

Crown Capital Partners Announces Q1 2025 Financial Results

CALGARY, May 7, 2025 – Crown Capital Partners Inc. (“Crown” or the “Corporation”) (TSX: CRWN) today announced its financial results for the three months ended March 31, 2025. Crown’s complete financial statements and management’s discussion and analysis are available on SEDAR at www.sedarplus.ca.

Q1 2025 Financial & Operating Overview

- Crown recognized a net loss of \$(1.8) million (\$0.32 loss per basic share) in Q1 2025 compared to a net loss of \$(0.6) million (\$0.11 loss per basic share) in Q1 2024.
- Adjusted EBITDA¹ was \$1.7 million in Q1 2025 compared to \$1.3 million in Q1 2024 due primarily to improved earnings from the Distribution Services and Network Services segments and reductions in expenses of the Corporate and Other segment, partially offset by decreased earnings from the Real Estate and Distributed Power segments.
- Distribution services revenue was \$10.8 million in Q1 2025 compared to \$8.2 million in Q1 2024, an increase of 31.4%. This segment reported net income before income taxes of \$0.4 million (2024 – net loss before income taxes \$(0.5) million) and Adjusted EBITDA of \$1.0 million (2024 - \$0.2 million), with the year-over-year improvement attributable to the impact of operational efficiencies implemented throughout 2023 and 2024 and to increased capacity utilization across the warehouses. Capacity utilization was 62% at March 31, 2025, compared with 62% at December 31, 2024, 62% at September 30, 2024, 58% at June 30, 2024, 52% at March 31, 2024.
- Network services revenue was \$8.7 million in Q1 2025 compared to \$6.7 million in Q1 2024, an increase of 29.9% attributable to a year-over-year increase in revenues from Galaxy (40.9%) due to additional hardware sales and modest increases from Community Network Partners 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. This segment reported a 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 lower margin sales from a government sector contract in Galaxy.
- Real Estate segment revenue was \$1.0 million in Q1 2025 compared to \$1.6 million in Q1 2024, a decrease of 36.3% year-over-year due to the timing of fees from construction and development fees. This segment recorded a 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).
- Distributed Power revenue was \$0.3 million in Q1 2025 compared to \$0.8 million in Q1 2024, a decrease of 68.2% due to softer power prices in the Alberta market. This segment reported a net loss before income taxes of \$(0.2) million (2024 – net income before income taxes of \$0.003 million) and Adjusted EBITDA of \$(0.09) million (2024 - \$0.1 million).
- The Specialty Finance segment recorded net income before income taxes of \$0.1 million in Q1 2025 (Q1 2024 - \$1.7 million), representing Crown’s share of earnings of Crown Partners Fund, and Adjusted

EBITDA of \$0.003 million (2024 - \$0.004 million), representing income distributions received from Crown Partners Fund.

- Total equity at quarter-end decreased to \$6.9 million from \$8.6 million at the end of 2024 due to a net loss attributable to shareholders of \$(1.8) million. Total equity per share decreased to \$1.22 per basic share from \$1.53 per basic share as at December 31, 2024.

Q1 2025 Financial Results Summary

AS AT AND FOR THE THREE MONTHS ENDED MAR. 31 (THOUSANDS, EXCEPT PER SHARE AND NUMBER OF COMMON SHARES)	2025	2024
Revenue:		
Distribution services revenue.....	\$ 10,786	\$ 8,209
Network services revenue.....	8,725	6,719
Fees and other income.....	1,366	2,011
Distributed power interest revenue.....	100	183
Merchant power revenue.....	142	604
Total revenue.....	21,119	17,726
Share of earnings from investments in associates.....	179	2,227
Net loss attributable to Shareholders.....	(1,796)	(604)
Comprehensive loss attributable to Shareholders.....	(1,793)	(684)
Adjusted EBITDA ¹	1,679	1,291
Total assets.....	145,535	174,619
Total equity.....	6,898	37,544
Per share:		
- Net loss to Shareholders - basic.....	\$ (0.32)	\$ (0.11)
- Net loss to Shareholders - diluted.....	(0.32)	(0.11)
- Adjusted EBITDA per share - basic ¹	0.30	0.23
- Total equity per share - basic.....	1.22	6.72
Number of common shares:		
- Outstanding at end of period.....	5,672,646	5,588,646
- Weighted average outstanding - basic.....	5,627,846	5,588,646
- Weighted average outstanding - diluted.....	5,627,846	5,588,646

Quarterly reconciliations of loss before income taxes to Adjusted EBITDA

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.

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

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

	Distribution Services	Network Services	Specialty Finance	Distributed Power	Real Estate	Corporate and Other	Total
(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.

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

About Crown Capital Partners (TSX:CRWN)

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

FORWARD-LOOKING STATEMENTS

This news release contains certain "forward looking statements" and certain "forward looking information" as defined under applicable Canadian and U.S. securities laws. Forward-looking statements can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue", "plans" or similar terminology. Forward-looking statements in this news release include, but are not limited to, statements, management's beliefs, expectations or intentions regarding the distribution services market, the network services market and the general economy, Crown's business plans and strategy, including anticipated investment dispositions and capital deployments and the timing thereof, anticipated refinancing activity and Crown's future earnings. Forward-looking statements are based on forecasts of future results, estimates of amounts not yet determinable and assumptions that while believed by management to be reasonable, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Forward-looking statements are subject to various risks and

uncertainties concerning the specific factors identified in the Crown's periodic filings with Canadian securities regulators. See Crown's most recent annual information form for a detailed discussion of the risk factors affecting Crown. In addition, Crown's dividend policy will be reviewed from time to time in the context of the Corporation's earnings, financial requirements for its operations, and other relevant factors and the declaration of a dividend will always be at the discretion of the board of directors of the Corporation. Crown undertakes no obligation to update forward-looking information except as required by applicable law. Such forward-looking information represents management's best judgment based on information currently available. No forward-looking statement can be guaranteed and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.

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