CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024

SECURE

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of SECURE Waste Infrastructure Corp.

Opinion

We have audited the consolidated financial statements of SECURE Waste Infrastructure Corp. (the Entity), which comprise:

- the consolidated statements of financial position as at December 31, 2025 and December 31, 2024
- the consolidated statements of comprehensive income for the years then ended
- the consolidated statement of changes in shareholders' equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2025 and December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Comparative Information

We draw attention to Note 2 to the financial statements (”Note 2”) which explains that certain comparative information presented for the year ended December 31, 2024 has been restated. Note 2 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditor’s report.

Assessment of the recoverable amount of goodwill contained within the Canadian Waste Processing Facilities cash generating units (‘CGUs’)

Description of the matter

We draw attention to note 3, note 4, note 11 and note 12 to the consolidated financial statements. Goodwill is tested for impairment at least annually or when an indicator is present. Goodwill impairment is tested at either the individual or group cash generating unit (“CGU”) level and is determined based upon the amount of future discounted cash flows generated by the individual CGU or group of CGUs compared to the individual CGU or group of CGUs respective carrying amounts. Impairment exists when the carrying value of a non-financial asset, CGU or group of CGUs exceeds its recoverable amount, which is the higher of its fair value less costs to dispose and its value in use. The Entity completed the annual goodwill impairment test on the Canadian Waste Processing Facilities CGUs, as at December 31, 2025. Total goodwill at December 31, 2025 pertaining to the Canadian Waste Processing Facilities CGUs was $91 million. For the year ended December 31, 2025, the Entity has not recognized any impairment relating to goodwill.

The estimated recoverable amount of the Canadian Waste Processing Facilities CGUs involves certain significant assumptions including the:

- Forecasted cash flows
- Discount rate.

Why the matter is a key audit matter

We identified the assessment of the recoverable amount of goodwill contained in the Canadian Waste Processing Facilities CGUs as a key audit matter. Significant auditor judgment was required to evaluate the results of our audit procedures regarding the Entity's significant assumptions. In addition, specialized skills and knowledge were required in evaluating the results of our audit procedures.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:

We compared the Entity's 2025 actual cash flows to the amount budgeted for 2025 to assess the Entity's ability to accurately forecast.

We evaluated the appropriateness of the forecasted cash flows used in the estimate of the recoverable amount for the Canadian Waste Processing Facilities CGUs by:

- Comparing the forecasted 2026 cash flows for the Canadian Waste Processing Facilities CGUs to the 2026 budget for the Canadian Waste Processing Facilities CGUs to assess consistency with other significant assumptions used by the Entity in other estimates used in the financial statements;
- Comparing the forecasted cash flows for the Canadian Waste Processing Facilities CGUs to historical results. We took into account changes in conditions and events affecting the Canadian Waste Processing Facilities CGUs to assess the adjustments or lack of adjustments made by the Entity in arriving at forecasted cash flows;
- Comparing certain underlying assumptions in the forecasted cash flows for the Canadian Waste Processing Facilities CGUs to certain market data.

We involved valuation professionals with specialized skills and knowledge, who assisted in:

- Evaluating the appropriateness of the Entity's discount rates by comparing the discount rates to market and other external data.
- Assessing the reasonableness of the Entity's estimates of the recoverable amount for the Canadian Waste Processing Facilities CGUs by comparing the Entity's estimates to market metrics and other external data.

Other Information

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

- the information included in Management's Discussion and Analysis.

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 Management's Discussion and Analysis 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 as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

Chartered Professional Accountants

The engagement partner on the audit resulting in this auditor's report is Jasmeet Kang.

Calgary, Canada
February 19, 2026

SECURE WASTE INFRASTRUCTURE CORP.

Consolidated Statements of Financial Position

As at (in $ millions)	Notes	December 31, 2025	December 31, 2024
Assets			
Current assets			
Cash		22	26
Accounts receivable and accrued receivables	25	452	504
Inventories	8	156	143
Prepaid expenses and other current assets		13	15
		643	688
Property, plant and equipment	9	1,389	1,175
Right-of-use assets	10	129	86
Intangible assets	11	110	87
Goodwill	11	218	204
Other assets		39	41
Total Assets		2,528	2,281
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	25	464	553
Customer prepayments		—	70
Current tax payable		7	14
Onerous contract	16	12	2
Lease liabilities	17	32	26
Asset retirement obligations	15	15	15
Other liabilities		—	1
		530	681
Revolving credit facility	13, 25	269	45
Unsecured notes	14, 25	590	294
Onerous contract	16	45	5
Lease liabilities	17	129	89
Asset retirement obligations	15	152	110
Deferred income taxes	24	9	6
Other liabilities		12	9
Total Liabilities		1,736	1,239
Shareholders' Equity			
Issued capital	18	595	863
Share-based compensation reserve		63	74
Foreign currency translation reserve		29	34
Retained earnings		105	71
Total Shareholders' Equity		792	1,042
Total Liabilities and Shareholders' Equity		2,528	2,281
Subsequent Events	18		
Contractual Obligations & Contingencies	28		

Approved by the Board of Directors:

"SIGNED"
Mick Dilger

"SIGNED"
Deanna Zumwalt

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

SECURE WASTE INFRASTRUCTURE CORP.

Consolidated Statements of Comprehensive Income

For the years ended December 31,

(in $ millions except share and per share data)	Notes	2025	2024
		Note 2	Restated Note 2
Revenue [1]	20	1,472	1,421
Cost of Sales [1]	21	1,051	999
Gross margin		421	422
General and administrative expenses	21	134	150
Transaction and related costs	21	9	4
Operating profit		278	268
Interest, accretion and finance costs	22	71	55
Gain on asset divestiture	6	—	(520)
Other expense	23	43	20
Income before tax		164	713
Current tax expense	24	41	28
Deferred tax expense	24	—	103
Net income		123	582
Other comprehensive loss			
Foreign currency translation adjustment		5	(7)
Total comprehensive income		128	575
Earnings per share			
Basic net income per common share		0.55	2.28
Diluted net income per common share		0.54	2.25
Weighted average shares outstanding - basic	18	223,209,962	254,721,786
Weighted average shares outstanding - diluted	18	226,355,163	258,841,297

[1] Comparative period has been restated. See Note 2 Voluntary Change in Accounting Policy

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

SECURE WASTE INFRASTRUCTURE CORP.

Consolidated Statements of Changes in Shareholders' Equity

(in $ millions)	Notes	Issued capital	Share-based compensation reserve	Foreign currency translation reserve	Retained earnings (deficit)	Total Shareholders' Equity
Balance at January 1, 2025		**863**	**74**	**34**	**71**	**1,042**
Net income		—	—	—	123	**123**
Dividends	**18**	—	—	—	(89)	**(89)**
Foreign currency translation adjustment		—	—	(5)	—	**(5)**
Exercise of share units	**18**	21	(21)	—	—	**—**
Share-based compensation for equity-settled awards		—	23	—	—	**23**
Share-based compensation - tax withholdings settled in cash	**19**	—	(17)	—	—	**(17)**
Shares acquired and cancelled under substantial issuer bid ("SIB")	**18**	(137)	—	—	—	**(137)**
Shares acquired and cancelled under normal course issuer bid ("NCIB")	**18**	(147)	—	—	—	**(147)**
Tax on share repurchases	**18**	(5)	—	—	—	**(5)**
Tax deduction on excess value of share awards	**24**	—	4	—	—	**4**
Balance at December 31, 2025		**595**	**63**	**29**	**105**	**792**
Balance at January 1, 2024		1,517	54	27	(412)	**1,186**
Net income		—	—	—	582	**582**
Dividends	**18**	—	—	—	(99)	**(99)**
Foreign currency translation adjustment		—	—	7	—	**7**
Exercise of share units	**18**	16	(16)	—	—	**—**
Share-based compensation for equity-settled awards		—	23	—	—	**23**
Shares acquired and cancelled under Share Purchase Agreement ("SPA")	**18**	(150)	—	—	—	**(150)**
Shares acquired and cancelled under SIB	**18**	(251)	—	—	—	**(251)**
Shares acquired and cancelled under NCIB	**18**	(256)	—	—	—	**(256)**
Tax on share repurchases	**18**	(13)	—	—	—	**(13)**
Tax deduction on excess value of share awards	**24**	—	13	—	—	**13**
Balance at December 31, 2024		**863**	**74**	**34**	**71**	**1,042**

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

SECURE WASTE INFRASTRUCTURE CORP.
Consolidated Statements of Cash Flows
For the years ended December 31,

(in $ millions)	Notes	2025	2024
Cash flows from (used in) operating activities			
Net income		123	582
Adjustments for:			
Depreciation, depletion and amortization	21	188	173
Share-based compensation	21	30	34
Interest, accretion and finance costs	22	71	55
Gain on asset divestiture	6	—	(520)
Other expense	23	43	38
Deferred tax expense	24	—	103
Interest paid		(56)	(41)
Onerous contract payments	16	(7)	—
Asset retirement costs incurred	15	(14)	(13)
Funds flow from operations		378	411
Change in non-cash working capital		(105)	86
Net cash flows from operating activities		273	497
Cash flows (used in) from investing activities			
Purchase of property, plant and equipment	9	(225)	(134)
Proceeds from dispositions, net of transaction costs	6, 9	7	1,143
Business acquisitions, net of cash	7	(161)	(38)
Change in non-cash working capital		14	(17)
Net cash flows (used in) from investing activities		(365)	954
Cash flows from (used in) financing activities			
Draw (repayment) of credit facilities	13, 25	225	(373)
Settlement of notes	14, 25	—	(571)
Issuance of unsecured notes	14	300	300
Financing fees	13, 14	(7)	(8)
Lease liability principal payments	17	(27)	(27)
Dividends paid	18	(89)	(104)
Share repurchases and cancellations	18	(284)	(657)
Tax on share repurchases	18	(5)	(13)
Share units - tax withholdings settled with cash	19	(17)	—
Change in non-cash working capital		(6)	18
Net cash flows from (used in) financing activities		90	(1,435)
Effect of foreign exchange on cash		(2)	(2)
(Decrease) increase in cash		(4)	14
Cash, beginning of year		26	12
Cash, end of year		22	26
Supplementary Cash Flow Information			
Income taxes paid		41	13

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

SECURE WASTE INFRASTRUCTURE CORP.
Notes to the Consolidated Financial Statements
For the years ended December 31, 2025 and 2024

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

Nature of Business

SECURE Waste Infrastructure Corp. ("SECURE" or the "Corporation") is incorporated under the Business Corporations Act (Alberta). The Corporation's common shares are traded on the Toronto Stock Exchange ("TSX") under the symbol "SES" and is a constituent of the S&P/TSX Composite Index. The head office of the Corporation is located at 2300, 225 – 6th Avenue S.W., Calgary, Alberta, Canada, T2P 1N2. The registered office of the Corporation is located at 4000 – 421 7th Avenue S.W. Calgary, Alberta, Canada T2P 4K9.

SECURE is a leading waste management and energy infrastructure business headquartered in Calgary, Alberta. SECURE's extensive infrastructure network, located throughout Western Canada and North Dakota, includes waste processing, industrial waste services and transfer facilities, industrial landfills, metals recycling facilities, crude oil and water gathering pipelines, crude oil terminals, and storage facilities. Through this infrastructure network, SECURE carries out its principal business operations, including the collection, processing, recovery, recycling and disposal of waste streams generated by its energy and industrial customers and gathering, optimization, terminalling and storage of crude oil and natural gas liquids. The solutions SECURE provides are designed not only to help reduce costs, but to also seek to lower emissions, increase safety, manage water, recycle by-products and protect the environment.

SECURE's Waste Management segment is centered on a network of long-life, permitted processing, recovery, and disposal infrastructure that plays an essential role in the safe and efficient management of waste generated by energy and industrial activity. Processing activities optimize the handling of hazardous and non-hazardous liquids, solids, emulsions, and industrial by-products, while recovery activities enable the recycling of metals and recovered oil, and disposal assets provide compliant, long-term solutions for residual waste. Specialty chemical solutions enhance processing efficiency and reduce waste intensity across the system.

SECURE's Energy Infrastructure segment consists of crude oil terminals and storage facilities, and pipeline-connected infrastructure that enable the optimization, storage, and movement of crude oil to market. Leveraging its operational expertise and infrastructure, SECURE undertakes value-added crude oil and natural gas liquids marketing and optimization activities. These activities include buying and selling crude oil and natural gas liquid products, capturing location and timing pricing differentials through physical and financial transactions, and optimizing blending and storage opportunities.

The following material operating entities have been consolidated within SECURE's consolidated financial statements for the years ended December 31, 2025 and 2024.

Subsidiaries	Country	Functional Currency	% Interest
SECURE Waste Infrastructure Corp.	Canada	Canadian Dollar	Parent company
SECURE Specialty Chemicals Corp.	Canada	Canadian Dollar	100%
SECURE Waste Infrastructure USA LLC	USA	US Dollar	100%
SECURE Specialty Chemicals USA LLC	USA	US Dollar	100%

Basis of Presentation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

These consolidated financial statements are recorded and presented in Canadian dollars ($), which is SECURE's functional currency, and have been prepared on a historical cost basis, except for certain items that have been measured at fair value as detailed in Note 3. All values are rounded to the nearest million dollars ($ millions), except where otherwise indicated. The accounting policies described in Note 2 and Note 3 have been applied consistently to all periods presented in these consolidated financial statements, except as noted herein. The timely preparation of financial statements requires that management make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. See Note 4 for a description of significant estimates and judgments used in the preparation of the consolidated financial statements.

The consolidated financial statements include the accounts of SECURE and its subsidiaries. All inter-company balances and transactions are eliminated on consolidation.

These consolidated financial statements were approved by SECURE's Board of Directors on February 19, 2026.

2. VOLUNTARY CHANGE IN ACCOUNTING POLICY

To facilitate marketing, trading and optimization activities, the Corporation enters into buy and sell physically settled commodity contracts for crude oil, natural gas liquids, and other commodities, which are settled through receipt or delivery of the underlying commodity. Historically, the Corporation presented the gross proceeds from these commodity sales contracts as revenue from contracts with customers and the related commodity purchase costs in cost of sales.

With respect to the accounting policy described above, the Corporation has made the following voluntary change in accounting policy, applied retrospectively: the Corporation will present, on a net basis in revenue, gains and losses on physically settled commodity contracts that are accounted for at fair value through profit or loss.

This voluntary change in accounting policy was made to provide financial information that is reliable and more relevant by:

(a) better aligning the presentation of revenue with the Corporation's business model and how performance is evaluated; and

(b) improving comparability with industry practice for entities with similar business models.

The consolidated financial statements have been restated to reflect adjustments made as a result of this voluntary change in accounting policy. There is no impact to the consolidated statements of financial position, changes in shareholders' equity and cash flows for the current or any historic reporting period. The following table presents the impacts of the voluntary change in accounting policy on the consolidated statements of comprehensive income for each of the line items affected:

Reconciliation of the Consolidated Statements of Comprehensive Income

	Three months ended March 31, 2025			Three months ended June 30, 2025			Three months ended September 30, 2025		
	Previously Reported	Policy Change	**Restated**	Previously Reported	Policy Change	**Restated**	Previously Reported	Policy Change	**Restated**
Revenue	2,699	(2,320)	379	2,469	(2,114)	355	2,473	(2,107)	366
Cost of sales	2,591	(2,320)	271	2,379	(2,114)	265	2,362	(2,107)	255
Gross margin	108	—	108	90	—	90	111	—	111

	Six months ended June 30, 2025			Nine months ended September 30, 2025		
	Previously Reported	Policy Change	**Restated**	Previously Reported	Policy Change	**Restated**
Revenue	5,168	(4,434)	734	7,641	(6,541)	1,100
Cost of sales	4,970	(4,434)	536	7,332	(6,541)	791
Gross margin	198	—	198	309	—	309

	Year ended December 31, 2024		
	Previously Reported	Policy Change	Restated
Revenue	10,672	(9,251)	1,421
Cost of sales	10,250	(9,251)	999
Gross margin	422	—	422

3. MATERIAL ACCOUNTING POLICIES

a) Revenue recognition

The Corporation has different business lines, service offerings, products and integrated solutions to meet customer needs. Revenue is recognized in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Revenue is measured net of trade discounts and volume rebates as they are incurred in relation to the goods and services provided.

- Revenue associated with services provided at the Corporation's waste processing facilities, landfills and terminals such as processing, disposal, transportation and terminalling are recognized when the services are rendered.
- Revenue from drilling fluid services is recognized when services are provided and materials are utilized. Materials that are delivered and not utilized are shown as drilling fluid inventory.
- Revenue from the sale of production chemicals, minerals and ferrous and non-ferrous metals is recognized at the point of sale, when the customer takes ownership of the products.
- Revenue from crude oil terminalling and transportation services is recognized over time as the services are provided, based on volumes received at crude oil terminals and volumes transported. Revenue is measured using the contracted fee rates applied to the applicable volumes.
- Commodity product sale contracts that are concluded to be derivative instruments and that settle by physical delivery of the underlying commodity are not accounted for as revenue from contracts with customers. Rather, changes in fair value and settlement gains and losses on such derivative instruments are recorded on a net basis within revenue as "Revenue from physical commodity and derivative contracts".

b) Inventories

Inventories are comprised of crude oil, natural gas liquids, production chemicals, drilling fluids, ferrous and non-ferrous metals and spare parts. Inventories, other than crude oil and natural gas liquids held for trading purposes, are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. The cost of production chemicals, drilling fluids, minerals, ferrous and non-ferrous metals is determined on a weighted average basis and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Any inventory write-downs are included in cost of sales. The reversal of previous write-downs to inventories is permitted when there is a subsequent increase to the value of inventories to the lower of cost and net realizable value.

Crude oil and natural gas liquids held for trading purposes are measured at fair value less costs to sell with changes to fair value less costs to sell recognized in net income. The fair value is determined based on the market price of crude oil and natural gas liquids on the measurement date.

c) Depreciation, depletion and amortization

Capital expenditures are not depreciated until assets are substantially complete and ready for their intended use. The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Depreciation and depletion

Depreciation of property, plant and equipment, other than caverns and landfill cells, is based on a straight-line basis and is calculated over the estimated useful life of the asset as follows:

Buildings	10 to 45 years
Rail cars	30 to 50 years
Plant equipment and disposal wells	2 to 25 years
Rental and mobile equipment	2 to 25 years
Office and computer equipment	3 to 10 years
Crude oil pipelines	40 years

Caverns and landfill cells are depleted based on units of total capacity utilized in the period.

Amortization

Amortization of intangible assets is recorded on a straight line basis over the estimated useful life of the intangible asset as follows:

Non-competition agreements	2 to 5 years
Customer relationships	5 to 15 years
Licenses, patents and permits	3 to 20 years

d) Impairment of non-financial assets

The non-financial assets of the Corporation are comprised of property, plant and equipment, right-of-use assets, goodwill and intangible assets.

The Corporation assesses at each reporting date whether there is an indication that an asset or Cash Generating Unit ("CGU") may be impaired. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. If any indication of impairment exists, or when annual goodwill impairment testing is performed, the Corporation estimates the CGU's recoverable amount. An asset or CGU's recoverable amount is the higher of its fair value less costs to dispose ("FVLCD") and its value in use. In determining fair value less costs to dispose, recent market transactions are taken into account, if available. In assessing value in use, the forecasted cash flow projections are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The forecasted cash flows are based on the Corporation's budget and the key assumptions including gross margin, discount rates and the terminal value. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in net income or loss.

Goodwill is tested for impairment at least annually or when an indicator is present. Goodwill impairment is tested at either the individual or group CGU level and is determined based upon the amount of future discounted cash flows generated by the individual CGU or group of CGUs compared to the individual CGU or group of CGUs' respective carrying amount.

For non-financial assets other than goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Corporation estimates the non-financial asset's or CGU's recoverable amount.

Any reversal is limited so that the carrying amount of the non-financial asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the non-financial asset in prior periods. Such reversal is recognized in net income or loss.

e) Leases

Leases are recognized as a right-of-use asset and corresponding liability at the date of which the leased asset is available for use by the Corporation. Lease liabilities are initially measured at the present value of unpaid lease payments, less any lease incentives. Lease payments include fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option. Lease payments are discounted using the Corporation's incremental borrowing rate where the rate implicit in the lease is not readily determinable. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Right-of-use assets are initially measured at the amount of the lease liability, plus any lease payments made at or before the commencement date, any initial direct costs, and estimated cost for dismantling or restoring the asset. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The Corporation uses a single discount rate for a portfolio of leases with reasonably similar characteristics. The Corporation determines its incremental borrowing rate by applying interest rates from external financing sources and adjusting the rate to reflect the term of the lease. Lease payments on short-term leases or low-value assets are accounted for as expenses on a straight-line basis in the consolidated statements of comprehensive income or loss.

f) Financial instruments

Classification

Financial instruments are classified upon initial recognition into one of the following categories: fair value through profit and loss ("FVTPL"), fair value through other comprehensive income or loss ("FVTOCI"), or amortized cost.

The Corporation determines the classification of financial assets at initial recognition. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Corporation has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of comprehensive income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of comprehensive income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Corporation's own credit risk will be recognized in other comprehensive income or loss.

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

Fair value measurement

The Corporation has classified its financial instrument fair values based on the required three-level hierarchy:

- Level 1: Valuations based on quoted prices in active markets for identical assets or liabilities;
- Level 2: Valuations based on observable inputs other than quoted active market prices; and,
- Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methods.

The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Derivative financial instruments

The Corporation may utilize derivative financial instruments, including, but not limited to, physical and financial commodity contracts, futures, swaps and options, to manage certain exposures to fluctuations in commodity prices, foreign exchange rates and interest rates as part of its overall risk management program. These derivative financial instruments are not generally used for speculative purposes and are not designated as hedges.

Contracts that meet the definition of a derivative instrument are measured at fair value through profit or loss (FVTPL). When the Corporation enters into contracts for the physical delivery of commodities under purchase and/or sale arrangements that can be settled net in cash, the Corporation applies judgment to determine whether the contract qualifies for the own-use scope exception. Specifically, the Corporation evaluates whether the contract was entered into and continues to be held for the purpose of physical receipt or delivery of the commodity in accordance with the Corporation's expected purchase, sale, or usage requirements. This assessment is performed at contract inception and reassessed at each reporting date to confirm that the qualifying criteria continue to be met.

Substantially all of the Corporation's commodity purchase and sale contracts do not qualify for the own-use scope exception and are therefore accounted for as derivative instruments under IFRS 9 and measured at FVTPL.

Derivative instruments that arise from financial contracts do not qualify for the own-use scope exception because they do not result in physical settlement or delivery of the underlying item or commodity. These arrangements form part of the Corporation's risk management strategy and are used to assist in managing exposures to commodity prices and foreign exchange rates.

All realized and unrealized gains and losses, including settlements, from physical derivative instruments and commodity-related financial derivative instruments are recorded on a net basis within revenue.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

g) Asset retirement obligations

Asset retirement obligations associated with well sites, facilities, pipelines and landfills are measured at the present value of the expenditures expected to be incurred. The Corporation uses a credit-adjusted risk-free rate in the measurement of the present value of its asset retirement obligations. The associated asset retirement cost is capitalized as part of the related asset. Changes in the estimated obligation resulting from revisions to estimated timing, amount of cash flows or changes in the discount rate are recognized as a change in the asset retirement obligation and the related asset retirement cost. Accretion is expensed as incurred and recognized in the consolidated statements of comprehensive income as interest, accretion and finance costs. The estimated future costs of the Corporation's asset retirement obligations are reviewed at each reporting period and adjusted as appropriate.

h) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities in the various jurisdictions in which the Corporation operates. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted, by the reporting date, in the various jurisdictions where the Corporation operates and generates taxable income.

Current income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable or receivable on the taxable earnings or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

The Corporation follows the liability method of accounting for income taxes whereby deferred income taxes are recorded for the effect of differences between the accounting and income tax basis of an asset or liability. Deferred income tax assets and liabilities are measured using enacted or substantively enacted income tax rates as at the balance sheet date that are anticipated to apply to taxable income in the years in which temporary differences are anticipated to be recovered or settled. Changes to these balances are recognized in net income or loss or other comprehensive income or loss in the period they occur.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable earnings will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred tax relates to the same taxable entity and the same taxation authority.

i) Foreign currency translation and transactions

For foreign entities whose functional currency is not the Canadian dollar, the Corporation translates assets and liabilities at period-end rates and income and expense accounts at average exchange rates in effect during the period. Adjustments resulting from these translations are reflected in total comprehensive income or loss as foreign currency translation adjustments.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the transaction date. Foreign exchange gains and losses arising from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in a currency other than the Corporation's functional currency at period-end exchange rates, are recognized in the consolidated statements of comprehensive income.

j) Segment reporting

An operating segment is a component of the Corporation that engages in business activities from which it may earn revenues and incur expenses. Segment results include items directly attributable to a segment, as well as items that can be allocated on a reasonable basis.

The Corporation's reportable segments are those whose operating results are regularly reviewed by the Corporation's chief operating decision makers ("CODM"), identified as the Chief Executive Officer, Chief Financial Officer, and Chief Operating Officer, to make decisions about resources to be allocated to the segment and to assess performance, and for which discrete financial information is available.

The Corporation has identified two operating segments, Waste Management and Energy Infrastructure. Activities that are not directly attributable to an operating segment are reported within the Corporate reporting segment.

4. ESTIMATES AND JUDGMENTS

The preparation of the Corporation's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported assets, liabilities, revenues, expenses, gains, losses, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset, liability or equity affected in future periods. The estimates and underlying assumptions are reviewed by management on an ongoing basis, with any adjustments recognized in the period in which the estimate is revised.

The key estimates and judgments concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities and equity are outlined below. Readers are cautioned that the following list is not exhaustive and other items may also be affected by estimates and judgments.

Significant judgments

Determining CGUs

For the purpose of assessing impairment of non-financial assets, the Corporation must determine its CGUs. Assets and liabilities are grouped into CGUs at the lowest level of separately identified cash flows. Determination of what constitutes a CGU is subject to management judgment. The asset composition of a CGU can directly impact the recoverability of assets included within the CGU. Management has identified CGUs based on facility type, service line and/or geographical area.

Significant estimates and assumptions

Imposition of Tariffs

Political, legal, and regulatory changes in Canada, the U.S., and other countries can impact the Corporation's operations and business performance. Political shifts may create uncertainty regarding future trade agreements and the potential implementation or expansion of tariffs on exported and/or imported products. The Corporation continues to assess the direct and indirect impacts of such tariffs, retaliatory measures, or other trade protectionist policies on its business.

Recoverability of assets

The Corporation assesses impairment on its non-financial assets when it has determined that a potential indicator of impairment exists. The assessment of the existence of impairment indicators is based on various internal and external factors and involves management's judgment.

Goodwill is tested annually for impairment or when an indicator is present. Impairment exists when the carrying value of a non-financial asset, CGU or group of CGUs exceeds its recoverable amount, which is the higher of its fair value less costs to dispose and its value in use.

The required valuation methodology and underlying financial information that is used to determine value in use requires significant estimates to be made by management. The key estimates the Corporation normally applies in determining the recoverable amount of an individual asset, CGU or group of CGUs include expected levels of activity, future sustaining capital costs, discount rates, tax rates, and forecasted cash flows. Assumptions that are valid at the time of preparing the cash flow models may change significantly when new information becomes available. Changes to these estimates may affect the recoverable amounts of an individual asset, CGU or group of CGUs which may then require a material adjustment to their related carrying value.

Depreciation, depletion and amortization

Determination of which components of an item of property, plant and equipment represent a material cost to the asset as a whole and identifying the consumption patterns along with the useful lives and residual values of these significant parts involve management judgment and estimates. The actual lives of the assets and residual values are assessed annually taking into account factors such as technological innovation and maintenance programs. Amounts recorded for depletion on the landfill cells are based on estimates of the total capacity utilized in the period.

Asset retirement obligations

The amounts recorded for asset retirement obligations are based on management's best estimate of the costs to abandon and reclaim wells, facilities, pipelines and landfills, and the timing of when these costs are expected to be incurred. In determining the asset retirement obligation, assumptions and estimates are made related to discount rates, inflation rates, the expected cost of reclamation, the expected cost to recover the asset, and the expected timing of those costs. The Corporation's operations are affected by federal, provincial, state and local laws and regulations concerning environmental protection. The Corporation's provisions for future site restoration and reclamation are based on known requirements. It is not currently possible to estimate the impact on operating results, if any, of future legislative or regulatory developments. Market, regulatory, and technological changes in the energy industry may result in abandonment and restoration activities occurring earlier than expected, which could accelerate the timing of cash outflows.

Other provisions and contingent liabilities

The determination of other provisions and contingent liabilities is a complex process that involves judgments about the outcomes of future events, estimates of timing and amount of future expenditures, the interpretation of laws and regulations, and discount rates. The amount recognized as a provision is management's best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Inventories

The Corporation evaluates its inventory to ensure it is carried at the lower of cost and net realizable value. Allowances are made against slow moving, obsolete, and damaged inventories and are charged to cost of sales. These allowances are assessed at each reporting date for adequacy. The reversal of any write-down of inventory arising from an increase in net realizable value is recognized as a reduction in cost of sales in the period in which the reversal occurred.

Income taxes

Deferred tax assets are recognized on the statements of financial position based on the results from operating activities or due to the implementation of tax planning strategies which will create sufficient taxable profit to offset the deferred tax assets. Judgment is required in determining the amount of deferred tax assets to be recognized, based on the likely timing and the level of future taxable profits available for their utilization in conjunction with the execution of certain tax planning opportunities and the likely timing of reversal. The Corporation assesses the recognition of deferred tax assets each reporting period.

5. FUTURE ACCOUNTING PRONOUNCEMENTS

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements*, which will replace IAS 1, *Presentation of Financial Statements*. The new standard introduces key changes to the structure of the consolidated statements of comprehensive income, required disclosures for certain management-defined performance measures, and aggregation and disaggregation of line items in the financial statements. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The standard will be applied retrospectively, with certain transition provisions. The Corporation is currently evaluating the impact of adopting IFRS 18 on the consolidated financial statements.

6. ASSET DIVESTITURE

On February 1, 2024, the Corporation completed the divestiture of 29 facilities, all of which were formerly owned by Tervita Corporation, to a subsidiary of Waste Connections, Inc. for total cash proceeds of $1.15 billion (the "Sale Transaction"). In 2024, the Corporation recognized a gain of $520 million on the Sale Transaction, net of transaction costs.

The following table summarizes the financial impact of the divestiture:

Consideration for the divestiture	**Carrying value**
Cash consideration - divested assets	1,075
Cash consideration - other adjustments	74
Total consideration	**1,149**
Assets and liabilities divested:	
Accounts receivable and accrued receivable	56
Inventories	1
Property, plant and equipment	380
Right-of-use assets	2
Intangible assets	84
Goodwill	135
Assets divested / held for sale	**658**
Other liabilities	11
Lease liabilities	—
Asset retirement obligations	38
Liabilities divested / associated with assets held for sale	**49**
Transaction costs	20
Gain on asset divestiture	**520**

For the year ended December 31, 2024, the Corporation incurred costs of $20 million consisting of legal and advisory fees, severance and restructuring costs related to the Sale Transaction.

7. BUSINESS ACQUISITION

On January 31, 2025, SECURE completed the acquisition of a metals recycling business in Edmonton, Alberta for a total purchase price of $162 million in cash. Under the asset purchase agreement, SECURE acquired cash, inventory, property, plant and equipment, and intangible assets, from the acquired company. This acquisition expands SECURE's scrap metals processing capacity and enhances access to key regions.

The acquisition was accounted for using the acquisition method pursuant to IFRS 3, "Business Combinations". Under the acquisition method, assets are measured at their estimated fair value on the date of acquisition.

Consideration for the acquisition	
Cash	**162**
Total consideration	**162**

Purchase price allocation	
Cash	**1**
Inventory	**9**
Property, plant and equipment (Note 9)	**100**
Intangible assets:	
Non-compete agreements	**19**
Trade name	**4**
Customer and supplier relationships	**15**
Goodwill	**14**
	162

In connection with this acquisition, the Corporation entered into a 30-year lease agreement for the land and buildings (Note 17), and recognized a corresponding right-of-use asset (Note 10).

Revenue of $115 million and net income before tax of $nil have been included in the consolidated statements of comprehensive income since the closing of the acquisition on January 31, 2025. Had the acquisition occurred on January 1, 2025, the estimated contribution to revenues would have been $125 million, and estimated net income before tax would have been $nil.

On March 1, 2024, SECURE completed the acquisition of a specialty chemical company for a total purchase price of $11 million, comprising $7 million in cash and $4 million in contingent consideration, dependent on achieving specified future financial targets. Under the purchase agreement, SECURE acquired the assets and assumed certain obligations and liabilities associated with the specialty chemical business. The primary assets acquired were intangible assets valued at $9 million and recognition of goodwill of $2 million.

On June 19, 2024, SECURE completed the acquisition of a metals recycling company for a total purchase price of $31 million cash. Under the asset purchase agreement, the purchase price allocation assigned $11 million to property, plant and equipment, $17 million to intangible assets and recognized $3 million as goodwill. This strategic acquisition expanded our network into a new operating region, diversifying our supply base, and bolstering our processing capabilities and logistics strategies.

Consideration for the acquisition	
Cash	31

Purchase price allocation	
Property, plant and equipment (Note 9)	11
Intangible assets:	
Non-compete agreements	10
Licenses	2
Customer relationships	5
Goodwill	3
	31

8. INVENTORIES

	December 31, 2025	December 31, 2024
Crude oil and natural gas liquids	12	32
Specialty chemicals	90	89
Metals	45	13
Spare parts and supplies	9	9
Total inventories	156	143

Crude oil and natural gas liquids consists of inventory stored at terminals and on certain pipelines.

Specialty chemicals and metals inventory recognized as cost of sales in the consolidated statements of comprehensive income for the year ended December 31, 2025, were $387 million (2024: $332 million).

9. PROPERTY, PLANT AND EQUIPMENT

	Assets Under Construction (WIP)	Land and Buildings	Plant Equipment, Pipelines, Landfill Cells and Disposal Wells	Rental and Mobile Equipment	Office and Computer Equipment	Total
Cost:						
January 1, 2024	42	290	2,252	177	85	2,846
Acquired upon close of Business Acquisition (Note 7)	—	—	6	5	—	11
Additions	26	9	72	19	8	134
Change in asset retirement cost	—	—	19	—	—	19
Disposals	—	(91)	(463)	(17)	(3)	(574)
Transfers[(1)]	1	15	(30)	(11)	11	(14)
Foreign exchange effect	—	2	15	—	—	17
December 31, 2024	69	225	1,871	173	101	2,439
Acquired upon close of Business Acquisition (Note 7)	—	—	87	13	—	100
Additions	37	18	94	73	3	225
Change in asset retirement cost	—	—	47	—	—	47
Disposals	—	(2)	(10)	(8)	—	(20)
Foreign exchange effect	—	(1)	(7)	—	—	(8)
December 31, 2025	**106**	**240**	**2,082**	**251**	**104**	**2,783**
Accumulated depreciation and depletion:						
January 1, 2024	—	(107)	(1,057)	(77)	(63)	(1,304)
Depreciation and depletion	—	(13)	(107)	(12)	(8)	(140)
Disposals	—	25	136	13	2	176
Transfers[(1)]	—	14	19	(14)	(3)	16
Foreign exchange effect	—	(1)	(11)	—	—	(12)
December 31, 2024	—	(82)	(1,020)	(90)	(72)	(1,264)
Depreciation and depletion	—	(10)	(87)	(45)	(8)	(150)
Disposals	—	—	7	6	—	13
Foreign exchange effect	—	—	7	—	—	7
December 31, 2025	**—**	**(92)**	**(1,093)**	**(129)**	**(80)**	**(1,394)**
Net book value:						
December 31, 2025	**106**	**148**	**989**	**122**	**24**	**1,389**
December 31, 2024	69	143	851	83	29	1,175

(1) Costs related to assets under construction are transferred to property, plant and equipment and classified by nature of the asset when available for use in the manner intended by management.

The amounts included in assets under construction consist of assets associated with a variety of ongoing projects. Costs related to assets under construction are capitalized when incurred. Assets under construction are not depreciated until they are complete and available for use in the manner intended by management.

Overhead costs which are directly attributable to bringing an asset to the location and condition necessary for it to be capable of use in the manner intended by management are capitalized. These costs include compensation costs paid to internal personnel dedicated to capital projects. During the year ended December 31, 2025, $6 million (2024: $5 million) of directly attributable capitalized salaries and overhead were added to property, plant and equipment.

The present value of the expected cost for the asset retirement obligation of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Disposal of property, plant and equipment

In 2025, the Corporation sold unused property, plant and equipment, vehicles and heavy equipment for net proceeds of $7 million. In 2024, in addition to the assets divested in the Sale Transaction (Note 6), the Corporation sold unused land and building and property, plant and equipment for net proceeds of $14 million, resulting in a loss on disposal of $5 million included in other expense in the consolidated statements of comprehensive income.

10. RIGHT-OF-USE ASSETS

	Buildings & Land	Rail Cars	Vehicles & Equipment	Other	Total
Cost:					
January 1, 2024	61	2	45	38	146
Additions	4	1	13	—	18
Lease modification	(4)	1	1	(6)	(8)
Disposals	(9)	—	(3)	—	(12)
Transfers (1)	3	3	(9)	3	—
December 31, 2024	55	7	47	35	144
Additions	58	1	11	—	70
Lease modification	—	—	—	2	2
Disposals	(1)	—	(4)	—	(5)
Transfers (1)	(7)	—	(3)	—	(10)
December 31, 2025	**105**	**8**	**51**	**37**	**201**
Accumulated depreciation:					
January 1, 2024	(27)	(2)	(14)	(1)	(44)
Depreciation	(10)	(1)	(11)	(2)	(24)
Disposals	9	(1)	3	(1)	10
December 31, 2024	(28)	(4)	(22)	(4)	(58)
Depreciation	(9)	(1)	(12)	(2)	(24)
Disposals	1	—	3	—	4
Transfers (1)	3	—	3	—	6
December 31, 2025	**(33)**	**(5)**	**(28)**	**(6)**	**(72)**
Net book value:					
December 31, 2025	**72**	**3**	**23**	**31**	**129**
December 31, 2024	27	3	25	31	86

(1) *Transfers consist of selected right-of-use assets reclassified to property, plant, and equipment due to a change in asset classification.*

On January 31, 2025, in connection with the acquisition of a metals recycling business operating in Edmonton, Alberta (Note 7), the Corporation entered into a 30-year lease agreement for the land and buildings, and recognized a corresponding right-of-use asset.

11. INTANGIBLE ASSETS AND GOODWILL

Intangible Assets

Intangible assets acquired outside of business combinations are measured at cost less any accumulated amortization and any accumulated impairment loss. Intangible assets with a finite life are amortized over estimated useful life.

	Non-Competition Agreements	Customer Relationships	Licenses, Permits & Patents	Trade Name	Total
Cost:					
January 1, 2024	53	210	130	23	416
Acquired upon close of Business Acquisition (Note 7)	15	5	6	—	26
Additions	—	—	1	—	1
Disposals	(47)	(172)	(67)	—	(286)
Foreign exchange effect	1	—	—	—	1
December 31, 2024	22	43	70	23	158
Acquired upon close of Business Acquisition (Note 7)	19	15	—	4	38
Disposals	—	—	(2)	—	(2)
December 31, 2025	**41**	**58**	**68**	**27**	**194**
Accumulated amortization:					
January 1, 2024	(53)	(130)	(57)	(23)	(263)
Amortization	(2)	(2)	(5)	—	(9)
Disposals	47	118	37	—	202
Foreign exchange effect	(1)	—	—	—	(1)
December 31, 2024	(9)	(14)	(25)	(23)	(71)
Amortization	(7)	(2)	(5)	—	(14)
Disposals	—	—	1	—	1
December 31, 2025	**(16)**	**(16)**	**(29)**	**(23)**	**(84)**
Net book value:					
December 31, 2025	**25**	**42**	**39**	**4**	**110**
December 31, 2024	13	29	45	—	87

Goodwill

	December 31, 2025	December 31, 2024
Balance - beginning of year	204	199
Acquired upon close of Business Acquisition (Note 7)	14	5
Balance - end of year	218	204

The allocation of goodwill to the groups of CGUs is as follows:

	December 31, 2025	December 31, 2024
Energy Infrastructure	57	57
Canadian Waste Processing Facilities	91	91
Landfills	48	48
Metals Recycling	20	6
Specialty Chemicals	2	2
Total allocation to CGUs	218	204

12. IMPAIRMENT

The Corporation's non-current assets are tested for impairment in accordance with the accounting policy stated in Note 3.

Regardless if any indicators of impairment are present, the Corporation must complete an annual impairment test for any CGU, or group of CGUs, whose net carrying value includes an allocation of goodwill. SECURE completed the impairment test as at December 31, 2025, for a group of CGUs under the Waste Management Segment and the Energy Infrastructure Segment. No impairment was identified as a result of these impairment tests.

The Corporation used the value in use method to determine the recoverable amount of these CGUs for the purpose of impairment testing, determined by using discounted cash flows. Inherent in the value in use approach are key assumptions that represent reasonable estimates with respect to factors affecting operations including economic, operational and market conditions. These estimates and assumptions are sensitive to change and could affect fair value.

The forecasted cash flows as defined below included specific estimates for five years and a terminal valuation. Cash flows for the next fiscal year are based on the Corporation's budget. The budget is based on past performance as well as management's assessment of economic conditions, including gross margin, commodity prices, expected market trends, and growth strategy. For future years not included in the budget, assumptions are made based on past performance, anticipated industry activity, and the unique market characteristics of the CGU. The terminal valuation is determined based on management's estimate of the long-term compound growth rate of annual cash flows. The discount rate used to calculate the net present value of cash flows is based on estimates of the Corporation's weighted average cost of capital, adjusted to consider the nature of the assets being valued and their specific risk profile. Changes in the general economic environment could result in significant changes to this estimate. The Corporation used after-tax discount rates ranging from 10.40% - 15.00% (pre-tax discount rate range of 13.63% - 19.67%) (2024: 12.25% - 14.09%, pre-tax discount rate of 14.62% - 17.07%) and a terminal growth rate of 2%.

The estimated value in use for Waste Processing Facilities CGUs are sensitive to changes in the discount rate, of which changes could increase or decrease the estimated recoverable amounts of CGUs. The Corporation performed a sensitivity analysis of the discount rate on the estimated recoverable amount. An increase of 1% in the after-tax discount rate and a decrease of 1% in the terminal growth rate would not have resulted in an impairment being recognized.

The Corporation also assesses at each reporting date whether there is an indication that an asset or CGU may be impaired. There were no indicators of impairment identified as at December 31, 2025 and 2024.

13. REVOLVING CREDIT FACILITY

As at December 31, 2025, SECURE's credit facilities consisted of a $900 million revolving credit facility (the "Revolving Credit Facility") with eight financial institutions. The Revolving Credit Facility was amended and renewed in May 2025, increasing the total facility from $800 million to $900 million and extending the maturity date by one year to May 31, 2028. In addition, SECURE maintains a $50 million unsecured letter of credit facility guaranteed by Export Development Canada.

The credit facility balances included on the consolidated statements of financial position at December 31, 2025, and December 31, 2024, were as follows:

	December 31, 2025	December 31, 2024
Amount drawn on Revolving Credit Facility	271	46
Unamortized financing costs	(2)	(1)
Total credit facility	**269**	45

	December 31, 2025	December 31, 2024
Maximum amount available	950	850
Less: Amount drawn on Revolving Credit Facility	(271)	(46)
Less: Letters of credit	(104)	(102)
Available amount [(1)]	**575**	702

[(1)] *Subject to covenant restrictions listed below.*

As at December 31, 2025, the Corporation has liquidity of $597 million, consisting of $22 million in cash and $575 million in capacity on its credit facilities ($728 million as at December 31, 2024, consisting of $26 million in cash and $702 million in capacity on its credit facilities).

Amounts borrowed under the Revolving Credit Facility bear interest at the Corporation's option of either the Canadian prime rate or U.S. Base Rate plus 0.625% to 2.50% or Canadian Overnight Repo Rate Average ("CORRA") rate or Secured Overnight Financing Rate ("SOFR") rate plus 1.625% to 3.50%, depending, in each case, on the ratio of Total Debt to EBITDA as defined in the Revolving Credit Facility.

The Revolving Credit Facility is subject to customary terms, conditions and covenants, including the following financial covenants:

- the Senior Debt to EBITDA ratio is not to exceed 2.75 to 1.0 at the end of each fiscal quarter;
- the Total Debt to EBITDA ratio is not to exceed 4.50 to 1.0 at the end of each fiscal quarter; and
- the Interest Coverage Ratio (defined as EBITDA to Interest charges) is not to be less than 2.50 to 1.0.

The Revolving Credit Facility also requires that the aggregate principal amount of debt under all unsecured notes and the Revolving Credit Facility will not exceed, at any time, $1.5 billion.

Total Debt as defined by the Revolving Credit Facility includes the aggregate of all debt (including lease liabilities) minus the aggregate amount of readily available cash, cash equivalents and investment grade securities in excess of $5 million. Senior Debt is defined as Total Debt excluding the principal amount outstanding under any senior secured or unsecured notes (Note 14).

EBITDA is defined by the Revolving Credit Facility as earnings before interest, taxes, depreciation, depletion and amortization, and is adjusted for non-recurring gains and losses, any non-cash impairment charges and any other non-cash charges, and acquisitions on a pro-forma basis. Interest charges is defined as interest expense determined on a consolidated basis in accordance with GAAP, as would be set forth or reflected in a consolidated statements of comprehensive income. At December 31, 2025, the Corporation was in compliance with all financial covenants contained in the Revolving Credit Facility.

The following table outlines the Corporation's covenant ratios as at December 31, 2025:

	December 31, 2025	Covenant
Senior Debt to EBITDA	0.9	not to exceed 2.75
Total Debt to EBITDA	2.1	not to exceed 4.5
Interest coverage	7.1	not to be less than 2.5

14. UNSECURED NOTES

At December 31, 2025, SECURE's unsecured notes include $300 million aggregate principal amount of 6.75% senior unsecured notes due March 22, 2029 (the "2029 senior unsecured notes"). Interest on the 2029 senior unsecured notes is payable semi-annually in March and September during the term of the debt.

On November 20, 2025, the Corporation closed an offering of $300 million aggregate principal amount of 5.75% senior unsecured notes due November 20, 2032 (the "2032 senior unsecured notes") at an issue price of $1,000 per $1,000 principal amount of notes, representing a yield of 5.75%. The Corporation incurred $6 million of financing cost in connection with the issuance of the notes. Interest on the 2032 senior unsecured notes is payable semi-annually in May and November during the term of the debt.

The unsecured notes balances included on the statements of financial position at December 31, 2025, and December 31, 2024, were as follows:

	Principal	Issuance	Maturity	December 31, 2025	December 31, 2024
2029 senior unsecured notes	$300	Mar 2024	Mar 2029	300	300
2032 senior unsecured notes	$300	Nov 2025	Nov 2032	300	—
Unamortized financing costs				(10)	(6)
Total unsecured notes				590	294

As at December 31, 2025, the fair value of the 2029 senior unsecured notes and the 2032 senior unsecured notes was $311 million and $301 million, respectively, based on third party observable quotes.

15. ASSET RETIREMENT OBLIGATIONS

	December 31, 2025	December 31, 2024
Balance - beginning of year	125	111
Additions	2	—
Changes in discount rate and estimates	45	19
Accretion	9	8
Asset retirement obligations incurred	(14)	(13)
Balance - end of year	167	125
Current portion	15	15
Non-current portion	152	110

The Corporation's asset retirement obligations were estimated either by a third-party specialist or management based on the Corporation's estimated costs to abandon/decommission, remediate and reclaim the Corporation's facilities and estimated timing of the costs to be incurred in future periods. The Corporation used a credit-adjusted risk-free discount rate ranging from 5.46% to 6.67% (December 31, 2024: 6.37% to 7.60%) with an implied inflation rate of 1.98% (December 31, 2024: 1.82%) to calculate the net present value of its asset retirement obligations at December 31, 2025.

The Corporation expects to incur the majority of the costs over the next 25 years. $15 million classified as a current liability at December 31, 2025 is expected to be incurred within the next 12 months.

16. ONEROUS CONTRACT

The Corporation has an arrangement for crude oil storage capacity at a major oil hub in Western Canada. This amount is payable regardless of utilization. During the year ended December 31, 2025, following reduced prospects for profitable use or subleasing, the Corporation determined that the contract is onerous. The Corporation recognized a provision for the present value of remaining fixed monthly fees payable through November 2030, discounted at a credit-adjusted discount rate of 5.32%.

The Corporation recognized an onerous contract provision of $55 million within other expense in the consolidated statements of comprehensive income. For the year ended December 31, 2025, $2 million was recognized in Finance Costs (Note 22) for the unwinding of the discount.

A reconciliation of the provision is as follows:

	December 31, 2025	December 31, 2024
Balance - beginning of year	7	7
Additions - onerous contract recognized	55	3
Payments applied against the provision	(7)	(3)
Finance costs	2	—
Balance - end of year	57	7
Current portion	12	2
Non-current portion	45	5

17. LEASES

	December 31, 2025	December 31, 2024
Balance - beginning of year	**115**	136
Additions	**70**	18
Lease modifications	**3**	(12)
Interest expense	**10**	7
Principal and interest payments	**(37)**	(34)
Balance - end of year	**161**	115
Current portion	**32**	26
Non-current portion	**129**	89

The Corporation incurs lease payments related to corporate and field offices, warehouses, rail cars, vehicles, equipment and surface leases. Leases are entered into and exist in coordination with specific business requirements which includes the assessment of the appropriate durations for the related leased assets. Lease liabilities bear interest at rates ranging from 1.50% to 11.74% and have maturities between January 2026 and January 2055.

On January 31, 2025, in connection with the acquisition of a metals recycling business operating in Edmonton, Alberta (Note 7), the Corporation entered into a 30-year lease agreement for the land and buildings.

18. ISSUED CAPITAL

Authorized

Unlimited number of common voting shares of no par value.
Unlimited number of preferred shares of no par value, none of which have been issued.

Issued and outstanding

($ millions, except for shares)	Number of Shares	Amount
Balance at January 1, 2024	287,627,549	1,517
RSUs and PSUs exercised	3,746,187	—
Transfer from reserves in equity	—	16
Shares cancelled under SPA	(13,181,020)	(150)
Shares cancelled under SIB	(21,929,818)	(251)
Shares cancelled under NCIB	(22,181,067)	(256)
Tax on share repurchases	—	(13)
Balance at December 31, 2024	234,081,831	863
RSUs and PSUs exercised	2,295,721	—
Transfer from reserves in equity	—	21
Shares cancelled under SIB	(9,382,390)	(137)
Shares cancelled under NCIB	(9,606,900)	(147)
Tax on share repurchases	—	(5)
Balance at December 31, 2025	**217,388,262**	**595**

Dividends

The Corporation declared dividends to holders of common shares for the year ended December 31, 2025 of $89 million (year ended December 31, 2024: $99 million). On December 15, 2025, the Corporation declared a dividend in the amount of $0.10 per common share, to shareholders of record on January 1, 2026. At December 31, 2025, the dividend payable of $22 million was included within accounts payable and accrued liabilities (at December 31, 2024: $23 million). Subsequent to December 31, 2025, the Corporation paid out this dividend on January 15, 2026.

Subsequent to year end, the Corporation's Board of Directors approved a 5% increase to the quarterly dividend rate to $0.105 per share. SECURE expects the revised rate to apply beginning with the Q2 2026 dividend paid in April 2026, subject to future declaration.

Share repurchases

On April 29, 2024, the Corporation entered into a Share Purchase Agreement with an affiliate of TPG Angelo Gordon to purchase for cancellation an aggregate of 13,181,020 common shares at a price of $11.38 per share (representing a discount of approximately 1.8% to the closing price of the Shares on the TSX on April 26, 2024), for total consideration of $150 million.

On May 1, 2024, the Corporation commenced a SIB pursuant to which it offered to purchase up to $250 million of its common shares through a "modified Dutch auction". The SIB was completed on June 10, 2024, with the Corporation taking up 21,929,818 common shares at a price of $11.40 per share, representing an aggregate purchase of $250 million and 8.33% percent of the total number of SECURE's issued and outstanding common shares. The Corporation also incurred $1 million in transaction costs in connection with the SIB which were included in the cost of acquiring the common shares.

On December 16, 2024, the Corporation renewed the previous NCIB, which was completed on December 13, 2024 upon the Corporation acquiring the maximum number of common shares purchasable thereunder. Pursuant to the renewed NCIB, the Corporation was authorized to purchase and cancel up to a maximum of 19,367,434 common shares of the Corporation representing approximately 8% of the Corporation's outstanding shares as at December 10, 2024, or 10% of the Corporation's public float. As of December 17, 2025, the termination date of the NCIB, the Corporation had acquired and cancelled 9,921,900 common shares, representing approximately 4.2% of the number of common shares outstanding at the time of commencement.

On April 9, 2025, the Corporation commenced a SIB pursuant to which it offered to purchase up to $200 million of its common shares through a "modified Dutch auction". The SIB was completed on May 14, 2025, with the Corporation taking up 9,382,390 common shares at a price of $14.50 per share, representing an aggregate purchase of $136 million and 4% of the total number of SECURE's outstanding common shares. The Corporation also incurred $1 million in transaction costs in connection with the SIB which were included in the cost of acquiring the common shares.

On December 15, 2025, the Corporation renewed the previous NCIB, which terminated on December 17, 2025. Pursuant to the renewed NCIB, the Corporation is authorized to purchase and cancel up to a maximum of 19,074,068 common shares of the Corporation representing approximately 8.8% of the Corporation's outstanding shares as at December 5, 2025, or 10% of the Corporation's public float. The NCIB commenced on December 18, 2025, and will end on December 17, 2026, or such earlier date as the NCIB is completed or is terminated at the Corporation's election.

The table below summarizes the share repurchases and cancellations for the years ended December 31, 2025 and 2024:

	2025	2024
Shares repurchased and cancelled under the SPA	—	13,181,020
Price per share	$ —	$ 11.38
Total consideration	$ —	$ 150
Shares repurchased and cancelled under SIB	9,382,390	21,929,818
Price per share	$ 14.50	$ 11.40
Total consideration [(1)]	$ 137	$ 251
Shares repurchased and cancelled under NCIB	9,606,900	22,181,067
Price per share	$ 15.30	$ 11.54
Total consideration	$ 147	$ 256

[(1)] *Includes transaction costs*

On June 20, 2024, a tax policy imposing a 2% tax on corporate share buybacks was enacted. The 2% tax applies to the net value of shares repurchased by corporations starting January 1, 2024. For the year ended December 31, 2025, the Corporation recognized $5 million for the share buyback tax (2024 - $13 million).

Subsequent to December 31, 2025, the Corporation repurchased 985,072 additional shares at a weighted average price per share of $17.26 for a total of $17 million.

Basic and Diluted Income Per Share

The Corporation calculates basic income per share by dividing net income by the weighted average number of common shares outstanding during the period. Diluted income per share reflects the potential dilution that would occur if equity awards were converted into common shares. Diluted income per share is calculated by dividing net income available to common shareholders by the total of the weighted average number of common shares outstanding and all additional common shares that would have been outstanding, utilizing the treasury method, arising from the conversion of equity awards.

The following table reflects the share data used in the computations of basic and diluted income per share:

	December 31, 2025	December 31, 2024
Weighted average number of shares - basic	223,209,962	254,721,786
Effect of dilution:		
RSUs and PSUs	3,145,201	4,119,511
Weighted average number of shares - diluted	226,355,163	258,841,297

The above calculation includes the effect of dilutive RSUs and PSUs for the years ended December 31, 2025 and 2024.

19. SHARE-BASED COMPENSATION PLANS

Unit Incentive Plan and Omnibus Incentive Plan

The Corporation had in place a unit incentive plan ("Unit Incentive Plan" or "UIP") which was adopted by the Board of Directors in March 2022 and approved by Shareholders on April 29, 2022. Under the UIP, the Corporation may grant restricted share units ("RSUs"), performance share units ("PSUs") and options to its employees. Effective March 20, 2025, the Board approved the adoption of an omnibus incentive plan, which amended and restated the Corporation's existing Unit Incentive Plan (the "Omnibus Incentive Plan" or "OIP"). The OIP was approved by Shareholders on May 2, 2025.

The OIP contains substantially similar terms and conditions as the UIP, with amendments intended to provide for the grant of stock options ("Options") under the OIP going forward. All prior PSUs and RSUs granted under the Corporation's UIP will continue to be governed in accordance with their terms at the time of grant; however, as of March 20, 2025, all new PSUs, RSUs and Options are governed by the OIP.

Under the terms of the UIP and the OIP, the RSUs awarded will vest in three equal portions on the first, second and third anniversary of the grant date and will be settled in equity or cash at the discretion of the Corporation, in the amount equal to the fair value of the RSU on that date. RSUs terminate and cease to be redeemable on December 31st of the third year following the year in which the grant of the RSU was made.

The fair value of the RSUs issued is equal to the Corporation's five day weighted average share price on the grant date. The fair value is expensed over the vesting term on a graded vesting basis. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of RSUs that vest.

Under the terms of the UIP and OIP, the date or dates on which all or a portion of the PSUs shall vest and any performance conditions to such vesting, is designated by the Board of Directors at the time of grant. PSUs will be settled in equity or cash, at the discretion of the Corporation, at the amount equal to the fair value of the PSU on that date. The fair value of the PSUs issued is equal to the Corporation's five day weighted average share price on the grant date and is adjusted for the estimate of the outcome of the performance conditions. The fair value is expensed over the vesting term on a graded vesting basis. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of PSUs that vest.

The OIP provides that the number of Common Shares reserved for issuance pursuant to the plan is equal to 5% of the number of outstanding Common Shares less the number of Common Shares issuable pursuant to all other security-based compensation arrangements of SECURE. At December 31, 2025, a total of 11 million common shares were reserved for issuance under the Corporation's OIP.

DSU Plan

The Corporation has a deferred share unit ("DSU") plan for its non-employee directors. The DSUs vest immediately and the fair value of the liability and the corresponding expense is recognized in the consolidated statements of comprehensive income at the grant date. Subsequently, at each reporting date between the grant date and settlement date, the fair value of the liability is revalued with any changes in the fair value recognized in net income for the period.

When the awards are surrendered for cash, the cash settlement is equal to the Corporation's five day weighted average share price on the date the holder specifies after resigning from the Board of Directors. The cash settlement paid reduces the outstanding liability. The liability is included in accounts payable and accrued liabilities in the consolidated statements of financial position and the expense is included in general and administrative expenses in the consolidated statements of comprehensive income.

The following table summarizes the units outstanding at December 31, 2025:

	RSUs	PSUs	DSUs
Balance at January 1, 2024	2,387,054	3,883,713	956,053
Granted	958,889	2,092,603	126,553
Reinvested dividends	79,000	118,418	20,224
Redeemed for common shares	(985,079)	(2,761,108)	—
Redeemed for cash	—	—	(540,695)
Forfeited	(256,439)	(133,290)	—
Balance at December 31, 2024	2,183,425	3,200,336	562,135
Granted	590,487	1,565,708	98,597
Reinvested dividends	47,224	69,699	15,487
Redeemed - issuance of common shares	(1,123,716)	(1,172,005)	—
Redeemed - cash withholding tax	(134,400)	(1,065,582)	—
Forfeited	(122,203)	(107,242)	—
Balance at December 31, 2025	**1,440,817**	**2,490,914**	**676,219**

For the year ended December 31, 2025, the Corporation withheld 1,199,982 common shares, (December 31, 2024 - nil) with respect to minimum statutory withholding tax obligations which were settled in cash. Total withholding tax paid in cash for the year ended December 31, 2025 was $17 million (December 31, 2024 - $nil).

As at December 31, 2025, $12 million (2024: $9 million) was included in accounts payable and accrued liabilities for outstanding DSUs. Share-based compensation included in the statements of comprehensive income relating to DSUs was $3 million for the year ended December 31, 2025 (2024: $7 million).

Share-based compensation expense related to RSUs and PSUs were $9 million and $14 million, respectively, for the year ended December 31, 2025, and is included in general and administrative expenses (2024: $8 million and $14 million, respectively).

The weighted-average grant-date fair value of RSUs and PSUs granted during the year was $15.99 per unit and $15.92 per unit, respectively.

20. REVENUE

The following table presents revenue disaggregated by SECURE's major service lines, categorized to reflect how the nature, timing, and uncertainty of revenue and cash flows are affected by economic factors.

Year ended December 31, 2025	**Waste Management**	**Energy Infrastructure**	**Total**
Waste processing and disposal revenues	584	—	584
Metals recycling revenues	223	—	223
Specialty chemical revenues	445	—	445
Transportation and terminalling revenues (1)	—	52	52
Revenue from contracts with customers (1)	1,252	52	1,304
Realized gain from physical commodity and derivative contracts (1)	—	164	164
Unrealized gain (loss) from physical commodity and derivative contracts (1)	—	4	4
Revenue from physical commodity and derivative contracts (1)	—	168	168
Total revenue (1)	**1,252**	**220**	**1,472**

(1) Comparative period has been restated. See Note 2 Voluntary Change in Accounting Policy

Year ended December 31, 2024	Waste Management	Energy Infrastructure	Total
Waste processing and disposal revenues	614	—	614
Metals recycling revenues	117	—	117
Specialty chemical revenues	454	—	454
Transportation and terminalling revenues (1)	—	53	53
Revenue from contracts with customers (1)	1,185	53	1,238
Realized gain from physical commodity and derivative contracts (1)	—	194	194
Unrealized gain (loss) from physical commodity and derivative contracts (1)	—	(11)	(11)
Revenue from physical commodity and derivative contracts (1)	—	183	183
Total revenue (1)	1,185	236	1,421

(1) Comparative period has been restated. See Note 2 Voluntary Change in Accounting Policy

21. EXPENSES

The table below summarizes the disaggregation of expenses for the years ended December 31, 2025 and 2024:

Year ended December 31, 2025	Cost of sales (1)	General and Administrative Expense	Total
Employee compensation and benefits	203	62	**265**
Depreciation	126	6	**132**
Depletion	18	—	**18**
Amortization	36	2	**38**
Share-based compensation	—	30	**30**
Other (2)	668	34	**702**
Total	**1,051**	**134**	**1,185**

Year ended December 31, 2024	Cost of sales [1]	General and Administrative Expense	Total
Employee compensation and benefits	181	72	253
Depreciation	114	5	119
Depletion	21	—	21
Amortization	29	4	33
Share-based compensation	—	34	34
Other [2]	654	35	689
Total	999	150	1,149

[1] Comparative period has been restated. See Note 2 Voluntary Change in Accounting Policy

[2] Other includes the remaining expenses not listed separately in the table above. The majority of these expenses consist of costs related to products, repairs and maintenance, trucking and disposal, utilities and tariff fees for third party oil pipelines.

Transaction and related costs

For the year ended December 31, 2025, the Corporation incurred $9 million of transaction and related costs, primarily associated with the business acquisition (Note 7), including severance, legal and advisory fees, and information technology costs (2024 - $4 million).

22. INTEREST, ACCRETION AND FINANCE COSTS

Interest, accretion and finance costs consist of the following for the years ended December 31, 2025 and 2024:

	December 31, 2025	December 31, 2024
Interest on senior secured notes, unsecured notes and Revolving Credit Facility	48	38
Amortization of financing costs	2	2
Accretion of asset retirement obligations (note 15)	9	8
Interest on obligations under leases (note 17)	10	7
Interest on onerous contract provision (note 16)	2	—
Interest, accretion and finance costs	71	55

23. OTHER EXPENSE

For the year ended December 31, 2025, other expense primarily related to the onerous contract expense (Note 16) of $55 million, partially offset by interest income, gain on lease modifications and realized foreign exchange gains.

For the year ended December 31, 2024, the Corporation realized a loss on debt extinguishment of $16 million related to the redemption of the 2026 unsecured notes and a loss of $4 million related to the sale of property, plant and equipment (Note 9).

24. INCOME TAXES

The income tax expense differs from that expected by applying the combined federal and provincial income tax rates of 23.7% (2024: 24.0%) to income before tax for the following reasons:

	December 31, 2025	December 31, 2024
Income before tax	164	713
Combined federal and provincial income tax rate	23.7%	24.0%
Expected combined federal and provincial income tax expense	39	171
Non-taxable portion of capital gain	—	(39)
Share-based compensation	—	1
Non-deductible expenses	2	2
Change in unrecognized tax asset	—	(2)
Adjustments and assessments	—	(2)
Total income tax expense	41	131

The movement in the Corporation's deferred tax balances during the years ended December 31, 2025 and 2024 are as follows:

	December 31, 2025	December 31, 2024
Movement in deferred income tax balances during the year		
Net deferred tax (liabilities) assets at beginning of the year	(6)	89
Recognized in profit or loss	—	(103)
Recognized in equity	(3)	8
Net deferred income tax liabilities	(9)	(6)

Included above in the net deferred tax liability are $20 million (2024: $31 million) of gross non-capital losses that can be carried forward to reduce taxable income in future years. $11 million will expire between 2035 and 2036 and $9 million have no expiry period. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recoverable. The recognition involves the Corporation assessing when the deferred tax assets are likely to reverse, and a judgment as to whether or not there will be sufficient taxable income available to offset the tax assets when they do reverse. This assessment requires assumptions regarding future taxable income and is therefore inherently uncertain.

The Corporation has other deductible temporary differences for which it is unlikely that sufficient future taxable income will be available. Accordingly, the Corporation has not recognized a deferred tax asset for these items:

	December 31, 2025	December 31, 2024
Tax losses (capital)	1	1
Deductible temporary differences	11	10
Total	12	11

The significant components of the Corporation's deferred income tax assets (liabilities) are comprised of the following:

	December 31, 2025	December 31, 2024
Deferred income tax balances:		
Non-capital loss carry forwards	5	7
Property, plant and equipment	(120)	(110)
Goodwill and intangible assets	(6)	(7)
Asset retirement obligations	38	30
Share-based compensation	15	17
Onerous provision	13	2
Deferred revenue	2	19
Lease obligations and related assets	38	28
Other	6	8
Net deferred income tax liabilities	(9)	(6)

25. FINANCIAL INSTRUMENTS

Non-derivative financial instruments

Non-derivative financial instruments consist of cash, accounts receivables and accrued receivables, accounts payable and accrued liabilities, customer prepayments, current taxes payable, interest payable, Revolving Credit Facility, senior unsecured notes, and lease liabilities.

The carrying value of cash, accounts receivable and accrued receivables, accounts payable and accrued liabilities, customer prepayments, current taxes payable, interest payable and lease liabilities is estimated to be their fair value. This is due to the fact that transactions which give rise to these balances arise in the normal course of trade, have industry standard payment terms and are of a short-term nature.

The Corporation's Revolving Credit Facility and senior unsecured notes are recorded at amortized cost using the effective interest rate method ("EIR"). Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest, accretion and finance costs on the consolidated statements of comprehensive income or loss. The Revolving Credit Facility's carrying value approximate its fair values due to the variable interest rates applied, which approximate market interest rates. The fair value of the 2029 senior unsecured notes and 2032 senior unsecured notes are influenced by changes in risk-free interest rates and the market assessment of the Corporation's credit risk (Note 14).

The table below reconciles the movements of financial liabilities to cash flows arising from financing activities:

	Revolving Credit Facility	Senior Secured and Unsecured Notes
January 1, 2024	415	551
Changes from financing cash (outflows) inflows:		
Repayment of credit facilities	(373)	—
Redemption of 2025 senior secured and 2026 unsecured notes	—	(571)
Issuance of 2029 senior unsecured notes	—	300
Liability related changes:		
Change in unamortized financing costs	3	(2)
Change in fair value premium	—	(12)
Premium included in redemption cash outflow	—	12
Realized foreign exchange effect included in redemption cash outflow	(4)	16
Foreign exchange effect	4	—
December 31, 2024	45	294
Changes from financing cash inflows:		
Draws on credit facilities	225	—
Issuance of 2032 senior unsecured notes	—	300
Liability related changes:		
Change in unamortized financing costs	(1)	(4)
December 31, 2025	**269**	**590**

Derivative financial instruments

The Corporation periodically enters into derivative contracts in order to manage exposure to commodity price risk associated with sales, purchases and inventories of crude oil, natural gas liquids and petroleum products. The Corporation may also enter into derivative contracts to manage risk associated with foreign exchange movements on its estimated future net cash inflows denominated in U.S. dollars. These risk management derivatives are a component of the Corporation's overall risk management program and are captured under other assets or other liabilities on the statements of financial position.

The following is a summary of the Corporation's risk management contracts outstanding:

	December 31, 2025		December 31, 2024	
	Assets	Liabilities	Assets	Liabilities
Commodity contracts [1]	12	12	9	10
Foreign currency forwards [1]	1	—	—	2
	13	12	9	12

[1] Current portions of derivative receivables and payables are included in accounts receivable and accrued receivables and accounts payable and accrued payables, respectively. Long-term derivative assets are included in other assets, and long-term derivative liabilities are included in other liabilities on the consolidated statements of financial position.

The derivative financial instruments noted above are measured using Level 2 inputs. There were no transfers between levels in the fair value hierarchy in either 2025 or 2024.

The changes in the fair value of the Corporation's risk management contracts are as follows:

	Commodity Contracts	Foreign Currency Contracts	Total
Fair value of contracts outstanding at January 1, 2024	7	(3)	4
Changes in fair value during the year	(8)	1	(7)
Fair value of contracts outstanding at December 31, 2024	(1)	(2)	(3)
Changes in fair value during the year	1	3	4
Fair value of contracts outstanding at December 31, 2025	—	1	1

The impact of the movement in fair value of foreign currency derivative financial instruments have been included in other income and expense.

Risk Management

The Corporation is exposed to a number of different risks arising from financial instruments. These risk factors include market risks (commodity price risk, foreign currency risk and interest rate risk), credit risk, and liquidity risk.

a) Market Risk

Market risk is the risk or uncertainty arising from market price movements and their impact on the future performance of the business.

i) Commodity price risk

The Corporation is exposed to changes in the price of crude oil, natural gas liquids, oil related products, and ferrous and non-ferrous metals. Crude oil prices have historically fluctuated as the price is affected by numerous factors outside of the Corporation's control. Crude oil prices are primarily based on West Texas Intermediate ("WTI") plus or minus a differential to WTI based on the crude oil type and other contributing market conditions including market access. As part of normal operating activities, the Corporation is required to hold a certain amount of inventory in any given month.

The Corporation's profit or loss is also exposed to various risks from its physical oil purchase and resale trading activities. These risks depend on a variety of factors, including: changes in the prices of commodities; foreign exchange rates; the imposition of tariffs; changes in value of different qualities of a commodity; changes in the relationships between commodity prices and the contracts; physical loss of product through operational activities; disagreements over terms of deals and/or contracts; changes in pipeline operating specifications; and pipeline apportionment. These risks are mitigated by the fact that the volumes are typically traded over a short period. The oil and gas producer forecasts or nominates crude oil volumes expected to be delivered to the Corporation's facilities in advance of the production month as part of normal oil and gas operations however actual volumes received may differ.

As part of the Corporation's processing, and facility operations, SECURE will use buy and sell crude oil contracts for marketing and trading of crude oil. In addition, the Corporation has developed detailed policies, procedures and controls over the physical trading activities, which include oversight by experienced management.

The Corporation defines an "open position" as the difference between physical deliveries of all crude oil buy contracts, offset against the physical deliveries of all crude oil sales contracts. The open position is subject to commodity price risk. As a result, the Corporation's strategy is to reduce all open positions for any given month. The Corporation does hold open positions; however, these positions are closed within a relatively short period after the production month and therefore the overall exposure to the Corporation is significantly reduced.

The Corporation may use crude oil and natural gas liquids priced futures, options and swaps to manage the exposure to these commodities' price movements. These derivative financial instruments are not generally used for speculative positions and are not designated as hedges.

ii) Foreign currency risk

Foreign currency risk is the risk that the value of future cash flows will fluctuate as a result of changes in foreign currency exchange rates. The Corporation's foreign currency risk arises from its purchase and sale of crude oil, metals recycling and specialty chemical revenues and cost of sales, working capital balances and debt instruments denominated in foreign currencies and on the translation of its foreign operations.

The Corporation may also enter into foreign currency forward contracts to manage the foreign currency risk that arises from the purchase and sale of crude oil in the Energy Infrastructure segment. These derivative financial instruments are not used for speculative purposes and are not designated as hedges.

The Corporation manages and mitigates foreign currency risk by monitoring exchange rate trends, forecasted economic conditions, and forward currency contracts.

The following table summarizes the impact to net income resulting from a 1% change in the Canadian dollar relative to the U.S. dollar.

	December 31, 2025	December 31, 2024
Favourable 1% change	—	—
Unfavourable 1% change	—	—

At December 31, 2025, the Corporation did not have debt instruments denominated in foreign currencies.

iii) Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the financial instrument will fluctuate due to changes in market interest rates. The Corporation is exposed to interest rate risk as it has borrowed funds at variable interest rates on its Revolving Credit Facility. A 1% increase or decrease is used when management assesses changes in interest rate risk internally. The following table summarizes the impact to net income if interest rates had been 1% higher and lower, with all other variables held constant.

	December 31, 2025	December 31, 2024
Favourable 1% change	3	1
Unfavourable 1% change	(3)	(1)

The interest rate on the 2029 senior unsecured notes and 2032 senior unsecured notes is fixed. As at December 31, 2025, 31% (2024: 13%) of the Corporation's debt was subject to variable interest rates.

b) Credit risk

Credit risk is the risk of financial loss to the Corporation if a counterparty fails to meet its contractual obligations. The Corporation provides credit to its customers in the normal course of operations. This includes credit risk on physical trading activities as the Corporation is at risk for potential losses if the counterparties do not fulfill their contractual obligations. In order to mitigate collection risk, the Corporation assesses the credit worthiness of customers or counterparties by assessing the financial strength of the customers or counterparties through a formal credit process and by routinely monitoring credit risk exposures. In addition, the Corporation uses standard agreements that allow for the netting of exposures associated with a single counterparty. Where the Corporation has a legally enforceable right to offset, the amounts are recorded on a net basis.

A substantial portion of the Corporation's accounts receivable are with customers or counterparties involved in the oil and natural gas industry, whose revenues may be affected by fluctuations in oil and natural gas prices. Collection of these receivables could be influenced by economic factors affecting this industry. The carrying value of trade accounts receivable reflects management's assessment of the associated risks.

The following is a schedule of the Corporation's trade accounts receivable:

	December 31, 2025	December 31, 2024
Less than 30 days	351	399
31 to 60 days	53	61
61 to 90 days	21	22
Greater than 90 days	18	13
	443	495
Provision for expected credit losses	3	4

The balance of $351 million under 30 days includes $233 million of crude oil contracts settled as part of the trading activities for December 2025 (2024: $399 million under 30 days included $258 million of crude oil contracts). The entire amount of $233 million is due from numerous counterparties and relates to crude oil payments, which as part of industry practice, are settled within 30 days of the production month. The remainder of accounts receivable and accrued receivables not included in the trade accounts receivable schedule above relates to other non-trade receivables.

The counterparties noted above are approved by the Corporation's risk management committee in accordance with the Corporation's energy marketing risk policy relating to crude oil payments. The Corporation's credit exposure to any crude oil contracts settled is limited to transactions occurring over a 60 day period. Of the receivables relating to crude oil payments, approximately 89% are due from counterparties with an equivalent credit rating of B or higher.

The change in the provision for expected credit losses is as follows:

	December 31, 2025	December 31, 2024
Balance - beginning of year	4	7
Change in provision for expected credit losses	1	(2)
Bad debts recognized	(2)	(1)
Balance - end of year	3	4

Management uses a provision matrix based upon historical default rates and forward-looking assumptions to calculate expected credit losses and establish a provision for expected credit losses. The Corporation's historical bad debt expenses have not been significant and are usually limited to specific customer circumstances. Management also considers the credit worthiness and past payment history as well as any past due amounts. The Corporation considers all amounts greater than 90 days to be past due. As at December 31, 2025, $18 million (2024: $13 million) of accounts receivable are past due and a provision for expected credit losses of $3 million (2024: $4 million) has been established.

The Corporation is also exposed to credit risk with respect to its cash. However, the risk is minimized as cash is held at major financial institutions. Maximum credit risk is calculated as the total recorded value of cash, accounts receivable and accrued receivables as at the date of the consolidated statements of financial position.

c) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet financial obligations at the point at which they are due. The Corporation manages its liquidity risk through cash and debt management. Management's assessment of its liquidity reflects estimates, assumptions and judgments relating to current market conditions. As at December 31, 2025, the Corporation has liquidity of $597 million, consisting of $22 million in cash and $575 million in capacity on its credit facilities ($728 million as at December 31, 2024, consisting of $26 million in cash and $702 million in capacity on its credit facilities).

The timing of undiscounted cash outflows relating to financial liabilities, including estimated interest payments, are outlined in the table below. Apart from lease liabilities and the unsecured notes, the undiscounted cash outflows are equal to the carrying value:

	Due within 1 year	Between 1-5 years	Greater than 5 years
Accounts payable and accrued liabilities [1]	471	—	—
Derivative liability [2]	—	10	—
Onerous contract	11	48	—
Lease liabilities	43	87	159
Revolving Credit Facility [3]	12	288	—
2029 senior unsecured notes [4]	20	351	—
2032 senior unsecured notes [4]	17	86	317
	574	**870**	**476**

[1] Accounts payable and accrued liabilities include current tax payable.

[2] Derivative liability is included in other liabilities on the consolidated statements of financial position.

[3] Interest on Revolving Credit Facility is estimated using SECURE's average CORRA rate for 2025.

[4] Semi-annual interest payments on notes.

The Corporation anticipates that cash flows from operations, working capital, and other sources of financing will be sufficient to meet its debt repayments and obligations and will provide sufficient funding for anticipated capital expenditures.

26. CAPITAL MANAGEMENT

The capital structure of the Corporation consists of the following:

	December 31, 2025	December 31, 2024
Working capital [1]	172	51
Total debt	871	346
Shareholders' equity	792	1,042
	1,835	1,439

[1] Calculated as the difference between current assets less accounts payable and accrued liabilities, customer prepayments and current tax payable.

Principal debt consists of the following:

	December 31, 2025	December 31, 2024
Amount drawn on credit facilities (Note 13)	271	46
2029 senior unsecured notes (principal) (Note 14)	300	300
2032 senior unsecured notes (principal) (Note 14)	300	—
	871	346

The Corporation's objective in capital management is to ensure adequate sources of capital are available to carry out its planned capital program while maintaining operational activity, paying dividends, conducting share buybacks, and ensuring stable cash flow to sustain the business for the long term. Management considers the Corporation's working capital, total amounts drawn on debt facilities, and shareholders' equity as the components of capital to be managed.

The Corporation's overall capital management strategy remains unchanged from prior periods. Management controls its capital structure through detailed financial and operating budgets and forecasts, as well as established policies and processes over monitoring planned capital and operating expenditures. The forecasts are regularly updated based on various factors that could influence activity levels and cash flows, including, among other things, changes in commodity prices, and drilling, completion and production expectations. Factors including volatility in commodity prices and higher uncertainty with respect to price forecasts, the forecast results, including cash flows, working capital and debt levels, are subject to material changes.

Management will closely monitor changes in the external environment and will continue to adjust the Corporation's operating strategy in a timely manner, maintaining stringent cost controls and reduction initiatives in order to strengthen cash flow and continue the Corporation's stable operation.

27. RELATED PARTY DISCLOSURES

Related party transactions

A member of the Corporation's Board of Directors is the Chief Executive Officer of Rubellite Energy Corp. Accordingly, Rubellite Energy Corp. is considered a related party of the Corporation. During the year ended December 31, 2025, the Corporation provided sales and services to Rubellite Energy Corp. totaling $10 million (2024 – $3 million). As at December 31, 2025 and 2024, no significant amounts were due from or to Rubellite Energy Corp. Transactions are conducted in the normal course of business under standard trade terms.

Transactions with key management personnel

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Corporation, directly or indirectly. Key management personnel of the Corporation are comprised of its executive officers and the Board of Directors. In addition to the salaries and short-term benefits paid to the executive officers and fees paid to the directors, the Corporation also provides compensation under its share-based compensation plans (Note 19).

The compensation related to key management personnel is as follows:

	December 31, 2025	December 31, 2024
Salaries and short-term employee benefits	8	12
Share-based compensation	19	23
	27	35

28. CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

	1 year or less	1-5 years	5 years and thereafter	Total
Crude oil transportation	84	330	210	624
Crude oil storage	11	48	—	59
Capital commitments	18	—	—	18
Total contractual obligations	**113**	**378**	**210**	**701**

Crude oil transportation commitments

Included in this number are committed crude oil volumes for pipeline throughput at certain of the Corporation's pipeline connected terminals. This amount reflects the total payment that would have to be made should the Corporation fail to deliver the committed pipeline volumes.

Crude oil storage commitments

SECURE has an arrangement for crude oil storage capacity at a major oil hub in Western Canada. This amount is payable regardless of utilization. The crude oil storage commitment has been recorded as an onerous contract during the year (Note 16).

Capital commitments

The amounts include various capital purchases for use in the Corporation's current and future capital projects. All amounts are current and due within one year.

Contingencies

During the normal course of business, SECURE is involved in various legal proceedings. The claims are reviewed individually and are reflected in the Corporation's consolidated financial statements if material and more likely than not to be incurred. With unresolved claims currently outstanding, the legal process of these claims has not advanced sufficiently to the point where it is practicable to assess the timing and financial effect of these claims, if any. SECURE does not anticipate that the financial position, results of operations or operations of the Corporation will be materially affected by the resolution of these legal proceedings.

29. SEGMENT REPORTING

The following tables present the financial performance by reportable segment and include a measure of segment profit or loss regularly reviewed by management.

Year ended December 31, 2025	Waste Management	Energy Infrastructure	Corporate	Total
Revenue [1]	**1,252**	**220**	—	**1,472**
Cost of sales excluding items listed separately below [1]	(816)	(55)	—	(871)
Segment profit margin	**436**	**165**	—	**601**
G&A expenses excluding items listed separately below	(39)	(9)	(48)	(96)
Depreciation, depletion and amortization [2]	(163)	(24)	(1)	(188)
Share-based compensation	—	—	(30)	(30)
Transaction and related costs	—	—	(9)	(9)
Interest, accretion and finance costs	(15)	(6)	(50)	(71)
Other income (expense) (Note 23)	11	(55)	1	(43)
Income (loss) before tax	**230**	**71**	**(137)**	**164**

Year ended December 31, 2024	Waste Management	Energy Infrastructure	Corporate	Total
Revenue [1]	1,185	236	—	1,421
Cost of sales excluding items listed separately below [1]	(761)	(74)	—	(835)
Segment profit margin	424	162	—	586
G&A expenses excluding items listed separately below	(43)	(12)	(52)	(107)
Depreciation, depletion and amortization [2]	(148)	(22)	(3)	(173)
Share-based compensation	—	—	(34)	(34)
Transaction and related costs	—	—	(4)	(4)
Interest, accretion and finance costs	(11)	(5)	(39)	(55)
Gain on asset divestiture	—	—	520	520
Other income (expense) (Note 23)	2	3	(25)	(20)
Income before tax	**224**	**126**	**363**	**713**

[1] Comparative period has been restated. See Note 2 Voluntary Change in Accounting Policy

[2] Depreciation, depletion and amortization have been allocated to cost of sales and general and administrative expenses on the consolidated statements of comprehensive income based on function of the underlying asset.

Assets and Liabilities

As at December 31, 2025	Waste Management	Energy Infrastructure	Corporate	Total
Current assets	362	251	30	643
Property, plant and equipment	1,089	289	11	1,389
Right-of-use assets	105	20	4	129
Intangible assets	104	6	—	110
Goodwill	161	57	—	218
Total assets	1,831	639	58	2,528
Current liabilities	205	252	73	530
Total liabilities	444	333	959	1,736

As at December 31, 2024	Waste Management	Energy Infrastructure	Corporate	Total
Current assets	357	294	37	688
Property, plant and equipment	870	295	10	1,175
Right-of-use assets	57	22	7	86
Intangible assets	81	6	—	87
Goodwill	147	57	—	204
Total assets	1,514	687	80	2,281
Current liabilities	180	404	97	681
Total liabilities	333	437	469	1,239

Geographical Financial Information

	Canada		U.S.		Total	
Year ended December 31,	2025	2024	2025	2024	2025	2024
Revenue [1]	1,409	1,357	63	64	1,472	1,421
As at December 31,	2025	2024	2025	2024	2025	2024
Total non-current assets	1,804	1,504	81	89	1,885	1,593

[1] *Comparative period has been restated. See Note 2 Voluntary Change in Accounting Policy*

CORPORATE INFORMATION

DIRECTORS
Rene Amirault - Vice-Chairman [4]
Mark Bly [3] [4]
Mick Dilger - Chairman [2]
Allen Gransch
Wendy Hanrahan [1] [2]
Joseph Lenz [1] [3]
Susan Riddell Rose [2] [4]
Deanna Zumwalt [1] [3]

[1] Audit Committee
[2] Human Resources and Compensation Committee
[3] Corporate Governance & Nominating Committee
[4] Environment, Social & Governance Committee

STOCK EXCHANGE
Toronto Stock Exchange
Symbol: SES

AUDITORS
KPMG LLP
Calgary, Alberta

LEGAL COUNSEL
McCarthy Tetrault LLP
Calgary, Alberta

LEAD BANKERS
ATB Financial
Bank of Montreal
Canadian Imperial Bank of Commerce
National Bank of Canada
Royal Bank of Canada
TD Canada Trust
The Bank of Nova Scotia

TRANSFER AGENT AND REGISTRAR
Odyssey Trust Company
Calgary, Alberta

OFFICERS
Allen Gransch
President & Chief Executive Officer

Corey Higham
Chief Operating Officer

Chad Magus
Chief Financial Officer

Michael Callihoo
Corporate Secretary and General Counsel