

Crown Capital Partners Announces Financial Results for Q3 2017

CALGARY, November 8, 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 third quarter ended September 30, 2017. Crown’s complete financial statements and management’s discussion and analysis for the three- and nine-month periods ended September 30, 2017 are available on SEDAR at www.sedar.com.

Q3 2017 Financial & Operating Highlights

- Total revenue increased to \$5.6 million (2016 - \$2.9 million) in Q3 and \$20.1 million (2016 - \$12.9 million) for the fiscal year to date.
 - Q3 2017 results included interest revenue of \$4.8 million, fees and other income of \$0.1 million, a net realized loss from investments of \$(1.1) million, and a net change in unrealized gains in fair value of investments of \$1.7 million.
- Net income, net of non-controlling interests, of \$1.1 million (2016 - \$0.8 million), or \$0.12 per common share (basic) (2016 - \$0.09).
- Adjusted EBIT¹ of \$2.0 million in Q3 (2016 - \$1.5 million).
- Total equity per common share (basic) of \$10.85 at September 30, 2017.
- Total assets of \$216.3 million at September 30, 2017, up from \$182.4 million at December 31, 2016.
- Cash and cash equivalents of \$15.7 million, compared with \$19.3 million at December 31, 2016.
- On August 8, 2017, declared a quarterly dividend of \$0.13 per share, an increase of 8% over the previous quarterly dividend of \$0.12 per share, representing the second increase since the dividend was initiated in January 2016.
- Completed a \$50 million closing for Crown Capital Fund IV, LP (CCF IV LP), bringing the current total capital committed to the fund to \$225 million.
- On November 3, 2017, the Court of Queen’s Bench of Alberta approved the sale of Petrowest’s Civil division to RBee Aggregate Consulting Ltd. (“RBee”), a newly established company in which CCF IV LP holds an approximate 46% interest, for total consideration of \$29.0 million. The acquisition will be partially funded with the assumption of approximately \$17 million of Petrowest loans, subject to closing adjustments, held by CCF IV LP and its syndicate partner, which will hold a 50% equity interest in RBee with a cost base of \$5 million (CCF IV LP interest - \$4.6 million) and an interest-bearing, second-lien loan to RBee of approximately \$12 million (CCF IV LP interest – approximately \$11 million).
- On November 7, 2017, Crown announced a quarterly dividend of \$0.13 per share to shareholders of record on November 17, 2017.

“After a highly active second quarter for new transactions, as well as two successful repayments, we experienced a slow quarter in terms of new loan origination, but we have experienced an uptick in activity in recent months, which we believe puts us on track to meet our annual deployment target,” said Chris Johnson, President and CEO of Crown. “In addition, we continued to focus on our other strategic priorities such as capital development. The third quarter saw us complete another upsizing of \$50 million in Crown IV LP, further underscoring the quality of our portfolio and the strong demand from institutional limited partners. The

committed capital in the fund, combined with cash on hand and our credit facility, gives us substantial resources to continue growing and diversifying our investments in the coming quarters and capitalize on the strong demand we see in the mid-market for our customized, non-dilutive solutions.”

Q3 2017 Financial Results Summary

Selected Quarterly Information (\$ in 000s, except per share and number of shares)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Revenue:				
Fees and other income	\$ 141	\$ 160	\$ 3,747	\$ 1,528
Interest revenue	4,816	2,968	14,824	7,921
Performance fee distributions	-	-	1,044	-
Net realized gain / (loss) from investments	(1,086)	-	2,200	1,741
Net change in unrealized gains in fair value of investments	1,731	(255)	(1,742)	1,759
Total Revenue	\$ 5,602	\$ 2,873	\$ 20,073	\$ 12,949
Total comprehensive income, net of non-controlling interests	\$ 1,113	\$ 833	\$ 4,624	\$ 4,220
Weighted average shares outstanding - basic	9,538,188	9,514,921	9,526,442	9,500,160
Total comprehensive income per share - basic	\$ 0.12	\$ 0.09	\$ 0.49	\$ 0.44
Weighted average shares outstanding - diluted	9,848,924	9,803,951	9,822,092	9,739,504
Total comprehensive income per share - diluted	\$ 0.11	\$ 0.08	\$ 0.47	\$ 0.43
Adjusted EBIT ¹	\$ 1,986	\$ 1,469	\$ 8,054	\$ 7,181
Investments, at fair value through profit or loss	\$ 194,742	\$ 99,410	\$ 194,742	\$ 99,410
Total assets	\$ 216,284	\$ 151,569	\$ 216,284	\$ 151,569
Total non-current liabilities	\$ 108,029	\$ 47,229	\$ 108,029	\$ 47,229
Total equity	\$ 103,492	\$ 101,345	\$ 103,492	\$ 101,345
Common Shares outstanding at September 30,	9,540,575	9,519,071	9,540,575	9,519,071
Total equity per share - basic	\$ 10.85	\$ 10.65	\$ 10.85	\$ 10.65

Reconciliation of Earnings before Income Taxes to Adjusted EBIT (\$ in 000s)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Earnings before income taxes	\$ 4,094	\$ 1,915	\$ 13,880	\$ 8,879
Add: financing costs	134	-	422	-
Add: non-cash share-based compensation	252	201	996	1,049
Deduct: net income attributable to non-controlling interests	(2,494)	(647)	(7,244)	(2,747)
Adjusted EBIT	\$ 1,986	\$ 1,469	\$ 8,054	\$ 7,181

- 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 Q3 2017 financial results at 8:30 a.m. EDT on November 8, 2017. The call will be hosted by Chris Johnson, President & CEO, and Michael Overvelde, CFO. To participate in the call, dial 647-427-7450 or 1-888-231-8191 using the conference ID 8497077. The audio webcast can be accessed at www.crowncapital.ca under Investor Relations or at <http://bit.ly/2x5yxT1>. 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