



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2025**

ORGANIZATION OF THE MANAGEMENT’S DISCUSSION AND ANALYSIS (“MD&A”)

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“Crown”, the “Corporation”, “we”, “us” or “our” refers to Crown Capital Partners Inc. and its consolidated subsidiaries.

Please refer to the Glossary of Terms which defines the names used throughout the MD&A in reference to operating companies, limited partnerships, portfolio companies and their respective subsidiaries.

Please also refer to Part 7 – Non-GAAP and Other Financial Measures where we discuss and define certain non-GAAP financial measures that we use to measure our business.

This MD&A should be read in conjunction with our unaudited condensed consolidated financial statements as at and for the three months ended March 31, 2025 and the notes thereto, which have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”); our MD&A in respect of the year ended December 31, 2024; our audited annual consolidated financial statements as at and for the year ended December 31, 2024 and the notes thereto, which have been prepared in accordance with IFRS Accounting Standards as issued by the IASB, and our other recent filings with Canadian securities regulatory authorities.

Additional information about the Corporation, including our Annual Information Form, is available on our website at www.crowncapital.ca and on the Canadian Securities Administrators’ website at www.sedarplus.ca. Information contained in or otherwise accessible through the websites mentioned does not form part of this report. All references in this report to websites are inactive textual references and are not incorporated by reference.

PART 1 – OUR BUSINESS

BUSINESS OVERVIEW

Crown is an investment company that makes strategic investments, provides investment management services and co-invests in certain of our managed funds. We have operations and/or material investments in each of the distribution services, network services, specialty finance, distributed power and real estate markets. In the distributed power market and, prior to July 13, 2021, in the specialty finance market, we act(ed) as both an asset manager of capital pools invested in alternative asset classes, and as a direct investor, including minority ownership interests in certain of our managed investment funds.

Crown was founded by Crown Life Insurance Company and owned by it until 2002. We completed an initial public offering in 2015 and our common shares (“**Common Shares**”) trade on the Toronto Stock Exchange under the symbol TSX:CRWN.

Our financial reporting features six reportable segments, as summarized below:

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	Includes our 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 held through Crown Power Fund.
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 our credit reporting subsidiary, Lumbermens, in addition to assets, liabilities, revenues and expenses that do not pertain directly to other reportable segments.

A summary of information presented in respect of reportable segments as at and for the three months ended March 31, 2025 is presented below:

AS AT AND FOR THE THREE MONTHS ENDED MAR. 31, 2025 (THOUSANDS)	Reportable Segments						Total
	Distribution Services	Network Services	Specialty Finance	Distributed Power	Real Estate	Corporate and Other	
Assets.....	\$ 30,085	\$ 52,648	\$ 2,480	\$ 32,007	\$ 26,702	\$ 1,613	\$ 145,535
Liabilities excl. non-controlling interests.....	21,229	44,973	-	342	13,279	40,957	120,780
Non-controlling interests.....	-	-	-	17,791	66	-	17,857
Net assets.....	8,856	7,675	2,480	13,874	13,357	(39,344)	6,898
Revenues.....	10,786	8,725	-	253	1,009	346	21,119
Share of earnings from investments in associates.....	-	76	103	-	-	-	179
Cost of distribution services revenue.....	6,532	-	-	-	-	-	6,532
Cost of network services revenue.....	-	5,627	-	-	-	-	5,627
Finance costs.....	356	21	-	-	-	1,613	1,990
Depreciation and amortization.....	1,675	1,044	-	273	169	77	3,238
Income (loss) before income taxes.....	414	177	103	(209)	(30)	(1,991)	(1,536)
Adjusted EBITDA ²	976	1,102	3	(88)	88	(402)	1,679

1. For more information, refer to Note 19 - *Segment information* of the consolidated financial statements.

2. For a reconciliation of income (loss) before income taxes to Adjusted EBITDA, refer to *Part 7 - Non-GAAP and Other Financial Measures*.

A summary of information presented in respect of reportable segments as at and for the three months ended March 31, 2024 is presented below:

AS AT AND FOR THE THREE MONTHS ENDED MAR. 31, 2024 (THOUSANDS)	Reportable Segments						Total
	Distribution Services	Network Services	Specialty Finance	Distributed Power	Real Estate	Corporate and Other	
Assets.....	\$ 33,038	\$ 40,104	\$ 26,566	\$ 40,376	\$ 31,888	\$ 2,647	\$ 174,619
Liabilities excl. non-controlling interests.....	25,967	19,861	4,015	255	13,276	50,568	113,942
Non-controlling interests.....	-	-	-	23,052	81	-	23,133
Net assets.....	7,071	20,243	22,551	17,069	18,531	(47,921)	37,544
Revenues.....	8,209	6,719	4	795	1,583	416	17,726
Share of earnings from investments in associates.....	-	-	2,227	-	-	-	2,227
Cost of distribution services revenue.....	4,941	-	-	-	-	-	4,941
Cost of network services revenue.....	-	3,943	-	-	-	-	3,943
Finance costs.....	451	26	-	-	-	1,580	2,057
Depreciation and amortization.....	1,496	916	-	275	169	64	2,920
Income (loss) before income taxes.....	(528)	(32)	1,749	3	744	(2,242)	(306)
Adjusted EBITDA ²	179	851	4	131	862	(736)	1,291

1. For more information, refer to Note 19 - *Segment information* of the consolidated financial statements.

2. For a reconciliation of income (loss) before income taxes to Adjusted EBITDA, refer to *Part 7 - Non-GAAP and Other Financial Measures*.

For discussion regarding each of our reportable segments, please refer to *Part 3 – Review of Operations*.

BASIS OF CONSOLIDATION

All entities that we control are consolidated for financial reporting purposes. Certain contractual arrangements also provide us with the irrevocable ability to direct the activities of managed funds such that we are deemed to control entities in which we hold only a minority economic interest. As a result, we include 100% of the revenues and expenses of Crown Power Fund in our Consolidated Statements of Comprehensive (Loss) Income, even though a substantial portion of net income of this subsidiary is attributable to non-controlling interests. Furthermore, we include all assets and liabilities of Crown Power Fund in our Consolidated Statements of Financial Position and include the portion of equity held by others as non-controlling interests.

Intercompany revenues and expenses between Crown and its subsidiaries are eliminated in our Consolidated Statements of Comprehensive Loss; however, certain of these items affect the attribution of net income between shareholders of the Corporation (“**Shareholders**”) and non-controlling interests. For example, management fees paid by investment fund subsidiaries are eliminated from consolidated revenues and expenses. However, as the Shareholders are attributed all of the fee revenues while only attributed their proportionate share of the investment funds’ expenses, the amount of net income attributable to Shareholders is increased with a corresponding decrease in the net income attributable to non-controlling interests.

Crown holds its interests in Crown Partners Fund, Crown Power Fund and Crown Private Credit Fund through CCFC, a 100%-owned subsidiary.

Crown consolidates 100% of its approximate 43.2% interest in Crown Power Fund and its 100% interest in Crown Private Credit Fund and reflects the interests of other investors in these funds as non-controlling interests.

Crown’s 28.0% effective interest in Crown Partners Fund as at December 31, 2024 includes its 26.8% direct interest in Crown Partners Fund in addition to its 19.8% interest in CCF IV Investment LP, whose net assets are comprised solely of a 5.6% interest in Crown Partners Fund. Crown Partners Fund is recognized as an investment in associate accounted for using the equity method.

Crown’s 100%-owned subsidiaries CCF III and Crown Power GP are the general partners and managers of NCOF LP and Crown Power Fund, respectively. Crown’s 100%-owned subsidiary Crown Partners Fund GP is the general partner of Crown Partners Fund.

Crown holds an effective interest of 85.8% in Onsite Power, including a direct 75% interest in addition to a 25% interest held through Crown Power Fund.

Crown holds a 100% interest in each of WireIE and its wholly owned subsidiaries, WireIE Canada and WireIE Development Inc., WireIE Inc., Galaxy and Community Network Partners.

Crown holds a 100% interest in PenEquity Development GP Inc., the general partner of PDLP. Through Crown Private Credit Fund, Crown holds a 100% interest in PDLP. Through PDLP, Crown holds a 100% interest in each of PSCC and PBC, which were acquired effective March 1, 2021 and April 15, 2021, respectively.

Crown holds a 14.3% interest in CPCP.

Through Crown Private Credit Fund, Crown holds a 100% interest in Lumbermens.

Crown holds a 100% interest in Go Direct Global and its wholly owned subsidiaries Go Direct SCS and Go Direct America.

Crown holds a 70% common equity interest and a 100% preferred equity interest in PenEquity Inc.

Through Galaxy, Crown holds a 49.0% interest in Inuknet. Inuknet is recognized as an investment in associate accounted for using the equity method.

Crown holds an effective interest of 44.5% in each of LESC and Wilson Creek Energy, including, for each, a 10% interest held directly by the Corporation and an 80% interest held by Crown Power Fund.

Crown holds a 100% interest in 16277811 Canada Inc.

PART 2 – REVIEW OF CONSOLIDATED FINANCIAL RESULTS

The following section contains a discussion and analysis of line items presented within our audited consolidated financial statements.

OVERVIEW

For the three months ended March 31, 2025, we recognized a net loss of \$(1.8) million compared with a net loss of \$(0.6) million in the three months ended March 31, 2024. Adjusted EBITDA¹ for the three months ended March 31, 2025 was \$1.7 million (2024 - \$1.3 million), an increase of \$0.4 million over the prior-year, due primarily to improvements in earnings from Distribution Services and Network Services segments and reductions in expenses from Corporate and Other segment, partially offset by decreased earnings in Distributed Power and Real Estate segments. A summary in respect of our results for the three months ended March 31, 2025 includes the following:

- Our Distribution Services segment recorded net income before income taxes of \$0.4 million (2024 – net loss before income taxes of \$(0.5) million) and Adjusted EBITDA of \$1.0 million (2024 - \$0.2 million) with the improvement attributable to the impact of operational efficiencies and the ongoing ramp up of facilities that commenced operations in 2022 and 2023. Distribution Services revenue increased by 31.4% compared with 2024 due primarily to increased utilization in the Columbus and Reno warehouses.
- Our Network Services segment reported net income before income taxes of \$0.2 million (2024 - net loss before income taxes of \$(0.03) million) and Adjusted EBITDA of \$1.1 million (2024 - \$0.9 million) with the increase attributable to a year-over-year increase in revenues from Galaxy (40.9%) due to additional hardware sales and Community Network Partners (12.3%) in respect of revenues from the high speed internet infrastructure project in Brooks, Alberta and the *Ontario Connects: Accelerated High-Speed Internet Program* (the “**Ontario Connects Program**”) and earnings from Inuknet, partially offset by a decrease in revenues from the continued runoff of customer contracts in WireIE.
- Our Specialty Finance segment recorded net income before income taxes of \$0.1 million (2024 – \$1.7 million), representing our share of earnings of Crown Partners Fund. The Specialty Finance segment recorded Adjusted EBITDA of \$0.003 million (2024 - \$0.004 million), representing income distributions from Crown Partners Fund.
- Our Distributed Power segment recorded a net loss before income taxes of \$(0.2) million (2024 - \$0.003 million) and Adjusted EBITDA of \$0.09 million (2024 - \$0.1 million) due primarily to a loss from merchant power operations resulting from softer power prices in the Alberta market.
- Our Real Estate segment recorded net loss before income taxes of \$(0.03) million (2024 – net income before income taxes of \$0.7 million) and Adjusted EBITDA of \$0.09 million (2024 - \$0.9 million). Real Estate revenues decreased by 36.3% year-over-year due to the timing of fees from property and development contracts.

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 \$0.1 million, with the net proceeds to be used for general working capital purposes. The offering was approved by the TSX. 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 \$0.1 million to the director in payment of fees owing pursuant to a loan agreement dated August 12, 2024 between the director and 16277811 Canada Inc.

¹ Adjusted EBITDA is not a standard measure under IFRS and may not be comparable to similar measures reported by other entities. Refer to Part 7 – Non-GAAP and Other Financial Measures for more information.

INCOME STATEMENT ANALYSIS

The following table summarizes the financial results of the Corporation for the three months ended March 31, 2025 and 2024:

FOR THE PERIODS ENDED MAR. 31 (THOUSANDS)	Three Months Ended		
	2025	2024	Change
Revenues			
Distribution services revenue.....	\$ 10,786	\$ 8,209	\$ 2,577
Network services revenue.....	8,725	6,719	2,006
Fees and other income.....	1,366	2,011	(645)
Distributed power interest revenue.....	100	183	(83)
Merchant power revenue.....	142	604	(462)
Total revenue	21,119	17,726	3,393
Share of earnings from investments in associates.....	179	2,227	(2,048)
Expenses			
Cost of distribution services revenue.....	(6,532)	(4,941)	(1,591)
Cost of network services revenue.....	(5,627)	(3,943)	(1,684)
Cost of merchant power revenue.....	(240)	(376)	136
Salaries and benefits.....	(3,519)	(3,579)	60
Share-based compensation recovery.....	101	138	(37)
Performance bonus expense.....	-	(482)	482
General and administration.....	(2,007)	(2,198)	191
Foreign exchange (loss) gain.....	(102)	253	(355)
Depreciation.....	(3,238)	(2,920)	(318)
Recovery of (provision for) expected credit losses.....	1	(9)	10
Finance costs.....	(1,990)	(2,057)	67
Total expenses	(23,153)	(20,114)	(3,039)
Loss before other adjustments and income taxes	(1,855)	(161)	(1,694)
Remeasurement of financial instruments.....	80	-	80
Loss (income) before income taxes attributable to non-controlling interests..	239	(145)	384
Income tax expense.....	(260)	(298)	38
Net loss.....	(1,796)	(604)	(1,192)
Foreign currency translation adjustment.....	3	(80)	83
Comprehensive loss.....	(1,793)	(684)	(1,109)
Net loss per share attributable to Shareholders - basic.....	\$ (0.32)	\$ (0.11)	\$ (0.21)
Net loss per share attributable to Shareholders - diluted.....	\$ (0.32)	\$ (0.11)	\$ (0.21)

Distribution Services Revenue

Through its wholly owned subsidiary Go Direct Global, the Corporation earns revenue in relation to its provision of distribution services, including warehousing, kitting, inventory handling and freight management services. Distribution services revenue totaled \$10.8 million in the three months ended March 31, 2025 (2024 - \$8.2 million) an increase of 31.4% with the year-over-year increase due primarily to increased utilization in the Columbus and Reno warehouses.

Network Services Revenue

Through its wholly owned subsidiaries Galaxy, WireIE Inc. and Community Network Partners, the Corporation earns revenue in relation to the provision of network services. Network services revenue is comprised of contractual revenue related to the access and usage of telecommunications infrastructure in addition to revenue from professional services, network support, maintenance and repair services, and hardware sales.

The Corporation's revenues in the three months ended March 31, 2025 include network services revenue of \$8.7 million (2024 - \$6.7 million). Network services revenue for the three months ended March 31, 2025 increased by 29.9% compared with 2024 due to a year-over-year increase in revenues from Galaxy (40.9%) due to additional hardware sales and Community Network Partners (12.3%) in respect of revenues from the high speed internet infrastructure project in Brooks, Alberta and the Ontario Connects Program and earnings from Inuknet, partially offset by a decrease in revenues from the continued runoff of customer contracts in WireIE.

The vast majority of network services revenue is contractual revenue in relation to the access and usage of telecommunications infrastructure comprised of both up-front payments by the customer related to the installation of network elements, which are deferred and recognized on a straight line basis over the life of the contract, and monthly recurring revenues relating to the ongoing operation of network services that are recognized as the service is rendered over the term of the arrangement.

Fees and Other Income

In the three months ended March 31, 2025, we recognized fees and other income totaling \$1.4 million (2024 - \$2.0 million), comprised primarily of property management and development revenues of \$1.0 million (2024 - \$1.6 million), and credit reporting revenue of \$0.4 million (2024 - \$0.4 million). The decrease in fees and other income in the three months ended March 31, 2025 compared with the prior year is due to the timing of fees from property and development contracts.

Distributed Power Interest Revenue

Distributed power interest revenue totaled \$0.1 million in the three months ended March 31, 2025 compared with \$0.2 million in the three months ended March 31, 2024. All distributed power interest revenue represents interest recognized by Crown Power Fund on net investment in leased distributed power equipment and interest capitalized to distributed power equipment under development and related deposits that will be subsequently recovered through receipt of lease payments over the duration of lease contracts in relation to such assets.

Merchant Power Revenue

Merchant power revenue totaled \$0.1 million in the three months ended March 31, 2025 (2024 - \$0.6 million), relating to the power generation activities of the Wilson Creek power project. Merchant power revenues were lower than expected in 2025 due to softer power prices in the Alberta market.

Share of Earnings (Losses) from Investments in Associates

We recognize our investment in Crown Partners Fund as an investment in associate accounted for using the equity method; accordingly, we recognize our share of earnings of Crown Partners Fund, which is comprised of our proportionate share of the reported earnings (losses) of Crown Partners Fund in respect of each of our limited partnership and general partnership interests in that fund.

For the three months ended March 31, 2025, our share of the earnings of Crown Partners Fund totaled \$0.1 million (2024 - \$2.2 million), of which \$0.1 million (2024 - \$1.3 million) is in respect of our effective ownership of 28.0% of the limited partnership units of Crown Partners Fund and \$nil (2024 - \$0.9 million) is in respect of our general partnership interest in the fund, which represents the change during the period in the accrued value of the performance fee that Crown, as general partner, will be entitled to receive. The year-over-year decline for the three months ended March 31, 2025 is primarily due to the reduction of the level of investments held in Crown Partners Fund.

We recognize our investment in Inuknet as an investment in associate accounted for using the equity method; accordingly, we recognize our share of earnings of Inuknet. For the three months ended March 31, 2025, our share of the losses of Inuknet totaled \$0.1 million (2024 - \$nil).

We provide additional detail regarding the share of earnings of Crown Partners Fund in *Note 6 – Investments in Associates* of the audited consolidated financial statements.

Expenses

Through its Distribution Services business, the Corporation incurs costs directly related to the generation of revenue earned in relation to the provision of distribution services. For the three months ended March 31, 2025, the cost of distribution services revenue totaled \$6.5 million (2024 - \$4.9 million), and includes costs associated with the usage of third-party logistics partners, directly attributable labour costs and other costs of distribution. The year-over-year increase in the cost of distribution services revenue is due to the increase in distribution services revenue.

Through its Network Services businesses, the Corporation incurs costs directly related to the generation of revenue earned in relation to the provision of network services. For the three months ended March 31, 2025, the cost of network services revenue totaled \$5.6 million (2024 - \$3.9 million), including bandwidth fees of \$3.3 million and hardware cost of sales of \$1.9 million (2024 - \$2.4 million and \$0.8 million, respectively).

Salaries and benefits expense for the three months ended March 31, 2025 totaled \$3.5 million (2024 - \$3.6 million), consistent with the prior year.

Share-based compensation expense includes changes in the carrying value of liabilities in relation to director deferred share units (“**DDSU**s”) which are influenced by changes in the trading price of Common Shares, and by the issuance and redemption of DDSUs. Share-based compensation recovery for the three months ended March 31, 2025 of \$(0.1) million (2024 - \$(0.1) million) related to the impact of changes in the trading price of the Common Shares. On December 10, 2024, the Corporation discontinued the issuance of DDSUs. Additional information about share-based compensation can be found in *Note 11, Share-based compensation* in the Corporation’s unaudited condensed consolidated interim financial statements.

In the three months ended March 31, 2025, we recognized a performance bonus expense of \$nil (2024 – \$0.5 million). The Corporation, through its 100%-owned subsidiary Crown Partners Fund GP, is the general partner of Crown Partners Fund and, as such, will be entitled to receive any performance fee distribution paid by Crown Partners Fund, of which 50% will be paid to certain employees and former employees.

General and administration expenses include costs such as legal and audit fees, travel, promotion, occupancy costs, insurance, office administration and other costs. General and administration expenses totaled \$2.0 million in the three months ended March 31, 2025 (2024 - \$2.2 million).

In the three months ended March 31, 2025, depreciation and amortization expense totaled \$3.2 million compared to \$2.9 million in the three months ended March 31, 2024, and was comprised primarily of:

- depreciation of premises and other equipment totaling \$1.5 million (2024 - \$1.4 million), primarily relating to the depreciation of the right-of-use assets recognized in respect of the leased premises of Go Direct Global;
- amortization of \$0.7 million (2024 - \$0.7 million) in relation to customer contracts recognized as intangible assets with finite useful lives;
- depreciation of \$0.4 million (2024 - \$0.4 million) in relation to network services equipment and right-of-use assets associated with network services equipment, and property and vehicle lease arrangements of Network Services businesses;
- depreciation of \$0.3 million (2024 - \$0.1 million) in relation to network infrastructure in Community Network Partners; and
- depreciation of \$0.3 million (2024 - \$0.3 million) in relation to distribution power equipment.

Finance costs totaled \$2.0 million in the three months ended March 31, 2025 compared to \$2.1 million in the three months ended March 31, 2024, and were comprised primarily of:

- current period interest accruals, standby fees and the amortization of deferred financing costs related to Crown's credit facilities totaling \$0.9 million (2024 - \$1.0 million), with the year-over-year decrease primarily due to the lower balance outstanding, partially offset by higher interest rates;
- interest expense and the amortization of deferred finance costs in relation to debentures, determined using the effective interest rate method as these debentures are measured at amortized cost, of \$0.7 million (2024 - \$0.6 million) with the year-over-year increase due to a higher interest rate; and
- interest in relation to right-of-use lease arrangements totaling \$0.4 million (2024 - \$0.5 million).

Income Taxes

We recorded income tax expense of \$0.3 million in the three months ended March 31, 2025 (2024 – \$0.3 million).

The Corporation's consolidated statutory tax rate for the three months ended March 31, 2025 on earnings before income taxes attributable to Shareholders was 24.8% (2024 – 24.8%). Certain of our operations are held in partially owned "flow through" limited partnerships, and any tax liability is incurred by the investors as opposed to the entity. As a result, while our consolidated earnings include income attributable to non-controlling ownership interests in these entities, our consolidated tax provision includes only income tax on our proportionate share of the income of these entities. In other words, we are consolidating all of the net income, but only our share of the associated tax provision.

For the three months ended March 31, 2025, the amortization of intangible assets in relation to Galaxy and Lumbermens, losses relating to Go Direct SCS and WireIE and non-cash share-based compensation expense were not deductible for purposes of determining current income tax expense.

BALANCE SHEET ANALYSIS

The following table summarizes the statement of financial position of the Corporation as at March 31, 2025 and December 31, 2024¹:

AS AT MAR. 31 2025 AND DEC. 31 2024 (THOUSANDS)	<u>2025</u>	<u>2024</u>	<u>Change</u>
Assets			
Cash and cash equivalents.....	\$ 6,026	\$ 7,852	\$ (1,826)
Accounts receivable and other assets.....	24,449	21,415	3,034
Assets held for sale.....	11,584	14,901	(3,317)
Investments.....	25	25	-
Investments in associates.....	3,033	2,993	40
Customer contracts.....	2,790	3,506	(716)
Property and equipment.....	72,218	72,178	40
Net investment in leased distributed power equipment.....	5,198	5,243	(45)
Property and equipment under development and related deposits.....	20,212	18,901	1,311
Total assets	<u>\$ 145,535</u>	<u>\$ 147,014</u>	<u>\$ (1,479)</u>
Liabilities			
Accounts payable and other liabilities.....	\$ 24,773	\$ 21,127	\$ 3,646
Mortgage payable.....	11,900	11,900	-
Deferred revenue.....	29,696	29,818	(122)
Lease obligations.....	15,786	16,687	(901)
Credit facilities.....	14,255	14,791	(536)
Subordinated debentures.....	1,466	1,433	33
Debentures.....	19,758	19,713	45
Long-term debt.....	3,146	3,179	(33)
Non-controlling interests.....	17,857	19,801	(1,944)
Equity			
Share capital.....	47,946	47,820	126
Contributed surplus.....	15,728	15,728	-
Translation reserve.....	(154)	(157)	3
Deficit.....	(56,622)	(54,826)	(1,796)
Total equity	<u>6,898</u>	<u>8,565</u>	<u>(1,667)</u>
	<u>\$ 145,535</u>	<u>\$ 147,014</u>	<u>\$ (1,479)</u>

1. The presentation of the summary balance sheet information shown above differs from the presentation in the Condensed Consolidated Interim Statements of Financial Position in the Corporation's unaudited condensed consolidated interim financial statements in that it aggregates certain assets and liabilities under the "accounts receivable and other assets" and "accounts payable and other liabilities" categories and is not presented on a classified basis.

Consolidated assets at March 31, 2025 were \$145.5 million, a decrease of \$1.5 million since December 31, 2024. This decrease was due primarily to decreases in cash and assets held for sale partially offset by increases in accounts receivable and property and equipment under development and related deposits.

Assets

Cash and cash equivalents of \$6.0 million as at March 31, 2025 decreased by \$1.8 million from the December 31, 2024 balance primarily due to Credit Facility repayments, purchases of property and equipment, additions to property and equipment under development and related deposits and payments of lease obligations partially offset by proceeds from the disposal of certain assets held for sale. For further information, refer to our audited consolidated financial statements of cash flows and to *Part 4 – Capitalization and Liquidity*.

Accounts receivable and other assets of \$24.4 million as at March 31, 2025 (December 31, 2024 - \$21.4 million) consists of accounts receivable, prepaid expenses and deposits, inventory, and goodwill. The largest component, accounts receivable, is comprised primarily of amounts receivable in relation to network services and distribution services contracts. Accounts receivable and other assets increased by \$3.0 million due primarily to the increase in accounts receivable.

Assets held for sale of \$11.6 million as at March 31, 2025 (December 31, 2024 - \$14.9 million) relate to distributed power equipment that management is actively engaged in selling and which is expected to be sold during 2025, as well as real estate property owned by PSCC located in Stoney Creek, Ontario, a portion of which management expects to sell in 2025. During the three months ended March 31, 2025, the Corporation sold certain equipment included in assets held for sale for proceeds of \$3.3 million which represented its carrying value.

Investments in associates includes the Corporation's effective 28.0% limited partnership interest and our 100% general partnership interest in Crown Partners Fund and the Corporation's 49.0% interest in Inuknet. The balance as at March 31, 2025 of \$3.0 million (December 31, 2024 - \$3.0 million) includes \$2.4 million in respect of the limited partnership interest and \$nil in respect of the general partner interest of Crown Partners Fund and \$0.6 million in respect of Inuknet (December 31, 2024 - \$2.4 million, \$nil and \$0.6 million, respectively).

The customer contracts balance of \$2.8 million as at March 31, 2025 (December 31, 2024 - \$3.5 million) is an intangible asset and is comprised of the following:

- Network services customer contracts of \$1.4 million as at March 31, 2025 (December 31, 2024 - \$1.6 million) that represent the fair value of service contracts assumed on the acquisition of Galaxy, net of subsequent amortization and impairment of \$7.0 million and \$1.1 million, respectively. Network services contracts are amortized on a straight-line basis over estimated useful lives ranging between 4-6 years;
- Credit reporting customer contracts of \$0.2 million (December 31, 2024 - \$0.3 million) represent the fair value of service contracts assumed on the acquisition of Lumbermens, net of subsequent amortization of \$0.8 million, which are amortized on a straight-line basis over estimated useful lives ranging between 5-10 years;
- Distribution services customer contracts of \$0.5 million (December 31, 2024 - \$0.8 million) represent the fair value of service contracts assumed on the acquisition of Go Direct Global, net of subsequent amortization of \$2.9 million, which are amortized on a straight-line basis over estimated useful lives ranging from 3-5 years; and
- Real estate customer contracts of \$0.7 million (December 31, 2024 - \$0.8 million) represent the fair value of service contracts acquired on January 1, 2023 and April 1, 2023, net of subsequent amortization of \$1.4 million, which are amortized on a straight-line basis over estimated useful lives ranging between 3-4 years.

Property and equipment of \$72.2 million as at March 31, 2025 (December 31, 2024 - \$72.2 million) is comprised of:

- network infrastructure of \$27.9 million (December 31, 2024 - \$26.0 million) related to fibre optic development projects in Community Network Partners;
- network services equipment, including right-of-use assets in relation to leased equipment and properties, of \$1.7 million (December 31, 2024 - \$2.1 million) that relate to Network Services businesses;

- distributed power equipment of \$20.2 million (December 31, 2024 - \$20.5 million) representing equipment deployed in merchant power generation operations; and
- premises and other equipment of \$22.4 million (December 31, 2024 - \$23.6 million), comprised primarily of \$13.0 million of right of use assets in relation to the leased facilities of Go Direct Global located in Mississauga, Ontario, Calgary, Alberta, Columbus, Ohio and Reno, Nevada, \$6.1 million of related equipment of Go Direct Global, \$2.8 million of other equipment, and \$0.5 million of right of use assets in respect of Galaxy's offices located in Mississauga, Ontario and Edmonton, Alberta.

Net investment in leased distributed power equipment represents power generation assets subject to contractual lease agreements. There are five such leases in effect as at March 31, 2025 (December 31, 2024 – five leases), which were transferred from property and equipment under development and related deposits. The carrying balance of net investment in leased distributed power equipment at March 31, 2025 was \$5.2 million (December 31, 2024 - \$5.2 million).

Property and equipment under development and related deposits of \$20.2 million as at March 31, 2025 (December 31, 2024 - \$18.9 million) consists of:

- property under development of \$12.4 million comprising the carrying value of property owned by PBC that is located in Barrie, Ontario and has been rezoned for residential development;
- \$4.7 million of network services equipment under development comprised primarily of fibre optic network developments in Northern Ontario, for which we expect a material proportion of the cost will be recouped via subsidies in respect of the Ontario Connects Program and;
- \$3.1 million of power generation assets in relation to projects under development.

The balance increased by \$1.3 million compared to December 31, 2024 due to additions to real estate property under development of \$0.4 million, additions to network equipment under development of \$0.8 million and additions to power generation assets of \$0.1 million. Gross additions in the period included capitalized interest of \$0.4 million (2024 - \$0.5 million).

Liabilities

Accounts payable and other liabilities as at March 31, 2025 of \$24.8 million (December 31, 2024 - \$21.1 million) include accounts payable and accrued liabilities of \$22.0 million, a deferred compensation liability of \$0.3 million, a contingent consideration liability of \$1.0 million, income taxes payable of \$1.5 million. The balance increased by \$3.7 million in the three months ended March 31, 2025 due primarily to an increase in accounts payable.

Effective May 27, 2022, Crown entered into an agreement for a non-amortizing mortgage payable of \$11.9 million that is secured by the value of property under development, had a maturity date of January 1, 2025, and bore interest based on Prime Rate plus 570 bps (with a floor of 8.4%) per annum. During the year ended December 31, 2024, the mortgage was extended with a new maturity date of April 1, 2025 and bore interest based on Prime Rate plus 570 bps (with a floor of 11.65%) per annum which increases to 18.0% interest per annum starting March 1, 2025 until the balance is repaid. On February 26, 2025, the mortgage was further extended with a new maturity date of July 1, 2025 and bears interest based on Prime Rate plus 570 bps (with a floor of 11.65%) per annum which increases to 18.0% interest per annum starting June 1, 2025 until the balance is repaid.

Deferred revenue of \$29.7 million as at March 31, 2025 (December 31, 2024 – \$29.8 million) includes \$28.6 million (December 31, 2024 – \$28.7 million) relating to government grant funding in respect of a network infrastructure project, which will be recognized into income over the same 20 year period that the underlying network infrastructure asset will be depreciated. The Corporation recognized \$0.03 million revenue in respect of this project during the three months ended March 31, 2025.

Lease obligations of \$15.8 million at March 31, 2025 (December 31, 2024 - \$16.7 million) are comprised of \$15.3 million in respect of lease obligations of Go Direct Global and \$0.5 million of lease obligations in relation to network services equipment and properties of Galaxy and WireIE Inc., including the usage of third-party tower space through network co-location arrangements. Lease obligations outstanding largely correspond with right-of-use lease assets included in property, office equipment and network services equipment.

Credit facilities of \$14.3 million as at March 31, 2025 (December 31, 2024 – \$14.8 million) were comprised of \$15.3 million outstanding under Crown’s senior secured corporate credit facility (the “**Crown Credit Facility**”), net of deferred finance costs in relation to the Crown Credit Facility of \$1.0 million.

For further information regarding credit facilities, debentures, and subordinated debentures, refer to *Part 4 – Capitalization and Liquidity*.

Long-term debt of \$3.1 million as at March 31, 2025 (December 31, 2024 - \$3.2 million) comprises debt payable by Go Direct SCS that is carried at estimated fair value, determined as the net present value of the estimated cash flows of Go Direct SCS available to service this debt, and a loan payable to a director of the Corporation (refer to *Related Party Transactions* for details). Any change in the fair value of the debt payable by Go Direct SCS resulting from a change in estimates will be recognized as a gain/(loss) on remeasurement of financial instruments. Crown does not accrue interest expense in relation to Go Direct SCS debt.

Non-controlling Interests

Non-controlling interests in our consolidated results consist of third-party interests in Crown Power Fund, PenEquity Inc., LESC and Wilson Creek Energy. Non-controlling interests decreased by \$1.9 million from \$19.8 million as at December 31, 2024 to \$17.9 million as at March 31, 2025 due to a net loss attributable to non-controlling interests of \$0.2 million and distributions paid to non-controlling interests of \$1.7 million.

Equity

The following table presents the major contributors to the period-over-period changes for common equity:

AS AT AND FOR THE THREE MONTHS ENDED MAR. 31 (THOUSANDS)	2025	2024
Equity, beginning of period.....	\$ 8,565	\$ 38,228
Changes in period:		
Net loss attributable to Shareholders.....	(1,796)	(604)
Other comprehensive income for the period.....	3	(80)
Issuance of share capital.....	126	-
	(1,667)	(684)
Equity, end of period.....	\$ 6,898	\$ 37,544

Total equity decreased by \$1.7 million in the three months ended March 31, 2025 primarily due to a net loss attributable to Shareholders of \$1.8 million.

In the three months ended March 31, 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 \$0.1 million.

SUMMARY OF QUARTERLY RESULTS

A range of factors impact variance in quarterly results. Factors impacting distribution services revenue include the addition of new operating facilities and changes in capacity utilization and customer activity levels. Factors impacting network services revenue include the acquisition of Network Services businesses and the growth of such businesses, including the impact of new projects and of net customer additions or losses. Factors impacting fees and other income earned by our Real Estate segment include the timing of development management and leasing fees and changes in the number of property management contracts. Factors impacting our share of earnings (losses) of Crown Partners Fund include the timing of loan repayments and investment realizations and factors affecting net gains (losses) on investments, including both realized and unrealized gains (losses), such as changes in the fair value of investments carried at fair value through profit or loss (“FVTPL”) and changes in the allowance for credit loss caused by variations in the credit status of loan investments carried at amortized cost. Other notable causes of variance in quarterly results include contributions from acquired companies and assets, changes in the level of operating expenses incurred and changes in finance costs caused mainly by fluctuating levels of outstanding debt and interest rates and the timing and extent of asset impairment charges, if any.

The following table provides selected quarterly information about the Corporation’s financial condition and performance for the most recent eight quarters.

FOR THE PERIODS ENDED (THOUSANDS, EXCEPT PER SHARE AMOUNTS)	2025		2024			2023		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue:								
Distribution services revenue.....	\$ 10,786	\$ 10,215	\$ 9,083	\$ 9,368	\$ 8,209	\$ 8,223	\$ 8,915	\$ 8,882
Network services revenue.....	8,725	6,585	6,951	5,909	6,719	5,399	7,843	6,414
Fees and other income.....	1,366	1,439	1,541	1,709	2,011	1,818	1,749	1,416
Distributed power interest revenue.....	100	136	157	185	183	280	686	624
Merchant power revenue.....	142	359	143	195	604	180	67	-
Total revenue.....	21,119	18,734	17,875	17,366	17,726	15,900	19,260	17,336
Share of earnings (losses) from investments in associates.....	179	(516)	235	(17,594)	2,227	483	210	940
Net loss attributable to Shareholders.....	(1,796)	(10,921)	(2,731)	(15,153)	(604)	(8,478)	(1,807)	(1,155)
Comprehensive loss attributable to Shareholders.....	(1,793)	(11,110)	(2,688)	(15,181)	(684)	(8,386)	(1,871)	(1,121)
Adjusted EBITDA ¹	1,679	1,007	804	1,989	1,291	503	403	2,589
Total assets.....	145,535	147,014	172,361	177,016	174,619	176,654	179,002	173,872
Total equity.....	6,898	8,565	19,675	22,363	37,544	38,228	46,553	48,594
Per share:								
- Net loss to Shareholders - basic	\$ (0.32)	\$ (1.95)	\$ (0.49)	\$ (2.71)	\$ (0.11)	\$ (1.52)	\$ (0.32)	\$ (0.21)
- Net loss to Shareholders - diluted	(0.32)	(1.95)	(0.49)	(2.71)	(0.11)	(1.52)	(0.32)	(0.21)
- Total equity per share - basic	1.22	1.53	3.52	4.00	6.72	6.84	8.33	8.66

1. For a reconciliation of (Loss) income before income taxes to Adjusted EBITDA, refer to Part 7 - Non-GAAP and Other Financial Measures.

RELATED PARTY TRANSACTIONS

The Corporation earns investment management fees pursuant to management agreements. The base annual management fee for Crown Power Fund is equal to 1.0% of total capital, as defined in the limited partnership agreement for this fund, which includes the sum of invested capital net of capital distributions and realized losses plus funded debt that has been invested into qualifying investments, also as defined in the limited partnership agreement. Crown provides certain limited partners with management fee discounts and Crown may voluntarily reduce its management fees such that the effective annualized management fee rate earned by Crown from this fund is lower than the base rates specified above.

On consolidation, 100% of management fees earned from Crown Power Fund are eliminated against the management fees expensed by this fund. The non-controlling interests of Crown Power Fund incur approximately 56.8% of the management fees while Crown effectively pays itself for the remaining 43.2% as a result of its ownership interest.

These transactions between Crown and its managed investment funds are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties.

The Corporation was party to a services agreement with CPCP, in which we hold a 12.5% equity interest and one member of management holds an aggregate equity interest of 20.0%, subject to which the Corporation provided certain accounting and finance-related services for CPCP in exchange for a monthly fee that represents market rate of remuneration for such services. This services agreement terminated effective August 31, 2024.

Crown Partners Fund, in which the Corporation holds an effective interest of 28.0%, is party to an investment management agreement with CPCP subject to which CPCP provides investment management services in exchange for a monthly fee that represents market remuneration for such services.

Crown's wholly owned subsidiary, CCF III, is the general partner of NCOF LP, an investment fund that is managed by Crown and which maintains a loan investment in Go Direct SCS, another wholly owned subsidiary of Crown. As at March 31, 2025, there was an amount payable to Crown by NCOF LP of \$0.5 million (December 31, 2024 - \$0.5 million) that relates to accrued management fees.

The private placement offering of units comprised of 10% redeemable secured subordinated debentures and common share purchase warrants completed on December 29, 2023 for gross proceeds of \$1.47 million was fully subscribed by directors of the Corporation.

Included in long-term debt is a loan payable to a director of the Corporation with a principal balance of \$1.9 million (\$1.5 million USD) as at March 31, 2025 (December 31, 2024 - \$2.0 million and \$1.5 million, respectively) that features an interest rate of SOFR + 175bps per annum and quarterly principal repayments of \$0.03 million USD, and that is secured by assets included in property and equipment with a carrying value of \$2.1 million as at March 31, 2025. During the three months ended March 31, 2025, interest in respect of this loan of \$0.04 million and \$0.02 million (2024 - \$nil and \$nil) was expensed and paid, respectively.

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 \$0.1 million, with the net proceeds to be used for general working capital purposes. The offering was approved by the TSX. 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 \$0.1 million to the director in payment of fees owing pursuant to a loan agreement dated August 12, 2024 between the director and 16277811 Canada Inc. 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.

PART 3 – REVIEW OF OPERATIONS

The following section contains an overview of our operations, including separate discussions for each of our six reportable segments: distribution services, network services, specialty finance, distributed power, real estate and corporate and other.

For a discussion of revenues by type, refer to *Part 2 – Review of Consolidated Financial Results*. For more information regarding the performance of our reportable segments, refer to *Note 19 – Segment information* in our audited consolidated financial statements.

DISTRIBUTION SERVICES

Through Go Direct Global, Crown provides warehousing, distribution services and freight management services. Go Direct Global operates directly from two facilities located in Calgary, Alberta, and also operates through its wholly owned subsidiaries Go Direct America and Go Direct SCS. Go Direct America was formed in 2021 and its initial operating facilities, located in Columbus, Ohio and Reno, Nevada, commenced commercial operations in 2022. Go Direct Global’s legacy business, Go Direct SCS, operates primarily from its facility located in Mississauga, Ontario. Capacity utilization across all operating facilities was 62% as at March 31, 2025 (December 31, 2024 – 62%, September 30, 2024 – 62%, June 30, 2024 – 58%; March 31, 2024 - 52%).

Whereas the earnings and cash flows generated by Go Direct America and Go Direct Global, on a non-consolidated basis, accrue in full to Crown, Crown does not anticipate directly accruing any financial benefit from its 100% equity ownership interest in Go Direct SCS. We anticipate that all cash flows of Go Direct SCS for the foreseeable future will be applied in service of a pre-existing debt, such that we do not expect any of its future cash flows will accrue to Crown. As a 100%-owned subsidiary, the net assets and operating results of Go Direct SCS are consolidated in the financial results of Crown. Notably, long-term debt of \$1.2 million as at March 31, 2025 (December 31, 2024 - \$1.2 million) represents debt payable by Go Direct SCS measured at fair value, which is determined as the net present value of the estimated cash flows of Go Direct SCS available to service this debt. Any change in the fair value of this long-term debt resulting from a change in estimates will be recognized as a gain or loss on remeasurement of financial instruments. Crown does not accrue interest expense in relation to this long-term debt.

Select financial information pertaining to the distribution services segment as at and for the three months ended March 31, 2025 and 2024 is presented below:

AS AT AND FOR THE THREE MONTHS ENDED MAR. 31 (THOUSANDS)	Distribution Services Segment		
	2025	2024	Change
Assets.....	\$ 30,085	\$ 33,038	\$ (2,953)
Less: Liabilities.....	21,229	25,967	(4,738)
Net assets.....	8,856	7,071	1,785
Revenues.....	10,786	8,209	2,577
Cost of distribution services revenue.....	6,532	4,941	1,591
Depreciation and amortization.....	1,675	1,496	179
Finance costs.....	356	451	(95)
Income (loss) before income taxes.....	414	(528)	942
Adjusted EBITDA ¹	976	179	797

1. For a reconciliation of income (loss) before income taxes to Adjusted EBITDA, refer to *Part 7 - Non-GAAP and Other Financial Measures*.

For the three months ended March 31, 2025, Adjusted EBITDA from the Distribution Services segment was \$1.0 million (2024 – \$0.2 million), representing a year-over-year improvement of \$0.8 million due primarily to the realization of the impact of operational efficiencies implemented throughout 2024 and increased utilization in the Columbus and Reno warehouses.

Outlook

We anticipate that Go Direct Global will experience revenue and earnings growth in the near term due to both increased capacity utilization of its Columbus, Ohio facility and from the ramp up of operations at its facility in Reno, Nevada, which commenced commercial operations in the fourth quarter of fiscal 2022.

In addition to an emphasis on establishing operating excellence across the organization through its current growth phase, our focus in respect of Go Direct Global is currently on securing additional customer commitments in order to increase the capacity utilization of its existing logistics facilities and, potentially, to support investment in additional facilities throughout North America.

NETWORK SERVICES

Through its Galaxy, WireIE Inc. and Community Network Partners subsidiaries, Crown provides network connectivity to customers in underserved markets. Collectively, we refer to the operations of these subsidiaries as our network services segment (“**Network Services**”).

Through wholly-owned Galaxy, an Ontario-based, satellite-focused network services company, Crown provides connectivity to remote and underserved enterprise customers across Canada. Through WireIE Inc., a wholly owned subsidiary, Crown owns and operates broadband networks that deliver reliable, scalable and secure network availability to businesses in underserved markets. Through Community Network Partners, a wholly-owned subsidiary, Crown provides connectivity to small, underserved communities across Canada, with certain of those community network projects structured to enable the subject communities to participate in the capital funding and subsequent profit sharing associated with their local projects. Through Inuknet, an investment in associate, Crown builds networks to provide high-speed internet to municipalities, regions and Inuit communities in Nunavut.

Revenue earned by Network Services businesses includes network services revenue, comprised of contractual revenue related to the access and usage of telecommunications infrastructure in addition to revenue from professional services, network support, maintenance and repair services, and hardware sales.

Select financial information pertaining to the Network Services segment as at and for the three months ended March 31, 2025 and 2024 is presented below:

AS AT AND FOR THE THREE MONTHS ENDED MAR. 31 (THOUSANDS)	Network Services Segment		
	2025	2024	Change
Assets.....	\$ 52,648	\$ 40,104	\$ 12,544
Less: Liabilities.....	44,973	19,861	25,112
Net assets.....	7,675	20,243	(12,568)
Revenues.....	8,725	6,719	2,006
Share of earnings from investments in associates.....	76	-	76
Cost of network services revenue.....	5,627	3,943	1,684
Depreciation and amortization.....	1,044	916	128
Finance costs.....	21	26	(5)
Income (loss) before income taxes.....	177	(32)	209
Adjusted EBITDA ¹	1,102	851	251

1. For a reconciliation of income (loss) before income taxes to Adjusted EBITDA, refer to *Part 7 - Non-GAAP and Other Financial Measures*.

For the three months ended March 31, 2025, Adjusted EBITDA from the Network Services segment was \$1.1 million (2024 - \$0.9 million) with the increase primarily attributable to increased revenues.

Outlook

On May 9, 2022, we announced that Community Network Partners had been selected as an Internet Service Provider under the Ontario Connects Program. The aim of the program is to make reliable, high-speed internet connectivity available to every region in Ontario by the end of 2025. The maximum subsidy available to Community Network Partners under this program is approximately \$150 million, which is expected to be a material proportion of the network cost. We plan to construct this network by connecting a series of separately identified regions (“sublots”). Construction and testing of the first subplot was completed in Q4 2023 and the related subsidy of \$8.5 million was received in Q1 2024. Construction and testing of the second subplot was completed in Q2 2024 and the related subsidy of \$20.3 million was received in Q3 2024. Both subsidies are initially recorded as deferred revenue and the Corporation recognized \$0.03 million of revenue related to the deferred subsidies during the three months ended March 31, 2025. In 2025, we expect to continue with construction of additional sublots and to commence sales of internet services to customers in completed sublots.

On February 2, 2023, we announced that Galaxy had entered into a five-year purchase commitment for the use of broadband network infrastructure with OneWeb to deliver low Earth orbit (“LEO”) connectivity solutions across Canada. Galaxy has an aggregate commitment with respect to its purchase of LEO connectivity solutions of \$71.5 million, based on a \$49.8 million U.S. dollar-denominated purchase commitment over five years. To date, the commercialization of this LEO connectivity solution as a complement to the geostatic satellite solutions traditionally offered by Galaxy has lagged our original expectations as a result of the vendor continuing to be incapable of delivering at service levels required under the purchase commitment, resulting in our expectation of constrained near-term growth in the revenues and earnings of Galaxy. Furthermore, future growth is not expected to reach levels required to sustain purchasing requirements under the original agreement. Due to these significant performance issues, management is of the position that this purchase commitment is no longer enforceable and is in the process of seeking full and final release from this commitment with the vendor.

On July 17, 2023, we announced that Community Network Partners had entered into a partnership with YTN Telecom Network Inc. (“YorkNet”) to finance, construct and operate an advanced optical fibre network to provide high-speed internet in The Regional Municipality of York. Community Network Partners has committed to invest \$15 million over a four-year period in respect of this partnership and expects to achieve an addressable market of approximately 14,000 customers.

SPECIALTY FINANCE

As at March 31, 2025, our specialty finance segment is comprised of our effective 28.0% (December 31, 2024 – 28.0%) limited partnership interest and our 100% (December 31, 2024 – 100%) general partnership interest in Crown Partners Fund, which is classified as an investment in associate, and a 12.5% (December 31, 2024 – 12.5%) equity interest in CPCP which is classified as an investment.

Select financial information pertaining to the Specialty Finance segment as at and for the three months ended March 31, 2025 and 2024 is presented below:

AS AT AND FOR THE THREE MONTHS ENDED MAR. 31 (THOUSANDS, UNLESS OTHERWISE NOTED)	Specialty Finance Segment		
	2025	2024	Change
Assets.....	\$ 2,480	\$ 26,566	\$ (24,086)
Less: Liabilities	-	4,015	(4,015)
Net assets.....	<u>2,480</u>	<u>22,551</u>	<u>(20,071)</u>
Revenues.....	-	4	(4)
Share of earnings from investments in associates.....	103	2,227	(2,124)
Income before income taxes.....	103	1,749	(1,646)
Adjusted EBITDA ¹	3	4	(1)

1. For a reconciliation of income (loss) before income taxes to Adjusted EBITDA, refer to *Part 7 - Non-GAAP and Other Financial Measures*.

Additional information pertaining to Crown Partners Fund:

Net assets attributable to limited partners - carrying value ¹	9,417	66,749	(57,332)
Net assets attributable to limited partners - fair value ²	11,937	66,749	(54,812)
Net assets attributable to general partner - carrying value and fair value ³	-	7,065	(7,065)
Crown's share of earnings attributable to limited partners.....	103	2,137	(2,034)
Crown's share of earnings attributable to the general partner.....	-	846	(846)
Crown's effective limited partnership interest.....	28.0%	28.0%	-

1. Represents the total carrying value of net assets as reported by Crown Partners Fund in accordance with IFRS.

2. Represents the total fair value of net assets attributable to limited partners as determined by its investment manager.

3. Fair value is equal to carrying value, which is determined based upon the fair value of net assets attributable to limited partners.

In the three months ended March 31, 2025, the carrying value of net assets attributable to limited partners of Crown Partners Fund increased by \$0.04 million (2024 – \$4.5 million). For more information regarding our investment in Crown Partners Fund, refer to *Note 6 – Investments in Associates* in our unaudited consolidated interim financial statements.

The Corporation's share of earnings of Crown Partners Fund in the three months ended March 31, 2025 totaled \$0.1 million (2024 – \$2.2 million).

For the three months ended March 31, 2025, Adjusted EBITDA from the Specialty Finance segment was \$0.003 million (2024 - \$0.004 million).

Outlook

Following the expiration of the investment term of Crown Partners Fund on December 31, 2021, the fund will no longer make new investments and the proceeds of all repayments and realizations of invested assets will be returned to limited partners upon receipt by the fund. The exact timing of such repayments and realizations, and therefore of the related capital return distributions to limited partners, including Crown, is unpredictable.

We do not plan to make any new loan investments.

DISTRIBUTED POWER

Crown participates in the distributed power market through its partially owned subsidiary Crown Power Fund, an investment fund established in June 2018. Crown Power Fund invests directly in power generation assets that produce electricity either under long-term contracts to mid- to large-scale electricity users or for sale in the wholesale energy market. Crown holds a 43.2% limited partnership interest in Crown Power Fund through CCFC, a wholly owned subsidiary.

Crown acts as investment manager of Crown Power Fund and, through a wholly owned subsidiary, is also the general partner of Crown Power Fund. In addition to revenues earned by the Corporation in relation to its partial ownership of Crown Power Fund, Crown also earns fees from non-controlling interests in relation to its management of Crown Power Fund (see *Part 2 – Review of Consolidated Financial Results – Related Party Transactions*).

Crown also holds partial interests, both directly and through Crown Power Fund, in multiple operating partners of Crown Power Fund (“**Operating Partners**”). Operating Partners are entities engaged exclusively in sourcing, designing, constructing and operating distributed power projects on behalf of Crown Power Fund. The arrangements with each Operating Partner involve the granting of ownership interests in the Operating Partner to each of Crown and Crown Power Fund for nominal consideration.

Select financial information pertaining to the distributed power segment as at and for the three months ended March 31, 2025 and 2024 is presented below:

AS AT AND FOR THE THREE MONTHS ENDED MAR. 31 (THOUSANDS)	Distributed Power Segment		
	2025	2024	Change
Assets.....	\$ 32,007	\$ 40,376	\$ (8,369)
Less: Liabilities excl. non-controlling interests.....	342	255	87
Less: Non-controlling interests.....	17,791	23,052	(5,261)
Net assets.....	13,874	17,069	(3,195)
Revenues.....	253	795	(542)
Depreciation and amortization.....	273	275	(2)
Loss before income taxes.....	(209)	3	(212)
Adjusted EBITDA ¹	(86)	131	(217)

1. For a reconciliation of income (loss) before income taxes to Adjusted EBITDA, refer to *Part 7 - Non-GAAP and Other Financial Measures*.

As at March 31, 2025, Crown Power Fund’s aggregate equipment-related investment was carried at \$30.1 million (December 31, 2024 - \$33.5 million) including amounts invested in distributed power equipment under development and related deposits (\$3.1 million), distributed power equipment (\$20.2 million, included in property and equipment) and net investment in leased distributed power equipment (\$5.2 million) and distributed power equipment assets held for sale (\$1.6 million).

For the three months ended March 31, 2025, Adjusted EBITDA from the Distributed Power segment was \$(0.09) million (2024 - \$0.1 million), representing a year-over-year decrease of \$0.2 million due primarily to a loss from the operations of the Wilson Creek merchant power project.

As at March 31, 2025, a total of seven distributed power projects with an aggregate carrying value of \$25.4 million owned by Crown Power Fund are operational, of which five projects with an aggregate carrying value of \$5.2 million are included in net investment in leased distributed power equipment and two projects with a carrying value of \$20.2 million, primarily representing the value of the Wilson Creek project, are included in property and equipment.

Crown Power Fund’s Wilson Creek merchant power project in Alberta commenced commercial operations during Q3 2023. Revenues from merchant power for the three months ended March 31, 2025 were \$0.1 million (2024 - \$0.6 million). Merchant power revenue tends to be seasonally stronger during periods of peak power demand in the winter

and summer seasons. Merchant power revenues were lower than expected in the first quarter of 2024 due to softer power prices in the Alberta market.

In addition to existing projects under lease or otherwise in operation, Crown Power Fund has four additional projects under development at various stages of completion. The completion of certain projects has been delayed for various reasons, including delays in achieving utility interconnection and commissioning.

Outlook

We remain focused on advancing existing projects through to completion. Our ongoing efforts to seek liquidity for certain of the segment's assets classified as assets held for sale resulted in equipment sales proceeds of \$3.3 million during the three months ended March 31, 2025. We anticipate that Crown Power Fund's Wilson Creek project will generate a higher level of profitability in the near term, with both the level and pricing of power produced dependent primarily upon prevailing Alberta power prices.

REAL ESTATE

Crown participates in the real estate development market through its ownership of PSCC and PBC, which were both acquired from PenEquity Realty. The assets of PSCC primarily include land adjacent to a grocery-anchored community retail plaza located in Stoney Creek, Ontario that has been zoned for commercial development. The assets of PBC are primarily comprised of land adjacent to a retail plaza in Barrie, Ontario that has been rezoned for residential development.

PenEquity Inc. provides advisory and asset management services in respect of large-scale retail, entertainment and mixed-use properties. In addition, PenEquity Inc. provides all services and receives all fees in respect of a property development contract in which PenEquity Realty is contracted to provide development services.

Select financial information pertaining to the real estate segment as at and for the three months ended March 31, 2025 and 2024 is presented below:

AS AT AND FOR THE THREE MONTHS ENDED MAR. 31 (THOUSANDS)	Real Estate Segment		
	2025	2024	Change
Assets.....	\$ 26,702	\$ 31,888	\$ (5,186)
Less: Liabilities excl. non-controlling interests.....	13,279	13,276	3
Less: Non-controlling interests.....	66	81	(15)
Net assets.....	13,357	18,531	(5,174)
Revenues.....	1,009	1,583	(574)
Depreciation and amortization.....	169	169	-
(Loss) income before income taxes.....	(30)	744	(774)
Adjusted EBITDA ¹	88	862	(774)

1. For a reconciliation of income (loss) before income taxes to Adjusted EBITDA, refer to *Part 7 - Non-GAAP and Other Financial Measures*.

Operations of PenEquity Inc. contributed a net loss before taxes of \$(0.03) million (2024 – net income before taxes of \$0.7 million).

For the three months ended March 31, 2025, Adjusted EBITDA from the Real Estate segment was \$0.09 million (2024 –\$0.9 million), representing a year-over-year decrease of \$0.8 million attributable primarily to reduced property construction and development services revenues due to the timing of fees and construction delays.

Outlook

In June 2023, the City of Barrie approved a rezoning of PBC's property located in Barrie, Ontario to permit the construction of a project comprised of three mid-rise multi-residential buildings. We are currently exploring options to maximize the value of the property, including selling the property or developing the property using the development team of our subsidiary, PenEquity Inc. We have interest from a buyer to purchase a portion of the real estate property of PSCC located in Stoney Creek, Ontario and anticipate the sale will close in 2025. The PSCC real estate property is included in assets held for sale as at March 31, 2025.

We do not anticipate recognizing revenue in respect of PBC while the property remains under development.

From PenEquity Inc., we anticipate continued year-over-year earnings improvements for fiscal 2025 due to both modest revenue growth in relation to its property management activities and an increase in property development revenues in relation to existing contracts.

CORPORATE AND OTHER

Our corporate and other segment includes our subsidiary Lumbermens, an Ontario-based credit reporting company, as well as assets, liabilities, revenues and expenses that are not directly related to any of our other five reportable segments. Accordingly, expenses of the corporate and other segment include finance costs, salaries and benefits expense in relation to executives and staff that are not directly affiliated with or otherwise allocated to any of the other five reportable segments, share-based compensation expense, costs related to the premises and operations of our corporate offices, professional fees that do not relate directly to other segments, costs related to maintaining Crown's status as a public company, etc. Total liabilities of the corporate and other segment include balances recognized in respect of each of the Crown Credit Facility, the Convertible Debentures and the Subordinated Debentures.

Select financial information pertaining to the corporate and other segment as at and for the three months ended March 31, 2025 and 2024 is presented below:

AS AT AND FOR THE THREE MONTHS ENDED MAR. 31 (THOUSANDS)	Corporate and Other Segment		
	2025	2024	Change
Assets.....	\$ 1,613	\$ 2,647	\$ (1,034)
Less: Liabilities.....	40,957	50,568	(9,611)
Net liabilities.....	(39,344)	(47,921)	8,577
Revenues.....	346	416	(70)
Depreciation and amortization.....	77	64	13
Finance costs.....	1,613	1,580	33
Loss before income taxes.....	(1,991)	(2,242)	251
Adjusted EBITDA ¹	(402)	(736)	334

1. For a reconciliation of income (loss) before income taxes to Adjusted EBITDA, refer to *Part 7 - Non-GAAP and Other Financial Measures*.

For the three months ended March 31, 2025, Adjusted EBITDA from the Corporate and Other segment was a loss of \$(0.4) million (2024 –\$(0.7) million), with a \$0.3 improvement over the prior year due to cost reduction measures in reducing salaries and wages expense.

PART 4 – CAPITALIZATION AND LIQUIDITY

CAPITALIZATION

We review the components of our capitalization in the following sections.

*Corporate Capitalization*¹ – reflects our issued and outstanding Subordinated Debentures, Debentures and Equity and the amount of debt issued by the Corporation excluding amounts in relation to its subsidiaries Crown Power Fund, Galaxy, WireIE Inc., Community Network Partners, PSCC, PBC, Lumbermens, Go Direct Global, and PenEquity Inc. Corporate debt includes amounts drawn upon the Crown Credit Facility, net of the unamortized balance of related deferred finance costs. At March 31, 2025, our corporate capitalization was \$49.2 million (December 31, 2024 - \$51.2 million).

Consolidated Capitalization – reflects the full capitalization of wholly owned and partially owned entities that we consolidate in our financial statements and is equal to total liabilities plus total equity in our consolidated statements of financial position. At March 31, 2025, consolidated capitalization decreased compared with December 31, 2024 due primarily to an increase in accumulated deficit and decreases in corporate borrowings, lease obligations, and non-controlling interests, partially offset by increases in accounts payable and other liabilities and share capital. At March 31, 2025, our consolidated capitalization was \$145.5 million (December 31, 2024 - \$147.0 million).

*Our Share of Capitalization*¹ – reflects our proportionate exposure of debt and equity balances in consolidated entities.

The following table presents our capitalization on a consolidated, corporate and our share basis:

	Ref.	Corporate Capitalization ¹		Consolidated Capitalization		Our Share of Capitalization ¹	
		2025	2024	2025	2024	2025	2024
AS AT MAR. 31, 2025 AND DEC. 31, 2024 (THOUSANDS)							
Corporate borrowings.....	i	\$ 14,255	\$ 14,791	\$ 14,255	\$ 14,791	\$ 14,255	\$ 14,791
Accounts payable and other liabilities.....		4,768	4,723	54,469	50,945	53,536	50,130
Lease obligations.....		-	-	15,786	16,687	15,786	16,687
Mortgage payable.....		-	-	11,900	11,900	11,900	11,900
Long-term debt.....		1,920	1,954	3,146	3,179	3,145	3,179
Debentures.....	ii	19,758	19,713	19,758	19,713	19,758	19,713
Subordinated debentures.....	iii	1,466	1,433	1,466	1,433	1,466	1,433
Non-controlling interests.....		-	-	17,857	19,801	-	-
Equity							
Share capital.....		47,946	47,820	47,946	47,820	47,946	47,820
Contributed surplus.....		15,728	15,728	15,728	15,728	15,728	15,728
Translation reserve.....		(154)	(157)	(154)	(157)	(154)	(157)
Deficit.....		(56,622)	(54,826)	(56,622)	(54,826)	(56,622)	(54,826)
Total equity.....	iv	6,898	8,565	6,898	8,565	6,898	8,565
Total capitalization.....		\$ 49,065	\$ 51,179	\$ 145,535	\$ 147,014	\$ 126,744	\$ 126,398

¹ Corporate Capitalization and Our Share of Capitalization are not standard measures under IFRS and may not be comparable to similar measures reported by other entities. Refer to *Part 7 – Non-GAAP and Other Financial Measures* for more information.

i. Corporate Credit Facility

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 \$43.5 million. 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 \$15.0 million (“Crown Credit Facility”) with Sandton. The Crown Credit Facility is comprised of a non-amortizing term loan of \$15.0 million, which was advanced in full upon closing, of which proceeds were used primarily to fully repay and terminate the CWB 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 \$10.0 million of principal by March 31, 2026, and a customary set of covenants. As at March 31, 2025, \$1.4 million of the Crown Credit Facility has been repaid, including \$1.2 million of principal, and the amount of principal due by March 31, 2026 is \$8.8 million.

As of March 31, 2025, \$15.3 million (December 31, 2024 - \$15.8 million) was outstanding on the Crown Credit Facility. 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 March 31, 2025 was \$94.8 million. The carrying value of the Crown Credit Facility at March 31, 2025 of \$14.3 million was comprised of gross advances of \$15.0 million, plus capitalized fees and interest of \$1.7 million, net of repayments of \$1.4 million and unamortized deferred financing costs of \$1.0 million (December 31, 2024 - \$14.8 million, \$15.0 million, \$0.8 million, \$nil, \$1.0 million, respectively). As of both March 31, 2025 and the date when Crown’s unaudited condensed consolidated interim financial statements for the three months ended March 31, 2025 and 2024 were approved by the Corporation’s Board of Directors, the Corporation was in compliance with the terms of the Crown Credit Facility.

ii. Debentures

On July 13, 2018, Crown issued \$20.0 million of convertible unsecured debentures that bore interest at a rate of 6.0% per annum, payable semi-annually in arrears on June 30 and December 31 of each year, with a maturity date of June 30, 2023 and a conversion price of \$13.70 per Common Share (the “**Convertible Debentures**”). Net of issuance costs, the Corporation received net proceeds of \$18.7 million from the issuance of the Convertible Debentures.

Effective June 30, 2023, as approved by the Debentureholders, the terms of the Convertible Debentures were amended to (i) extend the maturity of the Convertible Debentures from June 30, 2023 to December 31, 2024; (ii) amend the interest rate on the Convertible Debentures from 6% to 10%; (iii) remove the conversion rights of the Debentureholders; and (iv) remove the right of the Corporation to repay the principal amount of the Convertible Debentures in Common Shares on the new maturity date or any redemption date. Effective June 30, 2023, the Convertible Debentures have been 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 \$30.0 million and is rank pari passu with any indebtedness expressly stated to rank pari passu with the Debentures.

The Debentures are direct, unsecured obligations of the Corporation that are subordinated to the Credit Facility.

We provide additional detail regarding the Debentures in *Note 13 – Debentures* of the unaudited consolidated interim financial statements.

iii. Subordinated Debentures

On December 29, 2023, the Corporation issued 1,500 units at a price of \$980 per unit for net proceeds of \$1.47 million. Each of these units was comprised of 10.0% redeemable secured subordinated debentures with a face value of \$1,000 per unit and a maturity date of June 30, 2025 (the “**Subordinated Debentures**”) plus 50 common share purchase warrants with an exercise price of \$7.00 per Common Share and a three-year exercise period. This issuance was fully subscribed by directors of the Corporation.

Interest on the Subordinated Debentures is payable semi-annually in arrears on June 30 and December 31 of each year. The Subordinated Debentures are direct, secured obligations of the Corporation that are subordinated to the Crown Credit Facility.

iv. Equity

We provide a continuity of each component of equity in the consolidated statements of changes of equity included in our audited consolidated financial statements. For discussion, please refer to *Part 2 – Review of Consolidated Financial Results – Equity*.

Issued and Outstanding Shares

Changes in the number of issued and outstanding Common Shares during the periods are as follows:

AS AT AND FOR THE THREE MONTHS ENDED MAR. 31 (THOUSANDS)	2025	2024
Outstanding at beginning of period.....	5,588	5,588
Issue of shares.....	84	-
Outstanding at end of period.....	5,672	5,588
Total diluted shares at end of period.....	5,672	5,588

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 \$0.1 million, 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 \$0.1 million to the director in connection with a loan agreement dated August 12, 2024 between the director and 16277811 Canada Inc. 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.

The total number of Common Shares outstanding at March 31, 2025 was 5,672,646 (December 31, 2024 – 5,588,646; May 7, 2025 – 5,672,646).

LIQUIDITY

Liquidity and Capital Resources

The Corporation defines working capital as total current assets less total current liabilities. As at March 31, 2025, the Corporation had negative working capital of \$(11.4) million compared with positive \$3.6 million as at December 31, 2024. The change compared with December 31, 2024 is primarily due to the current portion of the Crown Credit Facility of \$8.8 million and increase in accounts payable and accrued liabilities of \$3.5 million.

The Corporation seeks further improvements in its liquidity through sustained and increased cash flows from its operating businesses, realization of proceeds through dispositions of assets, and negotiation of operating credit facilities to support its operations, capital investments and financial commitments. However, there is no assurance that such arrangements will become available, that the Corporation will be able to achieve and maintain positive cash flow from operations and/or realize proceeds from the disposition of assets.

Management takes measures to further bolster the Corporation's liquidity by actively managing liquidity risk through the active monitoring of budgeted and projected results and cash requirements.

Off-Balance Sheet Arrangements and Unfunded Commitments

Uncalled Commitments to Managed Investment Funds

The Corporation, through its wholly owned subsidiary CCFC, has subscribed for limited partnership units in several investment funds managed or formerly managed by the Corporation, namely Crown Partners Fund, CCF IV Investment LP and Crown Power Fund. Through its ownership of these limited partnership units, the Corporation has made contractual commitments to contribute funds to each of these entities up to a prescribed maximum value per unit, as called by the respective general partners of these investment funds. The table below summarizes the total capital commitment of the Corporation to each investment fund, as well as the uncalled portion of such capital commitments as at each of March 31, 2025 and March 31, 2024.

AS AT MAR. 31 (THOUSANDS, EXCEPT UNITS)	2025			2024
	Units Subscribed by CCFC	Capital Commitment	Uncalled Capital Commitment	Uncalled Capital Commitment
Crown Partners Fund.....	76,869	\$ 61,495	\$ 15,374	\$ 15,374
CCF IV Investment LP.....	3,270	2,600	654	654
Crown Power Fund.....	25,000	21,581	2,102	-
Total.....			\$ 18,130	\$ 16,028

The investment period of each of Crown Partners Fund and CCF IV Investment LP expired on December 31, 2021, and the assets of these funds will be managed down with a view to dissolving the funds in an orderly fashion prior to the end of their terms on September 30, 2025. After the December 31, 2021 expiration of the investment period of these funds, additional committed capital may be called but only to the extent required for certain purposes including to cover operating deficits and, to a maximum of 20% of committed capital, to make follow-on investments. We do not expect any future funding requirements in respect of Crown's uncalled capital commitments to Crown Partners Fund and CCF IV Investment LP.

Other Unfunded Commitments

The Corporation, through Community Network Partners, is party to surety bonds totaling \$163.5 million. These bonds are security agreements necessary to support Community Network Partners' participation as an internet service provider under the Ontario Connects Program through which the maximum subsidy available to Community Network Partners is approximately \$150.0 million.

As at March 31, 2025, the Corporation, through Galaxy, has an aggregate commitment with respect to its use of broadband network infrastructure of \$75.5 million over a five-year period, inclusive of an aggregate commitment denominated in U.S. dollars of US\$2.5 million. Due to significant performance issues, management is of the position that the purchase commitment with OneWeb, comprising the majority of the aggregate commitment, is no longer enforceable and is in the process of seeking full and final release from this commitment with the vendor.

The Corporation, through Community Network Partners, has a commitment to invest a total of \$15.0 million over a four-year period ending in 2028 in a partnership with YorkNet to finance, construct and operate an advanced optical

fibre network to provide high-speed internet in The Regional Municipality of York. As of March 31, 2025, \$1.9 million has been paid towards this commitment and \$13.1 million remains unpaid.

Through WireIE Inc., the Corporation had \$0.6 million in backhaul commitments relating to its use of broadband network infrastructure as at March 31, 2025.

As at March 31, 2025, Crown Power Fund had committed to contracts valued at \$4.4 million in relation to the construction of power generation assets, of which \$3.3 million was paid and included in property and equipment under development and related deposits and \$1.1 million was unpaid.

The Corporation has guaranteed the repayment of loans by a third-party financial institution pursuant to its executive share purchase plan to participants in this plan (“**Share Purchase Plan Participants**”) which totaled \$0.5 million as at March 31, 2025 (December 31, 2024 - \$0.6 million), and which are secured by Common Shares owned by Share Purchase Plan Participants with a value of \$0.5 million as at March 31, 2025 (December 31, 2024 - \$0.6 million).

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.

Crown has no other material off-balance sheet arrangements.

REVIEW OF THE CONSOLIDATED STATEMENTS OF CASH FLOWS

The following table summarizes the consolidated statements of cash flows within our consolidated financial statements:

FOR THE THREE MONTHS ENDED MAR. 31 (THOUSANDS)	2025	2024
Operating activities.....	\$ 1,784	\$ 9,821
Investing activities.....	(161)	(5,653)
Financing activities.....	(3,451)	(3,513)
Effect of foreign exchange rate difference on cash.....	2	(1)
Increase in cash and cash equivalents.....	\$ (1,826)	\$ 654

Operating Activities

Cash provided by operations totaled \$1.8 million in the three months ended March 31, 2025 compared with \$9.8 million in the three months ended March 31, 2024. The \$8.0 million variance compared with the prior-year period was due primarily to the net collection of accounts receivable and the corresponding increase in deferred revenue related to government subsidies under the Ontario Connects Program in 2024.

Investing Activities

Cash used in investing activities totaled \$0.2 million in the three months ended March 31, 2025 compared with \$5.7 million in the three months ended March 31, 2024. Compared with the prior-year period, a reduction in additions to property and equipment under development and related deposits and proceeds from the sale of certain assets held for sale were the main contributors to the decrease in cash used in investing activities.

Financing Activities

Cash used in financing activities totaled \$3.5 million in the three months ended March 31, 2025 compared with \$3.5 million in the three months ended March 31, 2024. The primary financing-related uses of cash in the three months ended March 31, 2025 included repayments in respect of the Crown Credit Facility, payments in respect of lease obligations and financing costs, and distributions paid by Crown Power Fund to non-controlling interests.

Effect of Foreign Exchange Rate Difference on Cash

The effect of the foreign exchange rate difference on cash of \$0.002 million (March 31, 2024 - \$(0.001) million) represents the impact of the translation of monetary transactions denominated in U.S. dollars in respect Go Direct America, a wholly owned foreign operation of Crown with a functional currency that is different from Crown's presentation currency.

PART 5 – ACCOUNTING POLICIES AND INTERNAL CONTROLS

ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

Overview

This MD&A of the consolidated operating and financial performance of the Corporation for the three months ended March 31, 2025 is prepared as of May 7, 2025. This discussion is the responsibility of management and should be read in conjunction with the Corporation's March 31, 2025 unaudited condensed consolidated interim financial statements and the notes thereto, prepared in accordance with IFRS, and other public filings available on SEDAR+ at www.sedarplus.ca. The board of directors has approved this MD&A. All amounts therein are expressed in Canadian dollars unless otherwise indicated.

Critical Estimates and Accounting Policies

The preparation of the audited consolidated 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.

Information about judgments, assumptions and estimation uncertainties that have the most significant effect on the amounts recognized in the audited consolidated financial statements for the three months ended March 31, 2025 are included in the following notes in those financial statements:

- Note 3 – Material accounting policies;
- Note 4 – Assets held for sale;
- Note 6 – Investments in associates;
- Note 7 – Customer contracts;
- Note 8 – Property and equipment;
- Note 9 – Property and equipment under development and related deposits;

Additional information about critical estimates and accounting policies can be found in the Corporation's 2024 audited consolidated financial statements and notes thereto and other public filings available on SEDAR+ at www.sedarplus.ca.

Material accounting policies adopted in the period:

There were no new accounting policies adopted in the period.

Accounting standards issued but not yet effective:

IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after January 1, 2027. The new standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operation and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures ("MPMs") are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Corporation is in the process of assessing the impact of the new standard, particularly with respect to the structure of the statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Corporation is also assessing the impact on how information is grouped in the financial statements.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS

The Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) are responsible for establishing and maintaining disclosure controls and procedures (“DC&P”) and internal control over financial reporting (“ICFR”), as those terms are defined in National Instrument 52-109 - *Certification of Disclosure in Issuers’ Annual and Interim Filings*. The CEO and CFO have designed, or caused to be designed under their direct supervision, Crown’s DC&P to provide reasonable assurance that:

- material information relating to Crown, including its consolidated subsidiaries, is made known to them by others within those entities, particularly during the period in which the annual filings are being prepared; and
- information required to be disclosed in the annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported on a timely basis.

The CEO and CFO have also designed, or caused to be designed under their direct supervision, Crown’s ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The ICFR have been designed using the control framework established in Internal Control – Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013.

The CEO and CFO have evaluated the design and operating effectiveness of Crown’s DC&P and ICFR and concluded that Crown’s DC&P and ICFR were effective as at March 31, 2025. While Crown’s CEO and CFO believe that the Corporation’s internal controls and procedures provide a reasonable level of assurance that such controls and procedures are reliable, an internal control system cannot prevent all errors and fraud. It is management’s belief that any control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

There were no changes in Crown’s ICFR during the three months ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, Crown’s ICFR.

PART 6 – RISKS AND FORWARD-LOOKING STATEMENTS

RISK FACTORS

Crown operates in a dynamic environment that involves various risks, many of which are beyond Crown's control and which could have an effect on Crown's business, revenues, operating results and financial condition.

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset, including the Crown Credit Facility, the Debentures, the Subordinated Debentures, and mortgage payable. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or negatively impacting shareholder value. Certain obligations in respect of the provision for performance bonuses and non-controlling interests only become due as the related investment fund's assets are liquidated and liquidation proceeds are received, and as such, there is no associated liquidity risk.

As at March 31, 2025, the Corporation had negative working capital of \$(11.4) million. The mortgage payable has a balance of \$11.9 million and a maturity date of July 1, 2025, and is expected to be partially repaid upon the partial sale of the real estate property held by PSCC in Stoney Creek, Ontario during 2025 with the residual balance to remain as a mortgage on the property located in Barrie, Ontario. As at March 31, 2025, the Crown Credit Facility has a balance of \$14.3 million and a maturity date of December 18, 2026 with a requirement to repay at least \$8.8 million of additional principal by March 31, 2026, the Debentures have a balance of \$19.7 million and maturity date of December 31, 2026, and the Subordinated Debentures have a balance of \$1.3 million and a maturity date of June 30, 2025. While we plan to repay a portion of and seek a further extension of the term of the mortgage payable, extend the maturity date of the liability underlying the Subordinated Debentures, and to obtain credit arrangements that provide appropriate capacity and flexibility that align with its anticipated financial performance and operations such that it can meet its financial obligations and financial commitments, there is risk to achieving each of these desired outcomes.

A risk that is common among our associate Crown Partners Fund, Crown Power Fund and our Network Services and Distribution Services businesses is credit risk. Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Corporation's investments in debt securities and its investment in Crown Partners Fund. Most of the debt instruments held indirectly by the Corporation through its associate Crown Partners Fund, are unrated and all are relatively illiquid. Repayments are dependent on the ability of the underlying businesses to generate sufficient cash flow from operations, refinancings or the sale of assets or equity. Although Crown intends to offer long-term power supply contracts, network services contracts and distribution services contracts only to clients with a history of profitability, there can be no assurance that its counterparties will not default and that Crown will not sustain a loss as a result.

The primary risk factor for our associate Crown Partners Fund is credit risk, being the potential inability of one or more of its portfolio companies to meet their debt obligations to Crown Partners Fund. Through its ownership of equity and equity-related securities, Crown Partners Fund is also exposed to market price risk, which is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. A reduction in the value of the debt and/or equity-related investments held by Crown Partners Fund would reduce the value of both components of Crown's investment in associate, represented by its limited partnership and general partnership interests in Crown Partners Fund, and could reduce the level of distributions received by Crown in the future from Crown Partners Fund.

The primary risk factors for Crown Power Fund are credit risk, being the potential inability of counterparties to long-term power supply contracts to meet their obligations to Crown Power Fund, power price variability, which impacts the profitability of Crown Power Fund's merchant power project, and the risk of finding of a suitable market for power equipment held for sale.

The primary risk factor for Network Services businesses is contract cancellation risk, being the risk that an above-normal level of existing term contracts is not renewed and extended at maturity and that existing month-to-month contracts are canceled at an above-normal pace. To the extent that the level of network services revenue added through the establishment of new customer contracts does not sufficiently offset the impact of contract cancellations on network services revenue, the resulting reduction of operating leverage could negatively impact contribution of Network Services businesses to the consolidated net (loss) income of the Corporation.

A related risk factor for WireIE Inc. is customer concentration risk, being the risk associated with WireIE Inc.'s reliance on the renewal of network services contracts with a significant customer, which comprise the majority of its accounts receivable and network services revenues to date. A similar risk factor exists for Galaxy by way of its reliance on the renewal of network service contracts with two significant customers, which comprise a significant portion of its accounts receivable and network services revenue.

Through its five-year, minimum purchase commitment to purchase LEO connectivity solutions from OneWeb, Galaxy is exposed to customer acquisition risk, as it might incur losses in respect of its LEO offering in the event that it fails to acquire and maintain a sufficient level of LEO-related customer contracts. Due to significant performance issues, management is of the position that this purchase commitment is no longer enforceable and is in the process of seeking full and final release from this commitment with the vendor.

An additional risk factor for Galaxy, WireIE Inc., and Community Network Partners is key third-party supplier risk, as each entity is reliant upon the provision of broadband signal and telecommunications capacity by key third-party suppliers which, if terminated or cancelled, could have an adverse impact on the financial condition and results of operations of the Network Services segment.

The construction of network infrastructure in underserved communities by Community Network Partners involves risks in relation to potential delays and/or cost overruns in respect of securing necessary materials, staff and construction contractors and in completing construction, any of which might negatively impact project returns. Project returns might also be negatively impacted if Community Network Partners fails to achieve planned levels of customer subscription for service upon completion of such projects, or if the pace of achieving such subscriptions is slower than planned.

The Ontario Connects Program has a project completion date of December 31, 2025, and there is a risk that Community Network Partners will not complete the project by the completion date. In the event that Community Network Partners does not complete the project on time, the surety bonds would be used to fund the completion of the project, resulting in the loss of the related project returns.

The primary risk factors in connection with the Corporation's real estate investments are market price risk in respect of real estate asset valuations and refinancing risk in respect of its mortgage payable. Possible investment in the development of real estate properties under development in Barrie and Stoney Creek would introduce risks in relation to the permitting and construction of these property developments, including potential delays or other issues in obtaining necessary building permits, and delays and/or cost overruns in respect of securing building materials and completing construction.

The primary risk factors associated with the operations of Go Direct Global include the risk of a decline in market demand for the consumer products of its clients, either due to product-specific demand factors or to general economic decline, solvency risk in respect of its clients, dependency upon key personnel, disruptions to operations or those of its clients and/or logistics partners, including as a result of market, political and economic conditions, financing risk in relation to funding potential expansion of the business, and risks associated with the operational start-up of logistics facilities in new geographies including external events that could adversely impact operations such as government legislation, regulations or policies.

An additional risk for Go Direct Global is customer concentration risk, being the risk associated with Go Direct Global's reliance on the renewal of distribution services contracts with three significant customers, which comprise the majority of its accounts receivable and distribution services revenue.

The Corporation is exposed to currency risk through its ownership of Go Direct America, which operates in the United States and transacts primarily in U.S. dollars, and through Galaxy, which has an aggregate commitment of US\$50 million over five years to purchase LEO connectivity from OneWeb. The Corporation's other investments, revenue and expenses are denominated primarily in Canadian currency such that they present limited exposure to currency risk. Through our investment in Crown Partners Fund, we are indirectly exposed to a limited degree of currency risk to the extent that the underlying operations of Crown Partners Fund's investee companies may be dependent on revenues or exposed to costs denominated in foreign currencies.

See *Note 21 – Financial risk management* in the Corporation's December 31, 2024 audited consolidated financial statements.

A more extensive discussion of the risks faced by the Corporation can be found in the Corporation's Annual Information Form ("AIF") available on SEDAR at www.sedar.com.

FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

The Corporation's financial instruments include cash and cash equivalents, accounts receivable, investments, net investment in leased distributed power equipment, accounts payable and accrued liabilities, factor facility, contingent consideration, deferred compensation, mortgage payable, lease obligations, the Debentures, the Subordinated Debentures, the Crown Credit Facility and long-term debt.

The Corporation, through its subsidiary Crown Private Credit Fund, holds an equity security which is measured at FVTPL. The Canadian equity security is valued based on its transaction price.

For loans carried by our associate Crown Partners Fund at FVTPL, the terms of the individual debt instruments and the risks of the underlying businesses are reflected in the fair values at the reporting date. The carrying value of loans at amortized cost held by Crown Partners Fund is net of an allowance for credit losses. In respect of the carrying value of investments held by Crown Partners Fund, which impacts the carrying value of the Corporation's investment in Crown Partners Fund, the determination of associated fair values and expected credit losses reflects the estimation of management of the investment manager of Crown Partners Fund, CPCP.

The fair value of the net investment in leased distributed power equipment approximates its carrying value due to the market interest rates on the leases.

Contingent consideration in relation to the Galaxy acquisition is valued using the discounted present value of aggregate expected cash flows in excess of prescribed percentages of cumulative earnings and revenues arising from the Corporation's investment in Galaxy.

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.

The fair value of the mortgage payable approximates its carrying value due to the variable rate of interest applicable to this instrument. The fair value of the Crown Credit Facility approximates its gross carrying value due to the variable rate of interest applicable to this instrument.

The fair value of lease obligations approximates its carrying value due to the market interest rate on the leases.

The fair value of the Debentures as at March 31, 2025 is \$6.8 million. 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.

The fair value of Subordinated Debentures approximates their carrying value due to the market interest rate on the debentures.

The fair value of the debt payable by Go Direct SCS included in long-term debt that is carried at estimated fair value is determined as the net present value of the estimated cash flows available to service this debt.

The fair value of the loan payable to a director of the Corporation included in long-term debt approximates its carrying value due to the market interest rate on the loan.

The fair values of other financial instruments approximate carrying value due to the short term maturity of the instruments.

Additional information about financial instruments and associated risks can be found in *Risk Factors* and in the Corporation's 2024 audited consolidated financial statements and notes thereto and other public filings available on SEDAR at www.sedar.com.

FORWARD-LOOKING STATEMENTS

Statements that are not reported financial results or other historical information are forward-looking statements within the meaning of applicable Canadian securities laws (collectively, “**forward-looking statements**”). This MD&A includes forward-looking statements regarding Crown and the industries in which it operates, including statements about, among other things, expectations, beliefs, plans, future loans and origination, business and acquisition strategies, opportunities, objectives, prospects, assumptions, including those related to trends and prospects and future events and performance. Sentences and phrases containing or modified by words such as “anticipate”, “plan”, “continue”, “estimate”, “intend”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targets”, “projects”, “is designed to”, “strategy”, “should”, “believe”, “contemplate” and similar expressions, and the negative of such expressions, are not historical facts and are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Forward-looking statements should not be read as guarantees of future events, future performance or results, and will not necessarily be accurate indicators of the times at, or by which, such events, performance or results will be achieved, if achieved at all. Forward-looking statements are based on information available at the time and/or management's expectations with respect to future events that involve a number of risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. The factors described under the heading “Risk Factors” in this MD&A and in the AIF, as well as any other cautionary language in this MD&A, provide examples of risks, uncertainties and events that may cause Crown's actual results to differ materially from the expectations it describes in its forward-looking statements. Readers should be aware that the occurrence of the events described in these risk factors and elsewhere in this MD&A could have an adverse effect on, among other things, Crown's business, prospects, operations, results of operations and financial condition.

Specific forward-looking statements contained in this MD&A include, among others, statements, management's beliefs, expectations or intentions regarding the following:

- the ability of Crown to execute on its plans to address its liquidity issues including its ability to repay, refinance, or extend the maturity of its credit facilities, debentures, subordinated debentures, and mortgage payable on terms acceptable to the Corporation and its targeted completion date of such activities and to service its debt obligations in general;
- the Corporation's intentions for the use of its cash and cash equivalents and the timing thereof, including additional investments in and capital expenditures by its operating subsidiaries;
- the future capitalization of Crown;
- the structuring, prepayment and/or realization of investments of Crown and Crown Partners Fund and the distributions of related proceeds by Crown Partners Fund;

- the conditions of the industry segments in which the Corporation and its subsidiaries operate and the general economy;
- the determination of recovery levels and values realized on liquidation of security held, when necessary, for the loans of Crown Partners Fund going forward;
- the Corporation's plans regarding the development of certain real estate assets, the ability to achieve the intended development of these assets and Crown's ability to maximize realization of these assets at the time of an eventual disposition;
- the ability of Crown to direct the activities of its managed funds;
- the Corporation's ability to maintain sufficient liquidity to support its operations and to continue as a going concern;
- the ability of Crown to sell its assets held for sale and the potential timing thereof;
- the future profitability of Operating Partners affiliated with Crown Power Fund and the expected recoverability of amounts owed to the Corporation by such Operating Partners;
- the distributed power market in general, and in our current geographic regions of focus in particular;
- the recoverability of costs incurred in the development of distributed power assets through the subsequent receipt of lease payments over the duration of the lease contracts in relation to such assets;
- the expected timing of distributed power projects under development becoming operational;
- the expected profitability to be derived from distributed power projects, including projects under development and merchant power projects in operation;
- the Corporation's intention to seek liquidity for certain distributed power assets, including equipment that is not assigned for use in specific projects under development;
- the Corporation's intention to have our Network Services segment build a portfolio of long-term contracts structured to provide recurring cash flows, to seek debt and/or equity capital from third-party investors to support investment in, and growth of, its broadband networks, and to generate management fee revenue in relation to managing this capital pool;
- the Corporation's intention to provide network connectivity to underserved communities through Galaxy, WireIE and Community Network Partners;
- the Corporation's expectation to continue with construction and to commence sales to customers under the Ontario Connects Program;
- the estimated useful life and recoverability of carrying values in respect of intangible assets representing the fair value of service contracts assumed on the acquisitions of Galaxy, Go Direct Global and Lumbermens and in respect of PenEquity Inc.;
- the ability of Go Direct Global to achieve higher capacity utilization of its logistics facilities, to achieve revenue and earnings growth, and to potentially support investment in additional logistics facilities;

- the expected revenue growth to be achieved by PenEquity;
- the Corporation's business plans and strategy;
- the Corporation's future cash flow and shareholder value;
- the non-recurring nature of certain expenses;
- the future recoverability of accounts receivable;
- Crown's future entitlement to base management and performance fees;
- the future accounting policies of the Corporation;
- the timing of receipt of government subsidies under the Ontario Connects Program; and
- the Corporation's ability to secure government subsidies as a source of funding for certain Network Services projects.

Readers are cautioned that the foregoing list of forward-looking statements should not be construed as being exhaustive.

In making the forward-looking statements in this MD&A, the Corporation has made assumptions regarding general economic conditions, reliance on debt financing, interest rates, continued lack of regulation in the business of lending from sources other than commercial banks or equity transactions, continued operation of key systems, debt service, future capital needs, retention of key employees, adequate management of conflicts of interests, continued performance of the Crown funds and solvency of financing clients, competition, limited loan prepayment, demand for Distributed Power solutions, demand for Network Services solutions, demand for warehousing, distribution services and freight management services, effective use of leverage, strength of existing client relationships, regulatory oversight and such other risks or factors described in this MD&A, the AIF and from time to time in public disclosure documents of Crown that are filed with securities regulatory authorities.

The forward-looking statements included in this MD&A are expressly qualified by this cautionary statement and are made as at the date of this MD&A. The Corporation does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. If the Corporation does update one or more forward-looking statements, it is not obligated to, and no inference should be drawn that it will, make additional updates with respect thereto or with respect to other forward-looking statements.

Readers are further cautioned that the preparation of financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues, and expenses. These estimates may change, having either a positive or negative effect on net income, as further information becomes available and as the economic environment changes.

MARKET AND INDUSTRY DATA

Certain market and industry data contained in this MD&A is based upon information from government or other third-party publications, reports and websites or based on estimates derived from such publications, reports and websites. Government and other third-party publications and reports do not guarantee the accuracy or completeness of their information. While management believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data-gathering process and other limitations and uncertainties inherent in any statistical survey. Crown has not independently verified any of the data from government or other third-party sources referred to in this MD&A or ascertained the underlying assumptions relied upon by such sources.

TRADEMARKS, TRADE NAMES AND SERVICE MARKS

All trademarks used in this MD&A are the property of their respective owners and may not appear with the ® symbol.

PART 7 – NON-GAAP AND OTHER FINANCIAL MEASURES

We disclose a number of financial measures in this MD&A that are calculated and presented using methodologies other than in accordance with IFRS Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). We utilize these measures in managing the business, including for performance measurement, capital allocation and valuation purposes and believe that providing these performance measures on a supplemental basis to our IFRS results is helpful to investors in assessing the overall performance of our businesses. These financial measures should not be considered as the sole measure of our performance and should not be considered in isolation from, or as a substitute for, similar financial measures calculated in accordance with IFRS. We caution readers that these non-GAAP and other financial measures or other financial metrics may differ from the calculations disclosed by other businesses and, as a result, may not be comparable to similar measures presented by other issuers and entities. Reconciliations of these non-GAAP financial and other measures to the most directly comparable financial measures calculated and presented in accordance with IFRS, where applicable, are included within this MD&A.

NON-GAAP AND OTHER FINANCIAL MEASURES

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”), Corporate Capitalization, and Capitalization at Our Share are not recognized measures under IFRS and are, therefore, defined below:

Adjusted EBITDA is a non-GAAP measure and reflects earnings attributable to Shareholders before interest, taxes, depreciation, and amortization plus adjustments for additional items including lease obligation payments, share-based compensation recovery/expense, impairments of property and equipment and equipment under development and related deposits, gains/losses on disposal of assets held for sale, remeasurement of financial instruments, our share of earnings/losses of and income distributions from Crown Partners Fund, provisions/recoveries of bad debts and expected credit losses, and performance bonus expense/recovery. We use this measure to assess the performance of our business before the effects of the noted items 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. Excluding these items does not imply that they are non-recurring. Loss before income taxes is the most directly comparable financial measure that is disclosed in our consolidated financial statements.

A reconciliation of loss before income taxes to Adjusted EBITDA for the three months ended March 31, 2025 and 2024, is provided below:

FOR THE PERIODS ENDED MAR. 31 (THOUSANDS)	2025	2024
Loss before income taxes	(1,536)	(306)
Adjustments for amounts attributable to shareholders in relation to: ¹		
Depreciation.....	3,036	2,718
Finance costs.....	1,990	2,057
Payments of lease obligations.....	(1,453)	(1,299)
Share based compensation recovery.....	(101)	(138)
Remeasurement of financial instruments.....	(80)	-
(Recoveries of) provisions for expected credit losses.....	(1)	4
Share of earnings from investments in associates.....	(179)	(2,227)
Income distributions received from Crown Partners Fund.....	3	-
Performance bonus expense (recovery).....	-	482
Adjusted EBITDA¹	1,679	1,291

Notes:

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

The following table provides a quarterly reconciliation of loss before income taxes to Adjusted EBITDA for the period from April 1, 2023 to March 31, 2025:

FOR THE PERIODS ENDED (THOUSANDS)	2025		2024		2023			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Loss before income taxes	(1,536)	(10,883)	(2,632)	(14,885)	(306)	(5,414)	(2,154)	(1,185)
Adjustments for amounts attributable to shareholders in relation to: ¹								
Depreciation and amortization.....	3,036	3,125	2,826	2,804	2,718	3,122	2,314	2,275
Finance costs.....	1,990	2,533	2,413	1,975	2,057	1,828	1,754	1,431
Payments of lease obligations.....	(1,453)	(1,381)	(1,350)	(1,325)	(1,299)	(1,306)	(1,273)	(1,296)
Share-based compensation (recovery) expense.....	(101)	121	(358)	(340)	(138)	(264)	2	65
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.....	(80)	(1,088)	-	-	-	-	-	-
(Recoveries of) provisions for expected credit losses.....	(1)	(115)	140	2	4	98	(123)	-
Share of (earnings) losses from investments in associates.....	(179)	516	(235)	17,594	(2,227)	(483)	(210)	(940)
Income distributions received from Crown Partners Fund.....	3	4	-	157	-	231	90	2,069
Performance bonus (recovery) expense.....	-	-	-	(4,015)	482	73	3	170
Adjusted EBITDA.....	1,679	1,007	804	1,989	1,291	503	403	2,589

Notes:

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

The following tables provide reconciliations of income (loss) before income taxes to Adjusted EBITDA by operating segment for the year three months ended March 31, 2025 and 2024:

FOR THE THREE MONTHS ENDED MAR. 31, 2025 (THOUSANDS)	Reportable Segments						Total
	Distribution Services	Network Services	Specialty Finance	Distributed Power	Real Estate	Corporate and Other	
Income (loss) before income taxes	414	177	103	(209)	(30)	(1,991)	(1,536)
Adjustments for amounts attributable to shareholders in relation to: ¹							
Depreciation and amortization	1,675	1,044	-	122	118	77	3,036
Finance costs	356	21	-	-	-	1,613	1,990
Payments of lease obligations	(1,389)	(64)	-	-	-	-	(1,453)
Share-based compensation recovery	-	-	-	-	-	(101)	(101)
Remeasurement of financial instruments	(80)	-	-	-	-	-	(80)
Recovery of expected credit losses	-	-	-	(1)	-	-	(1)
Share of earnings from investments in associates	-	(76)	(103)	-	-	-	(179)
Income distributions received from Crown Partners Fund	-	-	3	-	-	-	3
Adjusted EBITDA	976	1,102	3	(88)	88	(402)	1,679

Notes:

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

FOR THE THREE MONTHS ENDED MAR. 31, 2024 (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	(528)	(32)	1,749	3	744	(2,242)	(306)
Adjustments for amounts attributable to shareholders in relation to: ¹							
Depreciation and amortization	1,496	916	-	124	118	64	2,718
Finance costs	451	26	-	-	-	1,580	2,057
Payments of lease obligations	(1,240)	(59)	-	-	-	-	(1,299)
Share-based compensation recovery	-	-	-	-	-	(138)	(138)
Provisions for expected credit losses	-	-	-	4	-	-	4
Share of earnings from investments in associates	-	-	(2,227)	-	-	-	(2,227)
Performance bonus expense	-	-	482	-	-	-	482
Adjusted EBITDA	179	851	4	131	862	(736)	1,291

Notes:

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

Corporate Capitalization is a non-IFRS measure and reflects our issued and outstanding Convertible Debentures and Common Shares and the amount of debt and other liabilities of the Corporation excluding non-controlling interests and amounts in relation to its subsidiaries. We use this measure to provide insight regarding the components of our corporate-level capitalization, which assists us in making financial risk management decisions at the Corporation. This will differ from our consolidated leverage to the extent that liabilities have been recognized in respect of our subsidiaries.

A reconciliation of consolidated liabilities and equity to Corporate Capitalization is provided below:

AS AT MAR. 31, 2025 AND DEC. 31, 2024 (THOUSANDS)	2025	2024
Total consolidated liabilities and equity.....	\$ 145,535	\$ 147,014
Less: Liabilities of subsidiaries		
Accounts payable and accrued liabilities.....	(49,701)	(46,222)
Lease obligations.....	(15,786)	(16,687)
Mortgage payable.....	(11,900)	(11,900)
Credit facilities.....		
Long-term debt.....	(1,226)	(1,225)
Non-controlling interests.....	(17,857)	(19,801)
Corporate Capitalization.....	\$ 49,065	\$ 51,179

Our Share of Capitalization is a non-IFRS measure and presents our share of debt and other obligations based on our ownership percentage of the related subsidiaries. We use this measure to provide insight into the extent to which our capital is leveraged in each investment, which is an important component of enhancing shareholder returns. This may differ from our consolidated leverage because of the varying levels of ownership that we have in consolidated investments that, in turn, have different degrees of leverage. We also use Our Share of Capitalization to make financial risk management decisions at the Corporation.

A reconciliation of consolidated liabilities and equity to Our Share of Capitalization is provided below:

AS AT MAR. 31, 2025 AND DEC. 31, 2024 (THOUSANDS)	2025	2024
Total consolidated liabilities and equity.....	\$ 145,535	\$ 147,014
Less: non-controlling interests' share of liabilities		
Accounts payable and accrued liabilities.....	(934)	(815)
Non-controlling interests.....	(17,857)	(19,801)
Total capitalization at our share.....	\$ 126,744	\$ 126,398

GLOSSARY OF TERMS

The below summarizes certain terms relating to our business that are made throughout the MD&A.

References

“Crown”, the “Corporation”, “we”, “us” or “our” refers to Crown Capital Partners Inc. and its consolidated subsidiaries. We refer to investors in the Corporation as “shareholders” and we refer to investors in our managed limited partnerships as “investors”.

Throughout the MD&A, the following operating companies, limited partnerships, portfolio companies and their respective subsidiaries will be referenced as follows:

- “CCF III” – Crown Capital Fund III Management Inc.
- “CCF IV Investment LP” – Crown Capital Fund IV Investment, LP
- “CCFC” – Crown Capital Funding Corporation
- “Community Network Partners” – Community Network Partners Inc.
- “CPCP” – Crown Private Credit Partners Inc.
- “Crown Partners Fund” – Crown Capital Partner Funding, LP
- “Crown Partners Fund GP” – Crown Capital LP Partner Funding Inc.
- “Crown Power Fund” – Crown Capital Power Limited Partnership
- “Crown Power GP” – 10824356 Canada Inc.
- “Crown Private Credit Fund” – Crown Capital Private Credit Fund, LP
- “Galaxy” – Galaxy Broadband Communications, Inc.
- “Go Direct America” – Go Direct America Inc.
- “Go Direct Global” – Go Direct Global Inc.
- “Go Direct SCS” – Go Direct Supply Chain Solutions Inc.
- “Inuknet” – Inuknet Communications Inc.
- “LESC” – Lionstooth Energy Services Corporation
- “Lumbermens” – Lumbermens Credit Group Ltd.
- “NCOF LP” – Norrep Credit Opportunities Fund, LP
- “OneWeb” – Network Access Associates Ltd.
- “Onsite Power” – Onsite Power Partners Ltd.
- “PBC” – PRC Barrie Corp. and Penady (North Barrie) Limited, collectively
- “PDLP” – PenEquity Development LP
- “PenEquity Realty” – PenEquity Realty Corporation
- “PSCC” – PRC Stoney Creek Corp. and Penady (Stoney Creek) Ltd., collectively
- “Wilson Creek Energy” – Wilson Creek Energy Corporation
- “WireIE” – WireIE Holdings International Inc.
- “WireIE Canada” – WireIE (Canada) Inc.
- “YorkNet” – YTN Telecom Network Inc.