

**Crown Capital Partners Announces Q1 2022 Financial Results**

**CALGARY, May 10, 2022** – Crown Capital Partners Inc. (“Crown” or the “Corporation”) (TSX: CRWN) today announced its financial results for the first quarter ended March 31, 2022. Crown’s complete financial statements and management’s discussion and analysis are available on SEDAR at www.sedar.com.

Effective July 13, 2021, Crown stopped recognizing Crown Partners Fund as a subsidiary and began recognizing it as an investment in associate using the equity method. As a result, many of our asset, liability, revenue and expense balances as at and for the three months March 31, 2022 are not directly comparable to equivalent balances for the prior period.

**Q1 2022 Financial & Operating Highlights**

* Continued growth of the Network Services revenue stream and operating profit. Network Services revenue increased to $6.7 million in Q1 2022, up from $6.4 million in Q1 2021. This segment generated net income before income taxes of $1.3 million in Q1 2022, inclusive of depreciation and amortization expenses totaling $0.9 million, up from net income before income taxes of $1.1 million in Q1 2021. The year-over-year improvement is attributable to continued growth in the profitability of Galaxy.
* For Q1 2022, Crown’s share of losses of Crown Partners Fund totaled $(4.4) million, including $(2.5) million in respect of its general partnership interest as a result of a reduction in the accrued performance bonus payable to Crown by Crown Partners Fund and $(2.0) million in respect of its limited partnership interest. This loss was primarily the result of a provision for expected credit loss from a single loan investment which more than offset income from other investments of Crown Partners Fund and was partially offset by a performance bonus recovery of $1.2 million.
* Adjusted Funds from Operations1 of $0.8 million ($0.12 per basic share) in Q1 2022, down from $4.5 million ($0.49 per basic share) in Q1 2021. Compared with the prior-year, amounts included in respect of the Company’s interest in Crown Partners Fund declined due to the derecognition of the fund as a subsidiary and to the inclusion in the current-year period of a loss recognized in respect of its general partnership interest. The aggregate impact of this was only partially offset by an increase in Adjusted Funds from Operations attributable to the Network Services business.
* Net loss of $(2.6) million ($0.38 loss per basic share), compared with a net income of $1.3 million ($0.14 earnings per basic share) in Q1 2021, reflecting Crown’s share of losses of Crown Partners Fund.
* Total equity at quarter-end decreased to $55.6 million, from $69.1 million at the end of Q4 2021, mainly because of share repurchases totaling $11.0 million and a net loss attributable to shareholders of $2.6 million. Total equity per share increased to $9.85 per basic share from $9.74 as at December 31, 2021 and $9.07 per share as at March 31, 2021*.*
* In Q1 2022, Crown purchased and subsequently cancelled a total of 1,450,556 Common Shares pursuant to its normal course issuer bid and to a substantial issuer bid (“SIB”), for aggregate consideration of $11.0 million. Over the 12 months ended March 31, 2022, Crown has repurchased for cancellation a total of 3,394,843 Common Shares at an aggregate cost of $24.6 million, representing 38% of Common Shares outstanding as at March 31, 2021.
* During the quarter, Crown advanced an additional $1.8 million to Go Direct Global, a fulfillment and distribution company, increasing the balance of the demand loan to $3.5 million. Crown intends to acquire an equity interest in Go Direct Global during fiscal 2022.
* Subsequent to quarter end, Crown announced that its subsidiary, Community Network Partners Inc. (“CNPI”), was selected as an Internet Service Provider under the [*Ontario Connects: Accelerated High Speed Internet Program*](https://www.infrastructureontario.ca/Ontario-Connects/). The aim of the program is to make reliable, high-speed internet connectivity available to all premises in Ontario by the end of 2025. The maximum subsidy available to CNPI under this program is approximately $150 million, which is expected to be a material proportion of the network cost.

Management commentary: “Our results for the first quarter were again highlighted by solid performance from our Network Services business. This segment is well positioned to continue to benefit from positive long-term demand for enhanced broadband connectivity in rural and remote locations, as evidenced by the recent contract award to support the important Ontario Connects program” said Chris Johnson, President and CEO of Crown. “Consistent with our plan to transition the balance sheet, we closed our third SIB in the first quarter and exited the period with a greatly reduced share count and higher book value per share. We will continue to look for investment opportunities to build further scale in key operating segments and in new ones like Go Direct Global where we see compelling growth potential.”

**Q1 2022 Financial Results Summary**



 

*1 Adjusted Funds from Operations is not a measure of financial performance (nor does it have a standardized meaning) under IFRS. In evaluating this measure, investors should consider that the methodology applied in calculating these measures might differ among companies and analysts. The Corporation has provided a reconciliation of income (loss) before income taxes to Adjusted Funds from Operations in this news release. We believe that Adjusted Funds from Operations is a useful supplemental measure in the context of Crown’s specialty finance and network services focus to assist investors in assessing the cash anticipated to be generated by Crown’s business, including cash received in relation to its various revenue streams, that is attributable to Shareholders. Adjusted Funds from Operations 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 and webcast to discuss its Q1 2022 financial results at 8:30 a.m. ET on May 11, 2022. The call will be hosted by Chris Johnson, President & CEO, and Michael Overvelde, CFO. To participate in the call, dial (647) 794-4605 or (888) 254-3590 using the conference ID 2836624. The webcast can be accessed at www.crowncapital.ca under Investor Relations. Listeners should access the webcast or call 10-15 minutes before the start time to ensure they are connected.

**About Crown Capital Partners (TSX:CRWN)**

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

**FORWARD-LOOKING STATEMENTS***This news release contains certain “forward looking statements” and certain “forward looking information” as defined under applicable Canadian and U.S. securities laws. Forward-looking statements can generally be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “continue”, “plans” or similar terminology. Forward-looking statements in this news release include, but are not limited to, statements, management’s beliefs, expectations or intentions regarding the alternative financial market, the network services market and the general economy, transaction pipeline, Crown’s business plans and strategy, including anticipated investment dispositions and capital deployments and the timing thereof, and Crown’s future earnings. Forward-looking statements are based on forecasts of future results, estimates of amounts not yet determinable and assumptions that while believed by management to be reasonable, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Forward-looking statements are subject to various risks and uncertainties concerning the specific factors identified in the Crown’s periodic filings with Canadian securities regulators. See Crown’s most recent annual information form for a detailed discussion of the risk factors affecting Crown. In addition, Crown’s dividend policy will be reviewed from time to time in the context of the Corporation’s earnings, financial requirements for its operations, and other relevant factors and the declaration of a dividend will always be at the discretion of the board of directors of the Corporation. Crown undertakes no obligation to update forward-looking information except as required by applicable law. Such forward-looking information represents management’s best judgment based on information currently available. No forward-looking statement can be guaranteed and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.*

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