



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017

Crown Capital Partners Inc.
888 3rd Street SW
Bankers Hall, 10th Floor, West Tower
Calgary, Alberta T2P 5C5
www.crowncapital.ca

Management's Discussion and Analysis

The following Management's Discussion and Analysis ("**MD&A**") of the consolidated operating and financial performance of Crown Capital Partners Inc. ("**Crown**" or the "**Corporation**") for the three and nine months ended September 30, 2017 is prepared as of November 7, 2017. This discussion is the responsibility of management and should be read in conjunction with the Corporation's September 30, 2017 condensed consolidated interim financial statements and the notes thereto (unaudited), and the Corporation's December 31, 2016 audited financial statements and notes thereto, both prepared in accordance with International Financial Reporting Standards ("**IFRS**"), and other public filings available on SEDAR at www.sedar.com. The board of directors of the Corporation has approved this MD&A. All amounts herein are expressed in Canadian dollars unless otherwise indicated. See "Forward-Looking Statements".

References

Throughout the interim MD&A and unaudited interim consolidated financial statements, the following operating companies, limited partnerships, portfolio companies and their respective subsidiaries will be referenced as follows:

- "**BGO**" – Bill Gosling Outsourcing Holding Corp.
- "**CCF IV Investment LP**" – Crown Capital Fund IV Investment, LP
- "**CCF IV LP**" – Crown Capital Fund IV, LP
- "**CCFC**" – Crown Capital Funding Corporation
- "**CCPC**" – Crown Capital Private Credit Fund, LP
- "**Corrosion**" – Corrosion Service Company Limited
- "**CRH**" – CRH Medical Corporation
- "**Distinct**" – Distinct Infrastructure Group
- "**Ferus**" – Ferus Inc.
- "**Marquee**" – Marquee Energy Ltd.
- "**Medicure**" – Medicure Inc.
- "**NCOF II**" – Norrep Credit Opportunities Fund II, LP
- "**NCOF II Parallel**" – Norrep Credit Opportunities Fund II (Parallel), LP
- "**NCOF Funds**" – NCOF II and NCOF II Parallel, collectively
- "**NCOF LP**" – Norrep Credit Opportunities Fund, LP
- "**PenEquity**" – PenEquity Realty Corporation
- "**Petrowest**" – Petrowest Corporation
- "**Solo**" – Solo Liquor Holdings Limited
- "**Source**" – Source Energy Services Canada
- "**Touchstone**" – Touchstone Exploration Inc.

Highlights of the Three Months Ended September 30, 2017

During the three months ended September 30, 2017:

- Crown earned net income and comprehensive income attributable to shareholders of the Corporation (“**Shareholders**”) of \$1.1 million;
- On July 13, 2017, CCF IV LP received subscriptions for an additional 50,000 Units at \$1,000 per unit, increasing the total capital committed to CCF IV LP from \$175.0 million to \$225.0 million. Crown, through its wholly-owned subsidiary CCFC, subscribed for an additional 17,500 partnership units which increased its commitment to CCF IV LP to \$78.8 million (\$61.3 million as at June 30, 2017). This resulted in CCFC holding 78,750 units and a 35% interest in CCF IV LP effective July 1, 2017 (June 30, 2017 – 35%). Of this commitment, \$58.6 million had been contributed as of September 30, 2017. Also on July 13, 2017, Crown, through CFCC, committed to invest up to \$3.6 million in CCF IV Investment LP, representing an interest in CCF IV Investment LP of approximately 22.5% (nil as of June 30, 2017). CCF IV Investment LP has an interest in CCF IV LP of approximately 6.9%. Of this commitment, \$2.6 million had been contributed as of September 30, 2017. Including its investment in CCF IV Investment LP, Crown held an effective interest in CCF IV LP of 36.5%, effective July 1, 2017.

Subsequent Events

Subsequent to September 30, 2017:

- In relation to the receivership process for Petrowest Corporation (“Petrowest”), on November 3, 2017 the Court of Queen’s Bench of Alberta approved the acquisition of Petrowest’s Civil division by RBee Aggregate Consulting Ltd. (“RBee”), a newly established company in which a 50% equity interest is held by each of the management of the operations of RBee Crushing and a lending syndicate comprised of CCF IV LP (with an approximate 93% interest) and a syndicate partner (with an approximate 7% interest). The total consideration offered is \$29 million, which includes the assumption of approximately \$17 million of loans made by CCF IV LP and its syndicate partner, subject to closing adjustments, as well as third-party bank debt. This transaction is expected to close in November 2017 with an effective date of November 1, 2017. Subject to closing, this transaction would result in CCF IV LP and its syndicate partner holding an 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). Following this transaction, CCF IV LP and its syndicate partner will also hold a loan to Petrowest with approximately \$10 million of principal outstanding (CCF IV LP interest – approximately \$9 million; September 30, 2017 - \$25 million) which is in default and for which interest is not being accrued.

RBee has also made a bid to acquire Petrowest’s Rental division as a going concern for total consideration of \$3.6 million, which includes the assumption of \$2.2 million of CCF IV LP and its syndicate partner’s loans to Petrowest and which will be partially funded with third-party debt.

As at September 30, 2017, CCF IV LP's aggregate loans to Petrowest had a par value of \$25.0 million and were included in Investments at a fair value of \$24.0 million based on estimated liquidation value. As at November 7, 2017, the Corporation expects that CCF IV LP will recover, through its ownership interest in and loans to RBee and from other cash proceeds on the sale of Petrowest's assets, the full amount of its outstanding loans to Petrowest.

- On November 7, 2017, Crown announced a quarterly dividend of \$0.13 per Common Share payable on December 1, 2017 to Shareholders of record on November 17, 2017.

Overall Performance

Total assets increased to \$216.3 million at September 30, 2017 from \$182.4 million at December 31, 2016, including an increase in investments at fair value to \$194.7 million from \$159.0 million and a decrease in cash and cash equivalents to \$15.7 million from \$19.3 million. The increase in total assets was primarily the result of an increase in contributed capital in CCF IV LP which was deployed into four new investments with a total cost of \$80.5 million, offset by aggregate proceeds of \$45.1 million from the repayment of the Distinct loan, the sale of the Distinct shares, and the repayment of the final two loans outstanding in NCOF II. Total equity increased to \$103.5 million at September 30, 2017 from \$101.5 million at December 31, 2016.

Total revenues in the three and nine months ended September 30, 2017 were \$5.6 million and \$20.1 million, respectively, compared to \$2.9 million and \$12.9 million in the three and nine months ended September 30, 2016, respectively. Revenues were higher in the three and nine months ended September 30, 2017 primarily due to increased lending activity of CCF IV LP. Interest revenue on investments held by NCOF II, CCF IV LP and CCPC increased to \$4.8 million and \$14.8 million in the three and nine months ended September 30, 2017, respectively, compared to \$3.0 million and \$7.9 million in the three and nine months ended September 30, 2016, respectively. Fees and other income for the three months ended September 30, 2017 were \$0.1 million, consistent with \$0.2 million for the comparable period in 2016, and were \$3.7 million for the nine months ended September 30, 2017, higher than \$1.5 million for the nine months ended September 30, 2016.

For the three and nine months ended September 30, 2017, the net gain/(loss) on investments was \$0.6 million and \$0.5 million, respectively, compared to \$(0.3) million and \$3.5 million in the three and nine months ended September 30, 2016, respectively. Notable contributors to the net gain on investments in the three months ended September 30, 2017 included an increase in the fair value of the Medicare loan to par value to reflect reduced credit and liquidity risks ahead of its anticipated early repayment in the fourth quarter of 2017, increases in the fair values of both the Source shares and the Marquee warrants, a \$1.1 million write-off of the fair value of the Petrowest shares and a decrease in the fair value of the PenEquity loan resulting from an increase in market interest rates. Additional contributors to the \$(0.3) million net loss on investments in the nine months ended September 30, 2017 included decreases in the fair value of several loans resulting from increases in benchmark interest rates used to estimate the present value of future cash flows, a decrease in the fair value of the Medicare Warrants, and an increase in the fair value of the Source Shares received by CCF IV LP.

Expenses in the three and nine months ended September 30, 2017 were \$1.5 million and \$6.2 million, respectively, an increase compared with \$1.0 million and \$4.1 million in the three and nine months

ended September 30, 2016, respectively. The increase in the nine month period ended September 30, 2017 compared with the comparable period in 2016 relates primarily to higher accruals for annual employee bonuses, higher performance bonus expense, including \$0.8 million of performance bonus expense associated with the \$1.0 million performance distribution fee recognized from NCOF II (Parallel) in that period, and finance costs related to a senior secured revolving credit facility (the “**Credit Facility**”) that was established in December 2016. The increase in the three month period ended September 30, 2017 compared with the comparable period in 2016 relates primarily to higher performance bonus expense, finance costs and share-based compensation.

In the three and nine months ended September 30, 2017, net income and comprehensive income attributable to Shareholders was \$1.1 million and \$4.6 million, respectively, compared with \$0.8 million and \$4.2 million in the three and nine months ended September 30, 2016, respectively. Compared with the comparable prior-year period, net income and comprehensive income attributable to Shareholders in the three months ended September 30, 2017 was higher due primarily to higher interest revenue resulting from a higher level of capital invested in interest-generating loans and higher management fees resulting from a higher level of contributed capital from non-controlling interests, partially offset by higher finance costs. The major factors influencing the variance in net income and comprehensive income attributable to Shareholders in the nine months ended September 30, 2017 compared to the same period in the prior year were higher interest revenue resulting from a higher level of capital invested in interest-generating loans, higher fee income resulting from the completion of a higher number of fee-generating transactions, higher management fees resulting from a higher level of contributed capital from non-controlling interests, performance fees related to the dissolution of NCOF II Parallel, a lower level of net gains on investments, higher accruals for annual employee bonuses and higher finance costs.

Crown consolidates 100% of its approximate 69.75% interest in NCOF II, its 36.5% effective interest in CCF IV LP (50% prior to July 1, 2016, 40% between July 1, 2016 and December 31, 2016, and 35% between January 1, 2017 and June 30, 2017), and its 100% interest in CCPC LP and reflects the interests of other investors in these funds as non-controlling interests. The NCOF Funds were dissolved on June 30, 2017. The financial results of the Corporation as at and for the three and nine months ended September 30, 2017 discussed in this MD&A include the results of operations of CCFC, NCOF II (to date of dissolution), CCF IV LP and CCPC LP for the three and nine months ended September 30, 2017.

Business Overview

Crown is a specialty finance company focused on providing capital to successful Canadian companies and select U.S. companies seeking alternative financing solutions compared to those provided by traditional capital providers such as banks and private equity funds. Crown also manages capital pools, including some in which Crown has an 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. These financing solutions allow business owners to retain the vast majority of the economic rewards associated with the ownership of their respective businesses.

Crown's revenue sources include interest revenue, transaction fees and realized and unrealized gains on investments made by its consolidated investment funds - NCOF II, CCF IV LP and CCPC LP - and management and performance fees as the fund manager of NCOF LP and NCOF II Parallel.

Crown, which was founded by Crown Life Insurance Company and owned by it until 2002, completed an initial public offering ("**IPO**") in 2015 for gross proceeds of \$65 million. The Common Shares began trading on the Toronto Stock Exchange on July 9, 2015 under the symbol TSX:CRN. This symbol was changed on March 3, 2017 to TSX:CRWN.

Crown has historically offered special situations financing solutions to businesses for transitory capital requirements, generally in the form of short- and medium-term senior or subordinated loans, indirectly through a variety of funding arrangements ("**Special Situations Financing**").

Crown is also deploying its capital through its wholly-owned subsidiary, CCPC LP, to clients seeking non-dilutive, long-term capital, generally in the form of traditional interest-bearing loans and royalties. Crown intends to develop a diversified portfolio of long-term financing clients across numerous industries to provide non-dilutive sources of long term capital in the form of fixed rate long-term loans, participating loans, perpetual debt, income streaming and recurring revenue structures ("**Long-Term Financing**").

Portfolio at September 30, 2017

At September 30, 2017, Crown held ownership interests in ten loans.

Borrower	Loan Principal Amount Outstanding at December 31, 2016 ⁽¹⁾	Loan Principal Amount Outstanding at September 30, 2017 ⁽¹⁾	Attributable at September 30, 2017 to:		Status
			Shareholders	Non-controlling interests	
Special Situations Financing transactions					
CRH ²	\$22,500,000	Nil	Nil	Nil	Repaid
Corrosion ²	\$3,920,000	Nil	Nil	Nil	Repaid
Distinct	\$20,000,000	Nil	Nil	Nil	Repaid
Petrowest (Term Loan)	\$15,000,000	\$15,000,000	\$5,481,636	\$9,518,364	Default
Petrowest (Bridge Loan) ³	N/A	\$10,000,000	\$3,654,424	\$6,345,576	Default
BGO	\$15,000,000	\$15,000,000	\$5,481,636	\$9,518,364	Current
Medicare ⁴	\$30,000,000	\$30,000,000	\$10,963,273	\$19,036,727	Current
Touchstone	\$15,000,000	\$15,000,000	\$5,481,636	\$9,518,364	Current
Source	\$15,000,000	\$12,428,000	\$4,541,718	\$7,886,282	Current
Solo	N/A	\$15,000,000	\$5,481,636	\$9,518,364	Current
Marquee	N/A	\$30,000,000	\$10,963,273	\$19,036,727	Current
Ferus	N/A	\$25,000,000	\$9,110,606	\$15,889,394	Current
Long-Term Financing transactions					
PenEquity	\$25,000,000	\$25,000,000	\$25,000,000	Nil	Current

Notes: (1) The above principal amounts are stated at the face value of the total loans. For all loans, only the amounts attributable to Shareholders and non-controlling interests are included in the Corporation's September 30, 2017 condensed consolidated interim financial statements. The pro rata portions held by co-investors, if any, are excluded. (2) The loans to CRH and Corrosion were made *pari passu* between NCOF II and NCOF II Parallel. NCOF II's interest in these investments was approximately 76.9%. (3) The total size of the bridge loan to Petrowest is \$12.0 million of which \$2.0 million was syndicated to a third party. (4) The total size of the Medicare loan is \$60.0 million of which \$30.0 million was syndicated to a third party.

In addition to the above loans, at September 30, 2017, CCF IV LP held ownership interests in 450,000 Medicare common share purchase warrants, 116,059 Source common shares, 37,500,000 Marquee common share purchase warrants and warrants to acquire common shares of Ferus at nominal cost.

Loan Risk Rating

Crown monitors the performance and health of each borrower as well as the overall performance and health of the portfolio. As part of this process, Crown utilizes a proprietary credit evaluation model to ascribe a risk rating to each loan Crown manages. As outlined in the table below, the credit evaluation model reviews five primary categories (i.e. financial, business, industry, security and marketability) and over fifty sub-categories (e.g. profitability, leverage, liquidity, management, customers, operations, employees, suppliers, competitors, business cycle, asset coverage, condition of assets, etc.). A point value and weighting is assigned to each sub-category and an overall point score is determined. A risk rating of 1.0 is the best possible rating and a 5.0 is the worst possible rating. The risk rating is determined during the initial underwriting process and is updated quarterly.

Financial	Business	Industry	Security	Marketability
Profitability <ul style="list-style-type: none"> • EBITDA (\$) • EBITDA (%) • EBITDA Growth (%) • Gross Margin (%) • Return on Capital (%) Leverage <ul style="list-style-type: none"> • Debt/EBITDA • Debt/Capital • Debt/EV Liquidity <ul style="list-style-type: none"> • Current Ratio • DSCR (EBITDA/P+I) • EBITDA interest coverage • Average Days A/P • Average Days A/R • Cash Coverage Size <ul style="list-style-type: none"> • Sales (\$) • Sales Growth (%) • Tangible Assets (\$) • Enterprise Value (\$) 	Management <ul style="list-style-type: none"> • Experience in industry • Competence • Investment Customers <ul style="list-style-type: none"> • Concentration • Reputation/Financial Strength • Stability • Dependence Operations <ul style="list-style-type: none"> • Plant Quality • Process Flow • Scalability • Capacity Employees <ul style="list-style-type: none"> • Turnover • Relations • Wage Level • Pool of Labour Suppliers <ul style="list-style-type: none"> • Diversification • Pricing Power • Reliability Shareholders <ul style="list-style-type: none"> • Alignment of Interests • Financial Capability • Stability 	Competitors Business Cycle History of Profitability International Trade Regulatory Restrictions	% of Security Coverage Assets <ul style="list-style-type: none"> • Condition • Obsolescence • Specialization Dependence on Unsecured Creditors	Business Investment

Similar to a financial ratio, the risk rating provides both a point-specific indication of the risk level of a loan as well as the trend of the risk level over a period of time. Crown's strategy is to provide loans to successful, cash flow-generating businesses. Crown generally expects the risk rating of a borrower to improve over time as the borrower increases in value and pays down debt. As well, Crown expects the portfolio risk rating to improve over time as the proportion of seasoned loans increases.

Portfolio Company Updates

The following tables set forth certain summary information in respect of loans held by Crown as at September 30, 2017. The information contained in the rows entitled "Business Description" and "Business Overview" has been developed from information provided by the applicable borrower. See "Forward-Looking Statements", "Market and Industry Data" and "Risk Factors".

Special Situations Financings

Petrowest Corporation																					
Investment Status:	<p>In relation to the receivership process for Petrowest Corporation ("Petrowest"), on November 3, 2017 the Court of Queen's Bench of Alberta approved the acquisition of Petrowest's Civil division by RBee Aggregate Consulting Ltd. ("RBee"), a newly established company in which a 50% equity interest is held by each of the management of the operations of RBee Crushing and a lending syndicate comprised of CCF IV LP (with an approximate 93% interest) and a syndicate partner (with an approximate 7% interest). The total consideration offered is \$29 million, which includes the assumption of approximately \$17 million of loans made by CCF IV LP and its syndicate partner, subject to closing adjustments, as well as third-party bank debt. This transaction is expected to close in November 2017 with an effective date of November 1, 2017. Subject to closing, this transaction would result in CCF IV LP and its syndicate partner holding an 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). Following this transaction, CCF IV LP and its syndicate partner will also hold a loan to Petrowest with approximately \$10 million of principal outstanding (CCF IV LP interest - approximately \$9 million; September 30, 2017 - \$25 million) which is in default and for which interest is not being accrued.</p> <p>RBee has also made a bid to acquire Petrowest's Rental division as a going concern for total consideration of \$3.6 million, which includes the assumption of \$2.2 million of CCF IV LP and its syndicate partner's loans to Petrowest and which will be partially funded with third-party debt.</p> <p>As at September 30, 2017, CCF IV LP's aggregate loans to Petrowest had a par value of \$25.0 million and were included in investments, at fair value through profit or loss, at a fair value of \$24.0 million based on estimated liquidation value. As at November 7, 2017, the Corporation expects that CCF IV LP will recover, through its ownership interest in and loans to RBee and from other cash proceeds on the sale of Petrowest's assets, the full amount of its outstanding loans to Petrowest.</p>																				
Industry:	Diversified																				
Capital Investment:	\$15 million term loan \$10 million bridge loan																				
Investment Date:	May 19, 2017																				
Terms:	36 months term loan 6 months bridge loan																				
Interest Rate:	12%																				
Bonus / Participation:	7,703,614 common shares ²																				
	<p style="text-align: center;">Loan Risk Rating¹</p> <table border="1"> <caption>Loan Risk Rating Data</caption> <thead> <tr> <th>Period</th> <th>Rating</th> </tr> </thead> <tbody> <tr> <td>Inception</td> <td>2.8</td> </tr> <tr> <td>Q4 2015</td> <td>2.6</td> </tr> <tr> <td>Q1 2016</td> <td>2.6</td> </tr> <tr> <td>Q2 2016</td> <td>2.6</td> </tr> <tr> <td>Q3 2016</td> <td>2.8</td> </tr> <tr> <td>Q4 2016</td> <td>2.8</td> </tr> <tr> <td>Q1 2017</td> <td>3.2</td> </tr> <tr> <td>Q2 2017</td> <td>3.4</td> </tr> <tr> <td>2018 (all quarters)</td> <td>n/a</td> </tr> </tbody> </table>	Period	Rating	Inception	2.8	Q4 2015	2.6	Q1 2016	2.6	Q2 2016	2.6	Q3 2016	2.8	Q4 2016	2.8	Q1 2017	3.2	Q2 2017	3.4	2018 (all quarters)	n/a
Period	Rating																				
Inception	2.8																				
Q4 2015	2.6																				
Q1 2016	2.6																				
Q2 2016	2.6																				
Q3 2016	2.8																				
Q4 2016	2.8																				
Q1 2017	3.2																				
Q2 2017	3.4																				
2018 (all quarters)	n/a																				
<p>Note 1: Crown's Loan Risk Rating methodology was not applicable to the Petrowest loans as at September 30, 2017 as they were in default.</p> <p>Note 2: A \$(1.1) million realized loss reflecting a write-off of the value of the Petrowest shares was recorded in the three months ended September 30, 2017.</p>																					

Bill Gosling Outsourcing Holding Corp.

Business Description: Founded in 1955 and headquartered in Newmarket, Ontario, Bill Gosling Outsourcing Holding Corp is a privately-owned global provider of call center solutions to blue chip and emerging high-growth clients. It operates nine call centers in Canada, the U.S., the U.K. and the Philippines and employs approximately 2,000 full time equivalents.

Business Overview: BGO is expected to continue to benefit from a shift from "in-housing" to "outsourcing" as the business process outsourcing industry has been growing at 5% per annum. Underpinning and potentially increasing this growth is the continued increase in U.S. auto loan and alternative consumer financing markets. BGO has produced stable operating results and remains in good financial position.

Industry: Business Process Outsourcing

Capital Investment: \$15 million

Investment Date: May 25, 2016

Term: 60 months

Interest Rate: Not disclosed

Bonus / Participation: Share of increase in enterprise value from date of loan to repayment



Medicare Inc.

Business Description: Headquartered in Winnipeg, Manitoba, Medicare Inc. is a publicly-traded (TSXV:MPH) specialty pharmaceutical company focused on the development and commercialization of cardiac therapeutics for the U.S. hospital market. The primary focus of Medicare and its subsidiaries is the marketing and distribution in the United States of Aggrastat for non-ST elevation acute coronary syndrome. On November 18, 2016, Medicare exercised an option to acquire a majority interest in Apicore US LLC, a developer and manufacturer of specialty active pharmaceutical ingredients and pharmaceuticals.

Business Overview: Medicare reported revenue of \$20.3 million and EBITDA of \$6.2 million for the quarter ended June 30, 2017. On a trailing twelve-month basis ending June 30, 2017, Medicare reported revenue of \$53.1 million and EBITDA of \$10.9 million. On October 3, 2017, Medicare announced the sale of Apicore for net proceeds of approximately US\$105 million. Over the next 18 months, additional payments may be payable under the agreement in the form of contingent payments. Medicare announced that it intends to use the proceeds to retire its approximate \$CAD 61 million in long-term debt, including \$30 million owing to CCF IV LP.

Industry: Pharmaceutical

Capital Investment: \$30 million

Investment Date: November 17, 2016

Term: 48 months

Interest Rate: 9.5%

Bonus / Participation: 450,000 common share purchase warrants



Touchstone Exploration Inc.

Business Description: Headquartered in Calgary, Alberta, Touchstone Exploration Inc. is a publicly-traded (TSX:TXP) company engaged in the exploration, development, and production of petroleum and natural gas. Touchstone's primary focus is onshore properties located in the Republic of Trinidad and Tobago including over 95,000 gross acres of exploration and development rights.

Business Overview: Touchstone reported net revenue of \$5.2 million and EBITDA of \$876 thousand for the three months ending June 30, 2017. On a trailing twelve-month basis ending June 30, 2017, Touchstone reported revenue of \$19.5 million and EBITDA of \$3.8 million. For the three months ended June 30, 2017, Touchstone reported average production of 1,335 bopd at a realized price of US\$45.51 per barrel, an increase of 4% and a decrease of 6%, respectively, compared to the prior quarter.

Industry: Oil and Gas

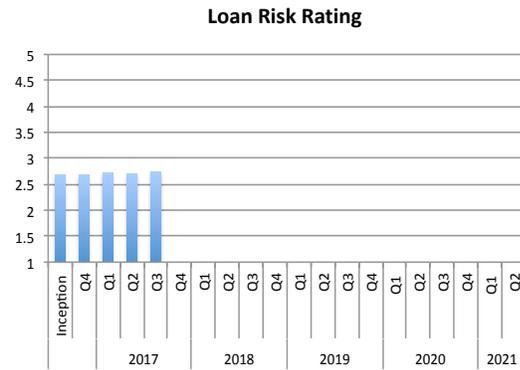
Capital Investment: \$15 million

Investment Date: November 23, 2016

Term: 60 months

Interest Rate: 8%

Bonus / Participation: Production payment of 1% of gross revenue



Source Energy Services

Business Description: Headquartered in Calgary, Alberta, Source Energy Services is the leading provider of frac sand to the Western Canadian Sedimentary Basin. Source is vertically integrated, owning a sand mine in Wisconsin, seven transload terminals in Canada, and two transload terminals in the United States. On April 13, 2017, Source completed an initial public offering, raising gross proceeds of \$175 million. On April 18, 2017, Source announced the completion of the acquisition of Sand Products Wisconsin LLC for total cost of US\$45 million.

Business Overview: Source reported revenue of \$68.7 million and adjusted EBITDA of \$9.0 million for the three months ending June 30, 2017. On a trailing twelve-month basis ending June 30, 2017, Source reported revenue of \$203.9 million and adjusted EBITDA of \$12.5 million. On October 17, 2017 Source announced that it had entered into an asset purchase agreement to acquire a Northern White proppant mine in Blair, Wisconsin and two large frac sand terminals located in Chetwynd and Fort Nelson, British Columbia. The consideration includes US\$80 million in cash and is being funded through a combination of a \$25.1 million public bought deal equity financing, a \$65.0 million private placement equity financing and a draw on its credit facilities, resulting in reduced corporate leverage.

Industry: Energy Services

Capital Investment: \$12.4 million of Senior Secured First Lien Notes (original investment \$15 million)

Investment Date: December 8, 2016

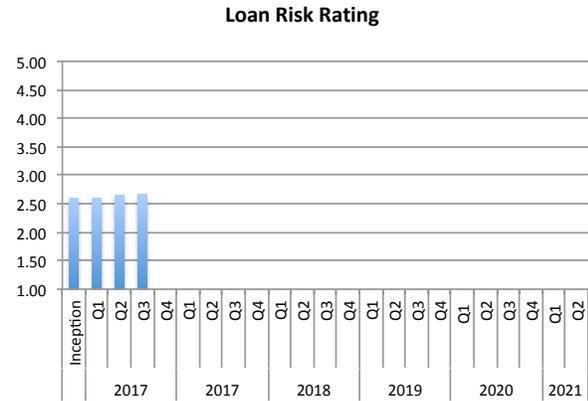
Term: 60 months

Interest Rate: 10.5%

Bonus / Participation: 116,059 common shares



Solo Liquor Holdings Limited	
Business Description:	Solo Liquor Holding Limited is a Calgary-based, privately-owned company engaged in the retail sale of liquor. Solo currently operates 54 retail liquor stores in Alberta with an additional 10 stores currently under construction.
Business Overview:	Solo commenced operations in 1996 and has steadily built out its store network. It continues to grow and has plans to expand its store count to 70 over the next two years. Solo has achieved commercial success by opening stores in high traffic areas, offering a wide range of products, operating with extended hours and maintaining every day low prices.
Industry:	Retail
Capital Investment:	\$15 million
Investment Date:	February 24, 2017
Term:	36 months
Interest Rate:	Not disclosed
Bonus / Participation:	Share of increase in enterprise value from date of loan to repayment



Marquee Energy Ltd.	
Business Description:	Headquartered in Calgary, Marquee Energy Ltd. is a publicly traded (TSXV:MQX) company engaged in acquiring interests in petroleum and natural gas rights, and the exploration, development, production and sale of petroleum and natural gas. Marquee's core operation is located in Alberta's Michichi area, which contributes approximately 90% of corporate production.
Business Overview:	Marquee reported net revenue of \$9.7 million and EBITDA of \$2.9 million for the three months ending June 30, 2017. On a trailing twelve-month basis ending June 30, 2017, Marquee reported net revenue of \$31.2 million and EBITDA of \$6.0 million. For the three months ended June 30, 2017, production averaged 3,024 boe/d, up from 2,479 boe/d in the prior quarter, consisting of approximately 44% of oil and liquids.
Industry:	Oil and Gas
Capital Investment:	\$30 million
Investment Date:	May 30, 2017
Term:	60 months
Interest Rate:	10%
Bonus / Participation:	37,500,000 common share purchase warrants



Ferus Inc.

Business Description: Headquartered in Calgary, Ferus Inc. is the leading provider of industrial gases to the energy sector in the Western Canadian Sedimentary Basin with an approximate market share of 50% in the Montney resource play. As an integrated supplier of Nitrogen and Carbon Dioxide for the energized fracturing industry, Ferus owns and operates numerous production plants, tractor-trailer units, and fixed and portable storage units.

Business Overview: Energized hydraulic fracturing involves the use of cryogenic products (N2 and CO2) to increase energy content and reduce water use in well fracturing. The benefits of energized fracking include superior hydrocarbon recovery, reduced chemical and water requirements and decreased water disposal costs. Energized fracturing is primarily used in low-pressure reservoirs, low permeability reservoirs and areas where water availability and disposal are problematic. Ferus’ logistics fleet, consisting of approximately 55 tractors and 80 bulk transport trailers, are designed to meet the demanding off-road requirements of the oil and gas industry.

Industry: Energy Services

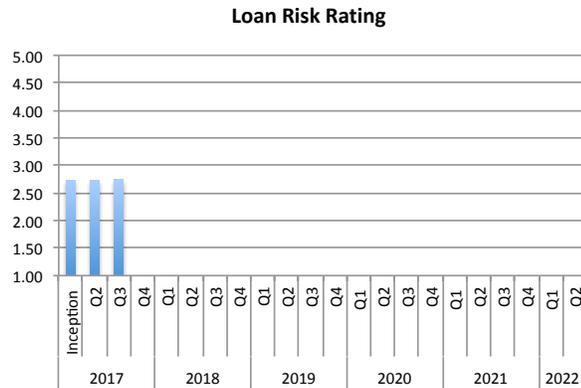
Capital Investment: \$25 million

Investment Date: June 27, 2017

Term: 60 months

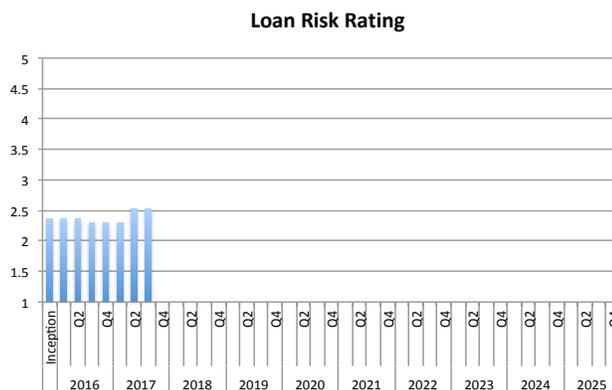
Interest Rate: Not disclosed

Bonus / Participation: Nominal cost share purchase warrants



Long-Term Financing

PenEquity Realty Corporation	
Business Description:	Founded in 1984 and headquartered in Toronto, Ontario, PenEquity Realty Corporation is a privately-owned property management and real estate development company, operating primarily in the retail sector with a focus on grocery-anchored retail plazas. Over the past three decades, PenEquity completed over 23 development projects. PenEquity has established strong relationships with partners and key tenants and has been successful in attracting large, high-quality, financially-stable tenants.
Business Overview:	PenEquity currently has a portfolio of six development projects in its pipeline, which are primarily grocery-anchored community retail plazas. Two of the projects are in Barrie, with the others in Stoney Creek, Brampton, London and Kanata. PenEquity expects to develop and realize on these projects over the next five years. The Barrie projects continue to progress towards final completion. Stoney Creek construction commenced in the second quarter of 2017 and London pre-construction leasing is underway.
Industry:	Real Estate Development
Capital Investment:	\$25 million
Investment Date:	December 16, 2015
Term:	120 months
Interest Rate:	Not disclosed
Bonus / Participation:	None



All of the above loans, except the Touchstone loan and the Petrowest loans, are payable by way of a single payment due at the end of the term. Principal payments on the Touchstone loan commence on January 1, 2019 in the amount of \$810,000 per quarter. The timing and extent of principal repayments related to the Petrowest loans will depend upon the timing and extent of proceeds received in the receivership process from the liquidation of its net assets, which were uncertain as at September 30, 2017.

Outlook

Management continues to place a high priority on new originations of both Special Situations Financing and Long-Term Financing transactions. With respect to new loan origination, we experienced a slow third quarter, but deal activity has increased notably to date in the fourth quarter. Crown remains confident that a sufficient number of deals will be completed to achieve management's targets.

Crown is focused on a segment of the market (successful businesses in the mid-market) where there is an ongoing funding gap. This gap is more pronounced during periods in the cycle when many traditional capital providers pull back. As Crown continues to execute its plan and to deploy capital in new originations, it expects to generate growing cash flow and build long-term value for Shareholders.

Due to a number of repayments in the first nine months of 2017, Crown has carried more cash than expected and has not yet drawn on its Credit Facility. Crown now intends to deploy the vast majority of its cash and cash equivalents and to draw from its existing Credit Facility to fund investment in additional Special Situations Financing and Long-Term Financing transactions by mid 2018. This is expected to result in increased revenues from interest and fees and other income. As additional capital calls are made on the limited partners of CCF IV LP to fund Special Situations Financings, it is expected the Corporation's cash and cash equivalents will be further reduced and investments, total assets and non-controlling interests will increase. Completion of additional Long-Term Financing transactions is expected to reduce cash and cash equivalents and increase investments.

Considering the Corporation's working capital, the \$36.5 million of committed capital available to CCF IV LP from parties other than Crown, and the Credit Facility, at September 30, 2017, the Corporation had access to up to approximately \$71.6 million for additional portfolio investments.

Quarterly Results Summary

The following table provides selected quarterly information about the Corporation's financial condition and performance for the period from October 1, 2015 to September 30, 2017.

Quarterly Results Summary (In \$000s except per share amounts and number of shares)	Three Months Ended							
	September 30 2017	June 30 2017	March 31 2017	December 31 2016	September 30 2016	June 30 2016	March 31 2016	December 31 2015
Revenue:								
Fees and other income	\$ 141	\$ 3,080	\$ 525	\$ 2,225	\$ 160	\$ 814	\$ 555	\$ 1,404
Interest revenue	4,816	5,623	4,385	3,589	2,968	2,568	2,386	1,388
Performance fee distributions	-	1,044	-	-	-	-	-	-
Net realized gain on sale of investments	(1,086)	2,733	553	-	-	-	1,741	-
Net change in unrealized gains in fair value of investments	1,731	(4,765)	1,292	(397)	(255)	1,603	410	2,965
Total revenue	\$ 5,602	\$ 7,715	\$ 6,755	\$ 5,417	\$ 2,873	\$ 4,985	\$ 5,092	\$ 5,757
Total comprehensive income (loss), net of non-controlling interest	\$ 1,113	\$ 1,767	\$ 1,743	\$ 877	\$ 833	\$ 1,749	\$ 1,639	\$ 1,681
Weighted average shares outstanding - basic	9,538,188	9,519,598	9,521,354	9,504,362	9,514,921	9,492,045	9,493,353	9,488,094
Total comprehensive income(loss) per share - basic	\$ 0.12	\$ 0.19	\$ 0.18	\$ 0.09	\$ 0.09	\$ 0.18	\$ 0.17	\$ 0.18
Weighted average shares outstanding - diluted	9,848,924	9,853,463	9,839,188	9,674,272	9,803,951	9,744,369	9,745,986	9,735,608
Total comprehensive income(loss) per share - diluted	\$ 0.11	\$ 0.18	\$ 0.18	\$ 0.09	\$ 0.08	\$ 0.18	\$ 0.17	\$ 0.17
Investments, at fair value through profit or loss	\$ 194,742	\$ 194,096	\$ 172,180	\$ 158,951	\$ 99,410	\$ 99,414	\$ 82,812	\$ 84,367
Total assets	\$ 216,284	\$ 222,445	\$ 198,964	\$ 182,375	\$ 151,569	\$ 138,226	\$ 131,819	\$ 130,090
Total equity	\$ 103,492	\$ 103,376	\$ 102,412	\$ 101,519	\$ 101,345	\$ 101,368	\$ 100,230	\$ 99,261
Shares outstanding at the end of the period	9,540,575	9,517,432	9,523,590	9,514,759	9,519,071	9,495,210	9,494,002	9,488,094
Total equity per share - basic	\$ 10.85	\$ 10.86	\$ 10.75	\$ 10.67	\$ 10.65	\$ 10.68	\$ 10.56	\$ 10.46

A range of factors impact quarterly variances. Major factors affecting quarterly variances in fees and other income include new investment transactions, amendments to investment agreements and loan prepayments completed in a quarter. The main factors affecting quarterly variances in interest revenue are completion of new investment transactions and loan repayments in a quarter. Factors affecting realized and unrealized gains and losses include changes in the fair value of loan investments caused by variations in benchmark interest rates and/or the credit status of portfolio companies as well as variations in market prices for equity securities held in the portfolio. The dilution of Crown's ownership interest in a fund due to receipt of additional subscriptions from non-controlling interests also impacts revenues.

Discussion of Operations

Revenues

Revenues of \$5.6 million and \$20.1 million were recognized in the three and nine months ended September 30, 2017, respectively (2016 – \$2.9 million and \$12.9 million, respectively). Revenues for the three months ended September 30, 2017 were higher than the same period in the prior year due to higher interest revenue earned by CCF IV LP resulting from a higher level of investment, and to a higher level of net investment gains. Revenues for the nine months ended September 30, 2017 were higher than the same period in the prior year primarily due to higher interest and fee income resulting from higher levels of investment and transaction activity, respectively, in CCF IV, partially offset by a reduced level of net investment gains. Also contributing to revenues in the nine-month period ending September 30, 2017 was a \$1.0 million performance fee distribution earned in connection with the dissolution of NCOF II Parallel (2016 - \$nil), of which \$0.8 million was attributable to APBP Participants (as defined below) and was included in performance bonus expense for the period.

Fees and Other Income

Fees and other income in the three and nine months ended September 30, 2017 were \$0.1 million and \$3.7 million, respectively (2016 - \$0.2 million and \$1.5 million, respectively). The following table provides an overview of the total fees and other income attributable to Shareholders and non-controlling interests.

Fees and Other Income (In \$000s)	Three Months Ended September 30,		Nine Months Ended September 30,		Attributable to:						
	2017	2016	2017	2016	Shareholders		Non-controlling interests				
					Three Months 2017	Nine Months 2017	Three Months 2017	Nine Months 2017			
Special Situations Financing:											
Transaction fees - Crown ¹	\$ -	\$ -	\$ 812	\$ 113	\$ -	\$ 812	100.00%	\$ -	\$ -	0.00%	
Transaction fees for new loans - CCF IV LP ¹	-	-	1,975	112	-	691	Note 3	-	1,284	Note 3	
Other income - CCF IV LP	74	25	495	650	27	174	Note 3	47	321	Note 3	
Other income - NCOF II	-	-	175	173	-	122	69.75%	-	53	30.25%	
Subtotal	74	25	3,457	1,048	27	1,799		47	1,658		
Interest earned on cash and cash equivalents	35	61	106	258	35	106	100.00%	-	-	0.00%	
Management fee revenue ²	32	74	184	222	32	184	100.00%	-	-	0.00%	
Total fees and other income	\$ 141	\$ 160	\$ 3,747	\$ 1,528	\$ 94	\$ 2,089		\$ 47	\$ 1,658		
<p>1. Transaction fees earned by Crown on new loans completed by CCF IV LP in the three months and nine months ended September 30, 2017 were \$nil and \$2,787, respectively, of which \$nil and \$812, respectively, are attributable to Shareholders as a management fee and \$nil and \$691, respectively, are attributable to Shareholders as a result of Crown's interest in CCF IV LP.</p> <p>2. Management fee revenue is net of fees charged to NCOF II and CCF IV LP, which are eliminated on consolidation. Management fees charged to NCOF II and CCF IV LP in the three and nine months ended September 30, 2017 were \$577 and \$2,537 (September 30, 2016 - \$263 and \$707), respectively. For the three and nine months ended September 30, 2017, management fees charged on the portion of contributed capital from non-controlling interests were \$366 and \$1,020 (September 30, 2016 - \$132 and \$318), respectively.</p> <p>3. The Corporation's interest in CCF IV LP increased from 35% to 36.5% effective July 1, 2017.</p>											

The Corporation may receive transaction fees when loans are initially made, when loans are repaid prior to maturity and in other instances, for example, for providing amendments, waivers, consents or forbearance agreements. For the three and nine months ended September 30 2017, transaction fees and other income totaled \$0.1 million and \$3.5 million, respectively (2016 - \$25,000 and \$1.0 million, respectively). Transaction fees and other income were higher in the nine months ended September 30, 2017 compared with the prior year due to the completion of a higher number of fee-generating

transactions, including four loan originations, one early loan repayment, and one loan amendment. As there were no fee-generating transactions in either the three months ended September 30, 2017 or the comparable prior-year period, transaction fees and other income were at relatively low and comparable levels for both periods.

The Corporation earns investment management fees pursuant to management agreements. The base annual management fees are generally equal to 1.75% of contributed capital, as defined in the limited partnership agreements, less any capital distributions and realized losses; however, Crown provides certain limited partners with management fee discounts and Crown may voluntarily reduce its management fees.

On consolidation, 100% of management fees earned from NCOF II and CCF IV LP are eliminated against the management fees expensed by NCOF II and CCF IV LP. The non-controlling interests of each of NCOF II and CCF IV LP incur 30.25% and 63.46% (50% prior to July 1, 2016, 60% from July 1, 2016 to December 31, 2016, 65% from January 1, 2017 to June 30, 2017), respectively, of the management fees while Crown effectively pays itself for the other 69.75% and 36.54%, respectively, as a result of its ownership interests. (See also Related Party Transactions)

Management fees of \$32,375 and \$0.2 million were recognized in the three and nine months ended September 30, 2017, respectively (2016 - \$73,853 and \$0.2 million, respectively) from NCOF LP and NCOF II Parallel. The elimination of management fees from NCOF II Parallel subsequent to its dissolution was responsible for the decline in total management fees in the three- and nine-month periods ended September 30, 2017 compared with the prior year.

Interest on cash and cash equivalents includes interest earned from savings accounts and such investments as short-term investment certificates, and includes interest earned from executive share purchase loans. These amounts are included in fees and other income. For the three and nine months ended September 30, 2017, interest earned on cash and cash equivalents totaled \$34,977 and \$0.1 million, respectively (2016 - \$60,951 and \$0.3 million, respectively). Of this interest, 100% is attributable to Shareholders. Interest on cash and cash equivalents decreased in the three and nine months ended September 30, 2017 due to lower levels of cash and cash equivalents.

Interest Revenue

The following table provides an overview of interest revenue attributable to Shareholders and the non-controlling interests.

Interest Revenue (In \$000s)	Three Months Ended September 30,		Nine Months Ended September 30,		Attributable to:							
	2017	2016	2017	2016	Shareholders		Non-controlling interests					
					Three Months 2017	Nine Months 2017	Three Months 2017	Nine Months 2017				
Special Situations Financings												
NCOF II	\$ -	\$ 615	\$ 1,660	\$ 1,831	\$ -	\$ 1,158	69.75%	\$ -	\$ 502	30.25%		
CCF IV LP	3,934	1,473	10,546	3,470	1,438	3,752	Note 1	2,496	6,794	Note 1		
Long-term Financings												
CCPC LP	882	880	2,618	2,620	882	2,618	100.00%	-	-	0.00%		
Total interest revenue	\$ 4,816	\$ 2,968	\$ 14,824	\$ 7,921	\$ 2,320	\$ 7,528		\$ 2,496	\$ 7,296			

1. The Corporation's interest in CCF IV LP increased from 35% to 36.5% effective July 1, 2017.

Interest revenue in the three and nine months ended September 30, 2017 was \$4.8 million and \$14.8 million, respectively (2016 - \$3.0 million and \$7.9 million, respectively). Interest revenue increased in the three and nine months ended September 30, 2017 due to interest earned on additional investments made by CCF IV LP, partially offset by lower interest earned from NCOF II resulting from the repayment of investments.

Net Gain on Investments

The net gain on investments includes both net realized gains (losses) from investments and net change in unrealized gains in the fair value of investments. Additional details are provided in the table below.

Net Gain / (Loss) on Investments (In \$000s)	Three Months Ended September 30,		Nine Months Ended September 30,		Attributable to:							
	2017	2016	2017	2016	Shareholders			Non-controlling interests				
					Three Months 2017	Nine Months 2017		Three Months 2017	Nine Months 2017			
Special Situations Financings												
NCOF II - realized gain	\$ -	\$ -	\$ 1,876	\$ 1,741	\$ -	\$ 1,309	69.75%	\$ -	\$ 567	30.25%		
CCF IV LP - realized gain / (loss)	(1,086)	-	324	-	(397)	97	36.54%	(689)	227	63.46%		
sub-total - realized gains / (losses)	(1,086)	-	2,200	1,741	(397)	1,406		(689)	794			
NCOF II - unrealized gain / (loss) ¹	-	181	(1,988)	309	-	(1,387)	69.75%	-	(601)	30.25%		
CCF IV LP - unrealized gain / (loss) ¹	2,088	(586)	280	269	763	130	Note 2	1,325	150	Note 2		
Long-term Financings												
CCPC LP - unrealized gain / (loss)	(357)	150	(34)	1,181	(357)	(34)	100.00%	-	-	0.00%		
sub-total - unrealized gains / (losses)	1,731	(255)	(1,742)	1,759	406	(1,291)		1,325	(451)			
Total net gain / (loss) on investments	\$ 645	\$ (255)	\$ 458	\$ 3,500	\$ 9	\$ 115		\$ 636	\$ 343			

1. Three months and nine months ended September 30, 2017 include the reversal of previously-recognized unrealized (loss) / gains of (\$7) and \$3,275 respectively.
Nine months ended September 30, 2016 includes the reversal of a previously-recognized gain of \$384.
2. The Corporation's interest in CCF IV LP increased from 35% to 36.5% effective July 1, 2017.

The Corporation's net gain (loss) on investments in the three and nine months ended September 30, 2017 totaled \$0.6 million and \$0.5 million, respectively (2016 - \$(0.3) million and \$3.5 million, respectively). For the three and nine months ended September 30, 2017, \$9,000 and \$0.1 million, respectively, were attributable to Shareholders and \$0.6 million and \$0.3 million, respectively, to non-controlling interests.

In the three months ended September 30, 2017, the fair value of the Petrowest shares decreased to \$nil, resulting in a realized loss of \$(1.1) million (2016 - \$nil). Net realized gains in the nine months ended September 30, 2017 of \$2.2 million (2016 - \$1.7 million) also included the recognition of gains upon the repayment of the Corrosion, CRH and Distinct loans, the partial repayment of the Source loan, and the disposition of the Distinct shares.

The net change in unrealized gains in fair value of investments for the three months ended September 30, 2017 was \$1.7 million (2016 - \$(0.3) million), of which the most significant contributors were an increase in the fair value of the Medicare loan to par value to reflect reduced credit and liquidity risks ahead of its anticipated early repayment in 2017, increases in the fair values of both the Source shares and the Marquee warrants and a decrease in the fair value of the PenEquity loan resulting from an increase in market interest rates.

Included in the \$(1.7) million net change in unrealized gains in fair value of investments for the nine months ended September 30, 2017 (2016 - \$1.8 million) was \$(3.3) million related to the reversal of previously-recognized unrealized gains in connection with the recognition of realized gains upon the repayment or disposition of investments. In addition to this and other above-noted items, other notable

contributors to the net change in unrealized gains in fair value of investments for the nine months ended September 30, 2017 included a gain on the Source common shares received by CCF IV LP, a decrease in the fair value of the Medicare common share purchase warrants and decreases in the fair value of several loans resulting from increases in benchmark interest rates used to estimate the present value of future cash flows.

Expenses

Expenses in the three and nine months ended September 30, 2017 totaled \$1.5 million and \$6.2 million, respectively (2016 - \$1.0 million and \$4.1 million, respectively). Operating costs are mostly fixed with the largest cost being employee compensation, including share-based compensation, amounts accrued for annual employee bonuses and accruals for performance bonus expense.

Salaries, management fees and benefits

Salaries, management fees and benefits expense totaled \$0.4 million and \$1.7 million, respectively, in the three and nine months ended September 30, 2017 (2016 - \$0.3 million and \$1.2 million, respectively). The increase in salaries, management fees and benefits expenses in the nine months ended September 30, 2017 compared to the same period in 2016 was due primarily to higher accruals for annual employee bonuses.

Share-based Compensation

Share-based compensation expense is recognized over the expected vesting period of each award. Share-based compensation totaled \$0.5 million and \$1.3 million, respectively, in the three and nine months ended September 30, 2017 (2016 - \$0.4 million and \$1.2 million, respectively).

General and Administration

General and administration expenses totaled \$0.3 million and \$1.1 million, respectively, in the three and nine months ended September 30, 2017 (2016 - \$0.3 million and \$1.0 million, respectively). General and administration expenses include costs such as legal and audit fees, travel, promotion, occupancy costs, insurance, office administration and other costs. Compared to the same periods in 2016, general and administration expenses in the three and nine-month periods ended September 30, 2017 were comparable in aggregate and by expense type.

Performance Bonus Expense

The Corporation has asset performance bonus pool (“**APBP**”) arrangements for certain individuals and entities, primarily employees and pre-IPO shareholders (the “**Pre-IPO APBP Participants**”), (collectively “**APBP Participants**”). For certain investment funds managed by the Corporation, 20% of investment returns in excess of a preferred rate of return earned by the fund accrue to the Corporation as performance fee distributions.

Prior to the closing of the IPO, the Corporation committed to pay 100% of performance fee distributions accrued to June 30, 2015 from NCOF II and NCOF II Parallel to the Pre-IPO APBP Participants. In addition, the Corporation’s current compensation policy provides that 50% of such performance fee

distributions earned after the closing of the IPO will be distributed to the Pre-IPO APBP Participants who are employees with the other 50% retained by the Corporation. The June 30, 2017 dissolution of NCOF II and NCOF II Parallel triggered performance fee distributions from those funds of \$3.2 million and \$1.0 million, respectively, of which, in aggregate, \$2.3 million was paid to APBP Participants in the three months ended September 30, 2017 and \$1.0 million was retained in the Corporation's provision for performance bonus as at September 30, 2017 as amounts payable to APBP Participants, in the event of any contingencies related to the dissolution of the NCOF Funds. It is anticipated this amount will be paid by the first quarter of 2018.

Allocation of the participation rights of the APBP relating to CCF IV LP commenced in 2015 and will continue until 2022 with 50% of performance fees recognized by the funds allocated to employees. Performance bonus amounts will be paid to APBP Participants commencing on the repayment of all of the invested capital and payment of a prescribed preferential return to the limited partners in the related investment funds.

For the three and nine months ended September 30, 2017, Crown accrued performance bonus expense of \$0.2 million and \$1.6 million, respectively (2016 – \$18,358 and \$0.6 million, respectively). Included in accrued performance bonus expense for the nine months ended September 30, 2017 is \$0.8 million of performance fee distributions received from NCOF II Parallel that were attributable to APBP Participants. No amounts had previously been accrued by the Corporation for performance fee distributions or performance bonus expense related to NCOF II Parallel.

Finance Costs

Finance costs totaled \$0.1 million and \$0.4 million, respectively, for the three and nine months ended September 30, 2017 (2016 - \$nil), including standby fees and the amortization of deferred financing costs related to the Corporation's Credit Facility. The Credit Facility was established effective December 30, 2016 and the balance outstanding at September 30, 2017 was \$nil.

Earnings before Income Taxes

For the three and nine months ended September 30, 2017, Crown had earnings before income taxes of \$4.1 million and \$13.9 million, respectively, compared with \$1.9 million and \$8.9 million for the three and nine month periods ending September 30, 2016.

Income Taxes

For the three and nine months ended September 30, 2017, Crown recorded current tax expense of \$0.5 million and \$1.7 million, respectively (2016 – \$0.4 million and \$1.8 million, respectively) and deferred tax expense (recovery) of \$(18,510) and \$0.3 million, respectively (2016 – \$79,487 and \$96,120, respectively).

The Corporation's consolidated statutory tax rate for the three and six months ended September 30, 2017 on earnings before income taxes attributable to shareholders of the Corporation was 26.5%.

The deferred income tax asset at September 30, 2017 of \$1.2 million and deferred tax expenses for the three and nine months ended September 30, 2017 result primarily from financing costs associated with the IPO and the Credit Facility which are deductible for tax purposes over a five-year period and performance bonus expenses which are not deductible for tax purposes until they are paid in future periods.

Net Income and Comprehensive Income

For the three and nine months ended September 30, 2017, Crown earned net income and comprehensive income of \$3.6 million and \$11.9 million, respectively (2016 – \$1.5 million and \$7.0 million, respectively).

Net Income and Comprehensive Income Attributable to Shareholders of the Corporation and Non-controlling Interests

For the three and nine months ended September 30, 2017, net income and comprehensive income attributable to Shareholders was \$1.1 million and \$4.6 million, respectively (2016 – \$0.8 million and \$4.2 million, respectively). Net income and comprehensive income attributable to non-controlling interests for the three and nine months ended September 30, 2017 was \$2.5 million and \$7.2 million, respectively (2016 – \$0.6 million and \$2.7 million, respectively). Net income and comprehensive income attributable to non-controlling interests reflects the proportionate interest of non-controlling interests in the net income and comprehensive income of consolidated investment funds, and is net of contractual management fees on the capital of non-controlling interests for the three and nine months ended September 30, 2017 of \$0.4 million and \$1.0 million, respectively (2016 - \$0.1 million and \$0.3, respectively), which the Shareholders are entitled to retain.

Adjusted EBIT

Crown achieved Adjusted EBIT in the three and nine months ended September 30, 2017 of \$2.0 million and \$8.1 million, respectively (2016 – \$1.5 million and \$7.2 million, respectively). Adjusted EBIT is calculated by Crown as earnings before financing costs; non-cash, share-based compensation; and income taxes less net income attributable to non-controlling interests.

A reconciliation of earnings before income taxes to Adjusted EBIT for the three and nine months ended September 30, 2017 and September 30, 2016 is shown in the following table:

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

Compared with the comparable prior-year period, Adjusted EBIT in the three months ended September 30, 2017 was higher due primarily to higher interest revenue resulting from a higher level of capital

invested in interest-generating loans and higher management fees resulting from a higher level of contributed capital from non-controlling interests.

The major factors influencing the variance in Adjusted EBIT in the nine months ended September 30, 2017 compared to the same period in the prior year were higher interest revenue resulting from a higher level of capital invested in interest-generating loans, higher fee income resulting from the completion of a higher number of fee-generating transactions, higher management fees resulting from a higher level of contributed capital from non-controlling interests, performance fees related to the dissolution of NCOF II Parallel, a lower level of net gains on investments, and higher accruals for annual employee bonuses.

The Corporation believes Adjusted EBIT is a useful supplemental measure that may assist investors in assessing the financial performance of the Corporation and the cash anticipated to be generated by Crown's business. 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 might differ among companies and analysts.

Liquidity and Capital Resources

Cash and cash equivalents at September 30, 2017 totaled \$15.7 million (December 31, 2016 - \$19.3 million). Accounts receivable at September 30, 2017 totaled \$1.7 million (December 31, 2016 - \$1.7 million) and was comprised primarily of interest receivable from investments and management fees receivable from NCOF LP.

The Corporation's current liabilities at September 30, 2017 totaled \$4.8 million (December 31, 2016 - \$4.0 million). Accounts payable and accrued liabilities at September 30, 2017 of \$1.0 million (December 31, 2016 - \$2.0 million) included accrued performance bonuses, due diligence deposits from prospective borrowers and normal-course amounts due to suppliers.

From time to time, the Corporation may receive interest payments in advance of the period for which the interest charges are applicable. At September 30, 2017, deferred interest revenue was \$0.5 million (December 31, 2016 - \$nil).

Distributions payable to non-controlling interests at September 30, 2017 totaled \$2.2 million (December 31, 2016 - \$1.1 million) and income taxes payable were \$0.2 million (December 31, 2016 - \$0.9 million). Of the total provision for performance bonus of \$2.2 million at September 30, 2017 (December 31, 2016 - \$2.9 million), \$1.0 million was a current liability (December 31, 2016 - \$nil). Working capital at September 30, 2017 was \$12.7 million (December 31, 2016 - \$17.0 million).

The Corporation, on a non-consolidated basis, retains sufficient capital to ensure it meets minimum excess working capital requirements under applicable securities law. This minimum amount was \$100,000 at September 30, 2017.

In July 2017, CCF IV LP completed a closing of subscriptions for an additional 50,000 units at \$1,000 per Unit, bringing the total capital committed to CCF IV LP to \$225 million. In this closing, Crown, through CCFC, increased its aggregate commitment to CCF IV LP, including its commitment to CCF IV Investment,

which has an interest in CCF IV LP, to \$82.2 million. Of this amount, \$61.2 million was contributed as at September 30, 2017 and Crown's aggregate unfunded commitment to CCF IV LP and CCF IV Investment totaled \$21.0 million. The Corporation has sufficient liquidity to fund its commitment to CCF IV LP.

At September 30, 2017, \$106.2 million (74%) of the \$142.8 million committed to CCF IV LP to that date by limited partners other than Crown had been drawn by CCF IV LP, leaving \$36.5 million of committed capital available to CCF IV LP from parties other than Crown. CCF IV LP has a maximum size of \$300.0 million, with additional closings expected to occur prior to September 2018 as opportunities are identified to fund Special Situations Financing transactions and subscriptions in CCF IV LP are received.

On December 30, 2016, Crown entered into an agreement for a \$35.0 million, 36-month, renewable senior secured revolving credit facility with ATB and BDC which is intended to be used primarily to fund the Corporation's capital commitments to CCF IV LP and to fund Long-Term Financings. The balance outstanding on the Credit Facility at September 30, 2017 was \$nil.

Considering the Corporation's working capital, the \$36.5 million of committed capital available to CCF IV LP from parties other than Crown, and the Credit Facility, at September 30, 2017, the Corporation had access to up to approximately \$71.6 million for additional portfolio investments.

Investments, at Fair Value through Profit or Loss

At September 30, 2017, the Corporation held investments in nine Canadian companies. Investments, at fair value through profit or loss, at September 30, 2017 totaled \$194.7 million (December 31, 2016 - \$159.0 million). Additional information about investments at fair value through profit or loss can be found in Note 4, Fair value measurement in the Corporation's condensed consolidated interim financial statements for the three and nine months ended September 30, 2017.

Provision for Performance Bonus

The Corporation has obligations to APBP Participants under the APBP which will become payable in the event certain investment funds, including subsidiary investment funds, exceed minimum returns over their life. The provision for performance bonus at September 30, 2017 totaled \$2.2 million (2016 - \$2.9 million) of which \$1.2 million represented the portion of performance fees related to CCF IV LP recognized in consolidated earnings to date that will be payable to APBP Participants commencing on the repayment of all of the invested capital and payment of a prescribed preferential return to the limited partners of CCF IV LP. The remaining \$1.0 million of the provision for performance bonus as at September 30, 2017 relates to the NCOF Funds, is payable as a result of the return of all capital of those funds and is expected to be paid to APBP Participants prior to March 31, 2018.

Executive Share Purchase Loans

The Corporation has an Executive Share Purchase Plan whereby the Board can approve loans to senior management ("**Participants**") for the purpose of purchasing the Corporation's common shares in the open market. The following must be paid directly to the Corporation on behalf of management in repayment of interest and principal on these loans: all dividend distributions on the common shares, all

annual performance incentive plan payments to Participants in excess of target bonus payouts, and all proceeds from the sale of the common shares.

In the nine-month period ended September 30, 2017, the Corporation advanced \$2.3 million of new loans under the Executive Share Purchase Plan. As at September 30, 2017, \$2.2 million of these loans were outstanding (December 31, 2016 - \$nil), including accrued interest of \$16,850. The loans under the Executive Share Purchase Plan bear interest at Prime (3.2% as at September 30, 2017), have a seven-year term (maturity date: June 3, 2024) and are personally guaranteed by Participants. The shares are pledged as security for the loans and had a fair value of \$2.2 million as at September 30, 2017.

Non-Controlling Interests

At September 30, 2017, non-controlling interests was \$106.8 million (December 31, 2016 - \$73.9 million). The increase compared to December 31, 2016 was due primarily to additional capital contributions to CCF IV LP by non-controlling interests, partially offset by the elimination of non-controlling interests related to NCOF II as a result of its dissolution.

Share Capital

As at September 30, 2017, total share capital was \$96.9 million (December 31, 2016 - \$96.6 million).

In the nine months ended September 30, 2017, the Corporation issued 38,274 Common Shares to employees and directors as a result of vesting of Share Units. The total value assigned to the Common Shares was \$0.4 million and this amount was added to share capital.

On April 8, 2016, the Corporation commenced an NCIB to purchase for cancellation during the next 12 months up to 620,000 Common Shares representing approximately 10% of the public float of Common Shares and approximately 6.5% of the issued and outstanding Common Shares. Under this NCIB program, which expired on April 7, 2017, Crown repurchased and canceled 7,400 Common Shares in the six months ended June 30, 2017 at an average cost of \$9.59 per Common Share.

On April 10, 2017, the Corporation commenced an NCIB to purchase for cancellation during the next 12 months up to 310,000 Common Shares representing approximately 4.2% of the public float of Common Shares and approximately 3.3% of the issued and outstanding Common Shares. This NCIB program will expire on April 9, 2018. Under this NCIB program, Crown repurchased and canceled 5,058 Common Shares in the nine months ended September 30, 2017 at an average cost of \$10.05 per Common Share.

The total number of Common Shares outstanding at September 30, 2017 was 9,540,575 (December 31, 2016 – 9,514,759; November 7, 2017 – 9,519,217).

Contributed Surplus

At September 30, 2017, Crown's contributed surplus of \$2.5 million included the opening balance at January 1, 2017 of \$1.9 million plus, for the nine months ended September 30, 2017, \$1.3 million for share-based compensation expense recorded for Share Units and Stock Options outstanding during the period less \$0.4 million transferred to share capital for Share Units vested and \$0.3 million for cash-settled share-based compensation.

Cash Flows

Cash and cash equivalents at September 30, 2017 totaled \$15.7 million (December 31, 2016 - \$19.3 million). In the nine months ended September 30, 2017, the primary sources of cash flow for the Corporation were non-controlling interest contributions to CCF IV LP to fund the investments in Solo, Petrowest (bridge loan), Marquee and Ferus, net income and comprehensive income and proceeds from repayment of the Corrosion, CRH and Distinct investments and from the partial repayment of the Source loan. Primary uses of cash included completion of the investments in Solo, Petrowest (bridge loan), Marquee and Ferus, distributions to non-controlling interests, executive share purchase loan advances and dividend payments to Shareholders.

On August 8, 2017, the Corporation declared a quarterly dividend of \$0.13 per Common Share. The dividend was paid on September 1, 2017 to Shareholders of record on August 18, 2017.

Off-Balance Sheet Arrangements

As at September 30, 2017, the Corporation, through CCFC, had subscribed for 78,750 units of CCF IV LP. This subscription included a commitment by Crown to provide up to \$78.8 million to CCF IV LP as funds are called by CCF IV LP to fund new Special Situations Financing transactions. As of September 30, 2017, the Corporation had contributed capital to CCF IV LP totaling \$58.6 million and was committed to provide up to an additional \$20.2 million to CCF IV LP.

Through CCFC, the Corporation had also subscribed for 3,570 units of CCF IV Investment LP. This subscription included a commitment by Crown to provide up to \$3.6 million to CCF IV Investment LP as funds are called by CCF IV Investment LP to fund its commitment to CCF IV LP. As of September 30, 2017, the Corporation had contributed capital to CCF IV Investment LP totaling \$2.6 million and was committed to provide up to an additional \$0.9 to CCF IV Investment LP.

Crown has no other material off-balance sheet arrangements.

Related Party Transactions

Pursuant to limited partnership agreements, Crown receives management fees for services provided from NCOF LP and, until its dissolution on June 30, 2017, NCOF II Parallel. During the three and nine months ended September 30, 2017, Crown earned management fees from NCOF LP and NCOF II Parallel totaling \$32,375 and \$183,700, respectively (2016 - \$73,853 and \$221,559, respectively).

In the nine months ended September 30, 2017, Crown received a performance fee distribution from NCOF II Parallel of approximately \$1.0 million, of which the amount attributable to Shareholders, net of amounts payable to APBP Participants, was approximately \$0.2 million. No amounts had previously been accrued by the Corporation for performance fee revenues or performance bonus expenses related to NCOF II Parallel.

At September 30, 2017, accounts receivable included \$0.4 million due from NCOF LP (2016 - \$0.2 million). Accounts payable and accrued liabilities included an amount payable to NCOF II Parallel of \$nil (2016 - \$0.5 million).

Pursuant to limited partnership agreements, NCOF II and CCF IV LP also pay management fees to Crown for management services provided. Management fees paid to Crown by NCOF II and CCF IV LP are eliminated on consolidation.

These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties.

The table below provides additional details of the transaction fees, management fees and performance fees included in net income and comprehensive income attributable to Shareholders of the Corporation arising from the interests of non-controlling interests as a result of Crown's role as a fund manager and the financial statement captions through which these fees are reflected in net income and comprehensive income attributable to Shareholders.

Fees Earned From Related Parties (\$ in 000s)	Three Months Ended September 30,		Nine Months Ended September 30,		Notes on Consolidation
	2017	2016	2017	2016	
Transaction fees - Crown	\$ -	\$ -	\$ 812	\$ 113	included in Revenue - Fees and Other Income
Management Fees charged to NCOF LP and NCOF II (Parallel)	32	74	184	222	included in Revenue - Fees and Other Income
Performance fees related to NCOF II (Parallel)	-	-	1,044	-	included in Revenue - Performance allocation fee
Performance fees related to non-controlling interest in CCF IV LP	272	(43)	864	266	allocated from net income to income attributable to Shareholders
Performance fees related to non-controlling interest in NCOF II	-	33	75	193	allocated from net income to income attributable to Shareholders
Management fees related to non-controlling interest in CCF IV LP and NCOF II	366	132	1,020	318	allocated from net income to income attributable to Shareholders
	\$ 670	\$ 196	\$ 3,999	\$ 1,112	

Critical Estimates and Accounting Policies

The preparation of the condensed consolidated interim financial statements in accordance with the financial reporting framework requires management to make judgments, estimates and assumptions that affect the application of the Corporation's accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosures of contingent assets and liabilities at the reporting date. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Information about judgments, assumptions and estimation uncertainties that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements for the three and nine months ended September 30, 2017 and September 30, 2016 are included in the following notes in those financial statements:

- Note 4 – Fair value measurement; and
- Note 7 – Share-based compensation.

Additional information about critical estimates and accounting policies can be found in the Corporation's 2016 audited consolidated financial statements and notes thereto and other public filings available on SEDAR at www.sedar.com.

Future Accounting Pronouncements

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Corporation's financial statements are disclosed below. These are the changes that the Corporation reasonably expects may have an impact on its disclosures, financial position or performance when applied at a future date. The Corporation intends to adopt these standards when they become effective.

Financial Instruments

IFRS 9, Financial Instruments ("**IFRS 9**"), will replace IAS 39, Financial Instruments: Recognition and Measurement ("**IAS 39**"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. IFRS 9 also introduces a new impairment model based on expected losses. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exceptions. The restatement of prior periods is optional. The Corporation anticipates measuring some of its debt instruments at amortized cost and others at fair value and is currently evaluating the impact that the adoption of IFRS 9 will have on its consolidated financial statements.

Revenue

IFRS 15, Revenue from Contracts with Customers ("**IFRS 15**"), was issued by the IASB in May 2014, is effective for periods beginning on or after January 1, 2018 and is to be applied retrospectively. IFRS 15 clarifies the principles for recognizing revenue from contracts with customers. The Corporation intends to adopt IFRS 15 in its financial statements for the annual period beginning January 1, 2018. The Corporation is currently evaluating the impact of IFRS 15 on its financial statements, if any.

Financial Instruments and Associated Risks

The Corporation's financial instruments include cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, deferred interest revenue and distributions payable to non-controlling interests. The fair values of these financial instruments approximate carrying value due to the short term to maturity of the instruments.

The Corporation, through its subsidiaries CCFC, CCF IV LP and CCPC LP, also holds investments in debt and equity securities which are measured at fair value through profit or loss.

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Corporation's Canadian equity securities include CCF IV LP's interest in Source common shares. The Corporation's Canadian warrants include CCF IV LP's interest in common share purchase warrants of Marquee and Medicare. Source, Marquee and Medicare are

publicly-traded companies. The primary risk to the fair value through profit or loss of these equity securities is market risk.

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Corporation's investments in debt securities. A portion of the debt instruments held by the Corporation are unrated and relatively illiquid. Repayments are dependent on the ability of the underlying businesses to generate sufficient cash flow from operations, refinancings or the sale of assets or equity. The terms of the individual debt instruments and the risks of the underlying businesses are reflected in the fair values at the reporting date.

The Corporation's Canadian debt securities include CCF IV LP's loans to Petrowest, BGO, Medicare, Touchstone, Source, Solo, Marquee and Ferus and CCPC LP's loan to PenEquity. The primary risk to the fair value through profit or loss of these debt securities is credit risk. These debt securities bear fixed interest rates which limits interest rate risk.

The Corporation's investments at fair value through profit or loss are denominated in Canadian currency so there is no currency risk associated with the above investments except to the extent of investees' underlying operations which in some cases are dependent on revenues denominated in foreign currencies.

Additional information about financial instruments and associated risks can be found in the Corporation's 2016 audited consolidated financial statements and notes thereto and other public filings available on SEDAR at www.sedar.com.

Risk Factors

Crown operates in a dynamic environment that involves various risks, many of which are beyond Crown's control and which could have an effect on Crown's business, revenues, operating results and financial condition.

In the short term, a significant risk to the Corporation is that all financing clients repay their loans and replacement loans are not completed such that interest, fees and other income and the capital base for determination of management fee revenues drop significantly. In the longer term, an inability to raise and place additional capital on which to charge interest and management fees would be a significant risk.

The primary risk factor for CCF IV LP is credit risk, being the potential inability of one or more of the eight portfolio companies to meet their obligations to CCF IV LP. As at September 30, 2017, the Petrowest loans were in default and the company was in a receivership process, representing a risk that related principal might not be fully recovered in the event that proceeds from the liquidation of net assets are insufficient to fund full repayment to CCF IV LP. In addition, at September 30, 2017, CCF IV LP held Source common shares which were valued at \$1.1 million, Marquee common share purchase warrants which were valued at \$0.8 million, and Medicare common share purchase warrants which were valued at \$1.6 million. A reduction in the value of these warrants or shares would reduce the value of Crown's Investments.

The primary risk factor for CCPC LP is credit risk, being the potential inability of PenEquity to meet its obligations to CCPC LP.

See Note 5 - Financial Risk Management in the Corporation's December 31, 2016 consolidated financial statements.

A complete discussion of the risks faced by the Corporation can be found in the Corporation's Annual Information Form ("**AIF**") available on SEDAR at www.sedar.com.

Disclosure Controls and Procedures and Internal Control over Financial Reporting

The Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**") are responsible for establishing and maintaining disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as those terms are defined in National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings. The CEO and CFO have designed, or caused to be designed under their direct supervision, Crown's DC&P to provide reasonable assurance that:

- material information relating to Crown, including its consolidated subsidiaries, is made known to them by others within those entities, particularly during the period in which the annual filings are being prepared; and
- information required to be disclosed in the annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported on a timely basis.

The CEO and CFO have also designed, or caused to be designed under their direct supervision, Crown's ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The ICFR have been designed using the control framework established in Internal Control – Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013.

While Crown's CEO and CFO believe that the Corporation's internal controls and procedures provide a reasonable level of assurance that such controls and procedures are reliable, an internal control system cannot prevent all errors and fraud. It is management's belief that any control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

There were no changes in Crown's ICFR during the three and nine months ended September, 2017 that have materially affected, or are reasonably likely to materially affect Crown's ICFR.

Forward-Looking Statements

Statements that are not reported financial results or other historical information are forward-looking statements within the meaning of applicable Canadian securities laws (collectively, "**forward-looking statements**"). This MD&A includes forward-looking statements regarding Crown and the industries in which it operates, including statements about, among other things, expectations, beliefs, plans, future

loans and origination, business and acquisition strategies, opportunities, objectives, prospects, assumptions, including those related to trends and prospects and future events and performance. Sentences and phrases containing or modified by words such as “anticipate”, “plan”, “continue”, “estimate”, “intend”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targets”, “projects”, “is designed to”, “strategy”, “should”, “believe”, “contemplate” and similar expressions, and the negative of such expressions, are not historical facts and are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Forward-looking statements should not be read as guarantees of future events, future performance or results, and will not necessarily be accurate indicators of the times at, or by which, such events, performance or results will be achieved, if achieved at all. Forward-looking statements are based on information available at the time and/or management’s expectations with respect to future events that involve a number of risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. The factors described under the heading “Risk Factors” in this MD&A and in the AIF, as well as any other cautionary language in this MD&A, provide examples of risks, uncertainties and events that may cause Crown’s actual results to differ materially from the expectations it describes in its forward-looking statements. Readers should be aware that the occurrence of the events described in these risk factors and elsewhere in this MD&A could have an adverse effect on, among other things, Crown’s business, prospects, operations, results of operations and financial condition.

Specific forward-looking statements contained in this MD&A include, among others, statements, management’s beliefs, expectations or intentions regarding the following:

- the Corporation’s intentions for the use of its cash and cash equivalents and the timing thereof, including additional capital contributions to CCF IV LP and CCPC LP;
- the investments of CCF IV LP in Special Situations Financing transactions and the potential structuring of such transactions;
- the performance of financing clients;
- the investments of CCPC LP in Long-Term Financing transactions and the potential structuring of such transactions;
- the Corporation’s business plans and strategy;
- the Corporation’s future cash flow and shareholder value;
- the sourcing of deals from Crown’s established network and its potential pipeline of projects;
- the future capitalization of CCF IV LP and CCPC LP and future closings in relation thereto;
- Crown’s future entitlement to base management and performance fees;

- the effect of delays between the repayment of loans and the redeployment of capital on Crown's financial condition;
- the future accounting policies of the Corporation;
- the alternative financial market and the general economy;
- the effect of the early repayment of loans on anticipated interest income;
- the Corporation's ability to secure debt financing on terms acceptable to the Corporation (or obtaining debt financing); and
- the vesting of Share Units and Options.

Readers are cautioned that the foregoing list of forward-looking statements should not be construed as being exhaustive.

In making the forward-looking statements in this MD&A, the Corporation has made assumptions regarding general economic conditions, reliance on debt financing, interest rates, continued lack of regulation in the business of lending from sources other than commercial banks or equity transactions, continued operation of key systems, debt service, continuing constraints on bank lending to mid-market companies for at least several years, future capital needs, retention of key employees, adequate management of conflicts of interests, continued performance of the Crown funds and solvency of financing clients, competition, limited loan prepayment, effective use of leverage, strength of existing client relationships, regulatory oversight and such other risks or factors described in this MD&A, the AIF and from time to time in public disclosure documents of Crown that are filed with securities regulatory authorities.

The forward-looking statements included in this MD&A are expressly qualified by this cautionary statement and are made as at the date of this MD&A. The Corporation does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. If the Corporation does update one or more forward-looking statements, it is not obligated to, and no inference should be drawn that it will, make additional updates with respect thereto or with respect to other forward-looking statements.

Readers are further cautioned that the preparation of financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues, and expenses. These estimates may change, having either a positive or negative effect on net income, as further information becomes available and as the economic environment changes.

Market and Industry Data

Certain market and industry data contained in this MD&A is based upon information from government or other third party publications, reports and websites or based on estimates derived from such publications, reports and websites. Government and other third party publications and reports do not guarantee the accuracy or completeness of their information. While management believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data-gathering process and other limitations and uncertainties inherent in any statistical survey. Crown has not independently verified any of the data from government or other third party sources referred to in this MD&A or ascertained the underlying assumptions relied upon by such sources.

Trademarks, Trade Names and Service Marks

All trademarks used in this MD&A are the property of their respective owners and may not appear with the ® symbol.

Additional Information

Additional information relating to the Corporation is available on SEDAR at www.sedar.com, including the Annual Information Form.