

SES SOLAR CO-OPERATIVE LTD.

Financial Statements

For the Year Ended March 31, 2026



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of SES Solar Co-operative Ltd.

Opinion

We have audited the financial statements of SES Solar Co-operative Ltd. (the "Co-operative"), which comprise the balance sheet as at March 31, 2026, and the statements of operations, shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Co-operative as at March 31, 2026, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

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 report. We are independent of the Co-operative in accordance with 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 Canadian accounting standards for private enterprises, 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 Co-operative'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 Co-operative or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Co-operative'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 these financial statements.

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Independent Auditor's Report to the Shareholders of SES Solar Co-operative Ltd. *(continued)*

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 Co-operative'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 Co-operative'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 Co-operative 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Lingard + Dreger

Chartered Professional Accountants

**Saskatoon, Saskatchewan
June 17, 2026**




SES SOLAR CO-OPERATIVE LTD.

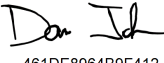
Balance Sheet

As at March 31, 2026

	2026	2025
ASSETS		
CURRENT		
Cash	\$ 30,939	\$ 38,212
Short-term investments (Note 4)	306,413	-
Accounts receivable (Note 5)	23,919	276,192
Prepaid expenses	7,137	7,137
	368,408	321,541
EQUITY IN CO-OPERATIVE	5	5
EQUIPMENT (Note 6)	1,277,482	1,332,987
INTANGIBLE ASSETS (Note 7)	4,214	6,321
	\$ 1,650,109	\$ 1,660,854
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 8)	\$ 8,449	\$ 8,602
PST payable	3,258	1,601
GST payable	9,804	5,446
Dividends payable	764	31,468
Deferred revenue	19,577	6,671
	41,852	53,788
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 9)	1,577,950	1,578,850
RETAINED EARNINGS	13,469	11,483
RESERVE	16,838	16,733
	1,608,257	1,607,066
	\$ 1,650,109	\$ 1,660,854

APPROVED ON BEHALF OF THE BOARD

Signed by:

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 Director

Signed by:

 461DE8964B9F412...
 Director

SES SOLAR CO-OPERATIVE LTD.
Statement of Operations
For the Year Ended March 31, 2026

	2026	2025
REVENUE		
Lease income	\$ 125,884	\$ 160,986
Grant revenue	2,107	2,107
Program fees	-	155
Donations	38	50
Interest	6,456	8,574
Other	1,060	155
	135,545	172,027
EXPENSES		
Advertising and promotion	5,931	7,416
Amortization of equipment	57,804	80,188
Amortization of intangible assets	2,107	2,107
Bad debts	2,304	-
Business fees, licenses and memberships	1,645	1,557
Executive consultant	8,940	-
Insurance	11,041	9,410
Interest and bank charges	584	7,539
Maintenance administration	9,860	16,835
Meetings	300	491
Office	2,674	468
Professional fees	9,251	7,713
Project expenses	287	287
Repairs and maintenance	18,734	14,615
Software and data processing	1,992	1,751
	133,454	150,377
NET INCOME FOR THE YEAR	\$ 2,091	\$ 21,650

See notes to the financial statements

SES SOLAR CO-OPERATIVE LTD.
Statement of Shareholders' Equity
For the Year Ended March 31, 2026

	2025 Balance	Net income	Allocation to Reserve	Dividends paid	2026 Balance
Retained earnings	\$ 11,483	\$ 2,091	\$ (105)	\$ -	\$ 13,469
Reserve	16,733	-	105	-	16,838
Shareholders' total	\$ 28,216	\$ 2,091	\$ -	\$ -	\$ 30,307

	2024 Balance	Net income	Allocation to Reserve	Dividends paid	2025 Balance
Retained earnings	\$ 22,190	\$ 21,650	\$ (1,083)	\$ (31,274)	\$ 11,483
Reserve	15,650	-	1,083	-	16,733
Shareholders' total	\$ 37,840	\$ 21,650	\$ -	\$ (31,274)	\$ 28,216

SES SOLAR CO-OPERATIVE LTD.
Statement of Cash Flows
For the Year Ended March 31, 2026

	2026	2025
OPERATING ACTIVITIES		
Net income for the year	\$ 2,091	\$ 21,650
Items not affecting cash:		
Amortization of equipment	57,804	80,188
Amortization of intangible assets	2,107	2,107
	62,002	103,945
Changes in non-cash working capital:		
Accounts receivable	252,273	(241,166)
Prepaid expenses	-	(2,306)
Accounts payable and accrued liabilities	(152)	(1,294)
GST payable	4,358	41,807
PST payable	1,657	(530)
Dividends payable	(30,704)	31,274
Deferred revenue	12,906	(7,201)
	240,338	(179,416)
Cash flow from (used by) operating activities	302,340	(75,471)
INVESTING ACTIVITIES		
Purchases of equipment	(2,300)	(9,114)
Investment tax credits for equipment	-	241,959
Purchase of investments	(300,000)	-
Reinvested interest	(6,413)	-
Cash flow from (used by) investing activities	(308,713)	232,845
FINANCING ACTIVITIES		
Dividends paid	-	(31,274)
Net issuance of Class A shares	50	500
Net issuance (repurchase) of Class B shares	(950)	81,700
Cash flow from (used by) financing activities	(900)	50,926
INCREASE (DECREASE) IN CASH	(7,273)	208,300
CASH (DEFICIENCY) - BEGINNING OF YEAR	38,212	(170,088)
CASH - END OF YEAR	\$ 30,939	\$ 38,212
CASH CONSISTS OF:		
Cash	\$ 30,939	\$ 38,212

See notes to the financial statements

SES SOLAR CO-OPERATIVE LTD.
Notes to the Financial Statements
For the Year Ended March 31, 2026

1. DESCRIPTION OF OPERATIONS

SES Solar Co-operative Ltd. (the "Co-operative") was incorporated under the *Co-operatives Act* (the "Act") on February 13, 2015. The purpose of the Co-operative is to facilitate the production and use of solar and other forms of renewable energy including:

- Lease solar power equipment and other equipment that generates renewable electricity in an environmentally sound and socially acceptable way
 - Find beneficial institutional and technical practices that will help in the production of solar power, and other renewable forms of electricity
 - Reduce green-house gas emissions, and
 - Promote energy conservation, solar power, and other beneficial renewable energy practices via public education.
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for private enterprises in Part II of the *CPA Handbook*, and includes the following policies:

Revenue recognition

The Co-operative recognizes lease income when earned, specifically when all the following conditions are met:

- Electricity has been provided to customers
- There is clear evidence that an arrangement exists
- Amounts are fixed or can be determined
- The ability to collect is reasonably assured.

Project revenue relates to rebates received for the construction and installation of photovoltaic equipment when the Co-operative does not own the related asset. Consulting revenue relates to consulting provided to third parties related to the construction and installation of photovoltaic equipment.

Project revenue is recognized when the photovoltaic equipment has been installed, there is clear evidence that an arrangement exists, the revenue amount can be determined, and collection is reasonably assured.

Consulting revenue is recognized when the services have been provided, there is clear evidence that an arrangement exists, the revenue amount can be determined, and collection is reasonably assured.

Grants are recognized in the year the related expenses are incurred and when there is reasonable assurance that the Co-operative has complied and will continue to comply with the conditions for receipt

The Co-operative recognizes interest when earned and in the period to which it relates.

Cash and cash equivalents

Cash and cash equivalents consist of balances with banks and short-term investments with original maturities of three months or less.

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SES SOLAR CO-OPERATIVE LTD.
Notes to the Financial Statements
For the Year Ended March 31, 2026

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Work in progress

Work in progress consists of photovoltaic system installations where construction has commenced but the system was not in operation at year end. Work in progress is valued at the lower of cost and net realizable value with the cost being determined on a specific identification basis.

Equipment and intangible assets

Equipment and intangible assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates:

Computer equipment	3 years
Equipment	25 years
Website	5 years

Investment tax credits are treated as a reduction of equipment and intangible assets cost.

Income taxes

The Co-operative uses the income taxes payable method of accounting for income taxes. Under this method, the Co-operative reports as an expense (income) of the period only the cost (benefit) of current income taxes determined in accordance with the rules established by taxation authorities.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Significant estimates include the estimation of the useful lives of equipment and intangible assets.

Financial instruments

The Co-operative initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of these financial instruments are recognized in the statements of operations in the period incurred.

Financial assets subsequently measured at amortized cost on a straight-line basis include cash, short-term investments, and accounts receivable. Financial liabilities subsequently measured at amortized cost on a straight-line basis includes accounts payable and accrued liabilities, and dividends payable.

For financial assets measured at cost or amortized cost, the Co-operative determines whether there are any indications of possible impairment. When there is an indication of impairment, and the Co-operative determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

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SES SOLAR CO-OPERATIVE LTD.
Notes to the Financial Statements
For the Year Ended March 31, 2026

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Asset retirement obligation

An asset retirement obligation is recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date when the liability for an asset retirement obligation is incurred and a reasonable estimate of the obligation is determinable. The best estimate of the asset retirement obligation is the present value of the amount the Co-operative would rationally pay to settle the obligation, or transfer it to a third party, at the balance sheet date.

When a liability is recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related asset. The asset retirement cost is amortized over the estimated useful life of the related asset.

The Co-operative recognizes changes to the liability due to the passage of time in operating expenses, as accretion. Changes due to passage of time are calculated by applying an interest method of allocation using the discount rate used in the original calculation of the asset retirement obligation. The Co-operative recognizes changes to the liability arising from revisions to the timing, amount of expected undiscounted cash flows or discount rate as an increase or decrease to the carrying amounts of the asset retirement obligation and the related asset retirement capitalized cost.

3. ECONOMIC DEPENDENCE

The Co-operative generates a significant amount of its revenue from one customer (2026 - 71.9%; 2025 - 79.1%) and therefore its capacity to maintain its operations depends on this customer.

4. INVESTMENTS

	Maturity	2026	Yield	2025
Short-term				
Term deposits	< 1 year	\$ 306,413	2.30% - 3.30%	\$ -
		\$ 306,413		\$ -

5. ACCOUNTS RECEIVABLE

The accounts receivable balance consists of the following:

	2026	2025
Trade receivables	\$ 23,919	\$ 25,014
Investment tax credit receivable	-	241,959
Interest receivable	-	8,504
Other receivables	-	715
	\$ 23,919	\$ 276,192

Clean Technology investment tax credits totalling \$NIL (2025 - \$241,959) were recognized as a reduction of equipment capital cost with respect to qualifying capital costs approved by Canada Revenue Agency during the year. This subsidy is not expected to be repaid.

SES SOLAR CO-OPERATIVE LTD.
Notes to the Financial Statements
For the Year Ended March 31, 2026

6. EQUIPMENT

	Cost	Accumulated amortization	2026 Net book value
Computer equipment	\$ 2,300	\$ 128	\$ 2,172
Equipment	1,616,507	341,197	1,275,310
	\$ 1,618,807	\$ 341,325	\$ 1,277,482

	Cost	Accumulated amortization	2025 Net book value
Equipment	\$ 1,616,507	\$ 283,520	\$ 1,332,987

7. INTANGIBLE ASSETS

	2026	2025
Website	\$ 10,535	\$ 10,535
Accumulated amortization	(6,321)	(4,214)
	\$ 4,214	\$ 6,321

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities balance consists of the following:

	2026	2025
Trade accounts payable	\$ 1,290	\$ 1,560
Accrued liabilities	7,159	7,042
	\$ 8,449	\$ 8,602

SES SOLAR CO-OPERATIVE LTD.
Notes to the Financial Statements
For the Year Ended March 31, 2026

9. SHARE CAPITAL

Issued:

	2026	2025
304 Class A common shares	\$ 15,200	\$ 15,150
1,645 Class B preferred shares	1,562,750	1,563,700
	\$ 1,577,950	\$ 1,578,850

Share capital transactions during the year were as follows:

	2026		2025	
	Shares	Amount	Shares	Amount
Class A				
Shares outstanding at the beginning of the year	303	\$ 15,150	293	\$ 14,650
Issued	6	400	11	550
Redeemed	(5)	(350)	(1)	(50)
	304	\$ 15,200	303	\$ 15,150

	2026		2025	
	Shares	Amount	Shares	Amount
Class B				
Shares outstanding at the beginning of the year	1,646	\$ 1,563,700	1,560	\$ 1,482,000
Issued	16	15,200	110	104,500
Redeemed	(17)	(16,150)	(24)	(22,800)
	1,645	\$ 1,562,750	1,646	\$ 1,563,700

The Class A common shares are voting shares with a par value of \$50 per share. These shares are redeemable with a redemption price of \$50 per share.

The Class B preferred shares are non-voting shares with a par value of \$950 per share. Allocations and payments to the holders of Class B shares shall be made as provided in the Bylaws of the Co-operative. Such allocations may take the form of non-cumulative patronage dividends declared upon such shares. These shares are redeemable with a redemption price of \$950 per share.

SES SOLAR CO-OPERATIVE LTD.
Notes to the Financial Statements
For the Year Ended March 31, 2026

10. INCOME TAXES

The income tax provision recorded differs from the income tax obtained by applying the statutory income tax rate of 27.00% (2025 - 27.00%) to the income for the year and is reconciled as follows:

	2026	2025
Income before income taxes	\$ 2,091	\$ 21,650
Income tax expense at the combined basic federal and provincial tax rate:	\$ 565	\$ 5,846
Increase (decrease) resulting from:		
Amortization in excess (deficiency) of capital cost allowance	15,607	(6,683)
Non-capital loss claimed	(16,741)	-
Non-deductible expenses	569	837
Effective tax expense	\$ -	\$ -

The Co-operative has incurred non-capital losses of \$113,799 (2025 - \$175,801) for tax purposes which are available to reduce future taxable income. Such benefits will be recorded as an adjustment to the tax provision in the year realized.

11. ASSET RETIREMENT OBLIGATION

The Co-operative has 25-year contracts for each of its photovoltaic arrays installed on the property owners' premises. At the end of the contract, the property owner has three options:

1. The Co-operative removes the system at no additional cost to the property owner;
2. A renewed agreement can be negotiated;
3. The property owner can purchase the equipment from the Co-operative for a negotiated price.

While the Co-operative would be legally required to bear the cost of removing the system, the likelihood of occurrence cannot be determined due to lack of prior experience, and a reasonable estimate of the obligation cannot be made. As a result, no asset retirement obligations have been recorded.

SES SOLAR CO-OPERATIVE LTD.
Notes to the Financial Statements
For the Year Ended March 31, 2026

12. FINANCIAL INSTRUMENTS

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Co-operative is exposed to credit risk from customers. The Co-operative's main credit risk relates to its accounts receivable. To mitigate this risk the Co-operative's contracts with owners in default include the ability to remove their systems from the owner's property with the cost of removal to be borne by the owner. As at March 31, 2026 one customer accounted for 80% (2025 - 83%) of trade receivables, representing the Co-operative's maximum exposure associated with the collection of these receivables.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Co-operative is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, and accounts payable and accrued liabilities.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Co-operative manages exposure through its normal operating and financing activities. The Co-operative is exposed to interest rate risk primarily through its floating interest rate bank indebtedness.

Unless otherwise noted, it is management's opinion that the Co-operative is not exposed to significant other price risks arising from these financial instruments.

13. RESTRICTION ON THE DISTRIBUTION OF RETAINED EARNINGS

Under the Act the Co-operative is required to set aside no less than 5% of any surplus in the Reserve before paying a dividend. When the Reserve balance is equal to or more than 10% of the total assets of the Co-operative, the Co-operative is no longer required to set aside any part of the surplus into the Reserve prior to paying a dividend.
