



Crown Capital Partners Announces Financial Results for the Fourth Quarter and Year Ended December 31, 2016

CALGARY, March 22, 2017 – Crown Capital Partners Inc. (“**Crown**” or the “**Corporation**”) (TSX: CRWN), which provides growth capital to successful mid-market companies, today announced its financial results for the fourth quarter and year ended December 31, 2016. Crown’s complete financial statements and management’s discussion and analysis for the three and twelve month periods ended December 31, 2016 and its 2016 annual information form are available on SEDAR at www.sedar.com.

2016 Financial & Operating Highlights

- Revenue of \$18.4 million (2015 - \$8.2 million), including interest revenue of \$11.5 million, fees and other income of \$3.8 million, net realized gain on sale of investments of \$1.7 million and net change in unrealized gains in fair value of investments of \$1.4 million;
- Adjusted EBIT¹ of \$9.0 million (2015 - \$4.0 million);
- Net income, net of non-controlling interests, of \$5.1 million (2015 - \$2.0 million), or \$0.54 per common share (basic) (2015 - \$0.43);
- Crown Capital Fund IV, LP (“**Crown IV LP**”), an investment fund managed by Crown in which Crown now holds a 35% interest, deployed \$75 million in 2016 through four transactions;
- Total equity per common share (basic) of \$10.67 at December 31, 2016;
- Total assets of \$182.4 million at December 31, 2016, up from \$130.1 million at December 31, 2015;
- Cash and cash equivalents of \$19.3 million, compared with \$43.6 million at December 31, 2015, reflecting new investment activity in 2016; and
- Dividends paid in 2016 totaled \$0.44 per share.

Fourth Quarter 2016 Financial & Operating Highlights

- Revenue of \$5.4 million (2015 - \$5.8 million), including interest revenue of \$3.6 million, fees and other income of \$2.2 million, and net change in unrealized gains in fair value of investments of (\$0.4) million;
- Net income, net of non-controlling interests, of \$0.9 million (2015 - \$1.7 million), or \$0.09 per common share (basic) (2015 - \$0.18);
- Adjusted EBIT¹ of \$1.8 million (2015 - \$3.0 million);
- On December 2, 2016, paid a quarterly dividend of \$0.11 per common share;
- On December 30, 2016, completed a \$35.0 million senior secured revolving credit facility with Alberta Treasury Branches and Business Development Bank of Canada to fund investments in mid-market companies; and
- Crown IV LP deployed \$60 million in Q4 2016 through three transactions:
 - \$15 million term loan to Touchstone Exploration (TSX:TXP);
 - \$30 million term loan to Medicare Inc. (TSXV:MPH); and
 - \$15 million investment senior secured first lien notes from Source Energy Services.

“It was an eventful and successful year for Crown, in which we completed four special situations loans, added more partner capital to Crown IV LP, and established a new credit facility that gives us additional capital and flexibility in building the portfolio,” said Chris Johnson, President and CEO of Crown. “Putting more capital to work late in the year enabled us to implement our first dividend increase on March 2, 2017 with payment of a quarterly dividend of \$0.12 per share. When combined with our strong transaction pipeline, the business is well-positioned to deliver growing revenue, cash flow and return on equity in 2017. With the \$50 million upsizing recently completed in Crown IV LP and the new credit facility, we have ample resources to capitalize on the demand we continue to see in the mid-market for our financing solutions.”

Q4 & FY2016 Financial Results Summary

Selected Quarterly and Annual Information	Three Months Ended		Year Ended December 31,	
	December 31,			
	2016	2015	2016	2015
Revenue:				
Fees and other income	\$ 2,225,463	\$ 1,537,012	\$ 3,753,579	\$ 2,808,673
Interest revenue	3,588,909	1,254,920	11,510,023	2,511,715
Net realized gain on sale of investments	-	-	1,741,260	71,386
Net change in unrealized gains in fair value of investments	(397,314)	2,965,374	1,361,355	2,817,311
Total Revenue	\$ 5,417,058	\$ 5,757,306	\$ 18,366,217	\$ 8,209,085
Total comprehensive income, net of non-controlling interests	\$ 876,769	\$ 1,681,296	\$ 5,096,673	\$ 2,034,313
Weighted average shares outstanding - basic	9,517,688	9,488,094	9,504,362	4,715,114
Total comprehensive income per share - basic	\$ 0.09	\$ 0.18	\$ 0.54	\$ 0.43
Weighted average shares outstanding - diluted	9,687,598	9,735,608	9,674,272	4,833,785
Total comprehensive income per share - diluted	\$ 0.09	\$ 0.17	\$ 0.53	\$ 0.42
Adjusted EBIT ¹	\$ 1,795,134	\$ 3,025,072	\$ 8,976,399	\$ 3,999,062
Investments, at fair value through profit or loss	\$ 158,951,247	\$ 84,367,280	\$ 158,951,247	\$ 84,367,280
Total assets	\$ 182,374,467	\$ 130,090,183	\$ 182,374,467	\$ 130,090,183
Total non-current liabilities	\$ 76,820,649	\$ 26,565,645	\$ 76,820,649	\$ 26,565,645
Total equity	\$ 101,518,628	\$ 99,260,977	\$ 101,518,628	\$ 99,260,977
Common Shares outstanding at December 31	9,514,759	9,488,094	9,514,759	9,488,094
Total equity per share - basic	\$ 10.67	\$ 10.46	\$ 10.67	\$ 10.46

Reconciliation of Earnings before Income Taxes to Adjusted EBIT	Three Months Ended		Year Ended December 31,	
	December 31,			
	2016	2015	2016	2015
Earnings before income taxes	\$ 3,240,611	\$ 4,153,699	\$ 12,119,973	\$ 5,074,162
Add: financing costs	-	-	-	-
Add: non-cash share-based compensation	440,233	321,823	1,489,278	736,614
Deduct: net income attributable to non-controlling interests	(1,885,710)	(1,450,450)	(4,632,852)	(1,811,714)
Adjusted EBIT	\$1,795,134	\$3,025,072	\$8,976,399	\$3,999,062

- Adjusted EBIT 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 this measure may differ among companies and analysts. Adjusted EBIT is calculated by Crown as earnings before non-cash share-based compensation, finance costs and income taxes less net income and comprehensive income attributable to non-controlling interests. The Corporation has provided a reconciliation of earnings before income taxes to Adjusted EBIT in this news release. The Corporation believes Adjusted EBIT is a useful supplemental measure that may assist investors in assessing the financial performance and the cash anticipated to be generated by Crown's business. Adjusted EBIT 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.

Conference Call & Webcast

Crown will host a conference call to discuss its Q4 & full-year 2016 financial results at 8:30 a.m. EDT on March 22, 2017. The call will be hosted by Chris Johnson, President & CEO, and Lyle Bolen, CFO. To participate in the call, dial 647-427-7450 or 1-888-231-8191 using the conference ID 80268517. The audio webcast can be accessed at www.crowncapital.ca under Investor Relations or at <http://bit.ly/2IZQqQs>. Listeners should access the webcast or call 10-15 minutes before the start time to ensure they are connected.

ABOUT CROWN

Crown (TSX: CRWN) is a specialty finance company focused on providing capital to successful Canadian and select U.S. companies that are unwilling or unable to obtain suitable financing from traditional capital providers such as banks and private equity funds. Crown also manages capital pools, including some in which Crown has a direct ownership interest. Crown originates, structures and provides tailored special situation and long-term financing solutions to a diversified group of private and public mid-market companies in the form of loans, royalties and other structures with minimal or no ownership dilution.

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 alternative financial market and the general economy, transaction pipeline, Crown’s business plans and strategy, including anticipated capital deployments and the timing thereof, and Crown’s future cash flow and shareholder value. 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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Additional information relating to Crown is available on SEDAR at www.sedar.com