losses	N/A				N/A
Farm losses	N/A				N/A
Total current year losses carried back to prior years	N/A				N/A
Adjusted Part IV tax multiplied by the multiplication factor**, after loss carrybacks	N/A				N/A

** The multiplication factor is 3 for dividends received before January 1, 2016, and 100 / 38 1/3 for dividends received after December 31, 2015.

*** The adjusted Part IV tax multiplied by the multiplication factor before current-year loss carrybacks takes into account loss carrybacks that were made in prior taxation years. This amount is multiplied by the multiplication factor to help you determine the loss amount that must be used to reduce Part IV tax payable to zero.

Federal taxes

Taxation year end	2024-12-31	2023-12-31	2022-12-31	2021-12-31	2020-12-31
Part I					
Part IV					
Part III.1					
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

Credits against Part I tax

Taxation year end	2024-12-31	2023-12-31	2022-12-31	2021-12-31	2020-12-31
Small business deduction					
M&P deductions					
Foreign tax credit					
Investment tax credit					
Abatement/other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

Refunds/credits

Taxation year end	2024-12-31	2023-12-31	2022-12-31	2021-12-31	2020-12-31
ITC refund					
Dividend refund					
– Eligible dividends					
– Non-eligible dividends					
Instalments	400,000	400,000	630,093	550,000	400,000
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

Ontario

Taxation year end	2024-12-31	2023-12-31	2022-12-31	2021-12-31	2020-12-31
Net income	-4,623,766	239,909	-8,475,754	1,764,740	30,314
Taxable income					
% Allocation	100.00	100.00	100.00	100.00	100.00
Attributed taxable income					
Surtax					
Income tax payable before deduction					
Income tax deductions /credits					
Net income tax payable					
Taxable capital					
Capital tax payable					
Total tax payable*	267,237	37,807	630,093	531,138	298,928
Instalments and refundable credits	54,346	3,000	12,000	4,296	2,880
Balance due/refund**	212,891	34,807	618,093	526,842	296,048

* For taxation years ending before January 1, 2009, this includes the corporate minimum tax and the premium tax. For taxation years ending after December 31, 2008, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations.

** For taxation years ending after December 31, 2008, the Balance due/Refund is included in the federal Balance due/refund.

EXHIBIT 6 - TAB 2 - SCHEDULE 1: ATTACHMENT 3
“FINANCIAL STATEMENTS (2024)”
(REFER TO ATTACHMENT IN PDF FORMAT)

Financial Statements of

ELEXICON ENERGY INC.

And Independent Auditor's Report thereon

Year ended December 31, 2024

KPMG LLP
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333 Bay Street, Suite 4600
Toronto, ON M5H 2S5
Canada
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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Elexicon Energy Inc.

Opinion

We have audited the financial statements of Elexicon Energy Inc. (the Entity), which comprise:

- the balance sheet as at December 31, 2024
- the statement of income and comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, its financial performance and its 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 Financial Statements"*** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the 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.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the 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 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 Entity'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 Entity'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 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

March 27, 2025

ELEXICON ENERGY INC.

Balance Sheet
(In thousands of dollars)

As at December 31, 2024, with comparative information for 2023

	Notes	2024	2023
Assets			
Current assets:			
Cash		$ 487	$ 1,495
Accounts receivable	4, 13, 24(c)	103,317	95,213
Due from related parties	13	121	540
Materials and supplies		10,800	11,922
Income taxes recoverable		175	362
Prepaid expenses		2,689	2,335
Total current assets		117,589	111,867
Non-current assets:			
Property, plant and equipment	5, 23	702,819	646,557
Intangible assets	6, 23	18,874	8,370
Goodwill	3(g), 6	64,348	64,348
Other assets		115	112
Total non-current assets		786,156	719,387
Total assets		903,745	831,254
Regulatory balances	7	53,757	56,310
Total assets and regulatory balances		$ 957,502	$ 887,564
Liabilities and Shareholder's Equity			
Current liabilities:			
Accounts payable and accrued liabilities	9	76,123	59,229
Short-term debt	10	77,126	71,926
Deferred revenue	11	3,397	5,096
Deferred contributions	15	4,441	3,836
Deposits and developer obligations	12	13,458	16,702
Long-term debt	14	709	2,709
Other liabilities	20	95	124
Total current liabilities		175,349	159,622
Non-current liabilities:			
Long-term debt	10, 14	306,312	277,020
Deferred contributions	15	180,677	159,354
Employee future benefits	16	6,389	6,355
Unrealized loss on interest rate swap derivatives	24(e)	12,289	11,081
Deferred tax liabilities	8	18,995	19,722
Other liabilities	20	115	210
Total non-current liabilities		524,777	473,742
Total liabilities		700,126	633,364
Shareholder's equity:			
Share capital	17	98,796	98,796
Contributed capital		23	23
Contributed surplus		77,849	77,849
Accumulated other comprehensive income		2,420	2,500
Retained earnings		63,609	63,650
Total shareholder's equity		242,697	242,818
Total liabilities and shareholder's equity		942,823	876,182
Regulatory balances	7	14,679	11,382
Commitments and contingencies	10, 18, 19		
Total liabilities, shareholder's equity and regulatory balances		$ 957,502	$ 887,564

See accompanying notes to the financial statements.

On behalf of the Board:

Chair,
Board of Directors

Chair,
Audit, Finance and Risk Management Committee

ELEXICON ENERGY INC.

Statement of Income and Comprehensive Income
(In thousands of dollars)

Year ended December 31, 2024, with comparative information for 2023

	Notes	2024	2023
Revenues:			
Commodity revenue	21	$ 464,462	$ 421,522
Distribution revenue	21	100,500	97,459
Other income	21	7,325	7,798
		572,287	526,779
Expenses:			
Commodity cost		454,320	412,905
Operating and maintenance	22	22,635	17,423
Administration	22	38,489	32,619
Depreciation and amortization		26,530	25,725
		541,974	488,672
Finance costs	14	(15,718)	(15,917)
Unrealized loss on interest rate swap derivatives		(1,208)	(11,081)
		(16,926)	(26,998)
Income before income taxes		13,387	11,109
Income tax recovery (expense)	8	428	(1,318)
Net income		13,815	9,791
Net movements in regulatory balances, net of tax:	7		
Net movements in regulatory balances		(3,409)	(9,088)
Income tax on net movements in regulatory balances		(2,441)	5,473
		(5,850)	(3,615)
Net income after net movements in regulatory balances		7,965	6,176
Other comprehensive loss, net of tax:			
Remeasurements of employee future benefits		(80)	(621)
Total comprehensive income		$ 7,885	$ 5,555

See accompanying notes to the financial statements.

ELEXICON ENERGY INC.

Statement of Changes in Equity
(In thousands of dollars)

Year ended December 31, 2024, with comparative information for 2023

	Balance, December 31, 2023	Net income after net movements in regulatory balances	Other comprehensive loss	Dividends paid	Balance, December 31, 2024
Share capital	$ 98,796	$ –	$ –	$ –	$ 98,796
Contributed capital	23	–	–	–	23
Contributed surplus	77,849	–	–	–	77,849
Accumulated other comprehensive income (loss)	2,500	–	(80)	–	2,420
Retained earnings	107,347	7,965	–	–	115,312
Dividends	(43,697)	–	–	(8,006)	(51,703)
Total equity	$ 242,818	$ 7,965	$ (80)	$ (8,006)	$ 242,697

	Balance, December 31, 2022	Net income after net movements in regulatory balances	Other comprehensive loss	Dividends paid	Balance, December 31, 2023
Share capital	$ 98,796	$ –	$ –	$ –	$ 98,796
Contributed capital	23	–	–	–	23
Contributed surplus	77,849	–	–	–	77,849
Accumulated other comprehensive income (loss)	3,121	–	(621)	–	2,500
Retained earnings	101,171	6,176	–	–	107,347
Dividends	(38,219)	–	–	(5,478)	(43,697)
Total equity	$ 242,741	$ 6,176	$ (621)	$ (5,478)	$ 242,818

See accompanying notes to the financial statements.

ELEXICON ENERGY INC.

Statement of Cash Flows
(In thousands of dollars)

Year ended December 31, 2024, with comparative information for 2023

	Notes	2024	2023
Cash provided by (used in):			
Operating activities:			
Net income after net movements in regulatory balances		$ 7,965	$ 6,176
Net movements in regulatory balances		5,850	3,615
Adjustments:			
Depreciation and amortization		26,530	25,725
Amortization of deferred contributions		(3,400)	(2,936)
Loss on disposal/retirement of property, plant and equipment		1,251	1,047
Employee future benefits		(46)	(81)
Unrealized loss on interest rate swap derivatives		1,208	11,081
Realized gain on interest rate swap derivatives		–	(694)
Finance income		(379)	(206)
Finance costs		16,097	16,123
Income tax expense		(428)	1,318
Other		(181)	120
Capital contributions received		25,445	39,846
Deposits and developer obligations	12	(3,244)	(1,799)
Income taxes paid		(473)	(839)
Income taxes recovered		362	–
		76,557	98,496
Changes in operating working capital	23	(3,963)	(14,365)
Net cash provided by operating activities		72,594	84,131
Financing activities:			
Interest received		379	206
Repayment of short-term debt		–	(22,500)
Repayment of long-term debt		(2,708)	(1,634)
Proceeds from short-term debt		5,200	–
Proceeds from long-term debt		30,000	53,000
Proceeds from settlement on interest rate swap derivatives		–	3,529
Dividends paid	18	(8,006)	(5,478)
Interest paid		(16,097)	(16,123)
Net cash provided by financing activities		8,768	11,000
Investing activities:			
Additions to property, plant and equipment	23	(77,357)	(88,627)
Additions to intangible assets	23	(5,043)	(3,839)
Proceeds from disposal of property, plant and equipment		30	135
Net cash used in investing activities		(82,370)	(92,331)
(Decrease) increase in cash		(1,008)	2,800
Cash (bank indebtedness), beginning of year		1,495	(1,305)
Cash, end of year		$ 487	$ 1,495

See accompanying notes to the financial statements.

Elexicon Energy Inc. ("EE" or the "Company") was incorporated on April 1, 2019 under the Business Corporation Act (Ontario) by amalgamation of the former entities: Veridian Connections Inc. ("Veridian") and Whitby Hydro Electric Corporation ("Whitby Hydro"). It is a wholly owned subsidiary of Elexicon Corporation (the "Corporation"). The Company is licensed by the Ontario Energy Board (the "OEB") as an electricity distributor which distributes electricity in the cities of Belleville and Pickering, the towns of Ajax, Whitby, Gravenhurst, Port Hope and Uxbridge, and the communities of Bowmanville, Newcastle, Orono, Beaverton, Cannington, Sunderland and Port Perry. The Company's registered office is located at 55 Taunton Road East, Ajax, Ontario L1T 3V3.

1. Basis of preparation:

(a) Basis of accounting:

These financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Company has evaluated the events and transactions after the balance sheet date through March 21, 2025 when the Company's financial statements were authorized for issuance by the Company's Board of Directors and identified the events and transactions which required recognition in the financial statements and/or disclosure in these notes to the financial statements (note 18).

(b) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

(c) Basis of measurement:

The financial statements have been prepared on the historical cost basis, except for employee future benefits and certain financial instruments that are measured at fair value.

1. Basis of preparation (continued):

(d) Use of judgements and estimates:

The preparation of the financial statements requires management to make estimates, judgments and assumptions: within reasonable limits of materiality and within the framework of the material accounting policies, that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the year. Due to inherent uncertainty involved in making such estimates, actual results reported in future years could differ from those estimates recorded in preparing these financial statements, including changes as a result of future decisions made by the OEB or the Minister of Energy.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following financial notes:

(i) Note 3(b)(i) - recognition and measurement of unbilled revenue; and

(ii) Note 3(b)(i) and note 24(c) - expected credit losses.

Management is required to make significant judgments in the area of:

(i) Note 3(e), (f) - determination of useful lives of property, plant and equipment (PP&E) and intangible assets;

(ii) Note 2, 3(b)(i), and note 7 - recognition and measurement of regulatory balances;

(iii) Note 3(k)(ii), (iii) and note 16 - measurement of employee future benefits: key actuarial assumptions;

(iv) Note 3(m) - recognition and measurement of provisions and contingencies; and

(v) Note 3(l) and note 8 - recognition of deferred tax assets - availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be used.

Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors that are considered to be relevant.

2. Regulated environment:

The Company is an electricity distributor licensed by the OEB. It is regulated by the OEB under authority of the *Ontario Energy Board Act, 1998*. The OEB is charged with the responsibility of approving or setting rates for the distribution of electricity and the responsibility of ensuring that distribution companies fulfill obligations to connect and service customers.

Electricity distribution rates:

Electricity distribution rates include both fixed monthly rates per customer and variable rates per kWh usage or kW demand. These distribution rates are subject to regulation by the OEB.

The OEB's regulatory framework for electricity distributors is designed to support the cost-effective planning and operation of the electricity distribution network and to provide an appropriate alignment between a sustainable, financially viable electricity sector and the expectations of customers for reliable service at a reasonable price.

Revenue requirement is typically established during a Cost of Service ("COS") rate application. Due to the merger between Veridian Connections and Whitby Hydro on April 1, 2019, Elexicon is currently in a 10-year deferred rebasing period.

Between COS applications, the OEB regulates electricity rates for distributors through two different rate setting options: Price Cap Incentive Rate-setting ("Price Cap IR") and Annual IR Index. These incentive rate-setting mechanisms establish rates for a given year by mechanistically adjusting the prior year's rates to account for inflationary changes reduced by an amount to incent productivity. The Company has two distinct rate zones for Veridian and Whitby with the rate year effective January 1 and follows the Price Cap IR rate setting option.

Prior to the merger, Veridian Connections Inc. filed a COS application in October 2013 for rates effective May 1, 2014. Whitby Hydro Electric Corporation filed a COS in January 2010 for rates effective May 1, 2010, and, through settlement, received approval for rates effective January 1, 2011. Pursuant to the completion of amalgamation on April 1, 2019 after receiving OEB approval, the Company intends to defer a COS rate application for a period of up to 10 years from the date of the merger closing.

2. Regulated environment (continued):

In December 2022, the OEB approved annual IRM rate applications under the Price Cap IR process for both Veridian and Whitby rate zones for changes to distribution rates effective January 1, 2023. EE had also applied for Incremental Capital Module ("ICM") funding for its Whitby Smart Grid ("Smart Grid") Project and Sustainable Brooklin Project.

In June 2023, the OEB approved recovery of $4,100 in restoration costs associated with a major windstorm that occurred within EE's service territory on May 21, 2022.

In July 2023, the OEB approved $8,800 in ICM funding for 2025 for the proposed Smart Grid Project. The OEB's funding approval is contingent on Natural Resources Canada funding of $4,000 which in turn requires project completion by March 31, 2025.

In December 2024, the OEB approved annual IRM applications under the Price Cap IR process for both rate zones for changes to distribution rates effective January 1, 2025.

3. Material accounting policies:

(a) Regulatory balances:

On January 30, 2014, the IASB issued an interim standard, IFRS 14, Regulatory Deferral Accounts ("IFRS 14") to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. IFRS 14 describes regulatory deferral account balances as amounts of expense or income that would not be recognized as assets or liabilities in accordance with other standards, but that qualify to be deferred in accordance with this standard because the amount is included, or is expected to be included, by the rate regulator in establishing the prices that an entity can charge to customers for rate regulated goods or services.

These amounts arising from timing differences are recorded as regulatory debit and credit balances on the Company’s balance sheet, and represent existing rights and obligations regarding cash flows expected to be recovered from or refunded to customers, based on decisions and approvals by the OEB.

The Company's regulatory debit balances represent certain amounts receivable from customers or future customers and costs that have been deferred for accounting purposes because it is probable that they will be recovered in future rates. In addition, the Company has recorded regulatory credit balances, which represent obligations that are expected to be refunded to customers or future customers.

3. Material accounting policies (continued):

(b) Revenue recognition:

(i) Electricity distribution and sale:

Revenue from the sale of electricity is recognized over time as the performance obligations are satisfied as the electricity is transferred to the customer. The value is determined on the basis of cyclical meter readings plus the estimated customer usage since the last meter reading date to the end of the year.

Revenue from the sale of electricity includes an estimate of unbilled revenue accrued in respect of electricity delivered but not yet billed at year end. Unbilled revenue is calculated based on OEB-approved rates for electricity consumption and electricity demand driven by number of days between a customer's last meter reading in the year and December 31. Actual billed revenue could differ from estimates due to energy demand, weather, line losses and changes in the composition of customer classes.

The difference between the amounts charged to customers, based on regulated rates, and the corresponding cost of electricity and non-competitive electricity service costs billed monthly by the IESO, is recorded as a settlement variance. In accordance with IFRS 14, the settlement variance represents future amounts to be recovered from or refunded to customers through future billing rates approved by the OEB and is presented within regulatory balances on the balance sheet and within net movements in regulatory balances, net of tax on the statement of income and comprehensive income.

Distribution revenue is recorded based on OEB-approved distribution rates to recover the costs incurred by the Company in delivering electricity to customers. There is also a fixed rate component to distribution revenue which is a fixed monthly charge per customer. Distribution revenue also includes revenue related to collection of specific OEB-approved rate riders.

3. Material accounting policies (continued):

The carrying amount of accounts receivable, including unbilled revenue is measured at amortized cost and reduced through an allowance for doubtful accounts equal to the lifetime expected credit losses to be recognized at the reporting date.

(ii) Other income:

Other income, which includes revenue from electricity distribution-related services, is recognized as services are rendered. Capital contributions received from electricity customers to construct or acquire property, plant and equipment ("PP&E") for the purpose of connecting a customer to a network fall within the scope of IFRS 15, Revenue from Contracts with Customers ("IFRS 15"). The contributions are received to obtain a connection to the distribution system in order to receive ongoing access to electricity. The Company has concluded that the performance obligation is the supply of electricity over the life of the relationship with the customer which is satisfied over time as the customer receives and consumes the electricity. Revenue is recognized on a straight-line basis over the term of the contract with the customer.

Developers are required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. The developer is not a customer and therefore the contributions are scoped out of IFRS 15. Cash contributions, received from developers are recorded as deferred contributions. When an asset other than cash is received as a capital contribution, the asset is initially recognized at its fair value, with a corresponding amount recognized as deferred contributions. The deferred contributions, which represents the Company's obligation to continue to provide the future customers access to the supply of electricity, is amortized to income on a straight-line basis over the term of the contract with the customer.

Government grants and the related performance incentive payments under Conservation and Demand Management ("CDM") programs are recognized as income in the year when there is reasonable assurance that the program conditions have been satisfied and the payment will be received. Revenues and costs associated with CDM programs are presented using the net basis of accounting and recorded in other income.

3. Material accounting policies (continued):

(iii) Deferred revenue:

Amounts received in advance but not yet earned in relation to the IESO supported CDM initiatives and other unearned revenue are presented as deferred revenue (note 11).

(c) Cash and bank indebtedness:

Cash is defined as cash in bank and bank indebtedness defined as obligations paid by the Company and outstanding as at year end.

(d) Materials and supplies:

Materials and supplies, which consists of parts and supplies acquired for internal construction or consumption, are valued at the lower of cost and net realizable value. Cost is determined on a weighted moving average basis.

Any write-downs taken on materials and supplies are reversed if and when net realizable value subsequently recovers. Major spare parts and standby equipment are recorded as part of PP&E and depreciated once they are available for use.

An amount of $nil (2023 - $258) was written down due to obsolescence in the year.

(e) Property, plant and equipment:

PP&E purchased or constructed by the Company are recorded at cost less accumulated depreciation. Costs include contracted services, materials, labour, engineering costs, directly attributable overheads and capitalized borrowing costs during construction when applied. Subsequent costs are capitalized only when it is probable that the future economic benefits associated with the costs will flow to the Company and the costs can be measured reliably.

Depreciation of PP&E is charged to net income on a straight-line basis over their estimated service lives at the following annual rates:

(In thousands of dollars)

3. Material accounting policies (continued):

Land rights with fixed term	2.0%
Buildings	2.0% - 6.7%
Distribution station equipment	1.7% - 4.0%
Distribution system	1.7% - 10.0%
Meters	4.0% - 6.7%
Office equipment	10.0%
Computer hardware	20.0% - 33.3%
Vehicle fleet	6.7% - 16.7%
Renewable power generation	4.0%

The depreciation method, useful lives, and residual values are reviewed each financial year-end with the effect of any changes in estimate being accounted for on a prospective basis. Estimated useful lives reflect the best estimate and actual lives of assets may vary from estimated useful lives.

Assets are derecognized at their carrying value upon retirement, or when no remaining economic benefits are expected from its use. The related gain or loss arising on the disposal or retirement is determined as the difference between the proceeds from sale and the carrying value of the asset and is included in net income for the related fiscal year. The cost of replacing a part of an item of PP&E is recognized as an addition to the carrying amount of the asset and the carrying amount of the replaced part is derecognized. The cost of the day-to-day servicing of PP&E assets is recognized in net income as incurred.

(f) Intangible assets:

Intangible assets are carried at cost, net of any accumulated amortization and accumulated impairment losses.

Amortization of intangible assets is provided on a straight-line basis over the estimated service lives at the following annual rates:

Application software and intellectual property	33.3%
Internally generated software	20.0%

3. Material accounting policies (continued):

Software in development is not subject to amortization. The above-noted amortization rates apply to assets held within the application software and other intangible asset grouping (note 6). The amortization method, useful lives, and residual values are reviewed each financial year-end with the effect of any changes in estimate being accounted for on a prospective basis. Estimated useful lives reflect the best estimate and actual lives of assets may vary from estimated useful lives.

(g) Goodwill:

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. It is allocated from the acquisition date to the Company's rate regulated cash generating unit ("CGU") that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Goodwill is measured at cost less accumulated impairment losses, if any, and not amortized. Impairment testing for goodwill is carried out at each reporting date in the context of the CGU by comparing carrying amount with its recoverable amount. The recoverable amount of an asset or CGU is the greater of an asset's or CGU's fair value less costs of disposal and its value in use.

Impairment losses are recognized in net income. Impairment losses relating to the CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed.

(h) Financial assets/liabilities measured at amortized cost:

Accounts receivable (including unbilled revenue), cash, customer deposits, accounts payable, credit facilities, long-term debt and leases are measured at amortized cost.

A loss allowance for expected credit losses on financial assets measured at amortized cost is recognized at the reporting date. The loss allowance is measured at an amount equal to the lifetime expected credit losses for that asset.

3. Material accounting policies (continued):

(i) Impairment of non-financial assets:

The carrying costs of non-financial assets: PP&E and finite lives intangible assets are reviewed for impairment at each reporting date to determine whether there is any indication of impairment, in which case, the asset's recoverable amount is estimated.

Goodwill and intangible assets with indefinite lives are tested for impairment annually and when circumstances indicate that the recoverable amount of an asset or CGU may be below their carrying value. The recoverable amount of an asset or CGU is the greater of its value in use and fair value less costs of disposal. The value in use calculation requires an estimate of the future cash flows expected to arise from the CGU, a suitable discount rate in order to calculate a present value as a basis for determining impairment and an estimated terminal value calculated by discounting the final year in perpetuity.

For the regulated business, the carrying costs of most of the Company's non-financial assets are included in rate base (the aggregate of approved investment in PP&E and intangible assets, excluding work in progress, less accumulated depreciation and amortization and unamortized capital contributions from customers, plus an allowance for working capital) where they earn an OEB-approved rate of return. Asset carrying values and the related return are recovered through approved rates. As a result, such assets are tested for impairment in the event that the OEB disallows recovery, in whole or in part, or if such a disallowance is judged to be probable.

Impairment is tested at the CGU level, which is the smallest identifiable group of assets that generates independent cash flows. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount and is recognized in net income.

(j) Customer deposits and advance payments:

Customer deposits are cash collections from customers to secure electricity or other services. Customer deposits in excess of unpaid account balances are refundable to individual customers upon termination of their electricity distribution services.

The Company receives advance payments from customers in relation to construction projects and recognizes them as a liability until the projects are completed.

3. Material accounting policies (continued):

(k) Employee benefits:

(i) Short-term employee benefits:

The Company provides short-term employee benefits, such as: salaries, employment insurance, short-term compensated absences, health and dental care. These benefits are recognized as the related service is rendered and is measured on an undiscounted basis. Short-term employee benefits are recognized as an expense unless they qualify for capitalization as part of the cost of an item of materials and supplies, PP&E, intangible assets or recoverable projects. A liability is recognized in respect of any unpaid short-term employee benefits for services rendered in the reporting year.

The Company recognizes a current liability for the expected cost of accumulated non-vested sick leave benefits at the end of the reporting year. The assumptions used for estimating the amount of the liability are analogous to those used in the valuation of employee future benefits.

(ii) Multi-employer pension plan:

The Company accounts for its participation in the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer public sector pension fund, as a defined contribution plan.

OMERS plan is a multi-employer defined benefit plan providing pension to employees of municipalities, local boards, public utilities and school boards. It is funded by equal contributions from participating employers and employees, as well as by investment earnings of the plan. OMERS does not track its investments by employer and actuarial assumptions are developed based on the entire plan membership on a commingled basis and, therefore, information for individual plans cannot be determined. As a result, the Company accounts for the OMERS plan as a defined contribution plan and contributions to the plan are recognized as an employee benefit expense.

3. Material accounting policies (continued):

(iii) Employee future benefits:

The Company provides all employees with life insurance benefits, as well as pays certain medical benefits on behalf of some of its retired employees.

The Company actuarially determines the cost of employee future benefits offered to employees. These unfunded plans are accounted for as defined benefit obligations. The Company applies the projected benefit method, prorated on service and based on management's best estimates and assumptions. Under this method, the projected employee future benefits is deemed to be earned on a pro rata basis over the years of service in the attribution year commencing at date of hire, and ending at the earliest age the employee could retire and qualify for benefits.

Remeasurements of the net benefit liability comprise actuarial gains or losses that are recognized in the balance sheet with a credit or charge to other comprehensive income or loss. Current service costs are allocated to operating, maintenance and administration expenses and to capital recognized on the balance sheet.

(l) Income taxes:

The Company is currently exempt from taxes under the Income Tax Act (Canada) and the Corporations Tax Act (Ontario). Under the *Electricity Act, 1998*, the Company is required to make payments in lieu of corporate income taxes ("PILs") to the Ontario Electricity Financial Corporation. These payments are calculated in accordance with the rules for computing income and other relevant amounts contained in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) as modified by the *Electricity Act, 1998*, and related regulations. References in these financial statements to income taxes are with respect to PILs.

The Company uses the asset and liability method of accounting for the tax effect of temporary differences between the carrying amount and the tax bases of the Company's assets and liabilities. Temporary differences arise when the realization of an asset or the settlement of a liability would give rise to either an increase or decrease in the Company's income taxes payable in the year or a later year.

3. Material accounting policies (continued):

Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates at the reporting date, expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of income and comprehensive income in the year that includes the date of enactment or substantive enactment.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that the related tax benefits will be realized. Previously unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. A valuation allowance is recorded against a deferred tax asset to the extent that the Company determines that it is probable that a deferred income tax asset will not be realized in the future.

Where the Company expects the deferred taxes to be recovered from or refunded to customers as part of the rate setting process, the deferred income tax assets and liabilities result in regulatory deferral debit balances or credit balances, respectively. Deferred tax assets that are not included in the rate-setting process result in a deferred tax provision that is charged or credited to the statement of income and comprehensive income.

(m) Provisions and contingencies:

A provision is recognized in the financial statements when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3. Material accounting policies (continued):

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events, not wholly within the control of the Company; or when the Company has a present legal or constructive obligation, that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

The evaluation of the likelihood of the contingent events requires judgment by management as to the probability of exposure to potential gain or loss. Actual results could differ from these estimates.

(n) Non-derivative financial instruments:

All non-derivative financial assets are classified as loans and receivables and all non-derivative liabilities are classified as other liabilities. These financial instruments are recognized initially at fair value plus any directly attributable transaction costs. Subsequently, they are measured at amortized costs using the effective interest method less any impairment for the financial assets, as described in notes 3(h) and 24(c).

(o) Derivative financial instruments:

Derivative financial instruments are measured at their fair value upon initial recognition and on each subsequent reporting date.

The Company has not elected to apply hedge accounting for its interest rate swap derivative contracts and does not enter into derivative agreements for speculative purposes. Changes in the fair value of the derivatives are recorded each year in the statement of income and comprehensive income, as described in note 24 (e).

(p) Capital disclosures:

The Company's objectives with respect to its capital structure are to maintain effective access to capital on a long-term basis, at reasonable rates, and to deliver the appropriate financial returns. The Company's definition of capital includes shareholder's equity, short-term debt, bank indebtedness and long-term debt, less cash.

3. Material accounting policies (continued):

During the year, there have been no changes to how the Company assesses its capital structure.

(q) Changes in accounting policies:

(i) Classification of Liabilities as Current or Non-current (Amendments to IAS 1 Presentation of Financial Statements ("IAS 1")):

In January 2020, the IASB issued amendments to IAS 1 relating to the classification of liabilities as current or non-current. In October 2022, the IASB issued Non-current Liabilities with Covenants (Amendments to IAS 1), reconfirming that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with early adoption permitted.

The company has adopted the new amendment, and it does not have a significant impact on the Company's financial statements.

(r) New standards and interpretations not yet adopted:

The IASB issues new standards, amendments and interpretations which do not have to be adopted in the current year. The Company is currently assessing the financial statement impact of adopting the following amendments which will be effective on January 1, 2026 or later to existing accounting standards:

(i) Classification of financial assets (Amendments to IFRS 9 (“Financial instruments”) and IFRS 7 (“Financial Instruments: Disclosure”)):

The IASB has now amended IFRS 9 following its post-implementation review of the classification and measurement requirements. The amendments include guidance on the classification of financial assets, including those with contingent features.

The IASB has also amended IFRS 7. Companies will now be required to provide additional disclosures on financial assets and financial liabilities that have certain contingent features.

3. Material accounting policies (continued):

(ii) Settlement by electronic payments (Amendments to IFRS 9):

Companies that recognize or derecognize financial assets or financial liabilities on the payment initiation date could see a change to their accounting following amendments to IFRS 9.

However, companies may be permitted to derecognize financial liabilities settled by an electronic payment system earlier than their settlement date, subject to certain criteria being met.

(iii) Annual improvements process (Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7):

The annual improvements process aims to improve the clarity and internal consistency of IFRS Accounting Standards. In this volume of improvements, the IASB makes minor amendments to IFRS 9 and to a further four accounting standards.

The amendments to IFRS 9 address:

- a conflict between IFRS 9 and IFRS 15 (“Revenue from Contracts with Customers”) over the initial measurement of trade receivables; and

- how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9.

The amendment on trade receivables may require some companies to change their accounting policy.

(iv) Presentation and Disclosure in Financial Statements (“IFRS 18”):

In April 2024 the IASB issued IFRS 18, which replaces IAS 1 and introduces new requirements for presentation and disclosure in financial statements, effective for annual periods beginning on or after 1 January 2027, with early adoption permitted. This new standard is the result of the so-called primary financial statements project and aims at improving how entities communicate in their financial statements, primarily the following:

(In thousands of dollars)

3. Material accounting policies (continued):

- the introduction of categories and defined subtotals in the statement of profit or loss that aim at additional relevant information and provide a structure for the statement of profit or loss that is more comparable between entities;

- The introduction of requirements to improve aggregation and disaggregation that aim at additional relevant information and ensure that material information is not obscured;

- The introduction of disclosures on Management-defined Performance Measures (MPMs) in the notes to the financial statements that aim at transparency and discipline in the use of such measures and disclosures in a single location; and

- The targeted improvements to Statement of Cash Flows ("IAS 7") which aims at improved comparability between entities.

In May 2024, the IASB issued IFRS 19 ("Subsidiaries without Public Accountability") which simplifies financial reporting for eligible subsidiaries by allowing them to apply IFRS Accounting Standards with reduced disclosure requirements.

4. Accounts receivable:

	2024	2023
Energy revenue	$ 47,089	$ 42,562
Unbilled revenue	48,749	46,856
Project expenditures recoverable	11,515	11,070
Other	739	–
	108,092	100,488
Less: expected credit losses	4,775	5,275
	$ 103,317	$ 95,213

Accounts receivables do not contain a significant financing component, and lifetime expected credit losses ("ECLs") are recognized as the maturities are typically 12 months or less. A provision matrix is used to determine ECLs on trade receivables. The amount of credit losses recognized is based on forward looking estimates that reflect current and forecast credit conditions.

(In thousands of dollars)

4. Accounts receivable (continued):

Unbilled revenue represents amounts for which the Company has a contractual right to receive cash through future billings and are unbilled at the year end.

5. Property, plant and equipment:

December 31, 2024

	December 31, 2023	Additions/ depreciation	Disposals/ retirements	December 31, 2024
Cost				
Land	$ 2,386	$ –	$ –	$ 2,386
Land rights	4,303	–	–	4,303
Buildings	33,032	613	–	33,645
Distribution station equipment	72,834	5,399	(1,068)	77,165
Distribution system	565,538	30,838	(1,138)	595,238
Meters	28,269	2,033	(181)	30,121
Office equipment	2,673	75	–	2,748
Computer hardware	12,141	1,586	–	13,727
Vehicle fleet (a)	16,981	877	(304)	17,554
Renewable power generation	1,252	–	–	1,252
Construction in progress	73,931	39,931	–	113,862
	$ 813,340	$ 81,352	$ (2,691)	$ 892,001
Accumulated depreciation				
Land rights	$ 116	$ 12	$ –	$ 128
Buildings	14,112	1,389	–	15,501
Distribution station equipment	15,517	2,173	(422)	17,268
Distribution system	99,625	15,755	(438)	114,942
Meters	18,459	1,182	(175)	19,466
Office equipment	2,041	139	–	2,180
Computer hardware	7,715	1,743	–	9,458
Vehicle fleet (a)	8,667	1,242	(257)	9,652
Renewable power generation	531	56	–	587
	$ 166,783	$ 23,691	$ (1,292)	$ 189,182
Net book value	$ 646,557	$ 57,661	$ (1,399)	$ 702,819

(In thousands of dollars)

5. Property, plant and equipment (continued):

December 31, 2023

	December 31, 2022	Additions/ depreciation	Disposals/ retirements	December 31, 2023
Cost				
Land	$ 2,190	$ 196	$ –	$ 2,386
Land rights	4,303	–	–	4,303
Buildings	31,742	1,290	–	33,032
Distribution station equipment	67,804	5,073	(43)	72,834
Distribution system	519,334	48,121	(1,917)	565,538
Meters	26,706	1,603	(40)	28,269
Office equipment	2,604	69	–	2,673
Computer hardware	10,606	1,535	–	12,141
Vehicle fleet (a)	15,441	1,656	(116)	16,981
Renewable power generation	1,252	–	–	1,252
Construction in progress	48,528	25,403	–	73,931
	$ 730,510	$ 84,946	$ (2,116)	$ 813,340
Accumulated depreciation				
Land rights	$ 104	$ 12	$ –	$ 116
Buildings	12,770	1,342	–	14,112
Distribution station equipment	13,479	2,053	(15)	15,517
Distribution system	85,515	14,830	(720)	99,625
Meters	16,431	2,067	(39)	18,459
Office equipment	1,902	139	–	2,041
Computer hardware	6,169	1,546	–	7,715
Vehicle fleet (a)	7,502	1,245	(80)	8,667
Renewable power generation	470	61	–	531
	$ 144,342	$ 23,295	$ (854)	$ 166,783
Net book value	$ 586,168	$ 61,651	$ (1,262)	$ 646,557

Right-of-use assets related to the leased properties that do not meet the definition of investment property are presented as PP&E.

(a) Includes $1,658 (2023 - $1,658) vehicle right-of-use assets and $1,448 (2023 - $1,324) accumulated amortization.

During the year, borrowing costs of $974 (2023 - $887) were capitalized to PP&E and credited to finance costs. Weighted average cost of long-term borrowings (note 14) is used for capitalizing borrowing costs as part of PP&E with an average rate of 4.61% (2023 - 4.66%).

Additions to construction in progress are net of transfers to other PP&E categories.

(In thousands of dollars)

6. Intangible assets and goodwill:

(a) Intangible assets:

December 31, 2024

	December 31, 2023	Additions/ amortization	Disposals/ retirements	December 31, 2024
Cost				
Application software and other	$ 25,377	$ 3,922	$ –	$ 29,299
Construction in progress related to application software and other	2,217	2,060	–	4,277
Capital contributions (note 19(b))	2,135	7,306	–	9,441
	$ 29,729	$ 13,288	$ –	$ 43,017
Accumulated amortization				
Application software and other	$ 20,784	$ 2,354	$ –	$ 23,138
Capital contributions	575	430	–	1,005
	$ 21,359	$ 2,784	$ –	$ 24,143
Net book value	$ 8,370	$ 10,504	$ –	$ 18,874

December 31, 2023

	December 31, 2022	Additions/ amortization	Disposals/ retirements	December 31, 2023
Cost				
Application software and other	$ 22,784	$ 2,593	$ –	$ 25,377
Construction in progress related to application software and other	1,145	1,072	–	2,217
Capital contributions (note 19(b))	2,135	–	–	2,135
	$ 26,064	$ 3,665	$ –	$ 29,729
Accumulated amortization				
Application software and other	$ 18,437	$ 2,347	$ –	$ 20,784
Capital contributions	411	164	–	575
	$ 18,848	$ 2,511	$ –	$ 21,359
Net book value	$ 7,216	$ 1,154	$ –	$ 8,370

(In thousands of dollars)

6. Intangible assets and goodwill (continued):

No borrowing costs were capitalized on intangible assets under development in 2024 or 2023.

Application software and other includes externally acquired, as well as internally generated computer software. The remaining amortization period is between one to five years.

(b) Goodwill:

	December 31, 2023	Acquisition additions	Additions	Impairment	December 31, 2024
Goodwill	$ 64,348	$ –	$ –	$ –	$ 64,348

(c) Impairment test:

Goodwill with carrying amount of $64,348 was allocated to the Company's rate regulated CGU as a result of business acquisition and amalgamation. Impairment testing was carried out for December 31, 2024 by comparing the recoverable amount with the carrying amount. The recoverable amount of this CGU is based on its value in use, determined by discounting the future cash flows to be generated from the continuing operation of the CGU. The key assumptions used in the estimation of value in use were as follows.

Discount rate	5.8%
Terminal value growth rate	2.0%

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. Revenue growth was projected based on the average growth rate, the estimated sales volume and expected price increases for the next five years.

The discount rate was a post-tax measure based on the return of equity rate issued by OEB on October 31, 2024, and the rates of long-term and short-term debts that the Company currently holds.

The terminal growth rate was determined based on management's estimate of the long-term compounded annual earnings before interest, taxes, depreciation and amortization growth rate, consistent with the assumptions that a market participant would make.

(In thousands of dollars)

6. Intangible assets and goodwill (continued):

The impairment test was performed by considering the latest developments and economic conditions. The estimated recoverable amount of the CGU was determined to be higher than its carrying amount, therefore, no impairment was recorded.

7. Regulatory balances:

Debit balances comprise the following:

	December 31, 2023	Balances arising in the year	Recovery/ reversal	Other movements	December 31, 2024	Remaining recovery/ reversal period (years)
Deferred taxes (a)	$ 27,115	$ (487)	$ –	$ –	$ 26,628	Note 2
Collection of account (b)	3,812	2,940	–	–	6,752	Note 1
IFRS transitional adjustments (c)	5,006	1,027	–	–	6,033	Note 1
Approved settlement variances (d)	1,025	14,969	(15,270)	–	724	1 year
Future settlement variances - RSVA (d)	14,821	4,674	(14,712)	–	4,783	Note 1
OEB cost assessment (e)	2,069	818	–	–	2,887	Note 1
Estimated useful life (f)	722	362	–	–	1,084	Note 1
Future settlement variances - RCVA (g)	752	43	–	–	795	Note 1
Locates (h)	446	345	–	–	791	Note 1
Cloud (i)	–	632	–	–	632	Note 1
One-time IFRS conversion costs (j)	542	20	–	–	562	Note 1
Other	–	2,086	–	–	2,086	Note 1
	$ 56,310	$ 27,429	$ (29,982)	$ –	$ 53,757	

	December 31, 2022	Balances arising in the year	Recovery/ reversal	Other movements	December 31, 2023	Remaining recovery/ reversal period (years)
Deferred taxes (a)	$ 22,188	$ 4,927	$ –	$ –	$ 27,115	Note 2
Collection of account (b)	2,856	956	–	–	3,812	Note 1
IFRS transitional adjustments (c)	4,028	978	–	–	5,006	Note 1
Approved settlement variances (d)	60	12,337	(11,545)	173	1,025	1 year
Future settlement variances - RSVA (d)	22,484	940	(8,430)	(173)	14,821	Note 1
OEB cost assessment (e)	1,616	453	–	–	2,069	Note 1
Estimated useful life (f)	406	316	–	–	722	Note 1
Future settlement variances - RCVA (g)	725	27	–	–	752	Note 1
Locates (h)	–	446	–	–	446	Note 1
LRAM	3,690	–	(3,690)	–		
One-time IFRS conversion costs (j)	520	22	–	–	542	Note 1
	$ 58,573	$ 21,402	$ (23,665)	$ –	$ 56,310	

(In thousands of dollars)

7. Regulatory balances (continued):

Credit balances comprise the following:

	December 31, 2023	Balances arising in the year	Recovery/ reversal	Other movements	December 31, 2024	Remaining recovery/ reversal period (years)
Tax related variances (k)	$ 7,312	$ 729	$ –	$ –	$ 8,041	Note 1
Pole attachment (l)	2,945	610	–	–	3,555	Note 1
Deferred taxes (a)	1,089	1,954	–	–	3,043	Note 2
Other	36	4	–	–	40	Note 1
	$ 11,382	$ 3,297	$ –	$ –	$ 14,679	

	December 31, 2022	Balances arising in the year	Recovery/ reversal	Other movements	December 31, 2023	Remaining recovery/ reversal period (years)
Tax related variances (k)	$ 5,957	$ 1,355	$ –	$ –	$ 7,312	Note 1
Pole attachment (l)	2,403	542	–	–	2,945	Note 1
Deferred taxes (a)	1,637	(548)	–	–	1,089	Note 2
Other	32	4	–	–	36	Note 1
	$ 10,029	$ 1,353	$ –	$ –	$ 11,382	

[Note 1] The Company intends to seek recovery or refund in future rate applications to the OEB.

[Note 2] The Company will not seek disposition of the balance since it will be reversed through timing differences in the recognition of deferred tax assets or liabilities.

The balances arising in the period column are new additions (for both debits and credits). The recovery/reversal column are amounts collected or refunded through rate riders, disposition of OEB-approved regulatory balances, or other transactions which reduce existing regulatory balances. The other movements column consists of impairment (if the OEB disallowed certain amounts), and reclassification between the regulatory debit and credit balances. There is no impairment recorded for 2024 or 2023.

7. Regulatory balances (continued):

Regulatory balances descriptions:

(a) Deferred taxes:

The Company records deferred tax assets or liabilities with a corresponding regulatory tax liability or asset. The Company will not seek disposition of these balances as they will be reversed through timing differences in the recognition of deferred tax assets or liabilities.

The regulatory debit balance is the expected future electricity distribution rate increase for customers arising from timing difference in the recognition of deferred tax assets and the regulatory credit balance is the deferred tax amount reclassified under IFRS 14.

The deferred tax amount related to the expected future electricity distribution rate increase for customers was $26,628 (2023 - $27,115) as at December 31, 2024.

The amounts reclassified under IFRS 14 include the deferred tax liability related to regulatory balances of $3,043 (2023 - $1,089) as at December 31, 2024.

(b) Collection of account:

On March 14, 2019, the OEB issued the *Notice of Amendments to Codes* regarding the non-payment of account service charges for electricity distributors in which the OEB eliminated the Collection of Account charge.

Elexicon requested a new Deferral and Variance Account for Veridian Rate Zone in its 2020 IRM application (EB-2019-0252) to record the lost revenues associated with the elimination of the Collection of Account charge. This regulatory balance will be sought for disposition in the Company's next COS rebasing application or in a future stand-alone application.

7. Regulatory balances (continued):

(c) IFRS transitional adjustments:

Commencing in 2014, the Company's Veridian rate zone has recorded regulatory debit balances arising from derecognition of assets under IFRS. The Whitby rate zone dealt with the derecognition of assets under IFRS in a 2019 OEB proceeding. If the Whitby rate zone calculated value exceeds the approved materiality threshold in its 2019 OEB rate decision, it may request the establishment of a new deferral and variance account.

The Company's Veridian rate zone also records the capitalized borrowing costs difference between weighted average long-term borrowing costs under IFRS and the capitalization rate prescribed by the OEB. The Whitby rate zone is not required to record this difference based on the settlement agreement approved in its 2019 rate application.

This regulatory balance will be sought for disposition in the Company's first COS rebasing application under IFRS or in a future stand-alone application.

(d) Settlement variances:

Approved settlement

For the 2024 rate year, the OEB approved:

- Disposition of cost pass-through accounts “Group 1 Deferral and Variance Accounts” for both Veridian and Whitby rate zones. Group 1 accounts represent the variance(s) of the differences between purchased and billed power costs.

Future settlement

The amounts include the variances between the amount charged by the IESO for the operation of the markets and grid, as well as various wholesale market settlement charges and transmission charges, as compared to the amount billed to consumers based on the OEB-approved rates. This amount also includes variances between the amounts charged by Hydro One Networks Inc. ("Hydro One") for low voltage services and the amount billed to consumers based on the OEB-approved rates.

7. Regulatory balances (continued):

(e) OEB cost assessment:

The Board issued guidance on February 9, 2016, permitting effective April 1, 2016 the use of Account 1508 Other Regulatory Asset – Sub Account - OEB Cost Assessment Variance to record any material differences between OEB cost assessments currently built into rates and cost assessments that will result from the application of the new Cost Assessment Model (“CAM”), until the utility’s next rebasing application.

(f) Estimated useful life:

In Whitby’s 2019 Annual IR Application EB-2018-0079, the OEB approved the use of a new deferral Account 1508, Sub-account - Changes in Estimated Useful Lives, to record the impact of accounting changes to depreciation as a direct result of changes in estimated useful lives resulting from Whitby Hydro’s annual review required under IFRS, per the depreciable asset section of IAS 16 – Property, Plant and Equipment. This regulatory balance will be sought for disposition in the Company's next COS rebasing application or in a future stand-alone application.

(g) Retail cost variance account (RCVA):

The Company is recording the differences between the revenue charged to retailers and the incremental costs associated with providing the retail services. This regulatory balance will be sought for disposition in the Company's next COS rebasing application or in a future stand-alone application.

(h) Locates:

In 2023, the OEB established a generic, sector-wide variance account, the Getting Ontario Connected Act ("GOCA") variance account, to specifically track incremental costs of locates in 2023 and future years arising from the implementation of recent provincial legislation: Bill 93 (the *Getting Ontario Connected Act*, S.O. 2022). This regulatory balance will be sought for disposition in the Company's next COS rebasing application or in a future stand-alone application.

7. Regulatory balances (continued):

(i) Cloud:

In a letter dated November 2, 2023 the OEB established a deferral account relating to incremental cloud computing implementation costs. The generic deferral account is effective December 1, 2023 and is used to record incremental cloud computing implementation costs incurred by utilities and any related offsetting savings, if applicable. This regulatory balance will be sought for disposition in the Company's next COS rebasing application or in a future stand-alone application.

(j) One-time IFRS conversion costs:

In accordance with an OEB directive, a deferral account has been established for the one-time administrative costs during transition to IFRS for the Veridian rate zone. These amounts will be sought for disposition in the Company's first COS rebasing application under IFRS or in a future stand-alone application.

(k) Tax-related variances:

The regulatory balance relates to the revenue requirement impact of accelerated capital cost allowance deductions from the Accelerated Investment Incentive tax measure which received Royal Assent on June 21, 2019. This regulatory balance will be sought for disposition in the Company's next COS rebasing application or in a future stand-alone application. This regulatory balance also includes the revenue requirement impact of additional capital cost allowance deductions from the Immediate Expensing tax measure which received Royal Assent in June 2022.

(l) Pole attachment:

On March 22, 2018 the OEB issued the Report of the Ontario Energy Board: Wireline Pole Attachment Charges (EB-2015-0304). The report established a new variance Account 1508 – Sub–Account – Pole Attachment Revenue Variance to be used for recording the incremental revenue arising from the changes to the pole attachment charge applicable to all licensed electricity distributors. This regulatory balance will be sought for disposition in the Company's next COS rebasing application or in a future stand-alone application.

(In thousands of dollars)

8. Income taxes:

The provision for income taxes differs from the amount that would have been recorded using the combined Canadian federal and Ontario statutory income tax rate. The reconciliation between the statutory and effective tax rates is provided as follows:

	2024	2023
Income before income taxes	$ 13,387	$ 11,109
Federal and Ontario statutory income tax rate	26.5%	26.5%
Provision for income taxes at statutory rate	$ 3,548	$ 2,944
Increase (decrease) resulting from:		
Temporary differences expected to be recovered from customers	(3,847)	(4,113)
Under provided in prior periods	73	409
Other	2,239	(3,395)
Income taxes recorded in regulatory balances movements	(2,441)	5,473
Income tax (recovery) expense	$ (428)	$ 1,318
Effective income tax rate	(3.2%)	11.9%
Allocated:		
Current expense	$ 299	$ 446
Deferred expense (recovery)	1,714	(4,601)
Income taxes recorded in regulatory balances movements	(2,441)	5,473
Total income tax (recovery) expense	$ (428)	$ 1,318

(In thousands of dollars)

8. Income taxes (continued):

Deferred tax assets and liabilities arise from differences between the carrying amounts and tax bases of the Company's assets and liabilities. The tax effects of these differences are as follows:

	2024	2023
Deferred tax assets (liabilities):		
Property, plant and equipment and intangible assets	$ (39,070)	$ (31,492)
Employee future benefits	2,304	2,291
Sick leave liability	353	394
Unrealized loss on interest rate swap derivatives	3,256	2,937
Non-capital losses	10,627	4,797
Deferred revenue and others	3,535	1,351
	(18,995)	(19,722)
Deferred tax liabilities:		
Regulatory balances	3,043	1,089
Moved to regulatory deferral account credit balances	(3,043)	(1,089)
	–	–
Deferred tax liabilities	$ (18,995)	$ (19,722)

9. Accounts payable and accrued liabilities:

	2024	2023
Cost of power accrual	$ 32,518	$ 31,798
Accounts payable	17,186	14,748
Accrued liabilities	13,374	4,298
Customer credit balances	5,724	5,364
Non-vested sick leave liability	1,008	1,094
Other	6,313	1,927
	$ 76,123	$ 59,229

10. Credit facilities:

As at December 31, 2024, the Company had the following external credit facilities with a Canadian chartered bank (the "Bank"):

(a) Uncommitted revolving demand credit facility. The facility is required to be no greater than $60,000, with a letter of credit ("L/C") carve-out availability; and

(b) Committed or demand revolver facility (note 14) with a combined total no greater than $353,645.

The financial covenants for the above facilities require a Consolidated Interest Coverage Ratio ("ICR") of not less than 1.75 for the fourth quarter of 2023 and stepping down to 1.40 for the first quarter of 2024 and thereafter, stepping up to 1.75 for the first quarter of 2026. The financial covenants are tested on a consolidated basis of the Corporation. The Corporation and the Company are compliant with all bank covenants as at December 31, 2024.

As at December 31, 2024, $5,200 (2023 - $nil) was drawn out of facility (a); and $283,390 (2023 - $253,390) was outstanding from facility (b) above (note 14). To cover the risk of fluctuating interest rates, $253,390 of facility (b) was structured with interest rate swap derivative agreements with the Bank, effectively converting the obligations into two fixed interest rate loans of 5.096% and 4.84%, respectively. During 2024, the Company withdrew $30,000 out of this facility.

The Company utilized facility (a) for: $100 to issue an irrevocable L/C in favour of the Ministry of Environment and $3 to issue an irrevocable L/C in favour of the City of Belleville.

10. Credit facilities (continued):

The Ministry of Environment requires security to ensure adequate funds are available, to effect suitable remedial action, if an event occurs resulting in a health and safety hazard to any person, or the natural environment.

The City of Belleville requires security for land site development for the building in the City of Belleville, and it could draw on the L/C if the Company does not fulfill the obligations of the site plan agreement.

Short-term debt:

As at December 31, 2024 the Company had $71,926 (December 31, 2023 - $71,926) notes payable due to the Corporation's shareholders on demand at a rate of 4.13%. The noteholders have a right to demand repayment of these notes together with any accrued interest, in whole or part, with 60 days' prior written notice to the Company. As the Company does not have any unconditional right to defer settlement of this liability for at least twelve months after the reporting period, the notes issued to the shareholders of $71,926 are classified as short-term debt.

As at December 31, 2024 the Company also utilized $5,200 (December 31, 2023 - $nil) of the uncommitted revolving demand credit facility above and recognized it as a short term debt.

11. Deferred revenue:

(a) As at December 31, 2024, $nil (2023 - $1,620) of deferred revenue represents the balance of unearned revenue from funding received from the IESO to deliver CDM programs.

An agreement was entered with the IESO on December 16, 2014 and on June 8, 2015, whereby the IESO conditionally approved a CDM plan that was jointly submitted by the Company (Veridian and Whitby Hydro) to deliver CDM programs covering the period from January 1, 2015 to December 31, 2020. This CDM plan was most recently updated on April 18, 2017 and conditionally approved by the IESO on May 12, 2017.

(In thousands of dollars)

11. Deferred revenue (continued):

All programs under the IESO agreement and all relevant wind down costs are expected to be fully funded and paid by the IESO. The IESO is invoiced monthly for the costs incurred on various CDM programs and wind down expenditures. The Company received some initial funding in the form of a pre-payment from the IESO for the delivery of CDM programs under the energy conservation agreement. Amounts received but not yet earned are presented on the balance sheet under current liabilities as deferred revenue. During 2024, the Company received notice from the IESO with respect to bringing the wind-down of the CDM programs to a close. A reconciliation was performed and the pre-funding amounts were returned to the IESO.

(b) As at December 31, 2024, $3,397 (2023 - $3,476) of deferred revenue represents the balance of unearned revenue related to the ICM projects.

12. Deposits and developer obligations:

	2024	2023
Advance payments - construction deposits	$ 312	$ 190
Customer deposits	5,351	5,550
Developer obligations	7,795	10,962
Deposits and developer obligations	$ 13,458	$ 16,702

(In thousands of dollars)

13. Related party transactions:

The Company provides electricity and services to the Corporation's shareholders, the Town of Ajax, the Municipality of Clarington, the City of Pickering, the City of Belleville and the Town of Whitby (collectively, the "shareholders"). Electrical energy is sold to the Corporation's shareholders at the same prices and terms as other electricity customers consuming equivalent amounts of electricity.

Summary of transactions with the Corporation's shareholders:

	Town of Ajax	Town of Whitby	City of Pickering	City of Belleville	Municipality of Clarington	Total
Electricity and services revenue	$ 2,710	$ 1,841	$ 2,342	$ 1,687	$ 479	$ 9,059
Finance costs on the notes payable	810	1,171	1,035	322	343	3,681
Property taxes paid	253	251	46	122	36	708
Accounts receivable balance	239	264	330	319	39	1,191

Summary of transactions with the Corporation and Elexicon Group Inc. ("EG"), an associate of the Company:

	2024	2023
Administrative and management services revenue (a)	$ 331	$ 471
Finance costs on the notes payable to the Corporation	995	1,062
Dividends paid to the Corporation	8,006	5,478

(In thousands of dollars)

13. Related party transactions (continued):

		2024		2023
Accounts receivable balance (b)	$	121	$	540

(a) The Company purchases or supplies administrative and management services from and to the Corporation and EG. Charges for these services are recorded at exchange amounts established and agreed to by the related parties.

(b) Without terms of repayment.

		2024		2023
Compensation paid to key management personnel[i]	$	3,714	$	3,320

[i]Comprising the senior management team and members of the Board of Directors. The compensation includes salaries, performance pay and taxable benefits. This includes OMERS contributions of $345 (2023 - $323).

The Company has renewable generation projects and holds interest in the following entities joint operations:

(a) Claremont Community Centre Solar:

The Company, TREC SolarShare Co-Operative (No.1) Inc. and Solera Sustainable Energies Company Limited are parties to a joint operation agreement with an equity interest of 39%, 51% and 10%, respectively, to build, own, operate and maintain a solar generation project at Claremont Community Centre owned by the City of Pickering, located at 4941 Old Brock Road, Pickering, Ontario L1V 7E2. This project is approved under the Feed-in Tariff government program.

The joint venture started operation in July 2015. In 2024, the Company included its share of net income $6 (2023 - $7) in the financial statements.

13. Related party transactions (continued):

In 2016, the Corporation financed the above project for an amount of $264 for a 15-year term at an interest rate of 5.00%. An amount of $56 (2023 - $62) (net of repayments and intercompany funding) is included in the Company's long-term debt as at December 31, 2024 (note 14). The funding provided by the Corporation was in the same proportion as the equity interest: Company 39%, TREC Solar Share Co-Operative (No. 1) Inc. 51% and Solera Sustainable Energies Company Limited 10%.

(b) Elexicon, Lakefront, Solera Joint Operation:

The Company, Lakefront Utility Services Inc. and Solera Sustainable Energies Company Limited entered into a joint operation agreement with an equity interest of 42.5%, 42.5% and 15% respectively, to build, own, operate and maintain a solar generation project at the property owned by The Corporation of the Town of Cobourg, located at 739 D'Arcy Street, Cobourg, Ontario (Building 13).

The joint venture started operations in 2019. In 2024, the Company included its share of negligible loss in the financial statements.

In 2019, the Town of Cobourg Holding Inc. financed the above project for an amount of $202 for a 25-year term at an interest rate of 5.75%. An amount of $75 (2023 - $77) is included in the Company's long-term-debt as at December 31, 2024 (note 14). The funding provided by the Corporation of the Town of Cobourg was in the same proportion as the equity interest: Company 42.5%, Lakefront Utility Services Inc. 42.5% and Solera Sustainable Energies Company Limited 15%.

The Company, as a joint operator accounts for the assets, liabilities, revenue and expenses relating to its interest in the joint operations in accordance with the IFRS applicable to the particular assets, liabilities, revenue and expenses.

(In thousands of dollars)

14. Long-term debt:

	2024	2023
Notes payable to the Corporation, maturing on December 9, 2034, at a rate of 4.58%	$ 13,000	$ 15,000
Notes payable to the Corporation, maturing on December 17, 2039, at a rate equal to the OEB-deemed long-term debt rate, less 30-basis-points	10,500	11,200
Loan payable to the Corporation, maturing on September 1, 2031, at a rate of 5.00%	56	62
Loan payable to Town of Cobourg Holding Inc., maturing on February 1, 2044, at a rate of 5.75%	75	77
Long-term debt from the Bank, maturing on November 2, 2028, at a rate of 5.096% (note 10(b))	33,390	33,390
Long-term debt from the Bank, maturing on August 2, 2028, at a rate of 4.84% (note 10(b))	220,000	220,000
Long-term debt from the Bank, maturing on June 29, 2026 (note 10(b))	30,000	–
	307,021	279,729
Less: current portion	709	2,709
	$ 306,312	$ 277,020

Scheduled principal repayments for the next five years and thereafter as of December 31, 2024:

2025	$ 709
2026	30,710
2027	710
2028	254,100
2029	712
Thereafter	20,080
	307,021
Less: current portion	709
	$ 306,312

(In thousands of dollars)

14. Long-term debt (continued):

Scheduled interest payments for the next five years and thereafter as of December 31, 2024:

2025	$ 14,457
2026	14,436
2027	13,216
2028	9,504
2029	824
Thereafter	4,126
	$ 56,563

Expected weighted average borrowing costs:

2025	4.71%
2026	4.96%
2027	4.80%
2028	6.43%
2029	4.03%

Finance costs related to short-term debt, long-term debt and other comprise:

	2024	2023
Interest on:		
Notes payable and loans	$ 16,608	$ 16,180
Customer deposits and other	463	830
	17,071	17,010
Less:		
Capitalized borrowing costs	974	887
Finance income	379	206
	$ 15,718	$ 15,917

(In thousands of dollars)

15. Deferred contributions:

Deferred contributions are the capital contributions received from electricity customers and developers, which have not yet been recognized into other income.

The continuity of deferred contributions is as follows:

	2024	2023
Deferred contributions, beginning of year	$ 163,190	$ 126,360
Contributions received	25,445	39,846
Contributions amortized as other income	(3,400)	(2,936)
Contributions removed with asset disposals	(117)	(80)
Deferred contributions, end of year	185,118	163,190
Less: current portion	4,441	3,836
Non-current	$ 180,677	$ 159,354

Customer and developer contributions for the acquisition or construction of PP&E are considered to be deferred contributions and amortized over the useful lives of the related assets as other income.

16. Employee future benefits:

(a) Pensions:

During the year, the Company made contributions totaling $3,637 (2023 - $3,145) to OMERS. These contributions have been recognized as an operational expenditure net of the amount capitalized in assets. The expected payment for 2025 is $3,920, representing less than 1% of the group plan contributions. As at December 31, 2024, and subject to the estimates, assumptions and valuations of OMERS, the plan obligations are 98% (2023 - 97%) funded by its assets. OMERS has a strategy to return the plan to a fully funded position. The Company is not able to assess the implications, if any, of this strategy or of the withdrawal of other participating entities from the OMERS plan on its future contributions.

(In thousands of dollars)

16. Employee future benefits (continued):

(b) Post-retirement benefits other than pension:

The Company pays certain benefits on behalf of its retired employees and recognizes these post-retirement costs in the year in which the employees render the services.

Information about the Company's non-contributory defined benefit plan to fund life insurance, health and dental care benefits and a retiree Health Care Spending Account ("HCSA"), is as follows:

	2024	2023
Accrued benefit liability recognized, beginning of year	$ 6,355	$ 5,816
Current service costs	135	120
Interest costs	286	286
Benefit payments	(475)	(432)
Remeasurements recognized in other comprehensive income	88	565
Accrued benefit liability recognized, end of year	$ 6,389	$ 6,355

The amounts presented are based upon an actuarial valuation performed as at December 31, 2022 with an update to the accounting extrapolations for the year ending December 31, 2024.

(c) Significant assumptions:

	2024 %	2023 %
Discount rate used	4.7	4.6
Health care costs rate increase for next year	5.3	4.9
Dental care costs rate increase for next year	5.6	5.1

(In thousands of dollars)

16. Employee future benefits (continued):

(c) Sensitivity analysis:

Changes in key assumptions would have had the following effect on the benefit obligation:

	Estimated value of future payments	% difference
Base (4.70%)	$ 6,389	–
Discount rate:		
(3.70%) or - 1.00%	7,498	17%
(5.70%) or +1.00%	5,527	(14%)
Health and dental cost trend rates:		
- 1.00%	5,973	(7%)
+1.00%	6,900	8%

17. Share capital:

	2024	2023
Authorized:		
Unlimited Common Shares		
Issued:		
1,000 Common Shares	$ 98,796	$ 98,796

18. Dividends:

On February 27, 2024, the Board of Directors of the Company declared dividends of $7,124 on the issued and outstanding Common shares in respect of the 2023 fiscal year.

Dividends and dividend advances paid in 2024 were $8,006 and include the following:

- 2023 Q4 dividends of $2,674
- 2024 Q1, Q2, Q3 and Q4 dividend advances of $5,332

On March 21, 2025, the Board of Directors of the Company declared dividends of $4,647 on the issued and outstanding Common shares in respect of the 2024 fiscal year. Dividend advances of $5,332 were paid during 2024 with the excess of $685 to be deducted from dividends to be paid in the future.

19. Commitments and contingencies:

(a) Insurance claims:

The Company is a member of the Municipal Electric Association Reciprocal Insurance Exchange ("MEARIE"), which was created on January 1, 1987. A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other. MEARIE provides general liability insurance to member electric utilities. MEARIE also provides vehicle and property insurance to the Company.

Insurance premiums charged to each member electric utility consist of a levy per $1 of service revenue subject to a credit or surcharge based on each electric utility's claims experience.

(b) Contractual obligation - Hydro One Networks Inc.:

Whitby transformer station:

The Company is party to a connection and cost recovery agreement with Hydro One related to the construction by Hydro One of a transformer station designated to meet the Company's anticipated electricity load growth. Construction of the project was completed during 2007 and the Company connected to the transformer station during 2008.

To the extent that the cost of the project is not recoverable from future transformation connection revenue, the Company is obligated to pay a capital contribution equal to the difference between this revenue and the construction costs allocated to the Company. The construction costs allocated to the Company for the project are $19,950.

Hydro One has performed the final true-up based on actual load at the end of the fifteenth anniversary of the in-service date and the Company accrued $4,062 for the shortfall of connection transformation revenue for Hydro One, as at December 31, 2024 (December 31, 2023 - $nil) and recognized this amount as an intangible asset.

Seaton transformer station:

The Company constructed a transformer station designated to meet the Company's anticipated electricity load growth and connected the transformer station to Hydro One’s transmission system in December 2022. The Company entered into a connection and cost

19. Commitments and contingencies (continued):

recovery agreement with Hydro One for the 230kV transmission supply to the transformer station. The construction costs allocated to the Company for the transmission supply project are $10,003 and a capital contribution of $3,244 was required due to increase in cost and lower incremental load forecast. The Company accrued $3,244 as at December 31, 2024 (December 31, 2023 - $nil) and recognized this as an intangible asset.

To the extent that the cost of the project is not recoverable from future transformation connection revenue, the Company is obligated to pay additional capital contributions equal to the difference between this revenue and the construction costs allocated to the Company. Hydro One will perform a true-up based on actual load at the end of the fifth, tenth and fifteenth anniversary of the in-service date.

(c) Contractual obligation - Cloud Computing Arrangements:

The Company entered into a cloud computing arrangement in December 2024 with an established Canadian supplier for licensing and to implement an integrated technology platform solution implementing electrical utility industry leading standard operating models and business processes for a 10-year term with a cost of $48,799.

(d) Prudential support:

Purchasers of electricity in Ontario, through the IESO, are required to provide security to mitigate the risk of default based on their expected activity in the market. The IESO could draw on this security if the Company fails to make the payment required on a default notice issued by the IESO. The Corporation has provided a $64,000 guarantee to the IESO on behalf of the Company.

(e) General claims:

From time to time, the Company is involved in various lawsuits, claims and regulatory proceedings in the normal course of business. In the opinion of management, the outcome of such matters will not have a material adverse effect on the Company's financial position and results of operations or cash flows.

(In thousands of dollars)

20. Leases:

The Company is committed to lease agreements for various vehicles.

When measuring the lease liabilities for leases, the Company discounted lease payments using the implicit rate of each lease agreement with a range of 5.65% to 7.20%.

Future minimum non-cancellable lease payment obligations under finance leases are as follows:

2025	$	95
2026		71
2027		44
	$	210

As at December 31, 2024, a lease obligation of $95 (December 31, 2023 - $124) is recorded as a current liability and $115 (December 31, 2023 - $210) is recorded as a non-current liability.

The Company has also recognized $16 (2023 - $25) in interest costs (recognized as finance costs in the statement of income and comprehensive income and the statement of cash flows) and $124 (2023 - $177) in lease repayments (recognized as changes in operating working capital in the statement of cash flows).

(In thousands of dollars)

21. Revenue and other income:

	2024	2023
Commodity revenue	$ 464,462	$ 421,522
Distribution revenue	100,500	97,459

	2024	2023
Other income:		
Late payment charges	$ 1,467	$ 1,474
Customer charges (a)	779	789
Pole rentals	1,174	1,100
Amortization of deferred contributions	3,400	2,936
Renewable energy	145	102
Other	360	1,397
	$ 7,325	$ 7,798

(a) Includes reconnection/disconnection, collection and change of occupancy charges from customers.

Energy sales and distribution revenue by customer class are as follows:

	2024	2023
Residential service	$ 277,759	$ 245,343
General service	266,868	251,395
Large users	20,335	22,243
Total commodity and distribution revenue	$ 564,962	$ 518,981

(In thousands of dollars)

22. Operating, maintenance and administration expenses:

	Operating and maintenance	Administration	Total 2024	Total 2023
Salaries and benefits	$ 11,379	$ 19,565	$ 30,944	$ 28,070
External services	9,808	17,452	27,260	19,834
Materials and supplies	131	18	149	110
Vehicle	1,289	116	1,405	1,442
Other	28	1,338	1,366	586
	$ 22,635	$ 38,489	$ 61,124	$ 50,042

23. Statement of cash flows:

Changes in operating working capital provided by (used in) include the following:

	2024	2023
Accounts receivable	$ (8,104)	$ (10,087)
Related parties	419	362
Materials and supplies	1,122	(3,208)
Prepaid expenses	(354)	522
Accounts payable and accrued liabilities	4,653	(2,008)
Deferred revenue	(1,699)	54
	$ (3,963)	$ (14,365)

Reconciliation between the amount presented in the statement of cash flows and total additions to PP&E and intangible assets:

	2024	2023
Purchase of PP&E, cash basis	$ 77,357	$ 88,627
Net change in accruals related to PP&E	3,995	(3,681)
Total additions to PP&E	$ 81,352	$ 84,946
Purchase of intangible assets, cash basis	$ 5,043	$ 3,839
Net change in accruals related to intangible assets	8,245	(174)
Total additions to intangible assets	$ 13,288	$ 3,665

24. Financial instruments and risk management:

(a) Market risk:

Market risk refers primarily to risk of loss that results from changes in commodity prices, foreign exchange rates and interest rates. The Company does not have commodity risk due to the flow-through nature of energy purchases and costs. All variances due to timing of customer billing or regulated pricing are recorded in retail settlement variance accounts and are recovered from or returned to customers in accordance with regulatory directives. The foreign exchange risk is considered not material and is limited to U.S. dollar cash holdings of $22 (2023 - $209) as at December 31, 2024.

(b) Interest rate risk:

The Company enters into fixed interest rate long-term debt agreements to minimize cash flow and interest rate fluctuation exposure. During 2023, the Company unwound its interest rate swap derivative maturing March 2, 2045. The Company then entered into a new interest rate swap derivative agreement of $33,390 maturing on November 2, 2028. Additionally, the Company entered into a new interest rate swap derivative agreement of $220,000 maturing on August 2, 2028. The Company entered into interest rate swap derivative agreements with the Bank to exchange interest rate cash flows. Under these agreements, the Company and the Bank have the periodic exchange of payments without exchanging the notional principal amount on which the payments are based. This effectively provided the Company with a fixed rate loan, which reduces the impact of fluctuating interest rates on long-term debt. The Company does not enter into any such financial instrument for speculative purposes.

The Company is also exposed to fluctuations in interest rates as the regulated rate of return for the Company's distribution business is derived using a formulaic approach which is in part based on the forecast for long-term Government of Canada bond yields. This rate of return is approved by the OEB as part of the approval of distribution rates.

(c) Credit risk:

Financial assets create credit risk that a counterparty will fail to discharge an obligation, causing a financial loss. The Company's distribution revenue is earned on a broad base of customers. As a result, the Company did not earn a significant amount of revenue from any individual customer.

(In thousands of dollars)

24. Financial instruments and risk management (continued):

The inflationary pressures and a higher interest rate environment create a higher degree of uncertainty due to economic and business disruption. Management considers current economic and credit conditions in revising the estimates and judgments used in preparation of the expected credit losses provision on its accounts receivable balances. The Company applies provision rates based on recent and changing trends to customer aging balances, customer collection patterns and risk of customer default and has recorded a decrease to the expected credit loss allowance of $500. The impact of the OEB's moratorium on disconnections impacted the Company's ability to mitigate credit risk from customer accounts receivable balances.

The Company manages counterparty credit risk through various techniques, including limiting total exposure levels with individual counterparties consistent with the Company's policies and monitoring the financial condition of counterparties.

Management believes that the credit risk of accounts receivable is limited due to the following reasons:

(i) There is a broad base of customers with no one customer that accounts for revenue or an accounts receivable balance in excess of 10% of the respective balance.

(ii) The Company, as permitted by the OEB's Retail Settlement and Distribution System Code, may obtain a security deposit or L/C from customers to mitigate risk of payment default.

(iii) The percentage of accounts receivable that is outstanding more than 90 days is approximately 7.7% (2023 - 6.9%) of the total net outstanding balance.

(iv) The Company includes an amount of accounts receivable write-offs within net income for rate-setting purposes.

Expected credit risk losses:

2023	$	5,275
Additional allowances		1,394
Write-offs		(1,894)
		(500)
2024	$	4,775

(In thousands of dollars)

24. Financial instruments and risk management (continued):

Pursuant to their respective terms, accounts receivable are aged as follows as at December 31:

	2024	2023
Total accounts receivable	$ 108,092	$ 100,488
Less: expected credit losses	4,775	5,275
Total accounts receivable, net	$ 103,317	$ 95,213
Of which:		
Unbilled revenue	$ 48,749	$ 46,856
Outstanding less than 30 days	44,186	41,067
Outstanding 31 days but not more than 60 days	4,990	4,211
Outstanding 61 days but not more than 90 days	2,207	1,821
Outstanding 91 days but not more than 120 days	1,497	1,223
Outstanding more than 120 days	6,463	5,310
	108,092	100,488
Less: expected credit losses	4,775	5,275
	$ 103,317	$ 95,213

(d) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company has access to credit facilities and monitors cash balances daily. Short-term liquidity is provided through cash on hand, funds from operations and a revolving credit facility. Short-term liquidity is expected to be sufficient to fund normal operating requirements.

The current challenging economic climate affected by factors including but not limited to uncertain macroeconomic conditions like a global recession may lead to material adverse changes in cash flows, working capital levels and/or debt balances, which may also have a direct negative impact on the Company's operating results and financial position in the future. Accordingly, the Company continues to monitor and adapt its response plan as the economic climate evolves.

(In thousands of dollars)

24. Financial instruments and risk management (continued):

The liquidity risks associated with financial commitments are as follows:

Financial commitments as of December 31, 2024:

	Due within one year	Due between one and five years	Due past five years
Financial liabilities:			
Accounts payable and accrued liabilities - undiscounted	$ 76,123	$ –	$ –
Short-term debt - undiscounted (note 10)	77,126	–	–
Long-term debt - undiscounted	709	286,232	20,080
Leases - discounted	95	115	–
	$ 154,053	$ 286,347	$ 20,080

Financial commitments as of December 31, 2023:

	Due within one year	Due between one and five years	Due past five years
Financial liabilities:			
Accounts payable and accrued liabilities - undiscounted	$ 59,229	$ –	$ –
Short-term debt - undiscounted (note 10)	71,926	–	–
Long-term debt - undiscounted	2,709	256,230	20,790
Leases - discounted	124	210	–
	$ 133,988	$ 256,440	$ 20,790

(e) Fair values:

The Company included $12,289 of unrealized loss (2023 - $11,081) in its financial statements. This is the fair value, using a discounted cash flow model, of the interest rate swap derivatives which represents the amount that the Company would pay if it decided to settle its interest rate swap obligations as at December 31, 2024.

Fair value measurements recognized in the statement of income and comprehensive income are categorized using a fair value hierarchy that reflects the significance of inputs used in determining the fair values.

(In thousands of dollars)

24. Financial instruments and risk management (continued):

- Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;

- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

- Level 3 - inputs for assets and liabilities that are not based on observable market data.

The interest rate swap derivatives are all Level 2 as at December 31, 2024.

There were no transfers between levels during the year.

The carrying amounts of all financial instruments, except the short-term debt and long-term debt approximate fair values due to the immediate or short-term maturity of these financial instruments.

The estimated fair values of the loans payable, including related party loans, are as follows:

	2024		2023	
Instrument	Fair value	Carrying value	Fair value	Carrying value
Town of Ajax promissory note, due on demand	$ 14,060	$ 14,060	$ 14,060	$ 14,060
Town of Whitby promissory note, due on demand	28,338	28,338	28,338	28,338
City of Pickering promissory note, due on demand	17,974	17,974	17,974	17,974
City of Belleville promissory note, due on demand	5,588	5,588	5,588	5,588
City of Clarington promissory note, due on demand	5,966	5,966	5,966	5,966
Notes payable to the Corporation, maturing on December 9, 2034	12,918	13,000	15,027	15,000
Notes payable to the Corporation, maturing on December 17, 2039	9,133	10,500	9,739	11,200
Loan payable to the Corporation, maturing on September 1, 2031	55	55	62	62
Loan payable to the Town of Cobourg Holding Inc., maturing on February 1, 2044	80	75	84	77
Long-term debt from the Bank, maturing on November 2, 2028	35,374	33,390	35,282	33,390
Long-term debt from the Bank, maturing on August 2, 2028	230,305	220,000	229,189	220,000
Long-term debt from the Bank, maturing on June 29, 2026	29,811	30,000	–	–
Short-term debt	5,200	5,200	–	–
Total	$ 394,802	$ 384,146	$ 361,309	$ 351,655

(In thousands of dollars)

24. Financial instruments and risk management (continued):

(f) Capital management:

The Company considers its capital structure to consist of shareholder's equity, short-term debt, long-term debt, bank indebtedness, less cash. The Company's capital structure was as follows:

	2024	2023
Cash	$ (487)	$ (1,495)
Short-term debt	77,126	71,926
Long-term debt	307,021	279,729
	384,147	351,655
Share capital	98,796	98,796
Retained earnings	63,609	63,650
Contributed surplus	77,849	77,849
Contributed capital	23	23
Accumulated other comprehensive income	2,420	2,500
	242,697	242,818
Total capital	$ 626,357	$ 592,978

EXHIBIT 6 - TAB 2 - SCHEDULE 1: ATTACHMENT 4
“SUPPORTING SCHEDULES”
(REFER TO ATTACHMENT IN EXCEL FORMAT)

OTHER REVENUE

1. INTRODUCTION

In addition to revenues recovered through distribution rates, Elexicon earns other revenue from non-distribution related services and specific service charges. Elexicon also receives income from shared services that it provides to its affiliates. Together these revenues constitute Elexicon's Other Revenue which reduces the utility's revenue requirement recovered through distribution rates. Other Revenue is sub-divided into the categories and summarized in Table 1 below.

Table 1: Other Revenue Summary[1]

	Historical				
Years	**2020**	**2021**	**2022**	**2023**	**2024**
Miscellaneous Service Revenues ($M)	1.3	1.4	1.4	1.4	3.3
Late Payment Charges ($M)	1.2	0.8	1.4	1.5	1.5
Other Operating Revenues ($M)	1.4	1.4	1.4	1.4	1.4
Other Income and Deductions ($M)	-2.5	3.3	8.3	-9.6	-0.9
Total ($M)	1.4	6.9	12.4	-5.3	5.3

	Bridge		Forecast				
Years	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Miscellaneous Service Revenues ($M)	1.9	1.9	0.7	0.8	0.8	0.8	0.8
Late Payment Charges ($M)	2.0	1.5	1.6	1.6	1.6	1.7	1.7
Other Operating Revenues ($M)	1.4	1.4	2.1	2.1	2.1	2.2	2.2
Other Income and Deductions ($M)	-1.3	-0.7	0.5	0.5	0.5	0.5	0.5
Total ($M)	4.0	4.1	4.9	5.0	5.1	5.2	5.3

A complete breakdown of the Other Revenue accounts is shown in OEB Appendix 2-H, provided in excel format as Attachment 1 to this schedule.

2. MISCELLANEOUS SERVICE REVENUES

Elexicon charges OEB-approved user fees for certain services, which can arise from customer requests such as account set-up charges, or regular business operations, such as returned cheques.

<u>2020 – 2021 Variance Explanation:</u>

The historical variance between 2020 and 2021 actuals from $1.3M to $1.4M is primarily due to an increase in account set-up charges driven by a higher volume of customer requests.

[1] Numbers may not sum due to rounding.

2021 – 2023 Variance Explanation:

The revenues for 2022 and 2023 were consistent with 2021.

2023 – 2024 Variance Explanation:

The historical variance between 2023 and 2024 actuals from $1.4M to $3.3M is primarily due to a change in the provision of the account to record the lost revenues associated with the elimination of the Collection of Account charge consistent with OEB decision[2].

2024 – 2027 Variance Explanation:

Miscellaneous service revenues are expected to decrease from $3.3M to $0.7M between 2024 to 2027 as the Collection of Account charges cease in 2026.

2027 – 2031 Variance Explanation:

Miscellaneous service revenues are expected to increase from $0.7M to $0.8M as revenue from account set-up charges is expected to increase in accordance with the growth of Elexicon's customer base and subsequent increase in the account set-up requests.

3. LATE PAYMENT CHARGES

Elexicon charges late payment fees on overdue customer balances in accordance with all applicable legislative and regulatory requirements.

2020 – 2021 Variance Explanation:

The historical variance between 2020 and 2021 actuals from $1.2M to $0.8M is primarily due to overdue interest being disabled during Customer Information System merger for a period of over four months.

2021 – 2022 Variance Explanation:

The historical variance between 2021 and 2022 actuals from $0.8M to $1.4M is primarily due to the arrears that customers accumulated over the COVID-19 pandemic generating higher amounts of late payment charges.

[2] Provision updated based on OEB decision on Brantford Power Inc on collection of account charge in EB-2021-0009.

2022 – 2023 Variance Explanation:

The historical variance between 2022 and 2023 actuals from $1.4M to $1.5M is primarily due to the growth of Elexicon's customer base and subsequent increase in unpaid account balances.

2023 – 2024 Variance Explanation:

The revenues for 2024 were consistent with 2023.

2024 – 2027 Variance Explanation:

The revenues from late payment charges are expected to increase by $0.1M, in accordance with the growth of Elexicon's customer base and subsequent increase in unpaid account balances.

2027 – 2031 Variance Explanation:

The revenues from late payment charges are expected to increase by $0.1M, in accordance with the growth of Elexicon's customer base and subsequent increase in unpaid account balances.

4. OTHER OPERATING REVENUES

Other Operating Revenues include revenues from retail service charges, service transaction requests, standard supply service ("SSS") administration charges and rent from electric property, such as pole attachment revenue. Amortization on capital contributions is included in Depreciation and Amortization and have been removed from the Other Revenue amounts and tables.

2020 – 2024 Variance Explanation:

The other operating revenues were consistent between 2020 to 2024.

2024 – 2027 Variance Explanation:

Other operating revenues increased from $1.4M to $2.1M primarily due to Pole Attachment Revenue being recovered as per established OEB rates in 2027. Elexicon has been recording incremental pole attachment revenues arising from the changes to the pole attachment charge to the pole attachment variance account since 2018.

2027 – 2031 Variance Explanation:

Other operating revenues are expected to increase from $2.1M to $2.2M, in accordance with the growth of Elexicon's customer base and subsequent increase in the volume of services driving other operating revenues.

5. OTHER INCOME AND DEDUCTIONS

Other Income and Deductions include regulatory debits and credits, gain and loss on swap agreement, gains on dispositions of utility and other property, interest income, income and recoveries by providing shared services to its affiliates and miscellaneous other income and deductions.

5.1 Regulatory Debits and Credits

5.1.1 Regulatory Debits

In 2023, the OEB established a generic, sector-wide variance account, the Getting Ontario Connected Act ("GOCA") variance account, to specifically track incremental costs of locates in 2023 and future years arising from the implementation of Bill 93. This resulted in $1.1M, $0.4M and $0.1M respective increases in regulatory debits from 2022 to 2023, 2023 to 2024, and 2024 to 2025.

In 2027, upon rebasing, Elexicon will stop recording balances in the GOCA variance account as the requirements will be captured in its new rates.

5.1.2 Regulatory Credits

The regulatory credits are composed of the following:

Veridian Rate Zone ("VRZ") records regulatory credit balances arising from derecognition of assets under IFRS. The balance in the Transitional PP&E account offsets the VRZ Loss on Retirements in account 4362, which is grouped with depreciation.

In Whitby's 2019 Annual IR Application EB-2018-0079, the OEB approved the use of a new deferral Account 1508, Sub-account - Changes in Estimated Useful Lives, to record the impact of accounting changes to depreciation. This account has been used to record the impact of applying VRZ useful lives to the April 2019 WRZ opening balances upon merger.

In 2027, upon rebasing, Elexicon will stop recording balances in the Transition PP&E and Changes in Estimated Useful Lives accounts as these requirements will be captured in its new rates.

5.2 Gain/Loss on Swap Agreement

At inception and maturity of the interest rate swap loan there is no unrealized gain or loss. Unrealized gains/losses are recorded on the change in value of the swap while still being held, whereas realized gains/losses are the actuals profits or losses incurred when the swap loans are terminated prior to maturity. The unrealized loss in 2020 was due to a decrease in swap loan interest rates during the year. The unrealized gains in 2021 and 2022 were a result of an increase in swap loan interest rates. In 2023, Elexicon consolidated its credit facilities into two 5-year swap loans to lock in interest rates for part of a committed revolver facility. In 2023, an unrealized loss of $11.1M was due to a decrease in interest rates, by the end of the year, for equivalent term swaps below the swap loan interest rates at inception of the 5-year swap loans. Additionally, a swap gain was realized in the amount of $0.7M, resulting in a net loss of $10.4M in profits and losses on investments. A smaller unrealized loss was recorded in 2024 due to a decrease in swap loan interest rates. This unrealized loss is not expected to affect cash as Elexicon Energy intends to hold its swap loan until maturity in 2028.

5.3 Gain on Disposition of Utility and Other Property

In 2022, Elexicon recorded a gain on the sale of property and surplus vehicles in the amount of $0.2M. The gain of $0.1M in 2023 is primarily due to the sale of surplus vehicles and the disposal of equipment.

5.4 Interest Income

The higher balances in interest income in 2023 and 2024 are due to several factors, including higher bank balances and interest rates.

5.5 Income and Recoveries from Shared Services to Affiliates

Elexicon provides shared services to its affiliates in agreement with the Affiliate Relationship Code ("ARC"). Further details on shared services are provided in Exhibit 4 - Tab 3 - Schedule 1.

5.6 Other Income and Deductions Year-over-Year Variance Analysis

<u>2020 – 2021 Variance Explanation:</u>

The historical variance from -$2.5M to $3.3M is primarily due to a $6.4M net unrealized gain on swap.

2021 – 2022 Variance Explanation:

The historical variance from $3.3M to $8.3M is primarily due to a $3.5M net unrealized gain on swap. The remaining variance is primarily due to an increase in regulatory balances of $1.1M.

2022 – 2023 Variance Explanation:

The historical variance from $8.3M to -$9.6M is primarily due to a $11.1M unrealized loss in 2023, while in 2022 this was an unrealized gain of $6.5M, resulting in an overall change of $17.6M net unrealized loss on swap. The remaining variance is primarily due to the establishment of a variance account to track the incremental costs of locates in 2023 of -$1.1M, offset by a $0.7M realized swap gain.

2023 – 2024 Variance Explanation:

The historical variance from -$9.6M to -$0.9M is primarily due to a decrease in unrealized loss on swap of $9.9M when compared to prior year. This variance is primarily offset by the swap gain realized in 2023 of $0.7M and an increase in the variance account to track the incremental costs of locates of $0.4M.

2024 – 2027 Variance Explanation:

The variance from -$0.9M to $0.5M is primarily due to a $1.2M net unrealized loss on swap in 2024.

2027 – 2031 Variance Explanation:

The 2031 revenues are consistent with 2027.

6. LIST OF ATTACHMENTS

- Attachment 1 (Excel): OEB Appendix 2-H Other Operating Revenue

EXHIBIT 6 - TAB 3 - SCHEDULE 1: ATTACHMENT 1
“OEB APP.2-H OTHER OPERATING REVENUE”
(REFER TO ATTACHMENT IN EXCEL FORMAT)