

On February 27, 2023, Knowledge First Foundation and Knowledge First Financial Inc. filed articles of amendment to effect the change of their names to Embark Student Foundation and Embark Student Corp., respectively. Accordingly, effective immediately, any reference to "Knowledge First Foundation" should now be considered referring to "Embark Student Foundation" and any reference to "Knowledge First Financial Inc." should now be considered referring to "Embark Student Corp."

If you require any further information about this change, please contact us by email at [contact@embark.ca](mailto:contact@embark.ca).

Yours truly,  
EMBARK STUDENT FOUNDATION & EMBARK STUDENT CORP.

Financial Statements of

## **EMBARK STUDENT PLAN**

Education savings program provided by Knowledge First Foundation

For the period from December 9, 2022 to December 31, 2022

## **Management's Responsibility for Financial Reporting**

The accompanying financial statements of the Embark Student Plan (the Plan) have been prepared by management and approved by the Board of Directors of Knowledge First Foundation. The Board of Directors is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities.

Knowledge First Foundation, through Knowledge First Financial Inc., its wholly owned subsidiary which administers the Plan, maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. The significant accounting policies, which management believe are appropriate for the Plan, are described in Note 2 to the financial statements.

KPMG LLP is the independent auditor of the Plan. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the Trustee and the Subscribers and the Beneficiaries of the Plan their opinion on the financial statements. Their report follows.

**Board of Directors**  
**Mississauga, Ontario**  
**March 30, 2023**



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Embark Student Foundation

### ***Opinion***

We have audited the financial statements of Embark Student Plan (the "Plan"), which comprises:

- the statement of financial position as at December 31, 2022
- the statement of comprehensive loss for the period from December 9, 2022 to December 31, 2022
- the statement of changes in net assets attributable to subscribers and beneficiaries for the period from December 9, 2022 to December 31, 2022
- the statement of cash flows for the period December 9, 2022 to December 31, 2022
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of the Plan as at December 31, 2022 and its financial performance and its cash flows for the period from December 9, 2022 to December 31, 2022 in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

### ***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 Plan 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.

### ***Other Information***

Management is responsible for the other information. Other information comprises:

- the information included in the Management Report of Fund Performance filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information or appears to be materially misstated. We obtained the information included in Management Report of Fund Performance filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

### ***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 International Financial Reporting Standards, as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of a financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Plan'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 Plan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Plan'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 is 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.



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- 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 Plan'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 Plan'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 Plan 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.

Yours very truly,

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada  
March 30, 2023

# EMBARK STUDENT PLAN

Statement of Financial Position

As at December 31, 2022

(All amounts in Canadian dollars)

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	<b>2022</b>
<b>Assets</b>	
<b>Current Assets</b>	
Cash	\$ 4,872
<b>Total Assets</b>	<b>\$ 4,872</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable and Other Liabilities	—
<b>Total Liabilities</b>	<b>\$ —</b>
<b>Net Assets Attributable to Subscribers and Beneficiaries</b>	<b>\$ 4,872</b>

Approved by the Board of Directors of Knowledge First Foundation

*"David Forster"* (Signed)

*"Andrea Bolger"* (Signed)

David Forster, Director

Andrea Bolger, Director

*The accompanying notes are an integral part of these financial statements.*

**EMBARK STUDENT PLAN**

Statement of Comprehensive Loss

**For the period from December 9, 2022 to December 31, 2022**

(All amounts in Canadian dollars)

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	<b>2022</b>
<b>Total Income</b>	<b>\$ —</b>
<b>Expenses</b>	
Bank charges	128
<b>Total Expenses</b>	<b>\$ 128</b>
<b>Decrease in Net Assets Attributable to Subscribers and Beneficiaries</b>	<b>\$ (128)</b>

*The accompanying notes are an integral part of these financial statements.*

## EMBARK STUDENT PLAN

Statement of Changes in Net Assets Attributable to Subscribers and Beneficiaries

**For the period from December 9, 2022 to December 31, 2022**

(All amounts in Canadian dollars)

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		<b>2022</b>
<b>Net Assets Attributable to Subscribers and Beneficiaries, Beginning of the period</b>	<b>\$</b>	<b>5,000</b>
Accumulated Loss		
Decrease in Net Assets Attributable to Subscribers and Beneficiaries		(128)
	<b>\$</b>	<b>(128)</b>
<b>Net Assets Attributable to Subscribers and Beneficiaries, End of the period</b>	<b>\$</b>	<b>4,872</b>

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*The accompanying notes are an integral part of these financial statements.*



## EMBARK STUDENT PLAN

### Statement of Cash Flows

For the period from December 9, 2022 to December 31, 2022

(All amounts in Canadian dollars)

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<b>Cash Provided by (Used in)</b>		<b>2022</b>
<b>Operating Activities</b>		
Decrease in Net Assets Attributable to Subscribers and Beneficiaries	\$	(128)
<b>Net Cash Used in Operating Activities</b>	<b>\$</b>	<b>(128)</b>
<b>Net Decrease in Cash During the period from December 9, 2022 to December 31, 2022</b>		<b>(128)</b>
<b>Cash, Beginning of period</b>		<b>5,000</b>
<b>Cash, End of period</b>	<b>\$</b>	<b>4,872</b>

*The accompanying notes are an integral part of these financial statements.*

# **EMBARK STUDENT PLAN**

Notes to the Financial Statements

**For the period from December 9, 2022 to December 31, 2022**

(All amounts in Canadian dollars)

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## **1 General Information**

Embark Student Plan (the “Plan”) is established by Knowledge First Foundation (the “Foundation”) as a savings vehicle for subscribers to save for a designated student’s (beneficiary) post-secondary education. The Plan was registered with the Ontario Securities Commission (the “OSC”) on February 6, 2023 (Note 5).

The distribution and general administration of the Plan is carried out on behalf of the Foundation by Knowledge First Financial Inc., (“Knowledge First Financial”) a wholly owned subsidiary of the Foundation. There are no Education Assistance Agreements under administration for the Plan. As at December 31, 2022, the Plan had not yet commenced operations.

The Foundation sponsors and administers the Plan, which is designed to assist in providing for the costs of post-secondary education for designated students. Subscribers to the Plan must make at least one deposit to a special savings account. A management fee is be deducted from the Plan. Deposits are returned to the subscriber or student, while income earned thereon is used to provide payments to qualified students.

The Plan’s primary place of business is 50 Burnhamthorpe Road West, Mississauga, Ontario, Canada.

The financial statements were authorized for issue by the Audit, Finance and Risk Management Committee of the Board of Directors of the Foundation on March 30, 2023.

## **2 Summary of Significant Accounting Policies**

### **Basis of Accounting**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board.

The significant accounting policies followed by the Plan are as follows.

### **Functional and Presentation Currency**

The Plan’s functional and presentation currency is the Canadian dollar.

### **Cash**

Cash is comprised of cash with financial institutions.

### **Expenses**

Expenses are represented by the bank charges for the bank account maintenance.

## **3 Financial Instruments Risks**

The Plan’s investment activities expose it to a variety of risks associated with financial instruments, as follows: credit risk, liquidity risk and market risk (including price risk, currency risk and interest rate risk). The Plan does not conduct any activities in currencies other than the Canadian dollar and is therefore not subject to the currency risk. The Plan’s overall risk management approach includes investment guidelines, objectives, and limits which are designed to ensure that risk is mitigated through allocation of investments across different market sectors, maturity

## **EMBARK STUDENT PLAN**

Notes to the Financial Statements

**For the period from December 9, 2022 to December 31, 2022**

(All amounts in Canadian dollars)

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segments and issuers. The Plan employs a third-party investment manager and monitors the investments for compliance with the stated investment guidelines and relevant securities and tax regulations. Oversight responsibility and authority rests with the Foundation's Board of Directors and its Investment Committee. An Independent Review Committee is also in place. As at December 31, 2022, the Plan was not subject to the credit risk, liquidity risk or market risk as it had no other assets or liabilities other than cash as disclosed on the Statement of Financial Position.

### **Capital Risk Management**

The capital of the Plan is represented by the net assets attributable to subscribers and beneficiaries. The capital of the Plan can change daily as the Plan is subject to ongoing contributions and cancellations. As the Plan did not commence its operations by December 31, 2022 and did not have any contributions, it was not subject to the significant capital risk.

## **4 Related Party Transactions**

Initial subscription of \$5,000 was made by the Foundation on December 9, 2022.

### **Management fees**

Management fees, which are paid to the Investment Fund Manager, Knowledge First Financial, will be calculated as a percentage of the sum of the closing balances of net contributions, grants and income. Management fees cover ongoing costs of supporting the Plan including Plan administration, depository, portfolio management and custodial-related costs for the Plan. This fee can increase or decrease, but will not exceed 1.99% per annum plus applicable sales taxes.

## **5 Subsequent Events**

On February 6, 2023, the Foundation and Knowledge First Financial registered the Plan with OSC. The Plan plans to commence its operations on April 3, 2023.

On February 27, 2023, the Foundation and Knowledge First Financial completed the process of changing their legal names to Embark Student Foundation and Embark Student Corp., respectively.