

Crown Capital Announces Amendment to Credit Facility, Closing of Private Placement Offering of Units and Appointment of New Director

CALGARY, AB, Dec. 29, 2023 /CNW/ - Crown Capital Partners Inc. ("Crown" or the "Corporation") (TSX: CRWN) today announces that it has entered into an agreement with Canadian Western Bank ("CWB") which amends the terms of the Corporation's credit facility with CWB as follows: (i) reducing the maximum amount of the Corporation's operating loan limit from \$10,000,000 to \$5,000,000; (ii) providing for the operating loan limit to be calculated with the inclusion of \$2,130,000 on a non-margined basis until February 29, 2024, which effectively provides \$2,130,000 in additional funding to the Corporation until February 29, 2024; and (iii) grants CWB additional security on two real estate properties owned by the Corporation in Ontario. Crown will continue to present the outstanding balance of its credit facility with CWB as a current liability as at December 31, 2023.

In addition, the Corporation announces that it has completed a non-brokered private placement offering (the "Offering") of 1,500 units of the Corporation ("Units") at a price of \$980 per Unit for gross proceeds of \$1,470,000. Each Unit is comprised of one 10% redeemable secured subordinated debenture of the Corporation (each a "Debenture") in the principal amount of \$1,000 due June 30, 2025 (the "Maturity Date") and 50 common share ("Share") purchase warrants of the Corporation (each a "Warrant"). Each Warrant entitles the subscriber to purchase one Share at an exercise price of \$7.00 per Share, subject to adjustment in certain events, at any time on or before the date that is 36 months from the date of issuance of the Warrant.

The net proceeds received by the Corporation from the Offering will be used for general working capital purposes.

The Debentures bear interest at a rate of 10% per annum from the date of issue, payable in arrears semi-annually on June 30 and December 31 of each year, commencing on June 30, 2024. The principal amount of each Debenture, plus all accrued and unpaid interest thereon, shall be redeemable, in whole or in part, at the option of the Corporation at any time after six months from the date of issuance and prior to the Maturity Date.

Each of the following insiders of the Corporation participated in the Offering directly or through corporations controlled by them or through persons related to them: John Brussa, Chris Johnson, Alan Rowe, Steven Sharpe, C. Robert Gillis and Charles Frischer. These insiders purchased all of the Units sold pursuant to the Offering (the "Insider Subscriptions"). The Insider Subscriptions are considered to be a "related party transaction" for the purposes of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101"). In accordance with MI 61-101, the Corporation is not required to obtain a formal valuation or minority approval of the Offering due to the fact that it may rely on an exemption to those requirements contained in MI 61-101, namely that the fair market value of the Offering is not more than 25% of the market capitalization of the Corporation.

All securities issued in connection with the Offering are subject to a hold period of four-months and one day in Canada.

The final closing of the Offering is subject to receipt of all necessary approvals, including the approval of the Toronto Stock Exchange.

The Corporation also announces that Charles Frischer has been appointed to the board of directors

of the Corporation. Mr. Frischer has been the general partner of LFF Partners, a family office based in Seattle, since 2004 and previously served as a Principal at Zephyr Management LP, a New York-based private equity firm, and as a Senior Vice President at Capri Capital. Mr. Frischer graduated from Cornell University in 1988 with a BA in government. He and his wife currently own approximately 11% of the outstanding Shares of Crown.

"We welcome Charlie to Crown's Board of Directors", said Alan Rowe, Chair of Crown. "Charlie has a broad skill set that will serve us well as we continue to build out the Crown Capital platform."

This press release does not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall it constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale is unlawful. These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold in the United States or to U.S. persons unless registered or exempt therefrom.

About Crown Capital Partners (TSX:CRWN)

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

FORWARD-LOOKING STATEMENTS

This news release contains certain "forward looking statements" and certain "forward looking information" as defined under applicable Canadian and U.S. securities laws. Forward-looking statements can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue", "plans" or similar terminology. Forward-looking statements in this news release include, but are not limited to, statements, management's beliefs, expectations or intentions regarding the closing of the Offering and the use of the proceeds of the Offering. 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. 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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