

Financial Statements of

## **EMBARK STUDENT PLAN**

Education savings program provided by Embark Student Foundation

Annual Financial Statements

For the years ended December 31, 2025 and December 31, 2024

## **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 Embark Student Foundation. The Board of Directors is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities.

Embark Student Foundation, through Embark Student Corp., 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 IFRS Accounting Standards and include certain amounts that are based on estimates and judgments. The material accounting policies, which management believe are appropriate for the Plan, are described in Note 3 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 24, 2026



KPMG LLP  
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## INDEPENDENT AUDITOR'S REPORT

To the Trustee and the Subscribers and Beneficiaries of Embark Student Plan

### ***Opinion***

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

- the statements of financial position as at December 31, 2025 and December 31, 2024
- the statements of comprehensive income for the years then ended
- the statements of changes in net assets attributable to subscribers and beneficiaries for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of material accounting policies

(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 Plan as at December 31, 2025 and December 31, 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards.

### ***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.

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 appears to be materially misstated.

We obtained the information included in the Management Report of Fund Performance 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 IFRS Accounting Standards, 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 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 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 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.



*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

March 24, 2026

## EMBARK STUDENT PLAN

Statements of Financial Position

As at December 31, 2025 and December 31, 2024

(All amounts in Canadian dollars)

	2025	2024
<b>Assets</b>		
Cash	\$ 9,073,535	\$ 11,024,237
Investments (Note 4)	5,682,004,842	5,805,354,622
Distributions Receivable	17,323,976	19,280,355
Due from Affiliate (Note 7)	12,583,021	12,578,994
Receivable for Investments Sold	2,363,959	6,829,000
Subscriptions Receivable	2,863,923	6,240,302
Other Receivable	6,178,645	2,854,543
<b>Total Assets</b>	<b>\$ 5,732,391,901</b>	<b>\$ 5,864,162,053</b>
<b>Liabilities</b>		
Due to Affiliate (Note 7)	9,857,182	9,750,944
Redemptions Payable	5,304,040	8,831,423
Payable for Investments Purchased	74,982	1,628,169
Accrued Liabilities	601,656	203,558
<b>Total Liabilities</b>	<b>\$ 15,837,860</b>	<b>\$ 20,414,094</b>
<b>Net Assets Attributable to Subscribers and Beneficiaries</b>	<b>\$ 5,716,554,041</b>	<b>\$ 5,843,747,959</b>
<b>Net Assets Attributable to Subscribers and Beneficiaries for each unit class</b>		
Embark Student Graduation	\$ 1,584,786,109	\$ 1,462,710,685
Embark Student 2026	1,264,858,945	1,973,102,803
Embark Student 2029	1,726,477,928	1,572,963,637
Embark Student 2032	553,752,704	424,260,567
Embark Student 2035	344,754,012	255,276,328
Embark Student 2038	180,958,061	123,576,052
Embark Student 2041	55,913,329	31,084,936
Embark Student 2044	5,052,953	772,951
	<b>\$ 5,716,554,041</b>	<b>\$ 5,843,747,959</b>
<b>Units Outstanding per unit class (Note 6)</b>		
Embark Student Graduation	150,943,195	138,068,610
Embark Student 2026	122,829,596	182,278,086
Embark Student 2029	149,464,622	139,204,467
Embark Student 2032	45,064,351	36,454,092
Embark Student 2035	26,379,764	21,257,998
Embark Student 2038	13,155,984	9,992,204
Embark Student 2041	3,941,229	2,474,545
Embark Student 2044	370,982	65,066

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

## EMBARK STUDENT PLAN

Statements of Financial Position

As at December 31, 2025 and December 31, 2024

(All amounts in Canadian dollars)

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### Net Assets Attributable to Subscribers and Beneficiaries per unit

Embark Student Graduation	\$	10.50	\$	10.59
Embark Student 2026		10.30		10.82
Embark Student 2029		11.55		11.30
Embark Student 2032		12.29		11.64
Embark Student 2035		13.07		12.01
Embark Student 2038		13.75		12.37
Embark Student 2041		14.19		12.56
Embark Student 2044		13.62		11.88

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Approved by the Board of Directors of Embark Student Foundation

"*Rubina Salim Havlin*" (Signed)

Rubina Salim Havlin, Director

"*Andrea Bolger*" (Signed)

Andrea Bolger, Director

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

# EMBARK STUDENT PLAN

Statements of Comprehensive Income

For the years ended December 31, 2025 and December 31, 2024

(All amounts in Canadian dollars)

	2025	2024
<b>Income</b>		
Interest Income	\$ 143,809,292	\$ 73,482,360
Dividend Income	24,457,161	13,572,193
Other Income	12,806,670	6,428,762
Net Realized Gain on Investments	179,629,369	24,071,825
Net Change in Unrealized Appreciation on Investments	38,174,600	235,275,576
<b>Total Income</b>	<b>\$ 398,877,092</b>	<b>\$ 352,830,716</b>
<b>Expenses</b>		
Management Fees (Note 7)	107,727,246	55,297,534
Management Fee Rebates (Note 7)	(45,906,856)	(23,238,391)
Transaction Costs	1,983,955	389,503
Independent Review Committee Fees	87,314	91,634
Other Expenses	211,806	37,441
<b>Total Expenses</b>	<b>\$ 64,103,465</b>	<b>\$ 32,577,721</b>
<b>Increase in Net Assets Attributable to Subscribers and Beneficiaries</b>	<b>\$ 334,773,627</b>	<b>\$ 320,252,995</b>
<b>Increase in Net Assets Attributable to Subscribers and Beneficiaries per unit class</b>		
Embark Student Graduation	\$ 53,053,773	\$ 60,372,993
Embark Student 2026	67,598,802	104,483,514
Embark Student 2029	99,116,013	96,005,876
Embark Student 2032	47,278,120	28,092,665
Embark Student 2035	37,769,629	18,931,375
Embark Student 2038	22,563,698	9,846,857
Embark Student 2041	6,973,929	2,496,515
Embark Student 2044	419,663	23,200
	<b>\$ 334,773,627</b>	<b>\$ 320,252,995</b>
<b>Weighted Average Number of units outstanding</b>		
Embark Student Graduation	127,323,329	73,612,507
Embark Student 2026	165,335,768	93,829,425
Embark Student 2029	142,643,217	68,465,415
Embark Student 2032	41,059,810	17,292,516
Embark Student 2035	23,857,410	10,153,291
Embark Student 2038	11,566,139	4,736,398
Embark Student 2041	3,197,476	1,185,115
Embark Student 2044	187,844	16,019
<b>Increase in Net Assets Attributable to Subscribers and Beneficiaries per unit</b>		
Embark Student Graduation	\$ 0.42	\$ 0.82
Embark Student 2026	0.41	1.11
Embark Student 2029	0.69	1.40
Embark Student 2032	1.15	1.62
Embark Student 2035	1.58	1.86
Embark Student 2038	1.95	2.08
Embark Student 2041	2.18	2.11
Embark Student 2044	2.23	1.45

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

## EMBARC STUDENT PLAN

Statements of Changes in Net Assets Attributable to Subscribers and Beneficiaries

For the years ended December 31, 2025 and December 31, 2024

(All amounts in Canadian dollars)

	Total	Embark Student 2026	Embark Student 2029	Embark Student 2032	Embark Student 2035	Embark Student 2038	Embark Student 2041	Embark Student 2044	Embark Student Graduation
<b>Net Assets Attributable to Subscribers and Beneficiaries, January 1, 2025</b>	\$5,843,747,959	\$1,973,102,803	\$1,572,963,637	\$ 424,260,567	\$ 255,276,328	\$123,576,052	\$ 31,084,936	\$ 772,951	\$1,462,710,685
<b>Increase in Net Assets Attributable to Subscribers and Beneficiaries from operations</b>	\$ 334,773,627	\$ 67,598,802	\$ 99,116,013	\$ 47,278,120	\$ 37,769,629	\$ 22,563,698	\$ 6,973,929	\$ 419,663	\$ 53,053,773
<b>Redeemable Unit Transactions</b>									
Issuance of Redeemable Units issued	1,027,310,031	119,007,727	100,366,095	169,290,815	105,152,369	62,731,252	24,562,757	3,936,920	442,262,096
Redemption of Redeemable Units	(1,489,277,576)	(894,850,387)	(45,967,817)	(87,076,798)	(53,444,314)	(27,912,941)	(6,708,293)	(76,581)	(373,240,445)
Reinvestments of Distributions to Holders of Redeemable Units	295,096,960	120,798,611	63,029,146	20,719,468	12,421,295	6,426,096	1,723,407	89,517	69,889,420
<b>Net increase (decrease) from redeemable unit transactions</b>	\$ (166,870,585)	\$ (655,044,049)	\$ 117,427,424	\$ 102,933,485	\$ 64,129,350	\$ 41,244,407	\$ 19,577,871	\$ 3,949,856	\$ 138,911,071
<b>Distributions to holders of redeemable units</b>									
From Net Investment Income	(97,608,461)	(33,805,922)	(26,241,326)	(7,322,467)	(3,992,931)	(1,874,058)	(469,866)	(20,972)	(23,880,919)
From Net Realized Capital Gains	(151,581,643)	(73,213,540)	(23,941,903)	(9,285,152)	(5,696,602)	(2,855,852)	(825,973)	(61,915)	(35,700,706)
Management Fee Rebate	(45,906,856)	(13,779,149)	(12,845,917)	(4,111,849)	(2,731,762)	(1,696,186)	(427,568)	(6,630)	(10,307,795)
<b>Total distributions to holders of redeemable units</b>	\$ (295,096,960)	\$ (120,798,611)	\$ (63,029,146)	\$ (20,719,468)	\$ (12,421,295)	\$ (6,426,096)	\$ (1,723,407)	\$ (89,517)	\$ (69,889,420)
<b>Increase (decrease) in Net Assets Attributable to holders of redeemable units during the year</b>	\$ (127,193,918)	\$ (708,243,858)	\$ 153,514,291	\$ 129,492,137	\$ 89,477,684	\$ 57,382,009	\$ 24,828,393	\$ 4,280,002	\$ 122,075,424
<b>Net Assets Attributable to Subscribers and Beneficiaries, December 31, 2025</b>	\$5,716,554,041	\$1,264,858,945	\$1,726,477,928	\$ 553,752,704	\$ 344,754,012	\$180,958,061	\$ 55,913,329	\$ 5,052,953	\$1,584,786,109

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

## EMBARK STUDENT PLAN

Statements of Changes in Net Assets Attributable to Subscribers and Beneficiaries

For the years ended December 31, 2025 and December 31, 2024

(All amounts in Canadian dollars)

	Total	Embark Student 2026	Embark Student 2029	Embark Student 2032	Embark Student 2035	Embark Student 2038	Embark Student 2041	Embark Student 2044	Embark Student Graduation
<b>Net Assets Attributable to Subscribers and Beneficiaries, January 1, 2024</b>	\$ 45,128,089	\$ 15,800,791	\$ 10,748,709	\$ 5,709,375	\$ 3,822,303	\$ 2,863,820	\$ 1,997,817	\$ —	\$ 4,185,274
<b>Increase in Net Assets Attributable to Subscribers and Beneficiaries from operations</b>	\$ 320,252,995	\$ 104,483,514	\$ 96,005,876	\$ 28,092,665	\$ 18,931,375	\$ 9,846,857	\$ 2,496,515	\$ 23,200	\$ 60,372,993
<b>Redeemable Unit Transactions</b>									
Issuance of Redeemable Units issued	6,078,553,623	2,111,700,546	1,484,555,570	416,129,713	247,467,252	118,084,674	27,879,967	758,681	1,671,977,220
Redemption of Redeemable Units	(600,186,748)	(258,882,048)	(18,346,518)	(25,671,186)	(14,944,602)	(7,219,299)	(1,289,363)	(8,930)	(273,824,802)
Reinvestments of Distributions to Holders of Redeemable Units	91,551,240	33,748,729	20,436,140	5,751,731	3,009,562	1,555,489	446,793	5,170	26,597,626
<b>Net increase from redeemable unit transactions</b>	\$ 5,569,918,115	\$ 1,886,567,227	\$ 1,486,645,192	\$ 396,210,258	\$ 235,532,212	\$ 112,420,864	\$ 27,037,397	\$ 754,921	\$ 1,424,750,044
<b>Distributions to holders of redeemable units</b>									
From Net Investment Income	(47,689,590)	(16,947,694)	(11,069,044)	(2,732,748)	(1,398,737)	(608,215)	(153,012)	(3,169)	(14,776,971)
From Net Realized Capital Gains	(20,623,259)	(8,996,460)	(3,331,529)	(1,377,446)	(539,294)	(319,934)	(158,896)	(1,480)	(5,898,220)
Management Fee Rebate	(23,238,391)	(7,804,575)	(6,035,567)	(1,641,537)	(1,071,531)	(627,340)	(134,885)	(521)	(5,922,435)
<b>Total distributions to holders of redeemable units</b>	\$ (91,551,240)	\$ (33,748,729)	\$ (20,436,140)	\$ (5,751,731)	\$ (3,009,562)	\$ (1,555,489)	\$ (446,793)	\$ (5,170)	\$ (26,597,626)
<b>Increase in Net Assets Attributable to holders of redeemable units during the year</b>	\$ 5,798,619,870	\$ 1,957,302,012	\$ 1,562,214,928	\$ 418,551,192	\$ 251,454,025	\$ 120,712,232	\$ 29,087,119	\$ 772,951	\$ 1,458,525,411
<b>Net Assets Attributable to Subscribers and Beneficiaries, December 31, 2024</b>	\$ 5,843,747,959	\$ 1,973,102,803	\$ 1,572,963,637	\$ 424,260,567	\$ 255,276,328	\$ 123,576,052	\$ 31,084,936	\$ 772,951	\$ 1,462,710,685

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

## EMBARK STUDENT PLAN

### Statements of Cash Flows

For the years ended December 31, 2025 and December 31, 2024

(All amounts in Canadian dollars)

<b>Cash Provided by (Used in)</b>	<b>2025</b>	<b>2024</b>
<b>Operating Activities</b>		
Increase in Net Assets Attributable to Subscribers and Beneficiaries	\$ 334,773,627	\$ 320,252,995
Adjustments for:		
Realized Gain on Sale of Investments	(179,629,369)	(24,071,825)
Change in Unrealized Appreciation in the Value of Investments	(38,174,600)	(235,275,576)
Purchase of Investments	(9,452,329,636)	(5,898,488,370)
Proceeds from Sale of Investments	9,793,483,385	6,055,802,123
Decrease/(increase) in Receivable for Investments Sold	4,465,041	(6,829,000)
Decrease in Payable for Investments Purchased	(1,553,187)	(609,112)
Decrease/(increase) in Distributions Receivable	1,956,379	(19,116,168)
Increase in Due from Affiliate	(4,027)	(12,578,994)
Increase in Other Receivable	(3,324,102)	(2,854,543)
Decrease in Due to Affiliate	106,238	9,660,355
Increase in Accrued Liabilities	398,098	203,286
<b>Net Cash Provided by Operating activities</b>	<b>\$ 460,167,847</b>	<b>\$ 186,095,171</b>
<b>Financing Activities</b>		
Proceeds from Sale of Redeemable Units	1,030,686,410	414,157,582
Amounts Paid for Redemption of Redeemable Units	(1,492,804,959)	(591,388,876)
<b>Net Cash (Used in) Financing Activities</b>	<b>\$ (462,118,549)</b>	<b>\$ (177,231,294)</b>
Net increase/(decrease) in Cash	(1,950,702)	8,863,877
Cash, Beginning of year	11,024,237	2,160,360
<b>Cash, End of year</b>	<b>\$ 9,073,535</b>	<b>\$ 11,024,237</b>
Supplementary Disclosure of Cash Flow Information:		
Investments received via Plan Asset Transfer	\$ —	\$ 5,796,606,573
Dividends and Interest Received, Net of Withholding Taxes*	170,222,832	67,938,385
Interest Paid*	211,806	37,442

\*included in operating activities

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

## **EMBARK STUDENT PLAN**

Notes to the Financial Statements

**For the years ended December 31, 2025 and December 31, 2024**

(All amounts in Canadian dollars)

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### **1 General Information**

Embark Student Plan (the “Plan”) is established by Embark Student 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. The Plan’s primary place of business is 50 Burnhamthorpe Road West, Mississauga, Ontario, Canada.

The distribution and general administration of the Plan is carried out on behalf of the Foundation by Embark Student Corp., (the “Manager”), a wholly owned subsidiary of the Foundation. The Manager carries out the general administration of the Plan on its behalf that includes processing and call center services related to new subscriber agreements, payments, government grants, plan modifications, terminations, maturities and Education Assistance Payments (“EAPs”) and other back-office functions such as accounting, reporting, compliance, legal and human resources. The Plan commenced its operations on March 1, 2023.

The Trustee of the Plan is Bank of Nova Scotia Trust Company. The Custodian of the Plan is RBC Investor Services Trust.

The Plan meets its investment objectives for subscribers by investing subscriber contributions, government grants and earnings, according to a glide path long-term investment approach that seeks to match the age of beneficiaries and their expected date to attend post-secondary education with appropriate asset classes and investment mix. The Plan's investment manager, BMO Asset Management Inc. (“BMO”), invests primarily in a diversified mix of Exchange Traded Funds (“ETFs”) providing exposure to fixed income, money market, and equity securities. BMO seeks to achieve its objectives where considered appropriate by investing in ETFs, cash, and cash equivalents.

Each class of units represents a glide path beneficiary age group. When an account is opened, each beneficiary is issued units of a class of units based on their date of birth. As the beneficiary ages, the target asset mix for each unit class will change over time with an emphasis on equity investing in the early years transitioning to a more conservative investment mix over time, with an emphasis on fixed income securities. When a particular class of units reaches the maturity date, it is merged with the Embark Student Graduation class of units, which has an asset mix intended for capital preservation. The actual asset mix of each class of units may vary based on changes in the market value of underlying securities and will be rebalanced periodically to maintain the target asset mix.

As at December 31, 2025, the Plan consists of eight different classes of units to which each beneficiary is assigned based on their date of birth: Embark Student 2026, Embark Student 2029, Embark Student 2032, Embark Student 2035, Embark Student 2038, Embark Student 2041, Embark Student 2044, and Embark Student Graduation. Every three years, the Plan creates a new class of units for younger beneficiaries as soon as the class of units with oldest beneficiaries is merged with Embark Student Graduation.

## **EMBARK STUDENT PLAN**

Notes to the Financial Statements

**For the years ended December 31, 2025 and December 31, 2024**

(All amounts in Canadian dollars)

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On December 12, 2023, subscribers of the Family Single Student Education Savings Plan and Flex First Plan (collectively, the “Terminating Plans”) voted in favour of winding-up and transferring their assets to the Plan or Embark Select Conservative Plan (collectively, the “Embark Plans”) in the manner described in the Vote Information Circular dated September 20, 2023. As part of the vote, Family Single Student Education Savings Plan subscribers are entitled to a management fee rebate of 0.66% which was in effect until December 31, 2025 and ceased effective January 1, 2026. Flex First Plan subscribers are entitled to a lifetime management fee rebate of 1.16% and enrollment fee refund and loyalty bonus features were removed effective December 31, 2023. The transfer of all assets, termination of Education Savings Plan contracts, and creation of Education Assistance Agreements by the Foundation were completed on July 2, 2024. Based on its authority, the Foundation amended the Trust Agreement to permit the transfer of assets held to the appropriate Embark Plan. The asset transfer from Flex First Plan and Family Single Student Education Savings Plan to the Plan totaled \$5,796,606,573, see Note 10 for details.

In connection with the transfer of net assets to the Plan:

- (1) the assets of Flex First Plan and Family Single Student Education Savings Plan were transferred at fair value; and,
- (2) the components of the subscribers’ principal and income that were transferred into the Plan included: subscribers’ contributions; government grants; and accumulated income associated with the Plan.

The financial statements were authorized for issue by the Audit, Finance and Investment Committee of the Board of Directors of the Foundation on March 24, 2026.

## **2 Basis of Accounting**

These annual financial statements have been prepared in accordance with IFRS Accounting Standards. The Plan has consistently applied the accounting policies used in the preparation of its financial statements.

## **3 Material Accounting Policies**

The material accounting policies followed by the Plan are as follows:

### **Financial instruments**

## **EMBARK STUDENT PLAN**

Notes to the Financial Statements

**For the years ended December 31, 2025 and December 31, 2024**

(All amounts in Canadian dollars)

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### **Recognition and initial measurement**

Financial assets and financial liabilities are recognized when the Plan becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of a financial asset or financial liability are added to or deducted from the fair value on initial recognition, except for financial instruments measured at fair value through profit or loss (“FVTPL”), for which transaction costs are expensed as incurred.

### **Classification and subsequent measurement**

On initial recognition, financial instruments are classified and subsequently measured based on the Plan’s business model for managing the instruments and, for financial assets, the contractual cash flow characteristics of the instrument.

Financial instruments are classified as subsequently measured at:

- Amortized cost;
- fair value through other comprehensive income (“FVOCI”); or
- FVTPL.

The financial instruments held by the Plan include financial assets and liabilities such as cash, investments (third party ETFs), distributions receivable, due from affiliate, receivable for investments sold, subscriptions receivable, other receivable, due to affiliate, redemptions payable, payable for investments purchased and accrued liabilities. The Plan’s investments are classified as FVTPL. All other financial assets and liabilities are measured at amortized cost. The Plan’s obligation for net assets attributable to subscribers and beneficiaries is presented at the distribution amount, which is the residual amount of assets of the Plan after deducting all of its liabilities.

Financial assets and liabilities are measured at FVTPL when management has determined that the respective assets are managed, and performance is evaluated on a fair value basis. Financial assets and liabilities at FVTPL are measured initially and subsequently at fair value, with changes recognized in the Statements of Comprehensive Income.

Financial assets are measured at amortized cost if they are held within a business model whose objective is to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial liabilities are measured at amortized cost unless they are classified as FVTPL. After initial measurement, financial assets and liabilities in this category are carried at amortized cost. Interest income or expense on these financial instruments is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of a financial instrument.

## **EMBARK STUDENT PLAN**

Notes to the Financial Statements

**For the years ended December 31, 2025 and December 31, 2024**

(All amounts in Canadian dollars)

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### **Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the reporting date.

For ETFs, the Plan uses the last traded market price where the last traded price falls between that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Plan determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Plan's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

### **Income Recognition, Transaction Costs and Expenses**

Interest income for distribution purposes from investments in fixed income securities and short-term investments represents the coupon interest received by the Plan accounted for on an accrual basis. Interest receivable is recognized based on the debt instruments' stated rates of interest. Dividends are recognized as income on the ex-dividend date. Interest and dividend receivable is included in distributions receivable in the Statements of Financial Position. The cost of investments is determined using the average cost method. Transaction costs represent broker's commissions and, when incurred, are immediately recognized in profit or loss as an expense.

### **Foreign Currency**

The financial statements are presented in Canadian dollars, which is the Plan's functional and presentation currency.

### **Cash**

Cash is comprised of demand deposits with financial institutions.

### **Funds Transferred In / (Out)**

During the life of an agreement, subscribers of other plans managed by Embark Student Corp. or subscribers at another provider may choose to transfer their agreement to the Plan. Alternatively, subscribers of the Plan may choose to transfer their agreements to another provider. Contributions, government grants and income transferred in/ (out) are reported as changes in net assets attributable to subscribers and beneficiaries.

## **EMBARK STUDENT PLAN**

Notes to the Financial Statements

**For the years ended December 31, 2025 and December 31, 2024**

(All amounts in Canadian dollars)

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These transfers are presented as issuance or redemption of redeemable units in the Statements of Changes in Net Assets Attributable to Subscribers and Beneficiaries.

### **Management Fee Rebates**

The Manager may reduce the management fees based on size of a unitholder investment or participation in a program offered by the Manager. Following the end of each quarter, the amount of any management fee rebate is distributed to qualified unitholders by the Plan in the form of a reinvestment in additional units of the respective series of the Plan. The management fee rebate, if applicable, is included in “Due from Affiliate” and in “Management fee rebates” in the Statements of Financial Position and Statements of Comprehensive Income of each unit class, respectively, if applicable. The Manager may reduce or waive the management fees without giving notice to unitholders.

### **Net Assets Attributable to Subscribers and Beneficiaries**

Net assets attributable to subscribers and beneficiaries are comprised of subscribers’ contributions, government grants and income earned on both subscribers’ contributions and government grants. Net assets attributable to subscribers and beneficiaries are classified as a liability as subscribers have the option to withdraw at any point prior to maturity. If a subscriber withdraws before maturity, the subscriber’s contributions are returned to the subscriber, income earned on that subscriber’s contributions is due and payable to the subscriber in the form of an accumulated income payment or is payable to a designated educational institution. Government grant contributions are returned to the government and forfeited income on the government grants is owed to a designated educational institution.

Subscribers’ contributions are comprised of deposits received from subscribers. During the life of an agreement, subscribers may choose to change the amount of their contributions.

Government grants represent contributions received from federal and provincial governments. Government grants are recognized upon receipt of an eligible contribution to a registered education savings plan by a subscriber to the Plan.

Accumulated income includes the increase (decrease) in net assets attributable to subscribers and beneficiaries. EAPs, and payments of grant income to beneficiaries and designated financial institutions reduce the accumulated income account.

## **EMBARK STUDENT PLAN**

Notes to the Financial Statements

**For the years ended December 31, 2025 and December 31, 2024**

(All amounts in Canadian dollars)

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### **Taxation**

The income on subscribers' contributions is currently exempt from income taxes under the Income Tax Act (Canada) prior to the maturity of the plan. EAPs, comprising government grants and all accumulated income, made to qualified nominees will be included in their income for the purposes of the Income Tax Act (Canada). The amounts deposited by subscribers are not deductible to the subscribers for tax purposes and are not taxable when returned to subscribers or their designated nominees.

The Plan is exempt from income taxes under Section 146.1 of the Income Tax Act (Canada).

### **Interests in Unconsolidated Structured Entities**

A structured entity is an entity that has been designed so that voting or similar rights are not dominant factors in deciding who controls the entity, or when voting rights relate to administrative tasks only and the relevant activities are directed by means of a contractual arrangement. The Plan invests in ETFs which are disclosed on the Schedule of Investment Portfolio, and the Plan has determined that these investments are unconsolidated structured entities. The Plan accounts for its investments in unconsolidated structured entities at FVTPL. The ETFs are domiciled in Canada and listed on the Toronto Stock Exchange.

### **New and Revised Standards and Interpretations Issued but Not Yet Effective**

The IASB has issued the following new standard amendments to existing standards that will become effective in future years:

- IFRS 18, *Presentation and Disclosure in Financial Statements* (replacing IAS 1, *Presentation of Financial Statements*), with an aim to improve how information is communicated in the financial statements, with a focus on information in the statement of income (January 1, 2027).
- Amendments to IFRS 9, *Financial Instruments* and IFRS 7, *Financial Instruments: Disclosures*, clarifying both the classification of financial assets linked to environmental, social, and governance (January 1, 2026)

We are assessing the impacts of IFRS 18 and the amendments to IFRS 9 and IFRS 7 on the financial statements. The amendments are not expected to have a material impact.

## **EMBARK STUDENT PLAN**

Notes to the Financial Statements

**For the years ended December 31, 2025 and December 31, 2024**

(All amounts in Canadian dollars)

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### **4 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 significant direct 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 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 Audit, Finance and Investment Committee. An Independent Review Committee is also in place.

#### **Credit Risk**

The Plan is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Plan is indirectly exposed to credit risk, to the extent that its investment in ETFs have underlying investments in debt instruments, preferred securities and derivatives.

#### **Liquidity Risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Plan has current exposure to the subscribers' contributions and government grant balances as subscribers can cancel or terminate their agreement at any time at which point the full balance would become immediately payable to the subscribers or the government. The Plan is also exposed to agreement maturities and obligations with respect to the accumulated income accounts. Therefore, the Plan invests its assets in investments that are traded in an active market and can be easily liquidated. In addition, the Plan endeavors to retain adequate cash positions to maintain adequate liquidity.

EAPs (accumulated income and government contributions) are paid upon submission of required documentation to the Manager. Subscriber's principal is paid upon maturity of a respective agreement.

If a subscriber cancels an agreement, subscriber's principal and associated government grants are due upon demand. Income on the subscriber's principal and returned government grants become immediately payable to the subscriber or to a designated educational institution, as applicable, and is included in accounts payable and other liabilities in the Statements of Financial Position.

All other liabilities of the Plan are due within three months.

## **EMBARK STUDENT PLAN**

Notes to the Financial Statements

**For the years ended December 31, 2025 and December 31, 2024**

(All amounts in Canadian dollars)

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### **Concentration Risk**

Concentration risk is the risk that the Plan is exposed to losses arising from a lack of diversification in its investments, where a significant portion of the Plan's net assets is invested in a single issuer, counterparty, industry, geographic region, or asset class. Due to the age-based structure of the Plan, certain funds may, at times, hold higher concentrations in specific asset classes as the investment mix is adjusted in response to the beneficiaries' expected education timelines.

## EMBARK STUDENT PLAN

Notes to the Financial Statements

For the years ended December 31, 2025 and December 31, 2024

(All amounts in Canadian dollars)

The table below summarizes the Plan's concentration risk as a percentage of investments:

	Percentage of Investments (%) as at December 31, 2025							
	2026	2029	2032	2035	2038	2041	2044	Graduation
<b>Canadian Fixed Income</b>	<b>54.1 %</b>	<b>71.1 %</b>	<b>54.3 %</b>	<b>40.3 %</b>	<b>26.0 %</b>	<b>17.1 %</b>	<b>10.0 %</b>	<b>50.3 %</b>
BMO Aggregate Bond Index ETF	6.8 %	50.8 %	38.8 %	24.8 %	15.0 %	10.0 %	5.8 %	— %
BMO Canadian MBS Index ETF	— %	— %	— %	— %	— %	— %	— %	5.1 %
BMO Mid Corporate Bond Index ETF	2.1 %	17.0 %	13.0 %	13.2 %	9.4 %	6.3 %	3.7 %	— %
BMO Mid Federal Bond Index ETF	1.6 %	2.2 %	1.7 %	1.7 %	1.2 %	0.8 %	0.5 %	— %
BMO Short Corporate Bond Index ETF	43.6 %	0.7 %	0.5 %	0.6 %	0.4 %	— %	— %	40.1 %
BMO Ultra Short-Term Bond ETF	— %	0.4 %	0.3 %	— %	— %	— %	— %	5.1 %
<b>Money Market</b>	<b>33.5 %</b>	<b>3.7 %</b>	<b>2.3 %</b>	<b>— %</b>	<b>— %</b>	<b>— %</b>	<b>— %</b>	<b>37.5 %</b>
BMO Money Market Fund ETF Series	33.5 %	3.7 %	2.3 %	— %	— %	— %	— %	37.5 %
<b>U.S Equities</b>	<b>4.4 %</b>	<b>9.6 %</b>	<b>16.5 %</b>	<b>21.7 %</b>	<b>28.8 %</b>	<b>32.6 %</b>	<b>35.6 %</b>	<b>4.2 %</b>
BMO S&P 500 Index ETF	3.1 %	7.0 %	11.9 %	15.7 %	21.0 %	23.7 %	25.8 %	3.0 %
BMO S&P 500 Hedged to CAD Index ETF	0.4 %	0.8 %	1.4 %	1.8 %	2.3 %	2.6 %	2.9 %	0.4 %
BMO US Dividend ETF	0.9 %	1.8 %	3.2 %	4.2 %	5.5 %	6.3 %	6.9 %	0.8 %
<b>Canadian Equities</b>	<b>3.9 %</b>	<b>9.4 %</b>	<b>16.4 %</b>	<b>20.8 %</b>	<b>23.9 %</b>	<b>26.2 %</b>	<b>28.8 %</b>	<b>3.9 %</b>
BMO Canadian Dividend ETF	0.8 %	1.8 %	3.1 %	4.1 %	4.7 %	5.1 %	5.6 %	0.8 %
BMO S&P/TSX Capped Composite Index ETF	3.1 %	7.6 %	13.3 %	16.7 %	19.2 %	21.1 %	23.2 %	3.1 %
<b>International Equities</b>	<b>3.7 %</b>	<b>5.8 %</b>	<b>10.0 %</b>	<b>16.8 %</b>	<b>20.7 %</b>	<b>23.4 %</b>	<b>25.6 %</b>	<b>3.7 %</b>
BMO MSCI EAFE Index ETF	3.7 %	5.8 %	10.0 %	16.8 %	20.7 %	23.4 %	25.6 %	3.7 %
<b>Cash Equivalents</b>	<b>0.4 %</b>	<b>0.4 %</b>	<b>0.5 %</b>	<b>0.4 %</b>	<b>0.6 %</b>	<b>0.7 %</b>	<b>— %</b>	<b>0.4 %</b>
RBC Term Deposits	0.4 %	0.4 %	0.5 %	0.4 %	0.6 %	0.7 %	— %	0.4 %
<b>Total</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>

## EMBARK STUDENT PLAN

Notes to the Financial Statements

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(All amounts in Canadian dollars)

The table below summarizes the Plan's concentration risk as a percentage of investments as at December 31, 2024.

	Percentage of Investments (%) as at December 31, 2024							
	2026	2029	2032	2035	2038	2041	2044	Graduation
<b>Canadian Fixed Income</b>	<b>79.7 %</b>	<b>64.7 %</b>	<b>52.4 %</b>	<b>36.2 %</b>	<b>24.0 %</b>	<b>17.3 %</b>	<b>9.0 %</b>	<b>50.1 %</b>
BMO Aggregate Bond Index ETF	37.3 %	48.7 %	34.9 %	24.0 %	14.8 %	10.3 %	5.5 %	— %
BMO Mid Corporate Bond Index ETF	19.8 %	16.0 %	17.5 %	12.2 %	9.2 %	7.0 %	3.5 %	— %
BMO Mid Federal Bond Index ETF	7.5 %	— %	— %	— %	— %	— %	— %	— %
BMO Short Corporate Bond Index ETF	15.1 %	— %	— %	— %	— %	— %	— %	40.4 %
BMO Canadian MBS Index ETF	— %	— %	— %	— %	— %	— %	— %	4.8 %
BMO Ultra Short-Term Bond ETF	— %	— %	— %	— %	— %	— %	— %	4.9 %
<b>Money Market</b>	<b>8.5 %</b>	<b>3.8 %</b>	<b>1.2 %</b>	<b>— %</b>	<b>— %</b>	<b>— %</b>	<b>— %</b>	<b>39.3 %</b>
BMO Money Market ETF	8.5 %	3.8 %	1.2 %	— %	— %	— %	— %	39.3 %
<b>U.S Equities</b>	<b>4.6 %</b>	<b>12.9 %</b>	<b>17.3 %</b>	<b>23.2 %</b>	<b>30.2 %</b>	<b>33.2 %</b>	<b>36.4 %</b>	<b>3.9 %</b>
BMO S&P 500 Index ETF	3.5 %	11.0 %	14.6 %	19.6 %	25.6 %	26.5 %	29.3 %	3.9 %
BMO US Dividend ETF	1.1 %	1.3 %	1.8 %	2.4 %	3.0 %	4.3 %	4.7 %	— %
BMO MSCI USA ESG Leaders Index ETF	— %	0.6 %	0.9 %	1.2 %	1.6 %	2.4 %	2.4 %	— %
<b>Canadian Equities</b>	<b>3.2 %</b>	<b>10.4 %</b>	<b>14.9 %</b>	<b>21.2 %</b>	<b>22.4 %</b>	<b>25.3 %</b>	<b>27.3 %</b>	<b>2.7 %</b>
BMO Canadian Dividend ETF	0.8 %	1.1 %	1.5 %	2.1 %	2.3 %	3.2 %	3.1 %	— %
BMO S&P/TSX Composite Index ETF	2.4 %	8.8 %	12.6 %	18.0 %	19.0 %	20.2 %	22.5 %	2.7 %
BMO MSCI Canada ESG Leaders Index ETF	— %	0.5 %	0.8 %	1.1 %	1.1 %	1.9 %	1.7 %	— %
<b>International Equities</b>	<b>3.7 %</b>	<b>7.5 %</b>	<b>13.6 %</b>	<b>18.9 %</b>	<b>22.5 %</b>	<b>22.2 %</b>	<b>27.3 %</b>	<b>3.3 %</b>
BMO MSCI EAFE Index ETF	3.7 %	7.5 %	13.6 %	18.9 %	22.5 %	22.2 %	27.3 %	3.3 %
<b>Cash Equivalents</b>	<b>0.3 %</b>	<b>0.7 %</b>	<b>0.6 %</b>	<b>0.5 %</b>	<b>0.9 %</b>	<b>1.9 %</b>	<b>— %</b>	<b>0.7 %</b>
RBC Term Deposits	0.3 %	0.7 %	0.6 %	0.5 %	0.9 %	1.9 %	— %	0.7 %
<b>Total</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>

## **EMBARK STUDENT PLAN**

Notes to the Financial Statements

**For the years ended December 31, 2025 and December 31, 2024**

(All amounts in Canadian dollars)

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### **Market Risk**

The Plan's investments are subject to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The following include sensitivity analysis, as applicable, that shows how the net assets attributable to subscribers and beneficiaries would be affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ, and the differences could be material.

#### **a) Interest Rate Risk**

Interest rate risk is the risk of a change in the fair value or cash flows of a Plan's investments in interest-bearing financial instruments due to fluctuations in market interest rates. There is an inverse relationship between changes in interest rates and changes in the fair value of interest-bearing securities. The Plan manages interest rate risk by diversifying in various investments, as well as through the Foundation's Audit, Finance and Investment Committee oversight. The Plan is indirectly exposed to the interest rate risk, to the extent that the underlying ETFs have invested in interest bearing financial instruments.

As at December 31, 2025, had prevailing interest rates increased or decreased by 25 basis points, assuming a parallel shift in the yield curve, with all other variables held constant, net assets of the Plan would have decreased or increased, respectively, by approximately \$38.1 million, being 0.4% of the total investment portfolio (December 31, 2024 - \$51 million, being 0.9% of the total investment portfolio).

#### **b) Currency Risk**

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of the Plan, will fluctuate due to changes in foreign exchange rates. The value of investments denominated in a currency other than the functional currency is affected by changes in the value of the functional currency in relation to the value of the currency in which the investment is denominated. When the value of the functional currency falls in relation to foreign currencies, then the value of the foreign investments rises. When the value of the functional currency rises, the value of the foreign investments falls.

As at December 31, 2025, the Plan is indirectly exposed to the currency risk, to the extent that the underlying ETFs have invested in financial instruments that were denominated in a currency other than the functional currency of the ETF. If the exchange rate had increased or decreased by 5%, with all other variables held constant, the net assets attributable to subscribers and beneficiaries would have increased or decreased by approximately \$42.3 million (December 31, 2024 - \$45.5 million).

## **EMBARK STUDENT PLAN**

Notes to the Financial Statements

**For the years ended December 31, 2025 and December 31, 2024**

(All amounts in Canadian dollars)

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### **c) Other Price Risk**

The Plan is exposed to other price risk, which is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether the changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Financial instruments held by the Plan are susceptible to market price risk arising from uncertainties about future prices of those instruments. Market prices of these instruments are predominantly a function of interest rate movements, credit risks, unemployment rates in the North American economy, general business conditions, commodity prices and corporate profits. The maximum risk resulting from financial instruments held by the Plan is equivalent to their fair value. The investment managers manage this risk through the selection of securities within the parameters of the investment strategy. As at December 31, 2025, if the fair value of the ETFs had increased or decreased by 5%, with all other variables held constant, the net assets attributable to subscribers and beneficiaries would have increased or decreased by approximately \$284 million (December 31, 2024 - \$289 million).

### **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. In addition, EAPs and maturities occur at specified times during the year. The Plan is not subject to externally imposed capital requirements. The Plan's objective, when managing capital risk, is to safeguard subscribers' contributions and government grants received and earn income on those amounts in order to pay EAPs to qualified beneficiaries. The Plan endeavors to invest subscribers' contributions, government grants received, and income earned in appropriate investments while maintaining sufficient liquidity to meet maturities, EAPs, cancellations and expenses in accordance with its investment objectives and risk management policies as described above. In order to manage the Plan's capital, the Plan's policy is to perform the following:

- Monitor the level of daily subscriber contributions and withdrawals relative to the liquid assets and adjust the amount of cash invested accordingly.
- Monitor the level of expected future payments for maturities and EAPs based on maturity and student applications received, and historical beneficiary qualification rates, and adjust the investment portfolio accordingly.
- Invest in securities which are traded in an active market and can be easily liquidated. There has been no change with respect to the overall capital risk management strategy during the year.

## EMBARK STUDENT PLAN

Notes to the Financial Statements

For the years ended December 31, 2025 and December 31, 2024

(All amounts in Canadian dollars)

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### 5 Fair Value Measurement

The Plan classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Inputs are unobservable for the asset or liability.

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The following tables illustrate the classification of the Plan's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2025 and December 31, 2024.

<b>December 31, 2025</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash Equivalents	\$ —	\$ 23,800,000	\$ —	\$ 23,800,000
Exchange-Traded Funds	5,658,204,842	—	—	5,658,204,842
<b>Investments at Fair Value</b>	<b>\$ 5,658,204,842</b>	<b>\$ 23,800,000</b>	<b>\$ —</b>	<b>\$ 5,682,004,842</b>

  

<b>December 31, 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash Equivalents	\$ —	\$ 30,900,000	\$ —	\$ 30,900,000
Exchange-Traded Funds	5,774,454,622	—	—	5,774,454,622
<b>Investments at Fair Value</b>	<b>\$ 5,774,454,622</b>	<b>\$ 30,900,000</b>	<b>\$ —</b>	<b>\$ 5,805,354,622</b>

There were no transfers between Level 1, Level 2 and Level 3 for the year ended December 31, 2025 and year ended December 31, 2024.

## EMBARK STUDENT PLAN

Notes to the Financial Statements

For the years ended December 31, 2025 and December 31, 2024

(All amounts in Canadian dollars)

### 6 Net Assets Attributable to Subscribers and Beneficiaries

For the year ended December 31, 2025, changes in outstanding units were as follows:

<b>Class of Units</b>	<b>Number of Units, Beginning of year</b>	<b>Units Issued</b>	<b>Units Redeemed</b>	<b>Units Reinvested</b>	<b>Number of Units, End of year</b>
<b>Embark Student Graduation</b>	138,068,610	41,385,535	(35,026,082)	6,515,132	150,943,195
<b>Embark Student 2026</b>	182,278,086	11,288,460	(82,108,703)	11,371,753	122,829,596
<b>Embark Student 2029</b>	139,204,467	8,934,143	(4,017,701)	5,343,713	149,464,622
<b>Embark Student 2032</b>	36,454,092	14,292,892	(7,344,103)	1,661,470	45,064,351
<b>Embark Student 2035</b>	21,257,998	8,507,797	(4,325,652)	939,621	26,379,764
<b>Embark Student 2038</b>	9,992,204	4,889,077	(2,186,770)	461,473	13,155,984
<b>Embark Student 2041</b>	2,474,545	1,859,971	(513,669)	120,382	3,941,229
<b>Embark Student 2044</b>	65,066	305,160	(5,849)	6,605	370,982

For the year ended December 31, 2024, changes in outstanding units were as follows:

<b>Class of Units</b>	<b>Number of Units, Beginning of year</b>	<b>Units Issued</b>	<b>Units Redeemed</b>	<b>Units Reinvested</b>	<b>Number of Units, End of year</b>
<b>Embark Student Graduation</b>	395,489	161,239,437	(25,980,332)	2,414,016	138,068,610
<b>Embark Student 2026</b>	1,464,873	201,949,650	(24,123,837)	2,987,400	182,278,086
<b>Embark Student 2029</b>	990,609	138,136,835	(1,642,413)	1,719,436	139,204,467
<b>Embark Student 2032</b>	523,707	37,669,277	(2,209,423)	470,531	36,454,092
<b>Embark Student 2035</b>	349,185	21,924,014	(1,251,298)	236,097	21,257,998
<b>Embark Student 2038</b>	259,450	10,203,447	(588,652)	117,959	9,992,204
<b>Embark Student 2041</b>	179,552	2,364,788	(103,632)	33,837	2,474,545
<b>Embark Student 2044</b>	—	65,396	(751)	421	65,066

During the year, 37,606,587 units of Embark Student 2026 were redeemed for total proceeds of \$411,487,511, and an equivalent amount was applied to purchase 38,312,833 units in Embark Student Graduation in accordance with the investment strategy of the Plan. The redemptions and subscriptions were affected at the respective net asset values of the funds on the effective transfer date of November 19, 2025.

These transactions resulted in a reallocation of net assets between funds within the Plan and did not have an impact on the total net assets attributable to holders of redeemable units of the Plan. No gains or losses were recognized in connection with the transfers.

## **EMBARK STUDENT PLAN**

Notes to the Financial Statements

**For the years ended December 31, 2025 and December 31, 2024**

(All amounts in Canadian dollars)

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### **7 Related Party Transactions**

#### **Management fees**

The Manager is entitled to receive from the Plan annual management fees. These fees can increase or decrease but will not exceed 1.99% per annum plus applicable taxes. The management fee is based on the total market value of the Plan and is deducted before income is allocated to the subscribers. The management fees charged for the year ended December 31, 2025 were \$107,727,246 (December 31, 2024 - \$55,297,534) or 1.65% (December 31, 2024 - 1.65%), plus applicable taxes. Additionally, a management fee rebate of \$45,906,856 (December 31, 2024 - \$23,238,391) was included in the Statements of Comprehensive Income as described in Note 3.

At December 31, 2025, management fee payable of \$9,640,797 (December 31, 2024 - \$9,515,305) to the Manager is included in “Due from Affiliate” in the Statements of Financial Position. At December 31, 2025, management fee rebate receivable of \$11,124,261 (December 31, 2024 - \$11,588,254) is included in Due from Affiliate.

Due from Affiliate also includes a \$980,902 (December 31, 2024 - \$990,740) BMO investment management fee to be reimbursed by the Manager.

### **8 Investments in Underlying Funds**

The Plan invests in ETFs which provide access to the returns of stock indices, bond indices, money market instruments, or a basket of assets and are intended to replicate the performance that would apply had the Plan directly purchased the underlying basket of assets. An investment in an ETF is subject to all of the risks of investing in the securities held by the ETF. The plan can also invest in cash and cash equivalents.

The Plan accounts for its investments in these ETFs at fair value. The fair value of such securities, as disclosed in the Schedule of Investment Portfolio, as applicable, represents the maximum exposure to losses at that date. During the years ended December 31, 2025 and December 31, 2024, the Plan did not provide financial support to underlying ETFs and has no intention of providing financial or other support.

## EMBARK STUDENT PLAN

Notes to the Financial Statements

For the years ended December 31, 2025 and December 31, 2024

(All amounts in Canadian dollars)

### Investments in Unconsolidated Structured Entities

	Country of Establishment and Principal Place of Business	% Ownership in the Underlying Fund	Plan's Shares in the Underlying Fund
<b>Underlying Fund as at December 31, 2025</b>			
BMO Aggregate Bond Index ETF	Canada	10.56%	93,516,410
BMO Short Corporate Bond Index ETF	Canada	27.63%	85,258,124
BMO Mid Corporate Bond Index ETF	Canada	34.35%	28,973,300
BMO Money Market Fund ETF Series	Canada	19.17%	21,836,091
BMO MSCI EAFE Index ETF	Canada	3.26%	13,111,623
BMO S&P/TSX Capped Composite Index ETF	Canada	2.95%	9,357,354
BMO Mid Federal Bond Index ETF	Canada	9.20%	5,083,873
BMO S&P 500 Index ETF	Canada	1.79%	3,676,499
BMO Canadian Dividend ETF	Canada	6.81%	3,531,061
BMO Canadian MBS Index ETF	Canada	18.27%	2,615,852
BMO US Dividend ETF	Canada	14.63%	2,016,347
BMO Ultra Short-Term Bond ETF	Canada	2.18%	1,821,099
BMO S&P 500 Hedged to CAD Index ETF	Canada	1.00%	460,209

	Country of Establishment and Principal Place of Business	% Ownership in the Underlying Fund	Plan's Shares in the Underlying Fund
<b>Underlying Fund as at December 31, 2024</b>			
BMO Aggregate Bond Index ETF	Canada	17.98 %	123,543,517
BMO Short Corporate Bond Index ETF	Canada	32.78 %	63,274,340
BMO Mid Corporate Bond Index ETF	Canada	51.49 %	48,517,004
BMO MSCI EAFE Index ETF	Canada	4.47 %	16,390,160
BMO Money Market Fund ETF Series	Canada	24.06 %	16,027,033
BMO S&P/TSX Capped Composite Index ETF	Canada	3.74 %	10,674,881
BMO Mid Federal Bond Index ETF	Canada	19.06 %	9,950,802
BMO S&P 500 Index ETF	Canada	2.35 %	4,855,224
BMO Canadian MBS Index ETF	Canada	16.44 %	2,289,174
BMO Canadian Dividend ETF	Canada	4.43 %	2,235,729
BMO Ultra Short Term Bond ETF	Canada	2.12 %	1,446,603
BMO US Dividend ETF	Canada	9.96 %	1,323,685
BMO MSCI Canada ESG Leaders Index ETF	Canada	13.93 %	416,470
BMO MSCI USA ESG Leaders Index ETF	Canada	11.02 %	323,555

## EMBARK STUDENT PLAN

Notes to the Financial Statements

For the years ended December 31, 2025 and December 31, 2024

(All amounts in Canadian dollars)

### 9 Scholarship Plan Summary

For the year ended December 31, 2025 and December 31, 2024, changes in the scholarship plan as it pertains to contributions, grants, and accumulated income were as follows.

	2025	2024
<b>Net Assets Attributable to Subscribers and Beneficiaries, Beginning of year</b>	<b>\$ 5,843,747,959</b>	<b>\$ 45,128,089</b>
Contributions	203,878,373	128,299,477
Grants	47,304,946	23,861,684
Withdrawals - Contributions	(320,397,499)	(208,721,708)
Withdrawals - Educational Assistance Payments	(409,256,259)	(252,808,123)
Withdrawals - Accumulated Income Payment	(10,697,718)	(4,380,251)
Withdrawals - Others	(11,052,210)	(5,157,733)
Transfer-in Value	160,521,157	5,841,604,319
Transfer-out Value	(122,268,335)	(44,330,790)
Change in Market value	334,773,627	320,252,995
<b>Net Assets Attributable to Subscribers and Beneficiaries, End of year</b>	<b>\$ 5,716,554,041</b>	<b>\$ 5,843,747,959</b>

### 10 Plan Asset Transfer

As discussed in Note 1, effective July 2, 2024, the Embark Plans acquired all of the net assets and assumed all of the liabilities of the Terminating Plans' active and matured agreements in exchange for units in the Plan based on the net asset value of the respective glide path unit class as at July 2, 2024. The asset transfer was affected by transferring the net assets of the Terminating Plans in exchange for units in the Embark Plan at fair market value as at July 2, 2024.

The financial statements of the Embark Plans do not include the operating results of the Terminating Plans prior to the asset transfer date. The appropriate Embark Plan was determined based on the subscriber's risk profile with lower risk subscribers being allocated to the Embark Select Conservative Plan and the remaining subscribers to the Plan. The appropriate Embark unit class was determined based on the beneficiary's age and corresponding time to post-secondary education. This transaction was a related party transaction given that all Plans were established by the Foundation and administered by the Manager. The non-cash portions of the asset transfer consisted of ETFs which were transferred at fair market value to the appropriate Embark plan and unit class on July 2, 2024.

## EMBARK STUDENT PLAN

Notes to the Financial Statements

For the years ended December 31, 2025 and December 31, 2024

(All amounts in Canadian dollars)

Terminating Plan	Unit class	Units issued by unit class	Assets transferred into the unit class
Flex First Plan	Embark Student Graduation	10,246,654	\$ 106,128,691
	Embark Student 2026	23,366,092	243,920,974
	Embark Student 2029	20,844,024	223,510,473
	Embark Student 2032	4,543,747	49,795,379
	Embark Student 2035	2,574,084	28,804,261
	Embark Student 2038	1,074,251	12,299,319
	Embark Student 2041	189,813	2,204,655
		<b>62,838,665</b>	<b>\$ 666,663,752</b>

Terminating Plan	Unit class	Units issued by unit class	Net Assets transferred into the unit class
Family Single Student Education Savings Plan	Embark Student Graduation	148,712,983	\$ 1,540,279,853
	Embark Student 2026	172,346,095	1,799,138,121
	Embark Student 2029	112,280,959	1,203,988,728
	Embark Student 2032	28,046,072	307,359,705
	Embark Student 2035	16,301,352	182,413,754
	Embark Student 2038	7,219,874	82,661,785
	Embark Student 2041	1,214,033	14,100,875
		<b>486,121,368</b>	<b>\$ 5,129,942,821</b>
<b>Total</b>		<b>548,960,033</b>	<b>\$ 5,796,606,573</b>

**EMBARC STUDENT PLAN**

Schedule of Investment Portfolio

**As at December 31, 2025**

(All amounts in Canadian dollars)

	Number of Units	Average Cost \$	Fair Value \$	% of Investments
<b>Cash Equivalents</b>				
Royal Bank of Canada 2.15%, Jan-02-2026	23,800,000	23,800,000	23,800,000	0.42
		<b>\$ 23,800,000</b>	<b>\$ 23,800,000</b>	<b>0.42</b>
<b>Exchange-Traded Funds</b>				
BMO Aggregate Bond Index ETF	93,516,410	\$1,268,762,880	\$1,288,656,130	22.54
BMO Short Corporate Bond Index ETF	85,258,124	1,217,199,158	1,197,024,061	20.94
BMO Money Market Fund ETF Series	21,836,091	1,087,915,104	1,088,310,776	19.04
BMO Mid Corporate Bond Index ETF	28,973,300	437,667,039	456,039,742	7.98
BMO S&P/TSX Capped Composite Index ETF	9,357,354	288,035,409	396,845,383	6.94
BMO S&P 500 Index ETF	3,676,499	313,159,942	378,201,452	6.62
BMO MSCI EAFE Index ETF	13,111,623	304,173,802	368,305,490	6.44
BMO US Dividend ETF	2,016,347	94,721,267	100,898,004	1.77
BMO Canadian Dividend ETF	3,531,061	85,237,489	96,574,518	1.69
BMO Ultra Short-Term Bond ETF	1,821,099	91,250,679	89,324,906	1.56
BMO Canadian MBS Index ETF	2,615,852	79,111,919	80,228,181	1.4
BMO Mid Federal Bond Index ETF	5,083,873	74,418,425	75,088,804	1.31
BMO S&P 500 Hedged to CAD Index ETF	460,209	42,300,067	42,707,395	0.75
<b>Total Exchange-Traded Funds</b>		<b>\$5,383,953,180</b>	<b>\$5,658,204,842</b>	<b>98.98</b>
Embedded Broker Commissions		(771,808)		
<b>Total Investments</b>		<b>\$5,406,981,372</b>	<b>\$5,682,004,842</b>	<b>99.40</b>
<b>Other Assets Less Liabilities</b>			<b>\$ 34,549,199</b>	<b>0.6</b>
<b>Net Assets Attributable to Subscribers and Beneficiaries</b>			<b>\$5,716,554,041</b>	<b>100.00</b>