
Condensed Consolidated Interim Financial Statements of

CROWN CAPITAL PARTNERS INC.

Twelve months ended December 31, 2025 and 2024

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated interim financial statements of Crown Capital Partners Inc. (the "Corporation") have been prepared by and are the responsibility of the Corporation's management. An independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the CPA Canada for a review of interim financial statements by an entity.

CROWN CAPITAL PARTNERS INC.

Condensed Consolidated Interim Statements of Financial Position (unaudited)

(expressed in thousands of Canadian dollars)

As at	December 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 11,155	\$ 7,852
Accounts receivable	17,687	15,741
Prepaid expenses and deposits	3,713	3,783
Inventory	1,749	1,598
Assets held for sale (Note 4)	11,319	14,901
Current portion of net investment in leased distributed power equipment (Note 5)	218	186
	45,841	44,061
Non-current assets:		
Investments	25	25
Investments in associates (Note 6)	3,812	2,993
Customer contracts (Note 7)	1,100	3,506
Property and equipment (Note 8)	71,672	72,178
Net investment in leased distributed power equipment (Note 5)	5,431	5,057
Property and equipment under development and related deposits (Note 9)	26,378	18,901
Goodwill	293	293
Total Assets	\$ 154,552	\$ 147,014
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 30,195	\$ 18,525
Income taxes payable	3,701	1,184
Factor facility	-	29
Contingent consideration	950	950
Mortgage payable (Note 10)	11,900	11,900
Current portion of deferred revenue	1,278	1,288
Current portion of lease obligations	5,310	4,613
Current portion of credit facilities (Note 12)	16,578	-
Current portion of debentures (Note 13)	19,936	-
Current portion of subordinated debentures (Note 14)	1,447	1,433
Current portion of long-term debt	172	540
	91,467	40,462
Non-current liabilities:		
Deferred revenue	31,268	28,530
Lease obligations	7,186	12,074
Deferred compensation (Note 11)	64	439
Credit facilities (Note 12)	-	14,791
Debentures (Note 13)	-	19,713
Long-term debt	2,363	2,639
Non-controlling interests (Note 16)	17,004	19,801
Total Liabilities	149,352	138,449
Equity		
Share capital (Note 17)	48,220	47,820
Contributed surplus	15,728	15,728
Translation reserve	(42)	(157)
Deficit	(58,706)	(54,826)
Total Equity	5,200	8,565
	\$ 154,552	\$ 147,014
Commitments and contingencies (Note 20)		

See accompanying notes to consolidated financial statements.

CROWN CAPITAL PARTNERS INC.

Condensed Consolidated Interim Statements of Comprehensive Income (Loss) (unaudited)

(expressed in thousands of Canadian dollars, except earnings per share and weighted average number of shares)

	For the three months ended		For the twelve months ended	
	December 31,		December 31,	
	2025	2024	2025	2024
Revenues				
Distribution services revenue	\$ 12,309	\$ 10,215	\$ 45,291	\$ 36,875
Network services revenue	21,328	6,585	46,255	26,164
Fees and other income	1,616	1,439	5,961	6,700
Distributed power interest revenue	117	136	428	661
Merchant power revenue	110	359	480	1,301
	35,480	18,734	98,415	71,701
Share of losses from investments in associates (Note 6)	(36)	(516)	(33)	(15,648)
Expenses				
Cost of distribution services revenue	7,607	5,989	27,342	21,857
Cost of network services revenue	11,929	5,088	27,005	16,552
(Recovery of) cost of merchant power revenue	(19)	359	575	1,691
Salaries and benefits	3,747	3,031	13,873	13,913
Share-based compensation expense (recovery) (Note 11)	8	121	(218)	(715)
Performance bonus recovery	-	-	-	(3,533)
General and administration	2,701	2,304	9,270	8,036
Foreign exchange loss (gain)	76	(394)	243	(655)
Depreciation and amortization	3,109	3,325	12,518	12,279
Provision for (recovery of) expected credit losses	410	(267)	419	68
Finance costs (Note 15)	2,461	2,533	9,358	8,978
Impairment of assets held for sale (Note 4)	-	952	-	952
Impairment of inventory	-	205	-	205
Impairment of (recovery of impairment of) property and equipment under development and related deposits	-	8,263	(57)	8,263
	32,029	31,509	100,328	87,891
Income (loss) before other adjustments and income taxes	3,415	(13,291)	(1,946)	(31,838)
Remeasurement of financial instruments	-	1,088	80	1,088
Gain (loss) on disposal of assets held for sale (Note 4)	25	(30)	25	(80)
Loss before income taxes attributable to non-controlling interests (Note 16)	189	1,348	1,092	2,124
Income (loss) before income taxes	3,629	(10,885)	(749)	(28,706)
Income tax expense				
Current tax expense	1,906	36	3,131	703
	1,906	36	3,131	703
Net income (loss)	1,723	(10,921)	(3,880)	(29,409)
Other comprehensive income (loss)				
Items that will be reclassified subsequently to net income				
Foreign currency translation adjustment	15	(189)	115	(254)
Comprehensive income (loss)	\$ 1,738	\$ (11,110)	\$ (3,765)	\$ (29,663)
Income (loss) per share attributable to shareholders				
Basic	\$ 0.29	\$ (1.95)	\$ (0.67)	\$ (5.26)
Diluted	\$ 0.29	\$ (1.95)	\$ (0.67)	\$ (5.26)
Weighted average number of shares, basic	5,977,832	5,588,646	5,816,283	5,588,646
Weighted average number of shares, diluted	5,977,832	5,588,646	5,816,283	5,588,646

See accompanying notes to consolidated financial statements.

CROWN CAPITAL PARTNERS INC.

Condensed Consolidated Interim Statements of Changes in Equity (unaudited)

For the twelve months ended December 31, 2025 and 2024

(expressed in thousands of Canadian dollars, except number of shares)

	Number of shares	Share capital	Contributed surplus	Translation reserve	Deficit	Total Equity
Balance as at January 1, 2024	5,588,646	\$ 47,820	\$ 15,728	\$ 97	\$ (25,417)	\$ 38,228
Net loss attributable to shareholders of the Corporation	-	-	-	-	(29,409)	(29,409)
Other comprehensive loss for the period	-	-	-	(254)	-	(254)
Balance as at December 31, 2024	5,588,646	\$ 47,820	\$ 15,728	\$ (157)	\$ (54,826)	\$ 8,565
Balance as at January 1, 2025	5,588,646	\$ 47,820	\$ 15,728	\$ (157)	\$ (54,826)	\$ 8,565
Net loss attributable to shareholders of the Corporation	-	-	-	-	(3,880)	(3,880)
Issuance of share capital (Note 17)	389,186	400	-	-	-	400
Other comprehensive income for the period	-	-	-	115	-	115
Balance as at December 31, 2025	5,977,832	\$ 48,220	\$ 15,728	\$ (42)	\$ (58,706)	\$ 5,200

See accompanying notes to consolidated financial statements.

CROWN CAPITAL PARTNERS INC.

Condensed Consolidated Interim Statements of Cash Flows (unaudited)

(expressed in thousands of Canadian dollars)

For the twelve months ended December 31,	2025	2024
Cash provided by (used in) operating activities		
Net loss	\$ (3,880)	\$ (29,409)
Loss before income taxes attributable to non-controlling interests (Note 16)	(1,092)	(2,124)
Adjustments for:		
Share of losses from investments in associates (Note 6)	33	15,648
Income distributions received from Crown Partners Fund	3	161
Distributed power interest income	(428)	(661)
Distributed power interest income received in the period	428	-
Provision for expected credit losses	419	68
Amortization of deferred finance costs (Note 15)	1,011	2,024
Depreciation and amortization	12,518	12,279
Current income tax expense	3,131	703
Income taxes paid, net of refunds received	-	(196)
Share-based compensation recovery, net of cash settlements	(218)	(715)
Performance bonus recovery	-	(3,533)
Impairment of assets held for sale (Note 4)	-	952
Impairment of inventory	-	205
Impairment of property and equipment under development and related deposits (Note 9)	-	8,263
Remeasurement of financial instruments	-	(1,088)
(Gain) loss on disposal of assets held for sale	(25)	80
Net change in non-cash working capital (Note 18)	12,223	26,586
	24,123	29,243
Cash provided by (used in) investing activities		
Capital distributions received from Crown Partners Fund	91	6,467
Contributions to Inuknet (Note 6)	(946)	(954)
Purchase of property and equipment (Note 8)	(9,273)	(7,945)
Proceeds from disposal of assets held for sale, net of additions (Note 4)	3,607	1,870
Principal repayments of, net of additions to, net investment in leased distributed power equipment	187	-
Additions to property and equipment under development and related deposits (Note 9)	(8,070)	(9,192)
	(14,404)	(9,754)
Cash provided by (used in) financing activities		
Distributions paid by Crown Power Fund to non-controlling interests (Note 16)	(1,705)	(1,063)
Payments of lease obligations	(5,108)	(2,913)
Credit facility repayments (Note 12)	(1,388)	(12,401)
Advances of long-term debt, net of repayments	(644)	1,903
Repayment of factor facility, net of advances	(29)	(458)
Proceeds from issuance of share capital (Note 17)	126	-
Financing costs	(239)	(1,537)
Credit facility interest capitalized	2,640	87
	(6,347)	(16,382)
Effect of foreign exchange rate difference on cash	(69)	(104)
Increase in cash and cash equivalents	3,303	3,003
Cash and cash equivalents, beginning of period	7,852	4,849
Cash and cash equivalents, end of period	\$ 11,155	\$ 7,852
Supplemental cash flow information:		
Interest paid in the period	\$ 2,206	\$ 4,416

See accompanying notes to consolidated financial statements.

CROWN CAPITAL PARTNERS INC.

Notes to condensed consolidated interim financial statements

As at and for the twelve months ended December 31, 2025 and 2024

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

1. Reporting entity:

Crown Capital Partners Inc. (the “Corporation”) was incorporated under the Canada Business Corporations Act on September 8, 1999 and commenced operations effective October 1, 2000. The Corporation makes strategic investments, provides investment management services and co-invests in certain of its managed funds. The Corporation’s registered office is 700 2nd Street SW, Suite 19-131, Calgary, Alberta. These condensed consolidated interim financial statements as at and for the twelve months ended December 31, 2025 and 2024 comprise the Corporation and its subsidiaries.

2. Basis of preparation:

(a) Statement of compliance:

These condensed consolidated interim financial statements for the twelve months ended December 31, 2025 and 2024 have been prepared in accordance with International Accounting Standards (“IAS”) 34 Interim Financial Reporting. They do not include all the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Corporation’s financial position and results of operations since the last annual consolidated financial statements as at and for the year ended December 31, 2024. These condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements as at and for the year ended December 31, 2024.

In November 2025, the Corporation changed its financial year end from December 31 to March 31. The financial statements for the year ending March 31, 2026 will cover the period from January 1, 2025 to March 31, 2026.

These condensed consolidated interim financial statements were authorized for issue by the Corporation’s Board of Directors on February 17, 2026.

(b) Going concern:

These condensed consolidated interim financial statements have been prepared on the basis that the Corporation is a going concern, which assumes that the Corporation will continue to realize its assets and discharge its liabilities in the normal course of operations.

As of February 17, 2026, the Corporation had not paid the scheduled interest payment of \$3,242 due on December 31, 2025 in respect of the 12% subordinated debentures of the Corporation (the “Debentures”; see Note 13). Since January 30, 2026, this has constituted an event of default under the terms of the trust indenture that governs the Debentures. Accordingly, holders of the Debentures, subject to certain conditions, are contractually entitled to request immediate repayment of the outstanding balance of \$23,242, including principal and interest, but have not requested immediate repayment as of the date when these condensed consolidated interim financial statements were approved by the Corporation’s Board of Directors.

CROWN CAPITAL PARTNERS INC.

Notes to condensed consolidated interim financial statements

As at and for the twelve months ended December 31, 2025 and 2024

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

2. Basis of preparation:

(b) Going concern (continued):

As of February 17, 2026, the Corporation had not paid the scheduled interest payment of \$75 due on December 31, 2025 in respect of the 10% redeemable secured subordinated debentures (the “New Subordinated Debentures”; see Note 14). Since January 30, 2026, this has constituted an event of default under the terms of the New Subordinated Debentures. Accordingly, holders of the New Subordinated Debentures, subject to certain conditions, are contractually entitled to request immediate repayment of the outstanding balance of \$1,575, including principal and interest, but have not requested immediate repayment as of the date when these condensed consolidated interim financial statements were approved by the Corporation’s Board of Directors.

The Corporation generated a net loss of \$(3,880) for the twelve months ended December 31, 2025 (December 31, 2024 – \$(29,409)). The outstanding balances of the Corporation’s credit facility, Debentures, New Subordinated Debentures, and mortgage payable have contributed to negative working capital of \$(45,626) as at December 31, 2025. In addition, management has forecasted its cash flow requirements and estimates that it will need to seek financing arrangements that provide appropriate capacity and flexibility that align with its anticipated financial performance and operations such that it can meet its financial obligations including its financial commitments as described in Note 21. The Corporation is in advanced stages of disposing of several assets to address its liquidity requirements; however, there is no assurance that such arrangements will become available. As a result, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Corporation’s ability to continue as a going concern.

The continuity of the Corporation as a going concern is dependent on its ability to achieve and maintain positive cash flow from operations, to realize proceeds from the disposition of assets and/or to maintain or obtain additional debt or equity financing. These condensed consolidated interim financial statements do not give effect to any adjustments to the carrying value of recorded assets and liabilities, revenue and expenses, the consolidated statements of financial position classifications used and disclosures that might be necessary should the Corporation be unable to continue as a going concern. Such adjustments, if any, could be material.

(c) Basis of measurement:

The condensed consolidated interim financial statements have been prepared on the historical cost basis, other than investments, certain share-based awards and assets held for sale carried at fair value through profit and loss (FVTPL).

(d) Functional and presentation currency:

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the Corporation’s functional currency.

CROWN CAPITAL PARTNERS INC.

Notes to condensed consolidated interim financial statements

As at and for the twelve months ended December 31, 2025 and 2024

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

2. Basis of preparation (continued):

(e) Use of estimates and judgments:

The preparation of the condensed consolidated interim financial statements in accordance with the financial reporting framework requires management to make judgments, estimates and assumptions that affect the application of the Corporation's accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosures of contingent assets and liabilities at the reporting date. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

The significant judgments made by management in applying the Corporation's accounting policies and key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended December 31, 2024.

(f) Measurement of fair values:

A number of the Corporation's accounting policies require the measurement of fair values, for financial and non-financial assets and liabilities.

The fair values of financial assets and financial liabilities that are traded on active markets are based on closing quoted market prices at the reporting date. For all other assets and liabilities, the Corporation determines fair values using other valuation techniques.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying values of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to their short term to maturity.

CROWN CAPITAL PARTNERS INC.

Notes to condensed consolidated interim financial statements

As at and for the twelve months ended December 31, 2025 and 2024

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

2. Basis of preparation (continued):

(f) Measurement of fair values (continued):

The carrying values of the net investment in leased distributed power equipment, mortgage payable, lease obligations, credit facilities, subordinated debentures, debentures and the portion of long-term debt that is payable to a director of the Corporation approximate their fair values due to the market interest rates on the loans. The portion of long-term debt that is payable through Go Direct SCS is valued using the net present value of aggregate expected cash flows of Go Direct SCS available to service this debt.

The carrying values of the contingent consideration and Go Direct SCS loan are valued using level 3 inputs.

The deferred compensation liability is measured based on the market value of the Corporation's share price with the impact of any resultant change included in share-based compensation expense in the period.

3. Material accounting policies:

The accounting policies applied to these condensed consolidated interim financial statements are the same as those applied in the consolidated financial statements as at and for the year ended December 31, 2024.

CROWN CAPITAL PARTNERS INC.

Notes to condensed consolidated interim financial statements

As at and for the twelve months ended December 31, 2025 and 2024

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

4. Assets held for sale:

As at December 31, 2025, assets held for sale of \$11,319 (December 31, 2024 - \$14,901) is comprised of distributed power equipment and a real estate property. Efforts to dispose of the assets held for sale are ongoing, although the timing of disposal is highly uncertain. As at December 31, 2025 and December 31, 2024, the assets held for sale are stated at the lower of their carrying amounts and estimated fair value less costs of disposal.

	Distributed Power Equipment	Real Estate Property	Total
Balance, January 1, 2025	\$ 4,909	\$ 9,992	\$ 14,901
Net proceeds from disposal	(3,607)	-	(3,607)
Gain on disposal	25	-	25
Balance, December 31, 2025	\$ 1,327	\$ 9,992	\$ 11,319

	Distributed Power Equipment	Real Estate Property	Total
Balance, January 1, 2024	\$ 7,811	\$ -	\$ 7,811
Net proceeds from disposal	(1,870)	-	(1,870)
Loss on disposal	(80)	-	(80)
Impairment ¹	(952)	-	(952)
Reclassification from property and equipment under development and related deposits (Note 9):			
- Cost	-	11,226	11,226
- Accumulated impairment	-	(1,234)	(1,234)
	-	9,992	9,992
Balance, December 31, 2024	\$ 4,909	\$ 9,992	\$ 14,901

¹ Impairment losses of \$952 for write-downs of distributed power equipment to reflect estimates of the recoverable value to the lower of its carrying amount and its recoverable value based on its fair value less costs to sell. The fair value measurement was categorized as a Level 3 fair value based on the inputs in the valuation technique used. The recoverable amount of the equipment was based on fair value less costs to sell, estimated using the cost approach. The cost approach considered the actual cost of the equipment at acquisition, adjusted for conditions such as age, wear and tear, to reflect both market conditions and factors specific to the equipment's condition and utility. Additional costs related to the transportation and removal of this equipment have been internally estimated and applied to the value of the equipment.

CROWN CAPITAL PARTNERS INC.

Notes to condensed consolidated interim financial statements

As at and for the twelve months ended December 31, 2025 and 2024

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

5. Net investment in leased distributed power equipment:

The Corporation entered into one new finance lease contract upon completion of the development of the related distributed power assets in the twelve months ended December 31, 2025 (December 31, 2024 – nil). There was no resultant gain or loss on reclassification of \$593, net of accumulated impairment losses of \$293, from distributed power equipment under development to net investment in leased distributed power equipment.

For the three and twelve months ended December 31, 2025, the Corporation recognized distributed power interest income in relation to its net investment in leased distributed power equipment of \$117 and \$428, respectively (December 31, 2024 - \$136 and \$422).

The following table sets out a maturity analysis of the net investment in leased distributed power equipment, showing the undiscounted lease payments to be received as at the reporting date.

	December 31, 2025	December 31, 2024
Less than one year	\$ 673	\$ 584
One to two years	673	584
Two to three years	673	584
Three to four years	673	584
Four to five years	673	584
Greater than five years	6,557	5,849
Total undiscounted lease payments	9,922	8,769
Unearned finance income	(4,394)	(3,861)
Undiscounted unguaranteed residual value	530	442
Net investment in leased distributed power equipment, before allowance for credit loss	6,058	5,350
Allowance for credit loss	(409)	(107)
Net investment in leased distributed power equipment	\$ 5,649	\$ 5,243
Current portion	(218)	(186)
Non-current portion	\$ 5,431	\$ 5,057

CROWN CAPITAL PARTNERS INC.

Notes to condensed consolidated interim financial statements

As at and for the twelve months ended December 31, 2025 and 2024

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

6. Investments in associates:

The following tables show the combined movement in the carrying value of investments in associates for the twelve months ended December 31, 2025 and December 31, 2024:

As at and for the twelve months ended December 31,	2025		
	Crown Partners Fund	Inuknet	Total
Total investments in associates			
Opening balance	\$ 2,445	\$ 548	\$ 2,993
Share of earnings (losses)	50	(83)	(33)
Distributions	(94)	-	(94)
Contributions	-	946	946
Ending balance	\$ 2,401	\$ 1,411	\$ 3,812

As at and for the twelve months ended December 31,	2024		
	Crown Partners Fund	Inuknet	Total
Total investments in associates			
Opening balance	\$ 24,315	\$ -	\$ 24,315
Share of losses	(15,242)	(406)	(15,648)
Distributions	(6,628)	-	(6,628)
Contributions	-	954	954
Ending balance	\$ 2,445	\$ 548	\$ 2,993

(a) Investment in Crown Partners Fund:

The investment in Crown Capital Partner Funding, LP (“Crown Partners Fund”) is comprised of the sum of the carrying values of the Corporation’s limited partnership and general partnership interests. Crown Partners Fund is a limited partnership registered and domiciled in Canada. The principal activity of Crown Partners Fund is investment in loans to mid-market Canadian corporations. Crown Partners Fund is not publicly listed.

The Corporation has an effective interest of 28.0% in the limited partnership units of Crown Partners Fund and, through its 100% interest in Crown Capital LP Partner Funding Inc., it is the general partner of Crown Partners Fund. The Corporation’s interest in Crown Partners Fund is recognized as an investment in associate accounted for using the equity method.

In the twelve months ended December 31, 2025, Crown Partners Fund generated an increase in net assets of \$179, of which \$179 was attributable to limited partners and \$nil was attributable to the general partner.

CROWN CAPITAL PARTNERS INC.

Notes to condensed consolidated interim financial statements

As at and for the twelve months ended December 31, 2025 and 2024

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

6. Investments in associates (continued):

(a) Investment in Crown Partners Fund (continued):

As the general partner, the Corporation is entitled to receive a performance fee distribution equal to 20% of cumulative investment returns in excess of an annual rate of return of 8% earned by Crown Partners Fund, subject to the terms of the limited partnership agreement of Crown Partners Fund. The accrued value of this performance fee as at December 31, 2025 of \$nil (December 31, 2024 - \$nil) represents the carrying value of the Corporation's general partnership interest. As at December 31, 2025, the Corporation had accrued a provision for performance bonus of \$nil (December 31, 2024 - \$nil) which represents the 50% portion that would be paid to participants in the asset performance bonus pool of Crown Partners Fund.

The underlying investment portfolio of Crown Partners Fund is comprised of a Canadian debt security measured at amortized cost and investments measured at FVTPL including Canadian debt securities and Canadian equity securities.

The following tables show the movement in the carrying value of the investment in Crown Partners Fund for the twelve months ended December 31, 2025 and December 31, 2024:

As at and for the twelve months ended December 31,		2025	
	Limited partnership interest	General partnership interest	Total
Crown Partners Fund			
Opening balance	\$ 2,445	\$ -	\$ 2,445
Share of earnings	50	-	50
Distributions	(94)	-	(94)
Ending balance	\$ 2,401	\$ -	\$ 2,401

As at and for the twelve months ended December 31,		2024	
	Limited partnership interest	General partnership interest	Total
Crown Partners Fund			
Opening balance	\$ 17,250	\$ 7,065	\$ 24,315
Share of losses	(8,177)	(7,065)	(15,242)
Distributions	(6,628)	-	(6,628)
Ending balance	\$ 2,445	\$ -	\$ 2,445

CROWN CAPITAL PARTNERS INC.

Notes to condensed consolidated interim financial statements

As at and for the twelve months ended December 31, 2025 and 2024

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

6. Investments in associates (continued):

(a) Investment in Crown Partners Fund (continued):

The following tables present summarized financial information for Crown Partners Fund prepared in accordance with IFRS:

As at	December 31, 2025	December 31, 2024
Crown Partners Fund – Summary Balance Sheet Information		
Investments	\$ 8,601	\$ 6,768
Other assets	818	2,726
Total liabilities	(203)	(116)
Net assets	\$ 9,216	\$ 9,378
Net assets attributable to limited partners	\$ 9,216	\$ 9,378
Net assets attributable to general partner	\$ -	\$ -
For the twelve months ended December 31,		
	2025	2024
Crown Partners Fund – Summary Income Statement Information		
Interest revenue	\$ 15	\$ 5,906
Other revenue	289	346
Net gain (loss) on investments	239	(41,564)
Total operating expenses	(364)	(662)
Provision for expected credit losses	-	(344)
Total increase (decrease) in net assets	\$ 179	\$ (36,318)
Increase (decrease) in net assets attributable to limited partners	\$ 179	\$ (29,253)
Decrease in net assets attributable to general partner	\$ -	\$ (7,065)

CROWN CAPITAL PARTNERS INC.

Notes to condensed consolidated interim financial statements

As at and for the twelve months ended December 31, 2025 and 2024

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

6. Investments in associates (continued):

(b) Investment in Inuknet:

The Corporation has an effective interest of 49.0% in Inuknet Communications Inc. (“Inuknet”). Inuknet is a private corporation incorporated under the Canada Business Corporations Act. The principal activity of Inuknet is to provide internet services for businesses and remote sites across the Canadian Arctic. The Corporation’s interest in Inuknet is recognized as an investment in associate accounted for using the equity method.

In the twelve months ended December 31, 2025, Inuknet experienced a decrease in net assets of \$(169), of which \$(83) (2024 - \$(829) and \$(406), respectively) was attributable to the Corporation.

The following tables present summarized financial information for Inuknet prepared in accordance with IFRS:

As at	December 31, 2025		December 31, 2024	
Inuknet – Summary Balance Sheet Information				
Property and equipment	\$	2,002	\$	1,907
Other current assets		339		1,003
Total liabilities		(447)		(1,785)
Shareholder loans and equity	\$	1,894	\$	1,125

For the twelve months ended December 31,	2025		2024	
Inuknet – Summary Income Statement Information				
Network services revenue	\$	2,150	\$	2,566
Cost of network services revenue		(1,774)		(2,684)
Salaries and benefits		(224)		(274)
General and administration		(89)		(233)
Depreciation and amortization		(232)		(204)
Net income	\$	(169)	\$	(829)

CROWN CAPITAL PARTNERS INC.

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6. Investments in associates (continued):

(c) Investment in PenEquity Realty Corporation:

On October 1, 2025, the Corporation acquired, through its subsidiary PenEquity Inc., 100% of the common shares of PenEquity Realty Corporation (“PRC”) for nominal consideration, which owns a parcel of land and a building in London, Ontario through its wholly owned subsidiaries, Goal Ventures Inc. and Goal Ventures (Southwest) Inc. The Corporation has significant influence but not control over PRC. Consequently, PRC is recognized as an investment in associate accounted for using the equity method.

The Corporation’s share of the losses of PRC since acquisition exceeds the consideration paid for the investment resulting in a carrying amount of the investment of \$nil as of December 31, 2025. The cumulative losses of \$160 are unrecognized, and the Corporation will only recognize earnings once these accumulated unrecognized losses have been recovered.

7. Customer contracts:

As at	December 31, 2025				
Carrying amount	Network Services	Distribution Services	Credit Reporting	Real Estate	Total
Opening balance, January 1, 2025	\$ 9,493	\$ 3,370	\$ 1,003	\$ 2,076	\$ 15,942
Effect of foreign exchange rate movement	-	(19)	-	-	(19)
Balance, December 31, 2025	\$ 9,493	\$ 3,351	\$ 1,003	\$ 2,076	\$ 15,923
Accumulated depreciation and impairment of customer contracts					
Opening balance, January 1, 2025	\$ (7,856)	\$ (2,622)	\$ (702)	\$ (1,256)	\$(12,436)
Depreciation	(936)	(573)	(201)	(677)	(2,387)
Balance, December 31, 2025	\$ (8,792)	\$ (3,195)	\$ (903)	\$ (1,933)	\$(14,823)
Carrying value – December 31, 2025	\$ 701	\$ 156	\$ 100	\$ 143	\$ 1,100

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7. Customer contracts (continued):

As at	December 31, 2024				
Carrying amount	Network Services	Distribution Services	Credit Reporting	Real Estate	Total
Opening balance, January 1, 2024	\$ 9,493	\$ 3,366	\$ 1,003	\$ 2,076	\$ 15,938
Effect of foreign exchange rate movement	-	4	-	-	4
Balance, December 31, 2024	\$ 9,493	\$ 3,370	\$ 1,003	\$ 2,076	\$ 15,942
Accumulated depreciation and impairment of customer contracts					
Opening balance, January 1, 2024	\$ (6,921)	\$ (1,573)	\$ (501)	\$ (579)	\$ (9,574)
Depreciation	(935)	(1,049)	(201)	(677)	(2,862)
Balance, December 31, 2024	\$ (7,856)	\$ (2,622)	\$ (702)	\$ (1,256)	\$ (12,436)
Carrying value – December 31, 2024	\$ 1,637	\$ 748	\$ 301	\$ 820	\$ 3,506

8. Property and equipment:

As at	December 31, 2025				
Cost	Network Infrastructure	Network Services Equipment	Premises and Other Equipment ²	Distributed Power Equipment	Total
Beginning balance, January 1, 2025	\$ 27,336	\$ 15,497	\$ 36,355	\$ 21,849	\$ 101,037
Net additions ¹	8,434	218	1,563	(25)	10,190
Effect of foreign exchange rate movement	-	-	(565)	-	(565)
Balance, December 31, 2025	\$ 35,770	\$ 15,715	\$ 37,353	\$ 21,824	\$ 110,662
Accumulated depreciation and impairment of equipment					
Beginning balance, January 1, 2025	\$ (1,342)	\$ (13,397)	\$ (12,744)	\$ (1,376)	\$ (28,859)
Depreciation	(1,627)	(1,458)	(5,956)	(1,090)	(10,131)
Balance, December 31, 2025	\$ (2,969)	\$ (14,855)	\$ (18,700)	\$ (2,466)	\$ (38,990)
Carrying value – December 31, 2025	\$ 32,801	\$ 860	\$ 18,653	\$ 19,358	\$ 71,672

¹ Includes right-of-use assets with a carrying value of \$917.

² Includes an aircraft used for operations with a carrying value of \$2,052, comprised of cost of \$2,126 and accumulated depreciation of \$104.

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8. Property and equipment (continued):

As at	December 31, 2024				
	Network Infrastructure	Network Services Equipment	Premises and Related Equipment ²	Distributed Power Equipment	Total
Cost					
Beginning balance, January 1, 2024	\$ 12,626	\$ 15,387	\$ 30,501	\$ 21,808	\$ 80,322
Additions ¹	3,531	110	4,722	41	8,404
Reclassification from property and equipment under development and related deposits	11,179	-	-	-	11,179
Effect of foreign exchange rate movement	-	-	1,132	-	1,132
Balance, December 31, 2024	\$ 27,336	\$ 15,497	\$ 36,355	\$ 21,849	\$ 101,037
Accumulated depreciation and impairment of equipment					
Beginning balance, January 1, 2024	\$ (337)	\$ (11,630)	\$ (7,191)	\$ (284)	\$ (19,442)
Depreciation	(1,005)	(1,767)	(5,553)	(1,092)	(9,417)
Balance, December 31, 2024	\$(1,342)	\$(13,397)	\$(12,744)	\$(1,376)	\$(28,859)
Carrying value – December 31, 2024	\$ 25,994	\$ 2,100	\$ 23,611	\$ 20,473	\$ 72,178

¹ Includes right-of-use assets with a carrying value of \$459.

² Includes an aircraft used for operations with a carrying value of \$2,106, comprised of additions of \$2,126 and depreciation of \$21.

CROWN CAPITAL PARTNERS INC.

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9. Property and equipment under development and related deposits:

As at	December 31, 2025			
	Real estate property under development	Distributed power equipment under development and related deposits	Network equipment under development	Total
Carrying amount				
Balance, January 1, 2025	\$ 12,000	\$ 2,940	\$ 3,961	\$ 18,901
Additions	-	275	7,795	8,070
Reclass to net investment in leased distributed power equipment ¹	-	(886)	-	(886)
Reclassification of accumulated impairment ¹	-	293	-	293
Balance, December 31, 2025	\$ 12,000	\$ 2,622	\$ 11,756	\$ 26,378

¹ The accumulated impairment losses of \$293 have been applied to reduce the carrying amount of gross distributed power equipment under development of \$886 for a net transfer to "net investment in leased distributed power equipment" (Note 5) of \$593.

As at	December 31, 2024			
	Real estate property under development	Distributed power equipment under development and related deposits	Network equipment under development	Total
Carrying amount				
Balance, January 1, 2024	\$ 27,029	\$ 3,962	\$ 7,913	\$ 38,904
Additions	1,964	240	7,227	9,431
Reclassification to property and equipment	-	-	(11,179)	(11,179)
Impairments ¹	(7,001)	(1,262)	-	(8,263)
Reclassification to assets held for sale ²	(11,226)	-	-	(11,226)
Reclassification of accumulated impairment ²	1,234	-	-	1,234
Balance, December 31, 2024	\$ 12,000	\$ 2,940	\$ 3,961	\$ 18,901

¹ Impairment losses of \$7,001 for write-downs of real estate property under development to reflect estimates of the recoverable value of two real estate properties under development to the lower of their carrying amounts and their fair values less costs to sell have been included in 'impairment of property and equipment under development and related deposits' on the consolidated statement of comprehensive loss. The fair value measurement was categorized as a Level 3 fair value based on the estimated selling price of the property, less estimated selling costs. Impairment losses of \$1,262 for write-downs of distributed power equipment under development and related deposits to reflect the estimates of recoverable value of four distributed power equipment projects under development to the lower of its carrying amount and its recoverable value based on estimate future cash flow in use model using a discount rate of 10%.

² Included in impairment losses of \$7,001 is \$1,234 in respect of one real estate property under development which, along with the gross carrying value of the property of \$11,226, was subsequently transferred to "assets held for sale" (Note 4).

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9. Property and equipment under development and related deposits (continued):

Additions to real estate property under development includes capitalized interest and fees of \$nil in the twelve months ended December 31, 2025 (2024 - \$1,679) in respect of mortgages payable.

Additions to distributed power equipment under development and related deposits includes capitalized interest of \$nil for the twelve months ended December 31, 2025 (2024 - \$240).

10. Mortgage payable:

Effective May 27, 2022, the Corporation entered into an agreement for a non-amortizing mortgage payable of \$11,900 that is secured by the value of property under development, had a maturity date of July 1, 2024, and bore interest from December 1, 2023 to May 31, 2024 based on Prime Rate plus 570 bps (with a floor of 8.40%) per annum. The mortgage was extended on May 29, 2024, December 3, 2024, February 26, 2025, May 27, 2025, August 28, 2025 and on November 18, 2025, when the mortgage payable was further extended with a new maturity date of July 1, 2026 and bears interest based on Prime Rate plus 655 bps (with a floor of 11.00%) per annum and which increases to 18.0% interest per annum starting June 1, 2026 until the balance is repaid. The fair value of the mortgage payable approximates its carrying value due to the variable rate of interest applicable to this instrument.

11. Share-based compensation:

Prior to December 10, 2024, a portion of compensation paid to directors consisted of Director Deferred Share Units (“DDSU”) issued pursuant to a DDSU Plan. DDSUs vest immediately upon grant and are redeemable no earlier than the date at which a director ceases to be a director, and no later than December 14 in the calendar year following such date. Upon redemption, DDSUs are settled by cash payments based on the market value of the DDSUs being redeemed, net of applicable tax withholdings. The Corporation’s liability related to its DDSU settlement obligation is measured based on the market value of the Corporation’s share price and is recorded in provision for deferred compensation, with the impact of any resulting changes in carrying value included in share-based compensation expense in the period. On June 30, 2025, 173,186 DDSUs were settled by the issuance of 173,186 common shares. At December 31, 2025, the deferred compensation liability was \$64 (December 31, 2024 - \$439).

Stock options granted are valued using a Black-Scholes formula and the expense is recognized over the vesting period. The stock options vested over a three-year period, have a term of seven years expiring on December 31, 2026 and an exercise price of \$10.00. The related expense is recognized over the vesting period. The fair value of the options granted was \$0.13 per option. As at December 31, 2025, 282,921 (December 31, 2024 – 282,921) stock options had vested but had not been exercised.

CROWN CAPITAL PARTNERS INC.

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11. Share-based compensation (continued):

The tables below detail the share-based compensation expense recognized in the twelve months ended December 31, 2025 and 2024.

For the twelve months ended December 31, 2025						
	Number outstanding at January 1, 2025	Issued in the period	Vested or exercised	Cancelled or forfeited	Number outstanding at December 31, 2025	Recovery in the period
DDUs	272,365	-	(173,186) ¹	-	99,179	\$ (218)
Stock options	282,921	-	-	-	282,921	-
Total	555,286	-	(173,186)	-	382,100	\$ (218)

¹ 173,186 DDUs were redeemed in exchange for the issuance of 173,186 common shares.

For the twelve months ended December 31, 2024						
	Number outstanding at January 1, 2024	Issued in the period	Vested or exercised	Cancelled or forfeited	Number outstanding at December 31, 2024	Recovery in the period
DDUs	221,706	50,659	-	-	272,365	\$ (715)
Stock options	282,921	-	-	-	282,921	-
Total	504,627	50,659	-	-	555,286	\$ (715)

CROWN CAPITAL PARTNERS INC.

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12. Credit facilities:

Prior to December 18, 2024, the Corporation had a credit facility (“Previous Credit Facility”) with a Canadian bank with an initial amount on February 7, 2023 of up to \$43,500. On December 29, 2023, and several times in 2024, the Previous Credit Facility was amended to reduce the loan amount and to change various conditions and covenants. The Previous Credit Facility provided financing at a variable interest rate based on Prime Rate plus 165 bps to 500 bps and was fully repaid with proceeds from the Crown Credit Facility.

Effective December 18, 2024, the Corporation entered into a senior secured corporate credit facility of \$15,000 (“Crown Credit Facility”) with an investment fund managed by Sandton Capital Partners (“Sandton”). The Crown Credit Facility is comprised of a non-amortizing term loan of \$15,000, which was advanced in full upon closing, of which proceeds were used primarily to fully repay and terminate the Previous Credit Facility. The terms of the Crown Credit Facility include a maturity date of December 18, 2026, monthly interest that is based on a fixed interest rate of 15.5% per annum and that is payable by capitalization to the principal amount of the debt, a requirement to repay at least \$10,000 of principal by March 31, 2026, and includes a customary set of covenants. As at December 31, 2025, \$1,388 of the Crown Credit Facility has been repaid, including \$1,230 of principal, and the amount of principal due by March 31, 2026 is \$8,770.

As of December 31, 2025, \$17,089 is outstanding on the Crown Credit Facility (December 31, 2024 - \$15,837). The Crown Credit Facility is secured by the Corporation’s ownership interest in its subsidiaries, in its affiliate, Crown Partners Fund, and in certain other investments held by the Corporation and its subsidiaries. The carrying value of assets pledged as at December 31, 2025 was \$128,699 (December 31, 2024 - \$93,974). The carrying value of the Crown Credit Facility at December 31, 2025 of \$16,578 was comprised of gross advances of \$15,000, plus capitalized fees and interest of \$3,477, less repayments of \$1,388 and net of unamortized deferred financing costs of \$511 (December 31, 2024 - \$14,791, \$15,000, \$837 and \$1,046, respectively). As of December 31, 2025, the Corporation was in compliance with the terms of the Crown Credit Facility.

13. Debentures:

On June 13, 2018, the Corporation issued \$20,000 of 6.0% convertible unsecured subordinated debentures (the “Convertible Debentures”) and, effective June 30, 2023, as approved by the holders of the Convertible Debentures (“Debentureholders”), the terms of the Convertible Debentures were amended and the Convertible Debentures were reclassified as debentures (the “Debentures”).

Effective October 18, 2024, as approved by the Debentureholders, the terms of the Debentures were amended to: (i) extend the maturity of the Debentures from December 31, 2024 to December 31, 2026; (ii) amend the interest rate on the Debentures from 10% to 11% effective as of October 25, 2024 and from 11% to 12% effective as of December 31, 2025; (iii) amend the interest payment dates from occurring semi-annually on June 30 and December 31 of each year to occurring annually on December 31 of each year, with the next payment to occur on December 31, 2025 for the interest accrued on Debentures from June 30, 2024 up to, but excluding, December 31, 2025; and (iv) grant a security interest to TSX Trust Company, as trustee for the Debentures, on all the Corporation’s property and assets, subject to permitted encumbrances, that is subordinated to security on senior indebtedness limited to \$30,000 and ranks pari passu with any indebtedness expressly stated to rank pari passu with the Debentures.

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13. Debentures (continued):

As of February 17, 2026, the Corporation had not paid the scheduled interest payment of \$3,242 due on December 31, 2025 in respect of the Debentures. Since January 30, 2026, this has constituted an event of default under the terms of the trust indenture that governs the Debentures. Accordingly, Debentureholders, subject to certain conditions, are contractually entitled to request immediate repayment of the outstanding balance of \$23,242, including principal and interest, but have not requested immediate repayment as of the date when these condensed consolidated interim financial statements were approved by the Corporation's Board of Directors.

The fair value of the Debentures is \$4,156 at December 31, 2025 (December 31, 2024 - \$8,800). The Debentures are classified as Level 1 because they are actively traded on the TSX and the fair value is based on the quoted market prices.

As at	December 31, 2025
Balance, January 1, 2025	\$ 19,713
Effective interest	233
Amendment costs	(10)
Balance, December 31, 2025	\$ 19,936

As at	December 31, 2024
Balance, January 1, 2024	\$ 19,760
Effective interest	246
Amendment costs	(293)
Balance, December 31, 2024	\$ 19,713

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14. Private placement offerings:

On December 29, 2023, the Corporation completed a non-brokered private placement offering (the “Offering”) of 1,500 units (“Units”) at a price of \$980 per Unit for gross proceeds of \$1,470. Each Unit was comprised of one 10% redeemable secured subordinated debenture (the “Subordinated Debentures”) in the principal amount of \$1 with a maturity date of June 30, 2025 and 50 common share purchase warrants with each warrant entitling the holder to purchase one share at a price of \$7.00 per common share until December 29, 2026. To complete the Offering, the Corporation paid \$103 of issuance costs, which were allocated to the Subordinated Debentures. The Offering was fully subscribed by directors of the Corporation (the “Insider Debentureholders”). The Subordinated Debentures were direct, secured obligations of the Corporation that were subordinated to the Crown Credit Facility. Pursuant to the Offering, a total of 75,000 warrants were issued. All issued warrants remain outstanding as at December 31, 2025. The Corporation allocated \$61 of total proceeds from the Offering to contributed surplus representing the fair value of warrants as determined using a Black-Scholes option pricing model.

The Corporation was not able to repay the Subordinated Debentures by the maturity date of June 30, 2025. To address the maturity of the Subordinated Debentures on June 30, 2025, the Corporation repaid the Subordinated Debentures on June 30, 2025 and immediately completed a non-brokered private placement offering (the “New Offering”) of \$1,400 principal amount of 10% convertible redeemable secured subordinated debentures with a maturity date of December 31, 2026 (the “Insider Convertible Debentures”) and \$100 principal amount of 10% non-convertible redeemable secured subordinated debentures with a maturity date of June 30, 2026 (the “Insider Non-Convertible Debentures”) and together with the Insider Convertible Debentures, the “New Subordinated Debentures”) to the Insider Debentureholders. To complete the New Offering, the Corporation paid \$102 of issuance costs, which were allocated to the New Subordinated Debentures. Interest is payable semi-annually in arrears on June 30 and December 31 of each year. The New Offering was approved by disinterested shareholders of the Corporation at its annual and special meeting held on June 26, 2025.

The principal amount of each New Subordinated Debenture, plus all accrued and unpaid interest thereon are redeemable by the Corporation, without penalty, upon 30 days prior written notice to the Insider Debentureholders for a cash amount equal to the principal amount of the New Subordinated Debentures plus any accrued and unpaid interest. After June 30, 2026, prior to any redemption, the Insider Debentureholders that hold Insider Convertible Debentures will have the option to convert any Insider Convertible Debentures, excluding any accrued and unpaid interest that is payable in cash, at the applicable conversion price. The redemption of the New Subordinated Debentures may not be satisfied by the Corporation issuing common shares of the Corporation.

As of February 17, 2026, the Corporation had not paid the scheduled interest payment of \$75 due on December 31, 2025 in respect of the New Subordinated Debentures. Since January 30, 2026, this has constituted an event of default under the terms of the New Subordinated Debentures. Accordingly, holders of the New Subordinated Debentures, subject to certain conditions, are contractually entitled to request immediate repayment of the outstanding balance of \$1,575, including principal and interest, but have not requested immediate repayment as of the date when these condensed consolidated interim financial statements were approved by the Corporation’s Board of Directors.

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14. Private placement offerings (continued):

The New Subordinated Debentures have been granted a security interest by the Corporation by way of a charge to and in favor of the Insider Debentureholders on all the Corporation's property and assets, subject only to permitted encumbrances. The security for the New Subordinated Debentures ranks subordinate to the Crown Credit Facility but senior to the Debentures. The security for the Insider Non-Convertible Debentures ranks senior to the Insider Convertible Debentures.

Commencing on June 30, 2026, the Insider Convertible Debentures, excluding any accrued and unpaid interest payable thereon, shall be convertible, at the option of the Insider Debentureholders, into common shares. The price at which the Insider Convertible Debentures may be converted into common shares will depend on when the Insider Convertible Debentures are converted, as set out in the table below.

Conversion Date	Conversion Price
June 30, 2026 to July 30, 2026	\$2.50
July 31, 2026 to August 30, 2026	\$2.25
August 31, 2026 to September 29, 2026	\$2.00
September 30, 2026 to October 30, 2026	\$1.75
October 31, 2026 to November 29, 2026	\$1.50
November 30, 2026 to December 30, 2026	\$1.25
December 31, 2026	\$1.00

The following table shows the movement in the carrying values of New Subordinated Debentures, Subordinated Debentures and the Equity Component for the twelve months ended December 31, 2025 and December 31, 2024:

As at	December 31, 2025			
	New Subordinated Debentures	Subordinated Debentures	Warrants	Total
Balance, January 1, 2025	\$ -	\$ 1,433	\$ 61	\$ 1,494
Issuance	1,500	-	-	1,500
Repayments	-	(1,500)	-	(1,500)
Effective interest	49	67	-	116
Amendment costs	(102)	-	-	(102)
Balance, December 31, 2025	\$ 1,447	\$ -	\$ 61	\$ 1,508
Current portion	(1,447)	-	-	(1,447)
Equity component	\$ -	\$ -	\$ 61	\$ 61

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14. Private placement offerings (continued):

As at	December 31, 2024		
	Subordinated Debentures	Warrants	Total
Balance, January 1, 2024	\$ 1,316	\$ 61	\$ 1,377
Effective interest	117	-	117
Balance, December 31, 2024	\$ 1,433	\$ 61	\$ 1,494

15. Finance costs:

The following table reconciles total finance costs to costs recognized in relation to the Credit Facilities, the Debentures, the Subordinated Debentures, the New Subordinated Debentures, the mortgage payable, the loan payable to a director of the Corporation and the Corporation's lease obligations, including its office leases, vehicle leases and network co-location arrangements for the twelve months ended December 31, 2025 and December 31, 2024:

For the twelve months ended	December 31, 2025			
	Credit Facilities	Debentures/ Subordinated Debentures	Lease and other Obligations	Total
Interest	\$ 2,479	\$ 2,399	\$ 3,311	\$ 8,189
Other lending fees	158	-	-	158
Amortization of deferred finance costs	662	349	-	1,011
Total Finance Costs	\$ 3,299	\$ 2,748	\$ 3,311	\$ 9,358

For the twelve months ended	December 31, 2024			
	Credit Facilities	Debentures/ Subordinated Debentures	Lease and other Obligations	Total
Interest	\$ 2,823	\$ 2,188	\$ 1,778	\$ 6,789
Standby and other lending fees	165	-	-	165
Amortization of deferred finance costs	1,660	364	-	2,024
Total Finance Costs	\$ 4,648	\$ 2,552	\$ 1,778	\$ 8,978

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16. Non-controlling interests (NCI):

As at and for the twelve months ended	December 31, 2025		
	Crown Power Fund ¹	PenEquity	Total
NCI percentage	56.8%	30.0%	
Beginning balance, January 1, 2025	\$ 19,730	\$ 71	\$ 19,801
Allocation of net loss	(1,050)	(42)	(1,092)
Distributions	(1,705)	-	(1,705)
Balance, December 31, 2025	\$ 16,975	\$ 29	\$ 17,004

As at and for the twelve months ended	December 31, 2024		
	Crown Power Fund ¹	PenEquity	Total
NCI percentage	56.8%	30.0%	
Beginning balance, January 1, 2024	\$ 23,030	\$ (42)	\$ 22,988
Allocation of net (loss) income	(2,237)	113	(2,124)
Distributions	(1,063)	-	(1,063)
Balance, December 31, 2024	\$ 19,730	\$ 71	\$ 19,801

¹ Includes 56.8% of Crown Power Fund and 55.5% of Lionstooth Energy Services Corporation and Wilson Creek Energy Corporation.

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17. Share capital:

The authorized share capital of the Corporation consists of an unlimited number of common shares, each carrying the right to one vote per common share at all meetings of shareholders of the Corporation and fully participating as to dividends of the Corporation.

On February 18, 2025, the Corporation completed a non-brokered private placement offering of 84,000 common shares of the Corporation at a price of \$1.50 per common share for gross proceeds of \$126, with the net proceeds to be used for general working capital purposes. A director of the Corporation purchased all 84,000 common shares sold pursuant to the offering. On the same day, the Corporation paid a cash commitment fee of \$126 to the director in payment of fees owing pursuant to a loan agreement dated August 12, 2024 between the director and a wholly owned subsidiary of the Corporation. The cash payment accepted by the director in settlement of the amount owed to him was at an approximate 40% discount to the actual amount owed to him by the Corporation. The director used the funds paid to him by the Corporation to purchase the common shares pursuant to the offering.

On June 30, 2025, the Corporation issued 132,000 common shares issued to the President and Chief Executive Officer of the Corporation in settlement of annual performance incentives of \$145 payable by the Corporation. The amount payable was converted to common shares at a deemed price of \$1.10 per share. The Corporation also issued 173,186 common shares to certain directors of the Corporation in lieu of payment of amounts owing for an equivalent number of DDSUs held by them. These issuances of common shares were recorded in the amount of \$274, representing a price per common share of \$0.90, which approximates the trading price of the common shares on that date. The issuances of common shares were approved by disinterested shareholders of the Corporation at its annual and special meeting held on June 26, 2025.

18. Net change in non-cash working capital:

Twelve months ended December 31,	2025	2024
Accounts receivable	\$ (1,946)	\$ 5,969
Prepaid expenses	70	364
Inventory	(151)	(14)
Accounts payable and accrued liabilities	11,522	447
Deferred revenue	2,728	19,820
Total	\$ 12,223	\$ 26,586

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19. Segment information:

The Corporation has six reportable segments, which are its strategic operating components that engage in business activities from which revenues are earned and expenses are incurred. These reportable segments offer different services and are managed separately because they invest in different asset classes, serve different customer types, require different operational strategies and involve different regulatory treatment.

The following summary describes the operations of each reportable segment:

Reportable segments	Operations
Distribution services	Provision of end-to-end integrated ecommerce and business-to-business order fulfillment and distribution services, including warehousing and freight management.
Network services	Deployment and management of carrier-grade data networks to select underserved markets.
Specialty finance	Investments in Crown Partners Fund and in corporate debt and equity securities.
Distributed power	Origination and management of, and investment in, distributed power investments and merchant power generation assets.
Real estate	Investment in, and development of, real estate properties and the provision of advisory and asset management services in respect of large-scale retail, entertainment and mixed-use properties.
Corporate and other	Includes the Corporation's credit reporting subsidiary, in addition to assets, liabilities, revenues and expenses that do not pertain directly to other reportable segments.

Information in respect of reportable segments for the twelve months ended December 31, 2025 and December 31, 2024 is presented in the tables below. Segment income (loss) before income taxes is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

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(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

19. Segment information (continued):

For the twelve months ended	December 31, 2025						
	Reportable segments	Distribution services	Network services	Specialty finance	Distributed power	Real estate	Corporate and other
Revenues ¹	\$ 45,291 ⁴	\$ 46,255	\$ -	\$ 950	\$ 4,545	\$ 1,374	\$ 98,415
Share of (losses) earnings from investments in associates ²	-	(83)	50	-	-	-	(33)
Segment income (loss) before income taxes ³	1,595	7,089	50	(885)	(1,741)	(6,857)	(749)
Cost of distribution services revenue	27,342	-	-	-	-	-	27,342
Cost of network services revenue	-	27,005	-	-	-	-	27,005
Financing costs	1,215	170	-	-	1,786	6,187	9,358
Depreciation and amortization	5,926	4,434	-	1,090	760	308	12,518
Income tax expense– current	31	2,911	-	-	189	-	3,131
Other material non-cash items:							
Recovery of impairment of property and equipment under development and related deposits	-	-	-	(57)	-	-	(57)
Remeasurement of financial instruments	-	-	-	-	-	80	80
Net additions to property and equipment	825	8,659	-	(25)	624	107	10,190

¹ All revenues in the period were external revenues. Three customers from the Corporation's "distribution services" segment and three customers of the Corporation's "network services" segment represented approximately \$22,316 and \$31,778, respectively, of the Corporation's total revenues.

² The Corporation's share of earnings from investments in associates, is a non-cash item that does not equal the value of distributions paid to the Corporation by the associates (see Note 6).

³ Total segment income (loss) before income taxes represents the Corporation's consolidated income (loss) before income taxes. Management fee revenues earned from a certain consolidated entity are eliminated on consolidation from segment income (loss) before income taxes attributable to the "corporate and other" segment. The related management fee expense is eliminated on consolidation from segment income (loss) before income taxes attributable to the "distributed power" segment.

⁴ Distribution services revenue includes \$25,690 of freight management services revenue and \$19,601 of warehousing and distribution services revenue. Distribution services revenue includes \$30,569 revenue from the USA and the balance is from Canada.

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19. Segment information (continued):

For the twelve months ended	December 31, 2024						
Reportable segments	Distribution services	Network services	Specialty finance	Distributed power	Real estate	Corporate and other	Total
Revenues ¹	\$ 36,875 ⁴	\$ 21,164	\$ 9	\$ 1,990	\$ 4,902	\$ 1,761	\$ 71,701
Share of losses from investment in associate ²	-	(406)	(15,242)	-	-	-	(15,648)
Segment income (loss) before income taxes ³	1,601	(2,638)	(11,701)	(1,403)	(6,367)	(8,198)	(28,706)
Cost of distribution services revenue	21,857	-	-	-	-	-	21,857
Cost of network services revenue	-	16,552	-	-	-	-	16,552
Financing costs	1,593	106	-	-	-	7,279	8,978
Depreciation and amortization	6,131	4,101	-	1,092	677	278	12,279
Income tax expense (recovery) – current	13	336	-	-	436	(82)	703
Other material non-cash items:							
Performance bonus recovery	-	-	(3,533)	-	-	-	(3,533)
Impairment of assets held for sale	-	-	-	952	-	-	952
Impairment of property and equipment under development and related deposits	-	-	-	1,262	7,001	-	8,263
Remeasurement of financial instruments	1,088	-	-	-	-	-	1,088
Net additions to property and equipment	2,480	3,603	-	41	-	2,280	8,404

¹ All revenues in the period were external revenues. Three customers from the Corporation's "distribution services" segment and three customers of the Corporation's "network services" segment represented approximately \$21,075 and \$7,488, respectively, of the Corporation's total revenues.

² The Corporation's share of losses from investments in associates, is a non-cash item that does not equal the value of distributions paid to the Corporation by the associates (see Note 6).

³ Total segment income (loss) before income taxes represents the Corporation's consolidated income (loss) before income taxes. Management fee revenues earned from a certain consolidated entity are eliminated on consolidation from segment income (loss) before income taxes attributable to the "corporate and other" segment. The related management fee expense is eliminated on consolidation from segment income (loss) before income taxes attributable to the "distributed power" segment.

⁴ Distribution services revenue includes \$21,266 of freight management services revenue and \$15,494 of warehousing and distribution services revenue. Distribution services revenue includes \$24,691 revenue from the USA and the balance is from Canada.

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19. Segment information (continued):

As at	December 31, 2025						
Reportable segments	Distribution services	Network services	Specialty finance	Distributed power	Real estate	Corporate and other	Total
Segment assets ^{1,2}	\$ 25,656 ³	\$ 64,243	\$ 2,427	\$ 29,801	\$ 27,225	\$ 5,200	\$ 154,552
Segment liabilities ^{1,2}	17,400	53,253	-	17,538	14,154	47,007	149,352

¹ Total segment assets and total segment liabilities represent the consolidated assets and liabilities of the Corporation, respectively.

² Intercompany debt amounts are eliminated on consolidation from segment assets and segment liabilities presented above.

³ Non-current assets include \$9,417 located in the USA with the balance of assets in Canada.

As at	December 31, 2024						
Reportable segments	Distribution services	Network services	Specialty finance	Distributed power	Real estate	Corporate and other	Total
Segment assets ^{1,2}	\$ 30,967 ³	\$ 48,721	\$ 2,470	\$ 35,159	\$ 26,393	\$ 3,304	\$ 147,014
Segment liabilities ^{1,2}	22,284	40,959	-	19,893	13,486	41,827	138,449

¹ Total segment assets and total segment liabilities represent the consolidated assets and liabilities of the Corporation, respectively.

² Intercompany debt amounts are eliminated on consolidation from segment assets and segment liabilities presented above.

³ Non-current assets include \$13,125 located in the USA with the balance of assets in Canada.

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20. Commitments and contingencies:

The following is a summary of the Corporation's financial commitments as at December 31, 2025:

The Corporation, through Community Network Partners Inc. ("CNP"), is party to surety bonds totaling \$163,500. These bonds are security agreements necessary to support CNP's participation as an internet service provider under the *Ontario Connects: Accelerated High Speed Internet Program*, through which the maximum subsidy available to CNP is approximately \$150,000 of which \$31,948 has been collected and \$31,520 has been included as deferred revenue as at December 31, 2025.

As at December 31, 2025, the Corporation, through Galaxy, has an aggregate commitment with respect to its use of broadband network infrastructure of \$32,694 over a three-year period, inclusive of an aggregate commitment denominated in U.S. dollars of US\$23,854.

Year	Purchase commitment
2026	\$ 15,382
2027	13,748
2028	3,564
Total	\$ 32,694

The Corporation, through CNP, has a commitment to invest a total of \$15,000, with installments from 2024 to 2028, in a partnership with YTN Telecom Network Inc. to finance, construct and operate an advanced optical fibre network to provide high-speed internet to The Regional Municipality of York. As at December 31, 2025, \$1,875 has been advanced in respect of this arrangement and the Corporation's remaining commitment is \$13,125.

The Corporation, through WireIE Inc., has an aggregate commitment with respect to its use of broadband network infrastructure of \$489 as at December 31, 2025.

The Corporation, through Crown Capital Funding Corporation ("CCFC"), has an aggregate commitment to provide funding to Crown Partners Fund and Crown Capital Fund IV Investment, LP ("CCF IV Investment") of \$16,028 as at December 31, 2025. This commitment is in respect of limited partnership units held by the Corporation and is pursuant to the related limited partnership agreements. The investment period of each of Crown Partners Fund and CCF IV Investment expired on December 31, 2021, and the assets of these funds will be managed down in an orderly fashion. After the December 31, 2021 expiration of the investment period of these funds, additional committed capital may be called but only to extent required for certain purposes including to cover operating deficits and, to a maximum of 20% of the committed capital, to make follow-on investments. The Corporation does not expect any future funding requirements in respect of its uncalled capital commitments to Crown Partners Fund and CCF IV Investment.

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20. Commitments and contingencies (continued):

The Corporation, through CCFC, has an aggregate commitment to provide funding to Crown Power Fund of \$2,102 as at December 31, 2025. This commitment is in respect of limited partnership units held by the Corporation and is pursuant to the related limited partnership agreement.

As at December 31, 2025, the Corporation, through Crown Power Fund, had committed to contracts valued at \$3,708 in relation to the construction of power generation assets, of which \$2,848 was paid and included in property and equipment under development and related deposits and \$860 was unpaid.

The Corporation has guaranteed repayment of loans advanced to participants in the Corporation's executive share purchase plan (the "Share Purchase Plan") by a third-party financial institution pursuant to the Share Purchase Plan which totaled \$201 as at December 31, 2025 (December 31, 2024 - \$613), and which are secured by common shares of the Corporation owned by such participants with a value of \$256 as at December 31, 2025 (December 31, 2024 - \$633).

From time to time, the Corporation is party to legal proceedings. Based on current knowledge, the Corporation does not expect the outcome of such proceedings to have a material effect on the consolidated statement of financial position or consolidated statement of comprehensive (loss) income.