POWERBANK CORPORATION

Condensed Interim Consolidated Financial Statements

(Expressed in thousands of Canadian Dollars)

(Unaudited)

For the three months ended September 30, 2026 and 2025

POWERBANK CORPORATION

Condensed Interim Consolidated Statements of Financial Position (unaudited)
(Expressed in thousands of Canadian dollars)

	Note	September 30, 2026	June 30, 2026
Assets			
Current assets:			
Cash	2(e)	$ 12,569	$ 9,953
Restricted cash		3,731	1,519
Short-term investments		716	716
Trade and other receivables	4	6,196	5,724
Prepaid expenses and deposits	5	1,763	2,487
Contract assets	7	472	815
Inventories	8	22,251	18,953
Total current assets		47,698	40,167
Non-current assets:			
Restricted cash	2(e)	6,099	5,853
Prepaid expenses and deposits	5	512	512
Property, plant and equipment	6	47,773	48,672
Construction in progress	9	8,326	8,234
Right-of-use assets	12	10,377	10,590
Intangible assets	13	16,740	17,108
Tax equity assets		205	232
Goodwill		1,643	1,643
Derivative financial instruments		1,584	455
Total non-current assets		93,259	93,299
Total assets		$ 140,957	$ 133,466
Liabilities and Shareholders' equity			
Current liabilities:			
Trade and other payables	10	$ 12,758	$ 14,635
Contract liabilities	11	2,872	2,227
Lease liabilities	12	1,282	1,358
Short-term loans	14	10,709	6,891
Current portion of long-term debt	15	12,353	13,613
Current tax liabilities		1,766	428
Derivative financial instruments		-	8
Deferred government grants	27	117	118
Tax equity liabilities		88	88
Total current liabilities		41,945	39,366
Non-current liabilities:			
Lease liabilities	12	6,919	7,064
Long-term debt	15	51,525	51,778
Tax equity liabilities		111	136
Provisions	16	2,539	2,498
Other long-term liabilities	25	4,024	4,160
Deferred tax liabilities		5,721	5,465
Warrant liabilities		32	289
Derivative financial instruments		-	171
Deferred government grants	27	2,129	2,162
Total non-current liabilities		73,000	73,723
Total liabilities		114,945	113,089
Shareholders' equity:			
Share capital	19	80,268	68,004
Contributed surplus		3,028	3,447
Accumulated other comprehensive income (loss)		402	462
Retained earnings (deficit)		(58,183)	(51,999)
Equity attributable to common shareholders		25,515	19,914
Non-controlling interests		497	463
Total equity		26,012	20,377
Total liabilities and shareholders' equity		$ 140,957	$ 133,466

See accompanying notes to these condensed interim consolidated financial statements.
Approved and authorized for issuance on behalf of the Board of Directors:
Richard Lu, CEO, and Director _____ Nicole Rusaw, CFO_____

POWERBANK CORPORATION

Condensed Interim Consolidated Statements of Comprehensive Income (loss) (unaudited)
(Expressed in thousands of Canadian dollars, except per share amounts)

	Note	Three months ended September 30	
		2026	2025
Revenue from development fees		$ -	$ 3,373
Revenue from EPC services		213	11,932
Revenue from IPP production		3,759	3,845
Revenue from O&M and other services		225	-
		4,197	19,150
Cost of goods sold		2,679	10,606
Gross profit		1,518	8,544
Operating expense:			
Advertising and promotion		4	9
Professional fees		1,590	2,641
Consulting fees		3,645	1,405
Depreciation and amortization	6,12	41	27
Salary and wages		535	419
Share-based compensation		405	721
Insurance		291	308
Listing fees		7	55
Travel and events		49	72
Repairs and maintenance		45	28
Other operating expense		786	252
Total operating expense		7,398	5,937
Other income (expense):			
Interest income		140	90
Interest expense		(1,166)	(813)
Fair value change of derivatives	15	1,307	66
Fair value change of warrant liabilities	18	257	102
Fair value change of CVR liabilities	18	(142)	(542)
Fair value change of other liabilities due to non controlling interest holders	18	(10)	(10)
Other income (expense)		(174)	(90)
Net income (loss) before income taxes		(5,668)	1,410
Current tax recovery (expense)		(227)	(302)
Deferred tax recovery (expense)		(255)	(97)
Net income (loss) for the period		$ (6,150)	$ 1,011
Other comprehensive income (loss)			
Foreign currency translation gain (loss)		(60)	190
Total comprehensive income (loss)		$ (6,210)	$ 1,201
Income (loss) attributable to:			
Shareholders of the Company		(6,184)	1,000
Non-controlling interests		34	11
Net income (loss) for the period		$ (6,150)	$ 1,011
Total comprehensive income (loss) attributable to:			
Shareholders of the Company		(6,244)	1,190
Non-controlling interests		34	11
Total comprehensive income (loss)		$ (6,210)	$ 1,201
Earnings (loss) per share			
Basic	24	$ (0.10)	$ 0.03
Diluted	24	$ (0.10)	$ 0.02

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

POWERBANK CORPORATION

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (unaudited)
(Expressed in thousands of Canadian dollars, except number of common shares)

	Note	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive income (loss)	Retained earnings (deficit)	Equity attributable to common shareholders	Non-controlling interests	Total equity
Balance as at June 30, 2025		35,433,947	$ 45,285	$ 1,951	$ (242)	$ (27,753)	$ 19,241	$ 519	$ 19,760
Net income (loss) for the period		-	-	-	-	1,000	1,000	11	1,011
Other comprehensive income (loss)		-	-	-	190	-	190	-	190
Common shares issued, net of costs	19(b)	998,856	2,558	-	-	-	2,558	-	2,558
Dividends declared and paid		-	-	-	-	(4)	(4)	-	(4)
RSU granted	20(b)	-	-	177	-	-	177	-	177
RSU settled	20(b)	102,067	188	(188)	-	-	-	-	-
Share-based compensation	20(a)	-	-	771	-	-	771	-	771
Shares issued to settle liabilities	19(b)	105,616	240	(240)	-	-	-	-	-
Balance as at September 30, 2025		36,640,486	$ 48,271	$ 2,471	$ (52)	$ (26,757)	$ 23,933	$ 530	$ 24,463
Balance as at June 30, 2026		47,697,277	$ 68,004	$ 3,447	$ 462	$ (51,999)	$ 19,914	$ 463	$ 20,377
Net income (loss) for the period		-	-	-	-	(6,184)	(6,184)	34	(6,150)
Other comprehensive income (loss)		-	-	-	(60)	-	(60)	-	(60)
Common shares issued, net of costs	19(b)	9,045,268	6,666	-	-	-	6,666	-	6,666
RSU granted	20(b)	-	-	3,860	-	-	3,860	-	3,860
RSU settled	20(b)	5,764,546	4,428	(3,257)	-	-	1,171	-	1,171
Share-based compensation	20(a)	-	-	148	-	-	148	-	148
Shares issued to settle liabilities	19(b)	1,668,619	1,170	(1,170)	-	-	-	-	-
Balance as at September 30, 2026		64,175,710	$ 80,268	$ 3,028	$ 402	$ (58,183)	$ 25,515	$ 497	$ 26,012

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

POWERBANK CORPORATION

(FORMERLY SOLARBANK CORPORATION)

Condensed Interim Consolidated Statements of Cash Flows (Unaudited)

(Expressed in thousands of Canadian dollars)

	Note	Three months ended September 30 2026	2025
Operating activities:			
Net income (loss) for the period		$ (6,150)	$ 1,011
Items not affecting cash:			
Depreciation and amortization	6,12,13	1,489	1,382
Fair value change on derivatives	15	(1,307)	(66)
Fair value change of warrant liabilities	18	(257)	(102)
Fair value change of CVR liabilities	18	142	542
Fair value change of other liabilities due to non-controlling interest holders	18	10	10
Interest expense		1,262	940
Current tax (recovery) expense		227	302
Deferred tax (recovery) expense		255	97
Lease modifications	12	-	(30)
Provisions	12,16	-	14
Other income related to deferred government grants		(29)	-
Inventory write-off		134	-
Share-based compensation	19,20	4,251	948
Changes in non-cash operating assets and liabilities	17	(3,471)	(1,727)
Interest paid		(1,100)	(678)
Income tax refund (paid)		1,047	(333)
Net cash flows from (used in) operating activities		(3,497)	2,310
Investing activities:			
Increase in restricted cash		(2,458)	(2,748)
Purchase of construction in progress		(59)	(4,530)
Proceeds of short-term investments		-	390
Net cash flows from (used in) investing activities		(2,517)	(6,888)
Financing activities:			
Proceeds from short-term loans		3,823	-
Proceeds from issuance of common shares, net transaction costs	19(b)	6,666	2,558
Repayment of long-term debt		(1,400)	(1,664)
Deferred fees on long-term debt		(133)	-
Repayment of lease obligation	12	(340)	(261)
Dividend payments		-	(4)
Net cash flows from (used in) financing activities		8,616	629
Net increase (decrease) in cash		2,602	(3,949)
Effect of changes in exchange rates on cash		14	(42)
Cash, beginning of the period	2(e)	9,953	7,624
Cash, end of the period	2(e)	$ 12,569	$ 3,633

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

1. Nature of operations:

PowerBank Corporation (the "Company") operates as an independent renewable and clean energy project developer, power producer, and asset operator in Canada and the United States. It focuses on solar photovoltaic power generation projects, and battery energy storage systems projects. The Company changed its name from Abundant Solar Energy Inc. to SolarBank Corporation on October 17, 2022 and subsequently to PowerBank Corporation on July 23, 2025. The address of the Company and the principal place of the business is 505 Consumers Rd, Suite 803, Toronto, ON, M2J 4V8.

On March 1, 2023, the Company closed its initial public offering (the "Offering") of common shares. With completion of the Offering, the Company commenced trading its common shares on the Canadian Securities Exchange (the "CSE") under the symbol "SUNN" on March 2, 2023. On February 14, 2024, the Company migrated its listing to the Cboe Canada Exchange Inc. under the existing trading symbol "SUNN". On April 8, 2024, the Company's common shares commenced trading on the Nasdaq Global market under the symbol "SUUN". Effective June 3, 2026, the Company changed its trading symbol on both the Nasdaq Global Market and the Cboe Canada Exchange to "PBK". Effective October 1, 2026, the Company transferred the listing of its common shares from the Nasdaq Global Market to the Nasdaq Capital Market under the symbol "PBK".

2. Basis of presentation:

(a) Statement of compliance:

These accompanying unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB") and do not include all of the information required for full annual financial statements by IFRS® Accounting Standards as issued by the IASB.

These condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended June 30, 2026 which includes information necessary or useful to understanding the Company's business and financial statement presentation.

The Board of Directors approved these unaudited condensed interim consolidated financial statements for issue on November 16, 2026.

(b) Basis of measurement:

These condensed interim consolidated financial statements were prepared on a going concern basis and historical cost basis with the exception of certain financial instruments as disclosed in note 18. The going concern basis presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

For the three months ended September 30, 2026, the Company incurred a net loss of $6,150 (September 30, 2025 – net income of $1,011) and net cash used in operating activities of $3,497 (September 30, 2025 – net cash provided by operating activities of $2,310). As at September 30, 2026, the Company had cash of $12,569 and working capital of $5,753.

Based on the Company's current level of expenditures and forecast cash flows, its existing liquidity and forecasted internally generated cash flows are not sufficient to fund its operations and meet its obligations throughout the period for at least the next twelve months from the issuance date of these condensed interim consolidated financial statements. The Company will require additional financing to fund its ongoing operations and meet its obligations as they become due. Management is pursuing additional liquidity through a combination of equity financing, debt refinancing, project financing and asset monetization. Management is also evaluating measures to conserve cash, including operating cost reductions and enhanced management of working capital.

2. Basis of presentation (continued):

As of the date these condensed interim consolidated financial statements were authorized for issuance, the Company has not obtained binding commitments sufficient to fund all of its forecast liquidity requirements. The Company's financing initiatives are subject to market conditions, counterparty participation, regulatory approvals where applicable, and the negotiation of acceptable terms. There can therefore be no assurance that the required financing or other liquidity initiatives will be completed when needed or in amounts sufficient to fund the Company's obligations.

While the Company has been successful in obtaining financing to date and believes it will be able to obtain sufficient funds in the future and ultimately achieve profitability and positive cash flows from operations, there can be no certainty that these events will occur. These events and conditions indicate that a material uncertainty exists that raises substantial doubt on the Company's ability to continue as a going concern and, therefore, that the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

These condensed interim consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities and related expenses that might be necessary should the Company be unable to continue as a going concern, and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business at amounts different from those stated herein. Such adjustments could be material.

(c) Basis of consolidation:

These unaudited condensed interim consolidated financial statements include the accounts of the Company and its wholly or partially owned subsidiaries.

Subsidiaries are consolidated from the date on which the Company obtains control up to the date of the disposition of control. Control is achieved when the Company has power over the subsidiary, is exposed or has rights to variable returns from its involvement with the subsidiary and has the ability to use its power to affect its returns. For non-wholly owned subsidiaries over which the Company has control, the net assets attributable to outside equity shareholders are presented as "non-controlling interests" in the equity section of the consolidated statements of financial position. Net income or loss for the period that is attributable to the non-controlling interests is calculated based on the ownership of the non-controlling interest shareholders in the subsidiary.

Balances, transactions, income and expenses between the Company and its subsidiaries are eliminated on consolidation.

2. Basis of presentation (continued):

(d) Functional and presentation currency:

The Company's consolidated financial statements are presented in Canadian dollars. The functional currency of the Canadian parent company and its Canadian subsidiaries is the Canadian dollar. The functional currency of its subsidiaries in the United States is the US dollar. Unless otherwise indicated, all amounts in these condensed interim consolidated financial statements are expressed in thousands of Canadian dollars.

(e) Correction of immaterial prior period errors

i. Cash and restricted cash

Subsequent to June 30, 2026, the Company identified certain bank account balances that had been incorrectly classified as cash at year-end. These balances are restricted under the Company's long-term loan arrangements and should have been classified as non-current restricted cash. Accordingly, the June 30, 2026 comparative balances have been reclassified, decreasing cash by $777 and increasing non-current restricted cash by the same amount.

3. Material accounting policies and use of judgements and estimates:

Unless otherwise noted in the condensed interim consolidated financial statements, the material accounting policies used in preparing these condensed interim consolidated financial statements are unchanged from those presented in the audited consolidated financial statements for the year ended June 30, 2026 and have been applied consistently to all periods presented in these condensed interim consolidated financial statements.

In preparing these unaudited condensed interim consolidated financial statements, management has made judgements and estimates about the future that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

(a) Adoption of new accounting standards:

No new or amended accounting standards had a significant impact on the Company's financial statements during the three months ended September 30, 2026.

(b) Accounting standards issued but not yet effective:

The IASB has issued the following new and amended standards and interpretations that will become effective in a future year and could have an impact on the consolidated financial statements in future periods. The Company is currently assessing the impact of the following new and amended standards and interpretations.

- IFRS 18, Presentation and Disclosure in Financial Statements. IFRS 18 replaces IAS 1 and introduces a new structure for the statements of profit or loss, requiring entities to present operating, investing, and financing categories, and enhancing note disclosures. The amendments are effective for annual periods beginning on or after January 1, 2027.

4. Trade and other receivables:

	September 30, 2026	June 30, 2026
Accounts receivable	$ 4,127	$ 4,209
GST/HST receivable	1,485	1,362
Due from related party (note 21)	7	7
Other receivable	577	146
	$ 6,196	$ 5,724

5. Prepaid expenses and deposits:

	September 30, 2026	June 30, 2026
Project deposits	$ 1,166	$ 929
Other prepaids and deposits	1,109	2,070
Balance, end of the period	$ 2,275	$ 2,999
Current	1,763	2,487
Non-current	512	512
	$ 2,275	$ 2,999

6. Property, plant and equipment:

	Furniture and equipment	Vehicle	IPP facilities	BESS projects	Total
Cost:					
Balance, June 30, 2026	7	$ 36	$ 47,913	$ 13,815	$ 61,771
Foreign currency impact	-	-	(18)	-	(18)
Balance, September 30, 2026	7	$ 36	$ 47,895	$ 13,815	$ 61,753
Accumulated depreciation:					
Balance, June 30, 2026	7	$ 14	$ 12,146	$ 932	$ 13,099
Depreciation	-	1	725	155	881
Foreign currency impact	-	-	-	-	-
Balance, September 30, 2026	7	$ 15	12,871	1,087	13,980
Net book value, September 30, 2026	-	$ 21	35,024	12,728	47,773

	Furniture and equipment	Vehicle	IPP facilities	BESS projects	Total
Cost:					
Balance, June 30, 2025	$ 7	$ 36	$ 38,269	-	$ 38,312
Reclassification from construction in progress	-	-	9,614	13,815	23,429
Adjustment - Capital expenditure refunds	-	-	(246)	-	(246)
Foreign currency impact	-	-	276	-	276
Balance, June 30, 2026	$ 7	$ 36	$ 47,913	13,815	$ 61,771
Accumulated depreciation:					
Balance, June 30, 2025	$ 7	$ 10	$ 9,017	-	$ 9,034
Depreciation	-	4	2,882	128	3,014
Impairment	-	-	247	804	1,051
Balance, June 30, 2026	$ 7	$ 14	$ 12,146	932	$ 13,099
Net book value, June 30, 2026	$ -	$ 22	$ 35,767	12,883	$ 48,672

Total depreciation expense of $880 for IPP facilities and BESS projects is recorded in cost of goods sold for the three months ended September 30, 2026 (September 30, 2025 - $670). The remaining $1 depreciation expense for the three months ended September 30, 2026 is recorded as operating expenses (September 30, 2025 - $2).

7. Contract assets:

As of September 30, 2026 and June 30, 2026, the Company's contract assets consist of projects revenue recognized through percentage of completion but had not yet been invoiced.

	September 30, 2026	June 30, 2026
Beginning of the period	$ 815	$ 651
Amounts invoiced for prior period	(361)	(651)
Amount not invoiced	18	815
End of the period	$ 472	$ 815

8. Inventories:

As of September 30, 2026 and June 30, 2026, the Company's inventory is comprised of development costs related to projects in the development pipeline.

	September 30, 2026	June 30, 2026
Beginning of the period	$ 18,953	$ 9,001
Development costs	4,081	18,975
Cost of goods sold	(631)	(9,847)
Project cancellations	(134)	(1,856)
Returned inventory in-transit (note 22)	-	2,298
Foreign currency impact	(18)	382
End of the period	$ 22,251	$ 18,953

For the three months ended September 30, 2026 and 2025, the Company recorded inventory write-offs related to project cancellations of $134 and $nil, respectively, in other operating expenses.

9. Construction in progress:

Construction in progress ("CIP") represents costs incurred on IPP facilities and BESS projects under construction. Once the projects are completed and placed into service, the projects are reclassified to property, plant and equipment and the accumulated costs are depreciated over the useful lives of the related assets. Detail of costs as at September 30, 2026 and June 30, 2026 are as follows:

	IPP facilities	Battery energy storage systems	Electric vehicle charging stations	Total
Balance, June 30, 2026	$ -	$ 8,234	$ -	$ 8,234
Additions	-	97	-	97
Foreign currency impact	-	(5)	-	(5)
Balance, September 30, 2026	$ -	$ 8,326	$ -	$ 8,326

Balance, June 30, 2025	$ 9,448	$ 21,632	$ 542	$ 31,622
Additions	31	10,099	-	10,130
Reclassification to property, plant and equipment	(9,614)	(13,815)	-	(23,429)
Write-off of previously capitalized costs	-	(6,763)	-	(6,763)
Impairment	-	(2,925)	-	(2,925)
Assets abandonment	-	-	(542)	(542)
Foreign currency impact	135	6	-	141
Balance, June 30, 2026	$ -	$ 8,234	$ -	$ 8,234

10. Trade and other payables:

		September 30, 2026		June 30, 2026
Accounts payable	$	6,477	$	7,995
Accrued liabilities		2,670		3,202
GST/HST payable		2,206		1,531
Other payable		1,120		1,750
Due to related party (note 21)		285		157
	$	12,758	$	14,635

11. Contract liabilities:

As of September 30, 2026 and June 30, 2026, the Company's contract liabilities consist of payments received for EPC services and development fees projects not started yet.

		September 30, 2026		June 30, 2026
Beginning of the period	$	2,227	$	5,698
Revenue recognized from opening balance		(238)		(5,698)
Advance billings		883		2,227
End of the period	$	2,872	$	2,227

12. Right-of-use assets and lease liabilities:

The continuity of the right-of-use assets as of September 30, 2026 and June 30, 2026 are as follows:

Right-of-use asset		Office		Vehicle		IPP facilities		Total
Cost:								
Balance, June 30, 2026	$	714	$	114	$	12,036	$	12,864
Additions – asset retirement cost		-		-		25		25
Balance, September 30, 2026	$	714	$	114	$	12,061	$	12,889
Accumulated Depreciation:								
Balance, June 30, 2026	$	373	$	36	$	1,865	$	2,274
Depreciation		29		11		198		238
Balance, September 30, 2026	$	402	$	47	$	2,063	$	2,512
Net book value, September 30, 2026	$	312	$	67	$	9,998	$	10,377

12. Right-of-use assets and lease liabilities (continued):

Right-of-use asset	Office	Vehicle	IPP facilities	Total
Cost:				
Balance, June 30, 2025	$ 561	$ 33	$ 11,663	$ 12,257
Additions	126	81	324	531
Change in asset retirement cost	-	-	38	38
Modifications	27	-	-	27
Foreign currency impact	-	-	11	11
Balance, June 30, 2026	$ 714	$ 114	$ 12,036	$ 12,864
Accumulated Depreciation:				
Balance, June 30, 2025	$ 202	$ 8	$ 770	$ 980
Depreciation	171	28	1,095	1,294
Balance, June 30, 2026	$ 373	$ 36	$ 1,865	$ 2,274
Net book value, June 30, 2026	$ 341	$ 78	$ 10,171	$ 10,590

IPP facilities depreciation expense is recorded in cost of goods sold for the period ended September 30, 2026 of $198 (September 30, 2025 - $335). The remaining $40 for the period ended September 30, 2026 relate to office and vehicle lease depreciation expense, which is recorded under operating expenses (September 30, 2025 - $26).

The continuity of the lease liabilities as of September 30, 2026 and June 30, 2026 are as follows:

Lease liabilities	Office	Vehicle	IPP Facilities	Total
Balance, June 30, 2026	$ 362	$ 81	$ 7,979	$ 8,422
Additions	-	-	-	-
Payments	(46)	(12)	(282)	(340)
Interest accretion	13	1	105	119
Balance, September 30, 2026	$ 329	$ 70	$ 7,802	$ 8,201
Current	109	41	1,132	1,282
Non-current	220	29	6,670	6,919
Balance, September 30, 2026	$ 329	$ 70	$ 7,802	$ 8,201

Lease liabilities	Office	Vehicle	IPP facilities	Total
Balance, June 30, 2025	$ 378	$ 25	$ 8,068	$ 8,471
Additions	126	81	324	531
Modifications	(3)	-	-	(3)
Payments	(198)	(28)	(883)	(1,109)
Foreign currency impact	-	-	20	20
Interest accretion	59	3	450	512
Balance, June 30, 2026	$ 362	$ 81	$ 7,979	$ 8,422
Current	125	42	1,191	1,358
Non-current	237	39	6,788	7,064
Balance, June 30, 2026	$ 362	$ 81	$ 7,979	$ 8,422

13. Intangible assets:

	FIT contracts	BESS contracts	Total
Cost:			
Balance, June 30, 2026	$ 18,900	$ 4,130	$ 23,030
Additions	-	-	-
Balance, September 30, 2026	$ 18,900	$ 4,130	$ 23,030
Accumulated amortization:			
Balance, June 30, 2026	$ 4,641	$ 1,281	$ 5,922
Amortization	349	19	368
Balance, September 30, 2026	$ 4,990	$ 1,300	$ 6,290
Net book value, September 30, 2026	$ 13,910	$ 2,830	$ 16,740

	FIT contracts	BESS contracts	Total
Cost:			
Balance, June 30, 2025	$ 18,900	$ 4,130	$ 23,030
Additions	-	-	-
Balance, June 30, 2026	$ 18,900	$ 4,130	$ 23,030
Accumulated amortization:			
Balance, June 30, 2025	$ 3,117	$ 646	$ 3,763
Amortization	1,392	19	1,411
Impairment	132	616	748
Balance, June 30, 2026	$ 4,641	$ 1,281	$ 5,922
Net book value, June 30, 2026	$ 14,259	$ 2,849	$ 17,108

Total amortization expenses of $368 are recorded in cost of goods sold for the period ended September 30, 2026 (September 30, 2025 - $349).

14. Short-term loans:

	Maturity	Interest rate	September 30, 2026	June 30, 2026
Line of credit	N/A	Floating	$ -	$ -
RE Royalty	November 26, 2026	Fixed	3,000	3,000
NY Green Bank credit facility	within 12 months of the drawing date	Fixed	7,709	3,891
Total			$ 10,709	$ 6,891

RE Royalty

On November 13, 2024, the Company's subsidiary entered into a loan agreement for a principal amount of $3,000. The loan had a maturity date of November 26, 2025. Interest on the loan shall accrue at the rate of 11% per annum, compounded and payable quarterly. Subsequent to initial execution, the maturity date of the loan was extended to November 26, 2026. Following the amendment, interest accrues at a rate of 12% per annum, compounded monthly and payable quarterly.

NY Green Bank credit facility

On December 30, 2025, the Company entered into a senior secured revolving credit facility with NY Green Bank ("NYGB") for an aggregate principal amount of up to US$8,000. The facility is available during an initial draw period of twelve months from the closing date and matures twelve months thereafter. Amounts drawn under the facility bear interest at a rate equal to the 2-Year U.S. Dollar Secured Overnight Financing Rate ("SOFR") ICE Swap Rate, determined at the time of drawdown, plus 7.5% per annum. The proceeds of the facility are intended to fund interconnection deposits for certain projects. As at September 30, 2026, an amount of $7,709 (US$5,433) had been drawn under the credit facility. Under the NYGB credit facility, the Company is required to maintain aggregate minimum liquidity of at least US$5,000, subject to an increase if 30% of the revolving credit commitment exceeds US$3,000.

As at September 30, 2026, the Company did not have any events of default with its short-term loans.

15. Long-term debt:

		September 30, 2026		June 30, 2026
Long-term loans	$	60,133	$	50,876
Construction loans		3,236		13,978
Highly Affected Sectors Credit Availability Program		509		537
Total		63,878		65,391
Less: current portion		12,353		13,613
Non-current portion	$	51,525	$	51,778

Long-term loans

The Company's long-term loans are secured by underlying solar power system assets, including power purchase agreements known as Feed-in-Tariff ("FIT") contracts, site leases, and project agreements. The loans bear either variable interest rates ranging from 1.56% to 3.34% plus the Canadian Overnight Repo Rate Average ("CORRA") and fixed interest rates ranging from 4.45% to 6.06%, with remaining terms of 0 to 14 years maturing between 2026 and 2040.

In July 2026, the Company amended the terms of certain loan agreements to extend the maturity date to October 2026. Management assessed the amendment under IFRS 9 and concluded that the modification was not substantial. Accordingly, the existing financial liability was not derecognized.

Certain loans within the portfolio carry an annual fixed interest rate of 4.75% through interest-rate swap agreements that convert originally variable-rate terms based on the three-month Banker's Acceptance Rate plus 1.98%. These loans mature in December 2029, with interest payable quarterly and principal payable semi-annually.

During the three months ended September 30, 2026, total interest expense on long-term loans amounted to $759 (September 30, 2025 – $636).

Certain project debt agreements require the Company to maintain restricted cash balances in designated reserve accounts. These balances are not available for general corporate purposes and are held at the project level to satisfy financing requirements.

Interest rate swaps are accounted for as derivative assets or liabilities and recorded at fair value on the condensed Interim consolidated statements of financial position with change in fair value recorded in profit or loss. For the three months ended September 30, 2026, the Company recorded fair value change gain of $1,307 in the consolidated statements of comprehensive income (loss) (September 30, 2025 – gain of $171).

Construction loans

During the year ended June 30, 2025, the Company entered into a credit agreement with Royal Bank of Canada ("RBC") as Lenders, Administrative Agent and Collateral Agent for the Lenders, and obtained an advancement of $10,091 for the construction of certain BESS projects in Ontario. RBC retained an upfront fee amount of $814. The Company entered into interest rate swap agreement on the loan to fix the annual interest rate at 5.085%. Subsequent to year-end June 30, 2025, the credit agreement was amended to increase the total credit commitment. The amendment did not result in any additional borrowings or a change in the principal amount outstanding. The amendment did not give rise to a substantial modification or extinguishment of a financial liability. In connection with the amendment, RBC retained an upfront fee amount of $92. In September 2026, the Company converted $11,255 of the outstanding construction loan into a term loan facility maturing in 2031 and incurred transaction costs of $133. The conversion did not give rise to a substantial modification or extinguishment of a financial liability. For the three months ended September 30, 2026, the Company recorded no gain or loss from changes in fair value in the consolidated statements of comprehensive income (loss) (three months ended September 30, 2025 – loss of $105).

15. Long-term debt (continued):

On June 24, 2024, the Company entered into a Construction Loan Agreement, with Seminole Financial Services, LLC., for the construction of the Geddes project (the "Geddes Construction Loan"). The Geddes Construction Loan is for a principal amount of up to USD $2,600, based on the actual cost of the project. The loan is secured against the assets associated with the Geddes project and the Company has provided a guarantee of completion and payment. Upon receiving permission to operate the Geddes Project, the loan advancement shall convert into a 6-year long-term loan with a fixed interest rate to be determined upon the conversion. Construction of the project has been completed, and the project received PTO in July 2025. The conversion was completed in January 2026. At the date of conversion, the outstanding principal balance was $1,696. Transaction costs of $36 were incurred and are netted against the carrying amount of the loan in accordance with IFRS 9. The loan bears interest at a fixed rate of 7.67% per annum.

Highly Affected Sectors Credit Availability Program

In 2021, the Company received a Highly Affected Sectors Credit Availability Program ("HASCAP") loan for a total of $1,000 at 4% annual rate from Bank of Montreal. The loan has a ten-year amortization period with interest payment only for the first year. Principal payments commenced in May 2022. During the three months ended September 30, 2026, the interest recorded was $5 (September 30, 2025 - $6).

As at September 30, 2026, the Company did not have any events of default with its long-term debt.

16. Provisions:

The Company recognizes provisions for asset retirement costs associated with its leased facilities where it has obligations under lease agreements to restore premises to their original condition at the end of the lease term.

		September 30, 2026		June 30, 2026
Beginning of the period	$	2,498	$	2,401
Additions		-		136
Increase (decrease) in liability		25		(98)
Accretion expense		16		59
End of the period	$	2,539	$	2,498

17. Change in non-cash assets and liabilities:

The change in non-cash working capital for the period ended September 30, 2026 and September 30, 2025 is as follows:

		September 30, 2026		September 30, 2025
Contract assets	$	343	$	(4,036)
Inventories		(3,432)		(2,161)
Trade and other receivables		(476)		(1,803)
Trade and other payables		(1,269)		(847)
Other long-term liabilities		(6)		(220)
Prepaid expenses and deposits		724		6,801
Contract liabilities		645		539
	$	(3,471)	$	(1,727)

18. Financial instruments:

The Company as part of its operations carries financial instruments consisting of cash, restricted cash, short-term investments, trade and other receivables, derivative financial instruments, trade and other payables, short-term loans, long-term debt, lease liabilities, warrant liabilities, other long-term liabilities and other liabilities due to non-controlling interest holders.

(a) Fair value:

The Company's financial assets and liabilities carried at fair value are measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy are as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability.
- Level 3: Inputs for the asset or liability that are not based on observable market data.

The Company has variable interest rate loans with interest rate swap to effectively hedge the floating rate term loans into fixed rate arrangements by receiving floating rate and paying fixed rate payments (note 15). The fair value of the interest rate swap is based on discounting estimate of future floating rate and fixed rate cash flows for the remaining term of the interest rate swap. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Company and of the counterparty. The fair value of the interest rate swap is determined using Level 2 inputs.

The carrying amounts of cash, restricted cash, short-term investments, trade and other receivables, and trade and other payables approximate their fair values due to the short-term maturities of these items.

The carrying amounts of short-term loans, long-term debt, lease liabilities and other liabilities due to non-controlling interest approximate their fair value as management believes the applicable interest rates approximate current market rates for debt with similar terms and security.

Other liabilities due to non-controlling interest holders represent amounts payable to minority shareholders under contractual arrangements that require fixed or determinable payments. Such obligations meet the definition of a financial liability under IAS 32 Financial Instruments: Presentation, as it creates a contractual obligation to deliver cash irrespective of project performance. During the three months ended September 30, 2026, the Company recognized a fair value loss of $10, which is included in the consolidated statements of comprehensive income (loss) (September 30, 2025 – loss of $10).

The warrants grant holders the right to acquire common shares of the Company. As the warrants are exercisable at a price denominated in U.S. dollars, the exercise price is not a fixed amount of cash in the Company's functional currency. Consequently, the warrants do not meet the 'fixed-for-fixed' criterion under IAS 32 and are classified as derivative financial liabilities. They are measured at fair value at each reporting date, with changes in fair value recognized in profit or loss. Fair value is determined based on the market value of the underlying common shares at the reporting date. During the three months ended September 30, 2026, the Company recognized a fair value gain of $257, which is included in the consolidated statements of comprehensive income (loss) (September 30, 2025 – gain of $102).

The fair value of the Company's embedded derivative instruments related to the contingent value right ("CVR") liabilities were determined using the income approach, which included certain assumptions about the operating, investing, and financing inputs. In estimating the fair value of the financial liability, the Company uses market-observable data to the extent it is available. As CVR does not have Level 1 inputs, management applies Level 2 or Level 3 inputs, including

18. Financial instruments (continued):

internally developed models, unobservable assumptions, and other inputs not derived from active market data, to determine the appropriate fair value at the reporting date. During the three months ended September 30, 2026, the Company recognized a fair value loss of $142, which is included in the consolidated statements of comprehensive income (loss) (September 30, 2025 – loss of $542).

(b) Financial risk management:

(i) Credit risk and economic dependence:

Credit risk is the risk of financial loss associated with the counterparty's inability to fulfill its payment obligations. The Company has no significant credit risk with its counterparties.The carrying amount of financial assets net of impairment, if any, represents the Company's maximum exposure to credit risk.

The Company has assessed the creditworthiness of its trade and other receivables and amount determined the credit risk to be low. Receivables from projects are from reputable customers with past working relations with the Company. IPP revenues are due from local government utility with high creditworthiness. Cash, restricted cash and short-term investment have low credit risk as they are held by internationally recognized financial institutions.

(ii) Currency risk:

The Company conducts business in Canada and United States and has subsidiaries operating in the same countries. The Company, and its subsidiaries, do not hold significant assets and liabilities denominated in foreign currencies. As a result, the Company has low currency risk.

(iii) Concentration risk and economic dependence:

The accounts receivable balance is relatively concentrated with a few large customers representing majority of the value. See table below showing a few customers who account for over 10% of revenue as well as customers who account for over 10% of accounts receivable.

No individual customer accounted for more than 10% of the Company's revenue for the three months ended September 30, 2026.

Three months ended September 30, 2025		Revenue	% of revenue
Customer A	$	3,985	21%
Customer D	$	10,646	56%

Three months ended September 30, 2026		Accounts receivable	% of accounts receivable
Customer A	$	1,037	25%
Customer D	$	530	13%

June 30, 2026		Accounts receivable	% of accounts receivable
Customer A	$	1,039	25%
Customer C	$	830	20%

18. Financial instruments (continued):

(iv) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due by maintaining adequate reserves, banking facilities, and borrowing facilities. All the Company's financial liabilities are subject to normal trade terms.

The following are the remaining contractual obligations as at September 30, 2026:

	Total	Less than 1 year	1 to 2 years	3 to 5 years	More than 5 years
Short-term loans	$ 10,709	$ 10,709	$ -	$ -	$ -
Long-term debt	63,878	12,353	9,040	15,382	27,103
Lease liabilities	10,867	1,468	1,092	1,975	6,332
Trade and other payables	12,758	12,758	-	-	-
Total	$ 98,212	$ 37,288	$ 10,132	$ 17,357	$ 33,435

(v) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's long-term debt comprises both fixed and variable interest rate instruments. For certain variable rate borrowings, the Company has entered into interest rate swap agreements to economically fix the contractual interest rates.

19. Share Capital:

(a) Authorized share capital as at September 30, 2026 and June 30, 2026

Unlimited number of common shares with no par value.

(b) Issued and outstanding share capital

On September 30, 2026, the Company had 64,175,710 common shares issued and outstanding (September 30, 2025 – 36,640,486). A summary of changes in share capital is presented in the consolidated statements of changes in shareholders' equity:

	Number of Common shares		Share Capital
Balance, June 30, 2025	35,433,947	$	45,285
Common shares issued, net of costs	998,856		2,558
RSU settled (note 20b)	102,067		188
Shares issued to settle liabilities (note 19b)	105,616		240
Balance, September 30, 2025	36,640,486	$	48,271
Balance, June 30, 2026	47,697,277		68,004
Common shares issued, net of costs	9,045,268		6,666
RSU settled (note 20b)	5,764,546		4,428
Shares issued to settle liabilities (note 19b)	1,668,619		1,170
Balance, September 30, 2026	64,175,710	$	80,268

On July 1, 2026, the Company completed a registered direct offering pursuant to securities purchase agreements with two institutional investors. The Company issued 7,000,000 common shares at a price of US$0.60 per share for gross proceeds of $5,956 (US$4,200). After placement agent fees and other offering expenses, the Company received net proceeds of $5,478 (US$3,863).

During the three months ended September 30, 2026, the company issued 2,045,268 shares under its At-The-Market ("ATM") equity offering program, at an average price of US$0.45 for net proceeds of $1,188.

During the three months ended September 30, 2026, the Company issued 1,297,352 common shares with a fair value of $0.63 per share and 72,463 common shares with a fair value of $0.98 (US$0.69) per share to settle outstanding liabilities. The amounts settled included professional fees incurred in the prior year, other income and expense of $171 and consulting fees of $71 (September 30, 2025 – other income and expense of nil and consulting fees of $48).

In July 2026, the Company issued 298,804 common shares at a fair value of $0.95 per share to former Solar Flow-Through Funds Ltd ("SFF") directors in settlement of bonus entitlements that had been accrued by SFF in the prior fiscal year, as such, did not affect the Company's profit and loss during three months ended September 30, 2026.

During the three months ended September 30, 2025, the Company issued the remaining 23,026 common shares granted for consulting services in the year ended June 30, 2025.

During the three months ended September 30, 2025, the Company granted 26,315 common shares at a fair value of $1.84 per share (US$1.33) in exchange for consulting services, resulting in the recognition of $48 as consulting fees expense.

In July 2025, the Company issued 56,275 common shares at a fair value of $2.56 per share to former SFF directors in settlement of bonus entitlements that had been accrued by SFF in the prior fiscal year, as such, did not affect the Company's profit and loss during three months ended September 30, 2025.

20. Share-based compensation:

(a) Share-based compensation:

The Board of Directors has adopted the Share Compensation Plan on November 4, 2022. Under this plan, the aggregate number of common shares that may be reserved and available for grant and issuance pursuant to the exercise of options and settlement of RSUs, each under the Share Compensation Plan, shall not exceed 20% (in the aggregate) of the issued and outstanding Common Shares at the time of granting. The exercise price per common share for an option and RSU granted shall not be less than the market price. Every option and RSU shall have a term not exceeding and shall expire no later than 5 years after the date of grant.

Details of the share option outstanding for the three months ended September 30, 2026 and September 30, 2025 are as follows:

	September 30, 2026		September 30, 2025	
	Number of options	Weighted average exercise price per share	Number of options	Weighted average exercise price per share
Outstanding, beginning of the period	3,436,690	$ 1.32	2,284,000	$ 0.78
Granted	-	-	1,402,000	1.90
Outstanding, end of the period	3,436,690	$ 1.32	3,686,000	1.20
Exercisable share options, end of period	1,974,515	1.03	2,719,685	0.95

As at September 30, 2026, the range of exercise prices, the weighted average exercise price and the weighted average remaining contractual life are as follows:

Range of exercise prices	Number outstanding	Weighted average exercise price per share	Weighted average remaining contractual life (years)
$0.75	1,502,330	$ 0.75	1.10
$1.34	520,000	1.34	4.39
$1.89	1,375,360	1.89	3.83
$2.20 - $3.00	39,000	2.53	3.80
	3,436,690	$ 1.32	2.72

During the three months ended September 30, 2026, the Company did not grant any share options. During the three months ended September 30, 2026, compensation expense related to share options was $148 (September 30, 2025 - $578).

20. Share-based compensation (continued):

(b) Restricted Share Units ("RSUs")

Details of the RSUs outstanding as at September 30, 2026 and 2025 are as follows:

	Three months ended September 30			
	2026		2025	
	Number of RSU	Weighted average grant date fair value per RSU	Number of RSU	Weighted average grant date fair value per RSU
Outstanding, beginning of the period	2,286,256	$ 1.02	276,677	$ 0.91
Granted	8,203,235	0.73	75,390	1.84
Settled	(5,764,546)	0.77	(75,390)	1.84
Forfeited	(251,820)	0.75	-	-
Outstanding, end of the period	4,473,125	$ 0.83	276,677	$ 0.91

During the three months ended September 30, 2026, the Company granted equity settled RSUs on the grant dates in the following table. The RSUs were valued at the market price on the grant date. RSUs will generally be settled upon or shortly after vesting. The vesting schedule for RSU varies by agreement and is determined by the contractual terms. The table below presents the RSUs granted and related grant details for the three months ended September 30, 2026 and September 30, 2025.

Grant Date	RSUs Granted	Grant Value	Vesting date[1]
July 17, 2026	6,016,000	$ 4,993	June 30, 2027
August 21, 2026	400,000	$ 272	August 21, 2029
July 17, 2026	1,787,235	$ 751	September 30, 2026

Grant Date	RSUs Granted	Grant Value	Vesting date[1]
July 30, 2025 [1]	75,390	$ 143	August 15, 2025

[1] Vesting date reflects the final vesting date if vesting occurs in tranches over a period of time.

For the three months ended September 30, 2026, $703 recorded in share-based compensation expense (September 30, 2025 – $143), $2,839 recorded in consulting fees (September 30, 2025 – nil), and $318 recorded in salaries and wages (September 30, 2025 – nil),

21. Related Party Transactions and Balances:

The Company enters into transactions with related parties in the normal course of business. Related parties include subsidiaries, entities under common control, entities over which directors or key management personnel ("KMP") have significant influence, and close family members of KMP. All related party transactions are measured at the exchange amount, which is the amount agreed to by the parties.

As at September 30, 2026, amounts due to directors and other members of KMP were comprised of $285 (June 30, 2026 - $157) included in trade and other payables, $801 included in other long-term liabilities (June 30, 2026 – $801), and $73 (June 30, 2026 – $73) included in trade and other receivables.

21. Related Party Transactions and Balances (continued):

(a) Transactions with related parties

The following table summarizes costs incurred or recovered from related parties during the three months ended September 30, 2026 and 2025:

	Nature of Relationship	Nature of Transactions	Three months ended September 30	
			2026	2025
Light Voltaic Corporation	Controlled by a director	Consulting services	$ 200	$ 136
The Phoenix Trendz Inc.	Controlled by KMP	Consulting services	$ 100	$ 118
Art Vancouver	Controlled by a director	Consulting services	$ 150	$ 97

(b) Balances with related parties

Outstanding balances with related parties are summarized as follows:

	September 30, 2026		June 30, 2026	
	Receivable/ (Payable)	Balance Sheet Presentation	Receivable/ (Payable)	Balance Sheet Presentation
Light Voltaic Corporation	$ (247)	Trade and other payables	$ (21)	Trade and other payables
The Phoenix Trendz Inc.	-	Trade and other payable	(24)	Trade and other payables
Art Vancouver	-	Trade and other payable	(6)	Trade and other payables
Wear Wolfin Design	(52)	Other long-term liabilities	(52)	Other long-term liabilities
Berkley Renewables Inc.	(749)	Other long-term liabilities	(749)	Other long-term liabilities
Big Bear Gold Corp. (formerly Westkam Gold Corp.)	7	Trade and other receivables	7	Trade and other receivables
Total	$ (1,041)		$ (845)	

(c) Key management personnel compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Senior Vice President of Corporate Development.

The remuneration of directors and other members of key management personnel, for the period ended September 30, 2026 and 2025 were as follows:

	Three months ended September 30,	
	2026	2025
Salaries and employee benefits	$ 364	$ 303
Share-based compensation	$ 1,593	$ 143

22. Segment Information:

Segmented information is reviewed by the Company's chief decision maker, the CEO, to assess performance and allocate resources within the Company. The Company has two operating segments.

(a) Reportable segments

Development and EPC consist of development and construction of solar photovoltaic power generation projects. IPP consists of the operation of solar photovoltaic power facilities and BESS projects. Corporate and other includes corporate activities and the operation and maintenance of power facilities, repairs and reinstallation of power facilities, and non-recurrent solar photovoltaic power generation project related work engaged by customers.

The revenues from external customers and expenses for three months ended September 30, 2026 and 2025 are as follows:

	Three months ended September 30, 2026				
	Development & EPC	IPP Production	Corporate and other activities	Intersegment Elimination	Total
Revenue					
Revenue from external customers	$ 213	$ 3,759	$ 225	$ -	$ 4,197
Intersegment revenue	-	61	-	(61)	-
Total Revenue	$ 213	$ 3,820	$ 225	$ (61)	$ 4,197
Cost of goods sold	(631)	(2,041)	(68)	61	(2,679)
Gross profit (loss)	(418)	1,779	157	-	1,518
Operating expense	$ (228)	$ (393)	$ (6,777)	$ -	$ (7,398)
Income from operating activities	$ (646)	$ 1,386	$ (6,620)	$ -	$ (5,880)
Interest income	-	39	101	-	140
Interest expense	-	(985)	(181)	-	(1,166)
Fair value change of derivatives	-	1,307	-	-	1,307
Fair value change of warrant liabilities	-	-	257	-	257
Fair value change of CVR liabilities	-	-	(142)	-	(142)
Fair value change of other liabilities due to non-controlling interest holders	-	(10)	-	-	(10)
Other income (expense)	$ -	$ (324)	$ 150	$ -	$ (174)
Net income (loss) before income taxes					(5,668)

22. Segment Information (continued):

	Three months ended September 30, 2025				
	Development & EPC	IPP Production	Corporate and other activities	Intersegment Elimination	Total
Revenue					
Revenue from external customers	$ 15,305	$ 3,845	$ -	$ -	$ 19,150
Intersegment revenue	-	1,489	-	(1,489)	-
Total Revenue	$ 15,305	$ 5,334	$ -	$ (1,489)	$ 19,150
Cost of goods sold	(8,726)	(3,369)	-	1,489	(10,606)
Gross profit	6,579	1,965	-	-	8,544
Operating expense	$ (146)	$ (438)	$ (5,353)	$ -	$ (5,937)
Income from operating activities	$ 6,433	$ 1,527	$ (5,353)	$ -	$ 2,607
Interest income	-	58	32	-	90
Interest expense	-	(747)	(67)	-	(813)
Fair value change of derivatives	-	(94)	160	-	66
Fair value change of warrant liabilities	-	-	102	-	102
Fair value change of CVR liabilities	-	-	(542)	-	(542)
Fair value change of other liabilities due to non-controlling interest holders	-	(10)	-	-	(10)
Other income (expense)	$ -	$ (4)	$ (86)	$ -	$ (90)
Net income before income taxes					1,410

The segment assets, segment liabilities, and other material segment items as at September 30, 2026 and June 30, 2026 are as follows:

As at September 30, 2026	Development & EPC	IPP Production	Corporate and other activities	Total
Total assets	$ 33,083	$ 100,684	$ 7,190	$ 140,957
Total liabilities	16,574	92,535	5,836	114,945
Property, plant and equipment	-	47,752	21	47,773

As at June 30, 2026	Development & EPC	IPP Production	Corporate and other activities	Total
Total assets	$ 29,789	$ 99,490	$ 4,187	$ 133,466
Total liabilities	12,644	94,611	5,834	113,089
Property, plant and equipment	-	48,650	22	48,672

On April 9, 2026, the Company received remedy notices from a customer indicating the occurrence of seller trigger events under certain project agreements. Under the terms of the agreements, the customer held a conditional repurchase put option exercisable upon the occurrence of specified development-related trigger events. Following the occurrence of those trigger events, the customer exercised its contractual repurchase right, requiring the Company to repurchase the related projects for an aggregate amount of approximately US$2,350. In connection with the repurchase accounting, as of June 30, 2026, returned inventory in-transit increased by $2,298.

22. Segment Information (continued):

(b) Geographic information

The Company is currently operating developing and constructing of solar photovoltaic power generation projects in two principal geographical areas - Canada and United States. The revenues from external customers by country for the three months ended September 30, 2026 and 2025, and the non-current assets by country as at September 30, 2026 and June 30, 2026, are presented as follows:

	Revenue from external customers		Non-current assets	
	Three months ended September 30,			
	2026	2025	September 30, 2026	June 30, 2026
Canada	$ 3,783	3,782	$ 82,700	82,566
United States	414	15,368	10,559	10,733
	$ 4,197	19,150	$ 93,259	93,299

23. Income Tax:

The Company is subject to income taxes in Canada, while the subsidiaries in United States are subject to the income tax laws of the United States.

The income tax charge is a result of profits and withholding tax in two jurisdictions which are taxable and cannot be offset by accumulated tax benefits in other jurisdictions. Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the three months ended September 30, 2026 was 26.5% (June 30, 2026 - 26.5%).

The actual income tax provision differs from the expected amount calculated by applying the Canadian combined federal and provincial corporate tax rates to income before tax. For entities subject to U.S. taxation, the expected provision is calculated using the applicable U.S. federal and state statutory tax rates.

24. Earnings (loss) per share:

The calculation of earnings per share for the three months ended September 30, 2026 and 2025 are as follows:

		September 30, 2026		September 30, 2025
Net income (loss) attributable to: Shareholders of the company	$	(6,184)	$	1,000
Basic weighted average number of shares outstanding		59,280,013		36,097,994
Diluted weighted average number of shares outstanding		59,280,013		52,030,217
Earnings (loss) per share				
Basic	$	(0.10)	$	0.03
Diluted	$	(0.10)	$	0.02

As of September 30, 2026, the Company has four categories of potentially dilutive securities: 3,436,690 of share options, 4,473,125 of RSUs, 7,378,987 of warrants and 2,283,929 of CVRs.

All potentially dilutive securities have been excluded from the calculation of diluted loss per share for three months ended September 30, 2026, as the Company was in a net loss position during the period. Including the dilutive securities would be anti-dilutive; therefore, basic and diluted number of shares used in the calculation is the same for the period presented.

25. Other long-term liabilities:

	September 30, 2026	June 30, 2026
CVR liabilities	$ 2,448	$ 2,306
Other liabilities due to non-controlling interest holders	629	619
Due to related party (note 21)	801	801
Payable to SFF previous directors	146	434
	$ 4,024	$ 4,160

26. Commitments:

At September 30, 2026, the Company had various purchase commitments in the normal course of operations. Below is a summary of the future minimum payments for contractual obligations that are not recognized as liabilities at September 30, 2026.

	Total	Less than one year	1 to 2 years	3 to 5 years	More than 5 years
Purchase obligations	$ 3,871	$ 3,871	$ -	$ -	$ -

Pursuant to an advisory agreement, the Company has committed to issue up to US$1,300 of common shares to the advisor in consideration for services to be provided. The shares, when issued, will be fully paid and non-assessable common shares of the Company. As of September 30, 2026, the Company had issued 599,723 common shares under the arrangement with an aggregate fair value of approximately US$615. The remaining commitment under the agreement will be satisfied through future issuances of common shares in accordance with the terms of the advisory agreement.

27. Deferred government grants:

During the year ended June 30, 2026, the Company received government grants of $2,273 from the New York State Energy Research and Development Authority (NYSERDA) in connection with the completion of construction of a solar project. All conditions attached to the grants were satisfied prior to receipt, and there are no unfulfilled conditions, contingencies, or expected reimbursements as at the reporting date.

	September 30, 2026	June 30, 2026
Beginning of the period	$ 2,280	$ -
Government grants received	-	2,273
Government grants income recognized	(29)	(71)
Foreign currency impact	(5)	78
Balance, end of the period	$ 2,246	$ 2,280
Current	117	118
Non-current	2,129	2,162
	$ 2,246	$ 2,280

For the three months ended September 30, 2026, the Company recognized government grant income of $29 in other income (expense) (September 30, 2025 – nil).

28. Subsequent Events:

On October 22, 2026, the Company entered into a secured term loan agreement for up to $25,434, with RBC acting as administrative agent, to refinance certain existing long-term debts. The facility matures on October 22, 2031 and is secured by the participating project entities' assets and pledges of their ownership interests. In connection with the refinancing, the Company entered into an amortizing interest rate swap with RBC with an initial notional amount of $25,434. The swap provides for quarterly settlements and mandatory early termination and cash settlement on October 22, 2031, although its scheduled termination date is July 31, 2036.

On October 29, 2026, shareholders approved a share consolidation at a ratio between 10:1 and 30:1 at the Company's Annual General and Special Meeting. The Board of Directors approved a 20:1 consolidation ratio on November 11, 2026. The effective date remains subject to approval by Cboe Canada Inc. and Nasdaq.