

Crown Capital Partners Announces Financial Results for Q4 & Full Year 2024

CALGARY, March 31, 2025 – Crown Capital Partners Inc. (“Crown” or the “Corporation”) (TSX: CRWN) today announced its financial results for the three and twelve months ended December 31, 2024. Crown’s complete financial statements and management’s discussion and analysis are available on SEDAR at www.sedarplus.ca.

2024 Financial & Operating Overview

- Crown recognized a net loss of \$(29.4) million (\$5.26 loss per basic share) in 2024 compared to a net loss of \$(12.2) million (\$2.16 loss per basic share) in 2023. The net loss in 2024 is inclusive of aggregate impairment charges of \$9.4 million (2023 - \$6.1 million) in respect of real estate property (\$7.0 million), distributed power equipment (\$2.2 million), and telecom inventory of (\$0.2 million), as well as Crown’s share of losses from investments in associates of \$(15.6) million (2023 – share of earnings of \$3.0 million).
- Adjusted EBITDA¹ was \$5.1 million in 2024 compared to \$3.8 million in 2023 due primarily to improved earnings from the Distribution Services, Real Estate and Corporate and Other segments, partially offset by decreased earnings from the Network Services, Specialty Finance and Distributed Power segments.
- Distribution services revenue was \$36.9 million in 2024 compared to \$34.4 million in 2023, an increase of 7.3%. This segment reported net income before income taxes of \$1.6 million (2023 – net loss before income taxes \$(3.6) million) and Adjusted EBITDA of \$3.1 million (2023 - \$(1.6) million), with the year-over-year improvement attributable to the impact of operational efficiencies implemented throughout 2023 and 2024 and to increased capacity utilization across the warehouses. Capacity utilization was 62% at December 31, 2024, compared with 62% at September 30, 2024, 58% at June 30, 2024, 52% at March 31, 2024 and 42% at December 31, 2023.
- Network services revenue was \$26.2 million in 2024 compared to \$26.9 million in 2023, a decrease of 2.8% due to a year-over-year revenue decline from WireIE, which experienced a continued runoff of customer contracts, that more than offset a year-over-year increase in revenues from Galaxy in respect of non-recurring hardware sales and modest increases from Community Network Partners in respect of revenues from the project in Brooks, Alberta and the Ontario Connects: Accelerated High-Speed Internet Program (the “Ontario Connects Program”). This segment reported a net loss before income taxes of \$(2.6) million (2023 – \$(0.6) million) and Adjusted EBITDA of \$1.9 million (2023 - \$2.4 million) with the decrease attributable to lower margin sales from a government sector contract in Galaxy.
- Real Estate segment revenue was \$5.2 million in 2024 compared to \$4.0 million in 2023, an increase of 29.5% year-over-year due to increases in fees from property and development contracts. This segment recorded a net loss before income taxes of \$(6.4) million, inclusive of \$7.0 million of non-cash impairments (2023 – net income before income taxes of \$0.2 million and \$nil, respectively) and Adjusted EBITDA of \$1.1 million (2023 - \$0.6 million).
- Distributed Power revenue was \$2.0 million in 2024 compared to \$2.4 million in 2023, a decrease of 17.1% due to the reclassification of certain power assets as assets held for sale at the end of 2023 and to the consolidation of the Wilson Creek assets, resulting in the elimination of intercompany lease interest

revenue, partially offset by related revenues from merchant power customers. In addition to softer power prices in the Alberta market, merchant power revenues were lower than expected in 2024 due to the delayed repair of engine coolers, which reduced both available output and runtimes during the year. This segment reported a net loss before income taxes of \$(1.4) million, inclusive of non-cash impairments of \$2.2 million (2023 –\$(2.0) million and \$6.1 million, respectively) and Adjusted EBITDA of \$0.1 million (2023 - \$0.7 million).

- The Specialty Finance segment recorded net loss before income taxes of \$(11.7) million (2023 – net income before income taxes \$2.6 million), representing Crown’s share of (losses) earnings of Crown Partners Fund, and Adjusted EBITDA of \$0.2 million (2023 - \$3.0 million), representing income distributions received from Crown Partners Fund. The year-over-year decrease is due primarily to the recognition of a realized loss in respect of the sale of a loan investment carried at fair value through profit and loss in 2024.
- Total equity at year-end decreased to \$8.7 million from \$38.2 million at the end of 2023 due to a net loss attributable to shareholders of \$(29.4) million, which was driven primarily by Crown’s share of the loss of investments in associates of \$(15.6) million and impairments of property and equipment under development. Total equity per share decreased to \$1.53 per basic share from \$6.84 per basic share as at December 31, 2023.
- During 2024, Crown made payments from operating cash flows to reduce the balance on its credit facility with Canadian Western Bank (“CWB Credit Facility”) by \$10.1 million. Effective December 18, 2024, the Corporation entered into a new senior secured corporate credit facility of \$15.0 million (“Crown Credit Facility”) with Sandton Capital Solutions Master Fund VI, LP, an investment fund managed by Sandton Capital Partners, the proceeds of which were used primarily to fully repay and terminate the CWB Credit Facility.
- Effective October 18, 2024, Debentureholders approved amendments to the terms of the Debentures, including an extension of the maturity date from December 31, 2024 to December 31, 2026 and amendments to the interest rate from 10% to 11% effective as of October 25, 2024 and from 11% to 12% effective as of December 31, 2025. For additional details on the Debenture amendments, see Note 16 of Crown’s audited consolidated financial statements for the years ended December 31, 2024 and 2023.
- In 2024, Crown’s subsidiary, Community Network Partners, received grant funding payments of \$28.8 million for the completion of two sublots related to its fibre network under the Province of Ontario’s *Accelerated High-Speed Internet Program*.

Q4 2024 Financial & Operating Overview

- Crown recognized a net loss of \$(10.9) million (\$1.95 loss per basic share) compared with \$(8.5) million (\$1.52 loss per basic share) in Q4 2023. The net loss in Q4 2024 is inclusive of aggregate impairment charges of \$9.4 million (2023 - \$6.1 million) in respect of real estate property and distributed power equipment under development. For Q4 2024, Adjusted EBITDA was \$1.0 million compared with \$0.5 million in Q4 2023 period, with increased earnings from the Distribution Services segment more than offsetting reduced contributions from the Network Services, Specialty Finance, Distributed Power, Real Estate, and Corporate and Other segments.
- Crown recognized net income before income taxes in respect of the Distribution Services segment of \$1.9 million (2023 – net loss before income taxes of \$(1.2) million) and Adjusted EBITDA of \$1.4 million (2023 - \$(0.4) million). Distribution services revenue increased by 12.5% quarter-over-quarter and increased by 24.2% compared with Q4 2023 due primarily to increased capacity utilization at the Reno, Columbus and Calgary warehouses. The year-over-year increase in Adjusted EBITDA of the segment in Q4 2024 related primarily to improvements in operations achieved during 2023 and 2024.
- Crown recognized a net loss before income taxes in respect of the Network Services segment of \$(1.7) million (2023 – \$(0.7) million) and Adjusted EBITDA of \$0.1 million (2023 - \$0.5 million). Network services revenue in Q4 2024 increased by 22.0% year-over-year and decreased by 5.3% compared to Q3 2024, with the quarter-over-quarter decrease due primarily to the intercompany revenues eliminated upon consolidation of the Corporation’s Network Services operations. Compared with the prior year period, the increase in revenues is due primarily to non-recurring hardware sales to a significant government sector customer.
- Our share of losses from investments in associates was \$(0.5) million, of which \$(0.4) related to Inuknet, and which represents quarter-over-quarter decreases compared to Q3 2024 and Q4 2023, with both reductions due primarily to losses from Crown Partners Fund and Inuknet. Inuknet builds networks to provide connectivity to municipalities, regions, and Inuit communities in Nunavut.
- Crown recognized a net loss before income taxes in respect of the Distributed Power segment of \$(0.9) million (2023 - \$(2.7) million), inclusive of aggregate impairment charges of \$2.2 million (2023 - \$6.1 million) recorded in respect of assets held for sale and equipment under development.

Q4 & FY2024 Financial Results Summary

FOR THE PERIODS ENDED DEC. 31 (THOUSANDS, EXCEPT PER SHARE AND NUMBER OF COMMON SHARES)	Three Months Ended		Year Ended	
	2024	2023	2024	2023
Revenue:				
Distribution services revenue.....	\$ 10,215	\$ 8,223	\$ 36,875	\$ 34,377
Network services revenue.....	6,585	5,399	26,164	26,929
Fees and other income.....	1,439	1,818	6,700	5,866
Distributed power interest revenue.....	136	280	661	2,132
Merchant power revenue.....	359	180	1,301	247
Total revenue.....	18,734	15,900	71,701	69,551
Share of (losses) earnings from investments in associates.....	(516)	483	(15,648)	2,983
Loss attributable to Shareholders.....	(10,921)	(8,478)	(29,409)	(12,152)
Comprehensive loss attributable to Shareholders.....	(11,110)	(8,386)	(29,663)	(12,090)
Adjusted EBITDA ¹	1,007	503	5,091	3,758
Total assets.....	147,014	176,654	147,014	176,654
Total equity.....	8,565	38,228	8,565	38,228
Per share:				
- Net loss to Shareholders - basic.....	\$ (1.95)	\$ (1.52)	\$ (5.26)	\$ (2.16)
- Net loss to Shareholders - diluted.....	(1.95)	(1.52)	(5.26)	(2.16)
- Adjusted EBITDA per share - basic ¹	0.18	0.09	0.91	0.67
- Total equity per share - basic.....	1.53	6.84	1.53	6.84
Number of common shares:				
- Outstanding at end of period.....	5,588,646	5,588,646	5,588,646	5,588,646
- Weighted average outstanding - basic.....	5,588,646	5,588,646	5,588,646	5,616,684
- Weighted average outstanding - diluted.....	5,588,646	5,588,646	5,588,646	5,616,684

Quarterly reconciliations of loss before income taxes to Adjusted EBITDA

FOR THE PERIODS ENDED (THOUSANDS)	2024				2023			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Loss before income taxes	(10,883)	(2,632)	(14,885)	(306)	(5,414)	(2,154)	(1,185)	(951)
Adjustments for amounts attributable to shareholders in relation to: ¹								
Depreciation and amortization.....	3,125	2,826	2,804	2,718	3,122	2,314	2,275	2,197
Finance costs.....	2,533	2,413	1,975	2,057	1,828	1,754	1,431	1,576
Payments of lease obligations.....	(1,381)	(1,350)	(1,325)	(1,299)	(1,306)	(1,273)	(1,296)	(1,301)
Share-based compensation expense (recovery).....	121	(358)	(340)	(138)	(264)	2	65	(112)
Impairments of assets held for sale, inventory, property and equipment, and property and equipment under development and related deposits.....	8,162	-	-	-	2,618	-	-	-
Loss on disposal of assets held for sale.....	13	-	22	-	-	-	-	-
Remeasurement of financial instruments.....	(1,088)	-	-	-	-	-	-	(611)
Provisions for (recoveries of) expected credit losses.....	(115)	140	2	4	98	(123)	-	1
Share of losses (earnings) from investments in associates.....	516	(235)	17,594	(2,227)	(483)	(210)	(940)	(1,350)
Income distributions received from Crown Partners Fund.....	4	-	157	-	231	90	2,069	636
Performance bonus (recovery) expense.....	-	-	(4,015)	482	73	3	170	178
Adjusted EBITDA.....	1,007	804	1,989	1,291	503	403	2,589	263

Notes:

1. Adjustments exclude any amounts attributable to non-controlling interests.

Reconciliations of (loss) income before income taxes to Adjusted EBITDA by operating segment

FOR THE YEAR ENDED DEC. 31, 2024 (THOUSANDS)	Reportable Segments						Total
	Distribution Services	Network Services	Specialty Finance	Distributed Power	Real Estate	Corporate and Other	
Income (loss) before income taxes	1,601	(2,638)	(11,701)	(1,403)	(6,367)	(8,198)	(28,706)
Adjustments for amounts attributable to shareholders in relation to: ¹							
Depreciation and amortization.....	6,131	4,101	-	489	474	278	11,473
Finance costs.....	1,593	106	-	-	-	7,279	8,978
Payments of lease obligations.....	(5,114)	(241)	-	-	-	-	(5,355)
Share based compensation recovery	-	-	-	-	-	(715)	(715)
Impairments of assets held for sale, inventory, property and equipment, and property and equipment under development and related deposits.....	-	205	-	956	7,001	-	8,162
Loss on disposal of assets held for sale.....	-	-	-	35	-	-	35
Remeasurement of financial instruments.....	(1,088)	-	-	-	-	-	(1,088)
Provisions for expected credit losses.....	-	-	-	31	-	-	31
Share of losses from investments in associates.....	-	406	15,242	-	-	-	15,648
Income distributions received from Crown Partners Fund.....	-	-	161	-	-	-	161
Performance bonus recovery.....	-	-	(3,533)	-	-	-	(3,533)
Adjusted EBITDA.....	3,123	1,939	169	108	1,108	(1,356)	5,091

Notes:

1. Adjustments exclude any amounts attributable to non-controlling interests.

FOR THE YEAR ENDED DEC. 31, 2023
(THOUSANDS)

	Reportable Segments						Total
	Distribution Services	Network Services	Specialty Finance	Distributed Power	Real Estate	Corporate and Other	
(Loss) income before income taxes attributable to Shareholders.....	(3,640)	(610)	2,559	(1,978)	207	(6,242)	(9,704)
Adjustments for amounts attributable to shareholders in relation to: ¹							
Depreciation and amortization.....	5,573	3,503	-	126	407	299	9,908
Finance costs.....	1,586	120	-	-	-	4,883	6,589
Payments of lease obligations.....	(4,466)	(655)	-	-	-	(55)	(5,176)
Share based compensation recovery.....	-	-	-	-	-	(309)	(309)
Impairments of assets held for sale, inventory, property and equipment, and property and equipment under development and related deposits.....	-	-	-	2,618	-	-	2,618
Remeasurement of financial instruments.....	(611)	-	-	-	-	-	(611)
Recoveries of expected credit losses.....	-	-	-	(24)	-	-	(24)
Share of earnings from investments in associates.....	-	-	(2,983)	-	-	-	(2,983)
Income distributions received from Crown Partners Fund.....	-	-	3,026	-	-	-	3,026
Performance bonus expense.....	-	-	424	-	-	-	424
Adjusted EBITDA.....	(1,558)	2,358	3,026	742	614	(1,424)	3,758

Notes:

1. Adjustments exclude any amounts attributable to non-controlling interests.

¹ Adjusted EBITDA is not a measure of financial performance (nor does it have a standardized meaning) under IFRS. In evaluating this measure, investors should consider that the methodology applied in calculating these measures might differ among companies and analysts. The Corporation has provided a reconciliation of loss before income taxes attributable to Shareholders to Adjusted EBITDA in this news release. Amounts in respect of non-controlling interests are excluded in the calculation of Adjusted EBITDA. We believe that Adjusted EBITDA is a useful supplemental measure in the context of Crown's operations to assist investors in assessing the performance of our business as it provides a more relevant picture of operating results by facilitating a comparison of our performance on a consistent basis from period-to-period and provides a more complete understanding of factors and trends affecting our business. Adjusted EBITDA should not be considered as the sole measure of Crown's performance and should not be considered in isolation from, or as a substitute for, analysis of the Corporation's financial statements.

About Crown Capital Partners (TSX:CRWN)

Founded in 2000 within Crown Life Insurance Company, Crown Capital Partners is a capital partner to entrepreneurs and growth businesses mainly operating in the telecommunications infrastructure, distribution services, and distributed power markets. We focus on growth industries that require a specialized capital partner, and we aim to create long-term value by acting as both a direct investor in operating businesses serving these markets and as a manager of investment funds for institutional partners. For additional information, please visit crowncapital.ca.

FORWARD-LOOKING STATEMENTS

This news release contains certain "forward looking statements" and certain "forward looking information" as defined under applicable Canadian and U.S. securities laws. Forward-looking statements can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue", "plans" or similar terminology. Forward-looking statements in this news release include, but are not limited to, statements, management's beliefs, expectations

or intentions regarding the distribution services market, the network services market and the general economy, Crown's business plans and strategy, including anticipated investment dispositions and capital deployments and the timing thereof, anticipated refinancing activity and Crown's future earnings. Forward-looking statements are based on forecasts of future results, estimates of amounts not yet determinable and assumptions that while believed by management to be reasonable, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Forward-looking statements are subject to various risks and uncertainties concerning the specific factors identified in the Crown's periodic filings with Canadian securities regulators. See Crown's most recent annual information form for a detailed discussion of the risk factors affecting Crown. In addition, Crown's dividend policy will be reviewed from time to time in the context of the Corporation's earnings, financial requirements for its operations, and other relevant factors and the declaration of a dividend will always be at the discretion of the board of directors of the Corporation. Crown undertakes no obligation to update forward-looking information except as required by applicable law. Such forward-looking information represents management's best judgment based on information currently available. No forward-looking statement can be guaranteed and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.

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