

Financial Statements

Canso Select Opportunities Corporation

June 30, 2026

Table of contents

Management's Responsibility for Financial Reporting	1
Interim statements of financial position	2
Interim statements of comprehensive income	3
Interim statements of changes in equity	4
Interim statements of cash flows	5
Notes to interim financial statements	6 - 10

Management's Responsibility for Financial Reporting

The accompanying unaudited interim Financial Statements have been prepared by Management. Management is responsible for the information and representations contained in these interim Financial Statements. Management has maintained appropriate processes to ensure that relevant and reliable financial information is produced. The unaudited interim Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and include certain amounts based on estimates and assumptions. The material accounting policies that management believes are appropriate for Canso Select Opportunities Corporation ("CSOC") are described in Note 2 to the unaudited interim Financial Statements.

The Board of Directors is responsible for reviewing and approving CSOC's unaudited interim Financial Statements, overseeing management's performance of its financial reporting responsibilities and engaging the independent auditors. For all share classes of CSOC, the unaudited interim Financial Statements have been reviewed and approved by the Board of Directors.

Approved by the Board of Directors

(signed) "Jason Bell"

(signed) "Shirley Sumsion"

Jason Bell
Director

Shirley Sumsion
Director

Canso Select Opportunities Corporation
Interim Statements of Financial Position
As at June 30, 2026 and December 31, 2025
(Unaudited)

	June 30, 2026	December 31, 2025 (Audited)
	\$	\$
Assets		
Current Assets		
Cash and cash equivalents	317,915	49,231
Investments through FVTPL (Notes 6 and 9)	67,439,267	45,631,868
Investment in Canso Select Opportunities Fund, FVTPL (Notes 6 and 9)	-	12,552,203
Accrued interest	46,974	38,555
Dividend receivable	9,596	8,872
Other receivable (Notes 5 and 9)	231,658	-
Prepaid expenses	8,359	15,193
Total Current Assets	68,053,769	58,295,922
Non-current Asset		
Deferred tax assets	10,999	12,392
Total Assets	68,064,768	58,308,314
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	126,091	115,149
Income taxes payable	314,419	163,292
Total Current Liabilities	440,510	278,441
Non-current Liabilities		
Deferred tax liabilities	3,575,191	2,980,483
Total Liabilities	4,015,701	3,258,924
Shareholders' Equity		
Share capital (Note 4)	23,359,050	23,359,050
Contributed surplus	4,324,550	4,324,550
Retained earnings	36,365,467	27,365,790
Total Shareholders' Equity	64,049,067	55,049,390
Total Liabilities and Shareholders' Equity	68,064,768	58,308,314

Approved by the Board of Directors

(signed) "Jason Bell"

(signed) "Shirley Sumsion"

Jason Bell
Director

Shirley Sumsion
Director

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

Canso Select Opportunities Corporation
Interim Statements of Comprehensive Income
Three months and six months ended June 30, 2026 and 2025
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
	\$	\$	\$	\$
Income				
Dividend income	978,042	366,564	2,597,029	968,488
Interest income (expense)	293,320	-	318,911	(43)
Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss:				
Realized gain (loss) on investments (Notes 6 and 9)	2,710,808	(7)	2,720,205	(47,817)
Realized foreign exchange gain (loss)	167,816	-	183,716	(13,889)
Change in unrealized foreign exchange gain	651,727	295,573	286,191	106,283
Change in unrealized gain on investments (Note 6)	3,661,418	4,757,031	4,106,846	4,201,002
Total Income	8,463,131	5,419,161	10,212,898	5,214,024
Expenses (Note 5)				
Directors fees	22,500	22,929	45,000	45,858
Professional fees	51,432	35,991	81,349	68,614
Administration	39,831	22,990	81,939	44,931
Bank charges	611	542	1,062	806
Insurance	5,883	5,883	11,702	11,702
Total Expenses	120,257	88,335	221,052	171,911
Net Income before income taxes	8,342,874	5,330,826	9,991,846	5,042,113
Income tax expense				
Current	413,340	-	396,067	-
Deferred	584,826	645,959	596,102	517,149
Total Income Tax Expense	998,166	645,959	992,169	517,149
Net income and comprehensive income for the period	7,344,708	4,684,867	8,999,677	4,524,964
Earnings per share attributable to shareholders				
Basic	\$1.41	\$0.90	\$1.72	\$0.87
Diluted	\$1.41	\$0.90	\$1.72	\$0.87

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

Canso Select Opportunities Corporation
Interim Statements of Changes in Equity
Six months ended June 30, 2026 and 2025
(Unaudited)

	2026			
	\$	\$	\$	\$
	Share capital	Contributed surplus	Retained earnings	Total
Opening balance, January 1, 2026	23,359,050	4,324,550	27,365,790	55,049,390
Net income for the period	-	-	8,999,677	8,999,677
Ending balance, June 30, 2026	23,359,050	4,324,550	36,365,467	64,049,067

	2025			
	\$	\$	\$	\$
	Share capital	Contributed surplus	Retained earnings	Total
Opening balance, January 1, 2025	23,359,050	4,324,550	11,509,772	39,193,372
Net income for the period	-	-	4,524,964	4,524,964
Ending balance, June 30, 2025	23,359,050	4,324,550	16,034,736	43,718,336

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

Canso Select Opportunities Corporation
Interim Statements of Cash Flows
Six months ended June 30, 2026 and 2025
(Unaudited)

	2026	2025
	\$	\$
Operating Activities		
Net income	8,999,677	4,524,964
Adjustments for:		
Interest income re-invested	(318,495)	43
Dividend income re-invested	(17,858)	(32,413)
Realized (gain) loss on investment	(2,720,205)	47,817
Realized foreign exchange (gain) loss	(163,345)	14,859
Change in unrealized foreign exchange gain on investments	(286,051)	(107,577)
Change in unrealized appreciation on investments	(4,106,846)	(4,200,003)
Purchase of investments	(8,162,441)	(439,560)
Proceeds from sale of investments	6,520,045	26,048
Accrued interest	(8,419)	-
Dividend receivable	(724)	7,359
Other receivable	(231,658)	-
Prepaid expenses	6,834	15,317
Income tax payable	151,127	-
Deferred tax assets	1,393	(46,368)
Deferred tax liabilities	594,708	563,518
Accounts payable and accrued liabilities	10,942	(71,224)
Net Cash Generated by Operating Activities	268,684	302,780
Cash and cash equivalents — Beginning of period	49,231	104,845
Cash and cash equivalents — End of period	317,915	407,625

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

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Six months ended June 30, 2026
(Unaudited)

1. General Information

Canso Select Opportunities Corporation ("CSOC" or "Company") was incorporated by articles of incorporation under the Ontario Business Corporations Act on February 16, 2018. Effective September 4, 2018, the Class A Multiple Voting Shares and Class B Subordinate Voting Shares of CSOC were eligible to commence trading on the TSX Venture Exchange under the symbols CSOC.A representing the Class A Multiple Voting Shares and CSOC.B representing the Class B Subordinate Voting Shares.

CSOC is an Ontario-based investment corporation. The Company's registered head office is 100 York Blvd., Suite 550, Richmond Hill, Ontario, L4B 1J8. CSOC's investment objective is to provide capital gains and dividend income to its shareholders. Consistent with this objective, the Company evaluates potential investments in debt, public and private equity and other securities. The deployment of funds to new investments depends on both the attractiveness of new investment opportunities and the availability of capital as generated from the realization of value from existing portfolio investments.

2. Basis of Presentation and Material Accounting Policies

These unaudited interim financial statements of CSOC have been prepared in compliance with International Accounting Standard 34, *Interim Financial Reporting*, using accounting policies consistent with IFRS Accounting Standards as issued by the IASB. Accordingly, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with IFRS Accounting Standards as issued by the IASB have been omitted or condensed.

The accounting policies applied by CSOC in these interim financial statements are the same as those applied by CSOC in its annual audited financial statements for the year ended December 31, 2025, which were prepared in accordance with IFRS Accounting Standards as issued by the IASB. Since its inception, CSOC has applied IFRS 9, Financial Instruments, which deals with the recognition, derecognition, classification and measurement of financial instruments. CSOC has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. Critical Accounting Estimates and Judgements

The preparation of financial statements requires management to use judgement in applying its accounting policies and to make estimates and assumptions about the future. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected.

There have been no changes in the critical accounting estimates and judgments which were set out in detail in Note 3 of CSOC's annual audited financial statements for the year ended December 31, 2025.

4. Share Capital

The Company is authorized to issue an unlimited number of shares of a class designated as Class A Multiple Voting Shares, an unlimited number of shares of a class designated as Class B Subordinate Voting Shares, and an unlimited number of shares of a class designated as Preference Shares. Share capital of the Company as stated in the financial statements is the same as the legal stated capital.

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Six months ended June 30, 2026
(Unaudited)

4. Share Capital (Cont'd)

At June 30, 2026 share capital consists of the following:

	Number of shares #	Amount \$
1,458,394 Class A Multiple Voting Shares		5,831,611
3,760,043 Class B Subordinate Voting Shares		17,527,439
		<u>23,359,050</u>
Class A Multiple Voting Shares:		
Class A Multiple Voting Shares outstanding, January 1, 2026	1,464,994	5,858,002
Conversion from Class A Multiple Voting Shares to Class B Subordinate Voting Shares	(6,600)	(26,391)
Class A Multiple Voting Shares outstanding, June 30, 2026	1,458,394	5,831,611
Class B Subordinate Voting Shares:		
Class B Subordinate Voting Shares outstanding, January 1, 2026	3,753,443	17,501,048
Conversion from Class A Multiple Voting Shares to Class B Subordinate Voting Shares	6,600	26,391
Class B Subordinate Voting Shares outstanding, June 30, 2026	3,760,043	17,527,439
	<u>5,218,437</u>	<u>23,359,050</u>

At December 31, 2025 share capital consisted of the following:

	Number of shares #	Amount \$
1,464,994 Class A Multiple Voting Shares		5,858,002
3,753,443 Class B Subordinate Voting Shares		17,501,048
		<u>23,359,050</u>
Class A Multiple Voting Shares:		
Class A Multiple Voting Shares outstanding, January 1, 2025	1,489,994	5,957,968
Conversion from Class A Multiple Voting Shares to Class B Subordinate Voting Shares	(25,000)	(99,966)
Class A Multiple Voting Shares outstanding, December 31, 2025	1,464,994	5,858,002
Class B Subordinate Voting Shares:		
Class B Subordinate Voting Shares outstanding, January 1, 2025	3,728,443	17,401,082
Conversion from Class A Multiple Voting Shares to Class B Subordinate Voting Shares	25,000	99,966
Class B Subordinate Voting Shares outstanding, December 31, 2025	3,753,443	17,501,048
	<u>5,218,437</u>	<u>23,359,050</u>

5. Related Party Transactions

Canso Select Opportunities Fund ("CSOF") was a wholly-owned investment in the form of a Trust held by CSOC. CSOC indirectly held all of the investments of CSOF through its ownership of CSOF. On May 15, 2026, CSOF was terminated as described in Note 9. Included in other receivable is \$231,658 owing from CSOF for remaining cash to be distributed to CSOC.

CSOC has an operational services agreement with Canso Investment Counsel Ltd. ("Canso") that was originally entered into on August 1, 2018. The operational services agreement sets out that Canso will provide the day-to-day operational services to carry out the business affairs of CSOC. Under the terms of the agreement, there were no fees payable for services provided by Canso to CSOC for the first 24-month period and the term could be extended at 12-month periods as agreed to between the parties. The parties agreed to extend the no fee arrangement for the 12-month term ending on July 31, 2026 and for an additional 2-month term ending on September 30, 2026. There were no management fees charged for the period ended June 30, 2026 (June 30, 2025 – \$Nil).

Included in administration expense is \$5,085 (2025 – \$5,085) paid to Portfolio HiWay Inc. ("PHW"), a company under common control, \$26,894 (2025 – \$10,170) paid to Narrowcontent Inc. ("NC"), a company under common control, and \$24,057 (2025 – \$Nil) paid to Canso Innovations Inc. ("CI"), a company under common control. Included in professional fees expense is \$9,786 (2025 – \$9,001) paid to PHW. Included in accounts payable and accrued liabilities is \$5,186 (2025 – \$5,378) owing to PHW, \$4,010 (2025 – \$Nil) owing to CI.

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Six months ended June 30, 2026
(Unaudited)

5. Related Party Transactions (Cont'd)

On January 13, 2023, CSOC purchased 70,000 Class A common shares of Lysander Funds Limited ("Lysander") from Canso Fund Management Ltd. ("CFM"), a company under common control, by issuing to CFM 2,440,239 Class B Subordinate Voting Shares of CSOC pursuant to a share purchase agreement dated October 17, 2022 (the "Transaction"). The consideration was \$12.25 million. CFM holds approximately 65% of CSOC's outstanding Class B Subordinate Voting Shares, which represents a voting position of 5.1%.

6. Investments

In determining whether CSOC has control or significant influence over an investment, CSOC assesses voting rights, the exposure to variable returns, and its ability to use the voting rights to affect the amount of the returns. CSOC qualifies as an investment entity under IFRS 10, and therefore accounts for investments it controls at fair value through profit and loss. CSOC has significant influence over Lysander because it controls 12% of Lysander and its representation on the board of directors of Lysander. As an investment entity, CSOC meets the exemption under IAS 28 that allows CSOC to elect to measure the investment in associates at fair value through profit or loss in accordance with IFRS 9. CSOC's primary purpose is defined by its investment objectives and uses the investment strategies available to it as defined in the Circular to meet those objectives. CSOC also measures and evaluates the performance of any investment on a fair value basis. As described in Note 9, CSOF was terminated and the securities originally held within CSOF's investment portfolio were distributed in specie to CSOC upon termination.

As at June 30, 2026, the investment portfolio consists of equity and debt securities in 32 different issuers.

Description	Average Cost \$	Fair Value \$	% of Portfolio
Equities Held Long	33,472,829	61,243,906	90.82%
Aegis Brands Inc. (previously Second Cup Ltd.)	246,699	246,699	0.37%
Air Canada	1,337,577	1,870,344	2.77%
BCE Inc.	786,319	635,868	0.94%
Bird Construction Inc.	3,063,382	3,977,788	5.90%
BZ Holdings Inc.	2	-	0.00%
Canadian Life Companies Split	89,712	90,720	0.13%
Cineplex Inc.	1,648,262	1,756,821	2.61%
Enbridge Inc.	537,612	546,061	0.81%
Fibracast	800,000	58,800	0.09%
Flint Corp (previously ClearStream Energy SVCS Inc.)	268,232	236,379	0.35%
GoPro Inc.	685,801	568,718	0.84%
HashTag Paid Inc. Series A-5 Preferred Shares	132,837	346,020	0.51%
HashTag Paid Inc. Series B-4 Preferred Shares	66,330	71,622	0.11%
Lysander Funds Limited	12,250,000	33,950,000	50.37%
Manulife Financial Group	1,702,575	1,792,956	2.66%
Match Group Inc.	622,845	681,299	1.01%
MDA Space Ltd. (previously MDA Ltd.)	879,998	3,683,420	5.46%
New Horizon Aircraft Ltd Preferred Convertible	321,211	1,412,187	2.09%
NorthStar Gaming Holdings Inc	8,555	185	0.00%
Our Home and Miniature Land Inc. Warrants	-	-	0.00%
Palmer Energy Technology Ltd. (previously Brill Power Limited Class A)	105,560	65,623	0.08%
Portfolio HiWay Inc.	50,000	62,500	0.09%
Quebecor Inc. Class B	2,369,834	3,046,050	4.52%
Reformulary Group Inc.	200,000	250,000	0.37%
RH	1,823,463	2,715,458	4.03%
Smooth Payment Inc. July 5, 2031 Warrants	-	-	0.00%
Smooth Payment Inc. May 12, 2031 Warrants	-	-	0.00%
TC Fund I LP Class B	12,361	7,617	0.01%
Ubisoft Entertainment	2,390,960	2,126,355	3.15%
X-Spectrum 1 Inc. (previously Xplornet Wireless Inc.)	5,969	5,969	0.01%
X-Spectrum 2 Inc. (previously Xplornet Mobile Inc.)	1	-	0.00%
Yellow Pages Limited	1,066,732	1,038,447	1.54%
Fixed Income	6,777,684	6,195,361	9.18%
Canada Treasury Bill July 15, 2026	5,176,749	5,179,549	7.68%
Corus Entertainment Inc. 6% February 28, 2030	268,671	244,000	0.36%
Hertz 5% December 1, 2029	267,598	170,882	0.25%
Our Home and Miniature Land 3% Jun 1, 2033	664,666	400,930	0.59%
Smooth Payment Inc. 14% December 1, 2026	400,000	200,000	0.30%
Investments at Fair Value through Profit or Loss	40,250,513	67,439,267	100.00%

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Six months ended June 30, 2026
(Unaudited)

7. Fair Value Hierarchy

CSOC classifies financial instruments carried at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The following fair value hierarchy table presents information about CSOC's assets and liabilities measured at fair value, as described in Note 2, as at June 30, 2026 and December 31, 2025 (audited). During the period ended June 30, 2026, there were no transfers between levels (June 30, 2025 – Nil).

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified as Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is reclassified as Level 3. Management assesses transfers at the time of an event that may cause reason for re-assessment of levelling. The classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability. The determination of what constitutes observable data requires significant judgment by the investment committee. CSOC considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

As at June 30, 2026	Level 1	Level 2	Level 3	Total
Financial Assets	\$	\$	\$	\$
Fixed Income	5,179,549	414,882	600,930	6,195,361
Equities	25,013,568	1,412,187	34,818,151	61,243,906
Total	30,193,117	1,827,069	35,419,081	67,439,267

As at December 31, 2025	Level 1	Level 2	Level 3	Total
Financial Assets	\$	\$	\$	\$
Fixed Income held in CSOF	-	653,753	-	653,753
Equities held in CSOF	11,876,178	-	5,970	11,882,148
Fixed Income held in CSOC	5,706,521	-	600,000	6,306,521
Equities held in CSOC	4,207,259	1,017,193	34,100,895	39,325,347
Total	21,789,958	1,670,946	34,706,865	58,167,769

	June 30, 2026	December 31, 2025
Level 3 Reconciliation	\$	\$
Balance, beginning of year	34,706,865	24,043,033
Transfer out - CSOF*	(5,970)	(1,251,766)
Transfer in - CSOC*	5,970	-
Conversion out - CSOF	-	(729,400)
Conversion in - CSOC	-	105,559
Conversion out - CSOC	-	(105,559)
Realized (loss) gain, net - CSOF*	(132,666)	785,181
Return on capital	(25)	-
Change in unrealized appreciation - CSOF	132,666	302,214
Change in unrealized appreciation - CSOC	712,241	11,557,603
Balance, end of year	35,419,081	34,706,865

*Represented the distribution of level 3 securities held within CSOF to CSOC, upon the termination of CSOF

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Six months ended June 30, 2026
(Unaudited)

7. Fair Value Hierarchy (Cont'd)

The fair value of each Level 3 financial instrument is generally measured using unobservable market inputs with the best information available at the time. Various valuation techniques are utilized, depending on a number of factors including key inputs and assumptions, which are company specific and may include estimated discount rates and expected price volatilities.

The following section provides information regarding select Level 3 security over 2% of the portfolio. It includes a summary of the valuation techniques used and the sensitivity of the fair value of these securities to changes in input values.

Lysander Funds Limited

Price: \$485.00

Valuation technique: Relative value

Unobservable inputs: The primary unobservable inputs for this security are the company's financial metrics, AUM, valuation multiples of comparable publicly traded asset managers, and a discount for lack of liquidity.

Change in input values: A reasonably possible change to the value of market comparables could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$145.50, or an increase or decrease in net assets of \$10,185,000.

8. Contingency

The Company may be a party to legal proceedings. The Company believes that each such proceeding constitutes a routine matter incidental to the business conducted by the Company. The Company cannot determine the ultimate outcome of all the outstanding claims but believes the ultimate disposition of the proceedings will not have a material adverse effect on its earnings, cash flow or financial position.

9. Termination of CSOF

On May 15, 2026, CSOF was terminated following the transitional period previously disclosed to investors on February 1, 2018. Given the diminishing tax benefits of maintaining CSOF as a separate entity, it was determined that it was the appropriate time to wind-up CSOF. Upon termination, the remaining assets and liabilities of CSOF were distributed to CSOC as CSOF's sole unitholder, at a fair value of \$14,128,940. Securities originally held in CSOF were distributed in specie to CSOC, at a total value of \$13,962,177. A capital gain of \$2,380,451 was recognized from the wind-up and included in the realized gain (loss) on investments on the Interim Statements of Comprehensive Income on page 3.

10. Approval of financial statements

The financial statements were approved by the Board of Directors and authorized for issue on August 26, 2026.