FOUNDERS ADVANTAGE RELEASES Q2 2018 RESULTS

Calgary, Alberta – August 21, 2018 – Founders Advantage Capital Corp. (TSXV: FCF) ("FAC" or the "Corporation") is pleased to report its financial results for the three and six months ended June 30, 2018 ("Q2 2018"). For complete information, readers should refer to the full Q2 2018 Report or to the consolidated financial statements and management discussion and analysis ("MD&A"), which are available on SEDAR at www.sedar.com and the Corporation's website at www.advantagecapital.ca. All amounts are presented in Canadian dollars unless otherwise stated.

Q2 2018 Highlights

- Revenue of $35.6 million is the highest since inception of the current investment model.
- Adjusted EBITDA of $10.7 million is also the highest amount since inception of the current investment model.
- Highest proportionate share of investee adjusted EBITDA in corporate history of $6.5 million.
- Q2 free cash flow of $2.5 million which is $1.0 million higher than the same quarter of the previous year and the highest since inception of the current investment model.
- Corporate operating costs for Q2 are down $0.8 million from the same quarter of the previous year and down $2.4 million year over year.
- Strong Franchise segment results with adjusted EBITDA hitting $4.8 million, up $2.2 million from the same quarter of the previous year.
- Club 16 revenues increased $0.4 million from the same quarter of the previous year with record level member counts.
- Adjusted net income attributable to shareholders of $0.9 million resulting in adjusted earnings per share of $0.02.

Please see the Corporation's MD&A and financial statements for additional information relating to the financial results.

"We are proud of the four investments we have made since inception and are happy to announce our best quarter since rolling out our business plan in 2016. During the quarter we generated record results across our key financial metrics." Stephen Reid, President and CEO, commented, "Our well-diversified portfolio delivered a 85% increase in Adjusted EBITDA and 121% increase in Income from Operations in Q22018, as compared to Q2 2017. Our Franchise Segment, which is comprised primarily of Dominion Lending Centres, helped drive our record results by achieving strong funded volume growth in today's housing environment and an 85% increase in Adjusted EBITDA in Q2 2018, compared to Q2 2017."

Previously, FAC issued 2018 guidance for our expected proportionate share of annual adjusted EBITDA from our four investees of approximately $21.5 million to $22.5 million for the year ended December 31, 2018. As our portfolio companies are performing in line with management's expectations our outlook is reaffirmed.

Selected Consolidated Financial Highlights:

(in thousands except per share amounts)	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Revenues	$ **35,626**	$ 19,500	$ **65,767**	$ 33,194
Income from operations	**5,831**	2,640	**7,273**	850
Adjusted EBITDA [(1)]	**10,709**	5,787	**16,952**	7,744
Adjusted EBITDA attributable to: [(1)]				
Shareholders	**5,554**	3,042	**8,640**	3,708
Non-controlling interests	**5,155**	2,745	**8,312**	4,036
Adjusted EBITDA margin [(1)]	**30%**	30%	**26%**	23%
Proportionate share of adjusted EBITDA [(1)]	**6,511**	4,122	**10,445**	6,247
Free cash flow [(1)]	**2,531**	1,526	**1,443**	1,218
Net income (loss) for the period	**663**	3,091	**(1,376)**	1,431
Net income (loss) attributable to:				
Shareholders	**(976)**	975	**(3,267)**	(655)
Non-controlling interests	**1,639**	2,116	**1,891**	2,086
Adjusted net income [(1)]	**3,604**	1,594	**3,674**	347
Adjusted net income (loss) attributable to: [(1)]				
Shareholders	**886**	(14)	**107**	(1,297)
Non-controlling interests	**2,718**	1,608	**3,567**	1,644
Diluted (loss) income per share	**(0.03)**	0.03	**(0.09)**	(0.02)
Adjusted income (loss) per share [(1)]	**0.02**	-	**-**	(0.03)
Dividend declared per share	**0.0125**	0.0125	**0.0250**	0.0250

(1) We use non-IFRS measures to assess our overall performance. Please see the “Non-IFRS Financial Performance Measures” section of the MD&A for additional information on these measures.

Selected Segmented Financial Highlights:

We currently operate a corporate head office and three business segments being– Business Products and Services, Consumer Products and Services and Franchise. Please see the Corporation's MD&A for a comprehensive discussion relating to the financial results for the segments.

	Three months ended		Six months ended	
(in thousands except per share amounts)	**June 30, 2018**	**June 30, 2017**	**June 30, 2018**	**June 30, 2017**
Adjusted EBITDA [1]				
Franchise	$ **4,838**	$ 2,591	$ **8,372**	$ 4,680
Consumer Products and Services	**3,067**	3,295	**3,833**	4,411
Business Products and Services	**3,761**	981	**6,552**	1,192
Corporate and consolidated	**(957)**	(1,080)	**(1,805)**	(2,539)
Total adjusted EBITDA [1]	**10,709**	5,787	**16,952**	7,744
Proportionate share of adjusted EBITDA [1]				
Franchise	**2,831**	1,635	**4,946**	2,980
Consumer Products and Services	**1,840**	1,977	**2,300**	2,647
Business Products and Services	**1,840**	510	**3,199**	620
Total Proportionate share of adjusted EBITDA [1]	$ **6,511**	$ 4,122	$ **10,445**	$ 6,247

(1) We use non-IFRS measures to assess our overall performance. Please see the "Non-IFRS Financial Performance Measures" section of the MD&A for additional information on these measures.

2018 Financial Update:

The value of an expanding and diversified portfolio has provided us with growth in both revenue and adjusted EBITDA for the second quarter of 2018.

	Three months ended		Six months ended	
(in thousands)	**June 30, 2018**	**June 30, 2017**	**June 30, 2018**	**June 30, 2017**
Revenues	$ **35,626**	$ 19,500	$ **65,767**	$ 33,194
Income from operations	**5,831**	2,640	**7,273**	850
Adjusted EBITDA [1]	**10,709**	5,787	**16,952**	7,774

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Canadian mortgage landscape

The new mortgage regulations effective January 1, 2018 have had minimal impact on Dominion Lending Centres Limited Partnership ("DLC") to date. DLC, the largest mortgage brokerage firm in Canada (by volume), realized solid funded mortgage volumes in Q2 showing funded mortgage growth of 8% from the prior year and 31% increase from Q1 2018. This growth is significant in the context of an approximate 25% decrease in the value of Canadian home sales in Q2 2018 from the same quarter in 2017. This change may not be reflective of brokerage consolidation but instead may reflect an increase in the number of borrowers using a mortgage broker in light of the recent mortgage rule changes.

Franchise Segment (in thousands, unless otherwise noted)	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Revenues	$ **10,035**	$ 8,802	$ **18,155**	$ 16,140
Income from operations	**3,102**	1,230	**5,216**	1,839
Adjusted EBITDA (1)	**4,838**	2,591	**8,372**	4,680
Funded mortgage volumes	**9,199,837**	8,548,385	**16,213,891**	15,317,629
Number of franchises	**499**	473	**499**	473
Number of brokers	**5,427**	5,396	**5,427**	5,396

(1) We use non-IFRS measures to assess our overall performance. Please see the "Non-IFRS Financial Performance Measures" section of the MD&A for additional information on these measures.

Investing for growth in the fitness industry

Club16 Trevor Linden Fitness ("Club16") considers 2018 to be a year of revenue and member growth and investment, and is performing in line with management expectations. Investments in support resources initiated in 2017 are expected to set up the operations for the next phase of expansion. In January, the new South Surrey club was opened. This club expansion included the relocation of the White Rock She's Fit! facility and transition of the facility into a larger co-ed Club16 location. This updated facility has shown strong early growth with 6,356 members at June 30, up from 5,417 at the end of March. The expansion and modernization of the Coquitlam club in October 2017 continues to show growth in membership levels from 8,715 at the end of Q4, 2017 to 9,082 at the end of Q1 and 9,290 at the end of Q2. In addition, Club16 has received building permits for a facility in Tsawwassen Commons, the second part of a Tsawwassen megamall development. Construction on this facility started in July and is expected to open in late 2018 or early 2019.

Consumer Products and Services Segment (in thousands, unless otherwise noted)	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Revenues	$ **8,246**	$ 7,811	$ **14,143**	$ 13,277
Income from operations	**2,180**	2,622	**2,151**	3,066
Adjusted EBITDA (1)	**3,067**	3,295	**3,833**	4,411
Member count	**83,731**	80,808	**83,731**	80,808

(1) We use non-IFRS measures to assess our overall performance. Please see the "Non-IFRS Financial Performance Measures" section of the MD&A for additional information on these measures.

Integration activities

Our newest addition Astley Gilbert Limited ("AG") has provided positive incremental value to the portfolio. AG results are included in the Business Products and Services segment.

(in thousands)	Three months ended March 31, 2018	Three months ended June 30, 2018	Six months ended June 30, 2018
Revenues	$ **13,452**	$ **13,946**	$ **27,398**
Income from operations	**463**	**1,370**	**1,833**
Adjusted EBITDA (1)	**1,783**	**2,652**	**4,435**

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Corporate G&A

Corporate general and administrative expenses have stabilized given the requirements of a growth oriented company. For Q2, 2018 corporate general and administrative expenses were $1.0 million as compared to $1.1 million in the same quarter of 2017. On a year-to-date basis, general and administrative expenses are down $0.7 million from the prior period.

Strategic Review

As announced on August 8, 2018, we recently commenced a formal process to initiate a strategic review in effort to enhance shareholder value. In connection with this process, our Board of Directors intends to consider a broad range of alternatives and has appointed a special committee of independent directors and engaged financial and legal advisors to assist it with the review. The Corporation does not intend to set a definite schedule to complete its evaluation or process and cautions that there are no assurances or guarantees that the process will result in a transaction or, if a transaction is undertaken, the terms or timing of such a transaction. The Corporation does not plan to disclose or comment on developments regarding the strategic review until further disclosure is deemed appropriate.

In the meantime, the Corporation will continue to manage its business interests carefully and remain focused on our 2018 key priorities including (i) continuing to target potential investees with an attractive historical EBITDA, significant free cash flow generation and expected annual organic growth; (ii) maximizing shareholder value and investee performance through on-going collaboration with and monitoring of our operating subsidiaries; (iii) continually assessing our expenditures and reducing costs where possible; (iv) and seeking cost-effective sources of capital to finance future acquisition opportunities.

Management Change

The Corporation also announces the departure of Harpreet Padda, the Corporation's Senior Vice-President of Business Development. The Board of Directors and management wish Harp the very best in his future endeavours and express their appreciation for his many contributions and dedication to the Corporation for the last two years. Stephen Reid, President and CEO of the Corporation commented, "I'd like to personally thank Harp for helping build our infrastructure and generating a strong pipeline of opportunities".

About Founders Advantage Capital Corp.

The Corporation is listed on the TSX Venture Exchange as an Investment Issuer (Tier 1) and employs a permanent investment approach. The Corporation has developed an investment approach to create long-term value for its shareholders and partner entrepreneurs (investees) by pursuing controlling interest acquisitions of cash flow positive middle-market privately held entities. The Corporation seeks to win mandates by appealing to the segment of the market which is not aligned with traditional private equity control, royalty monetizations or related structures. The Corporation's innovative platform offers contractual incentives for growth in favour of our investees. This unique platform is designed to appeal to business owners who believe in the growth of their businesses and who want the added ability to continue managing the business while partnering with a long-term partner.

The Corporation's common shares are listed on the TSX Venture Exchange under the symbol "FCF".

For further information, please refer to the Corporation's website at www.advantagecapital.ca.

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Non-IFRS Financial Performance Measures

Management presents certain non-IFRS financial performance measures which we use as supplemental indicators of our operating performance. Non-IFRS financial performance measures include EBITDA and adjusted EBITDA, adjusted EBITDA margin, adjusted EBITDA attributed to shareholders and NCI, proportionate share of investee EBITDA, adjusted net income, adjusted earnings per share, and free cash flow. Readers are cautioned that these non-IFRS measures should not be construed as a substitute or an alternative to applicable generally accepted accounting principle measures as determined in accordance with IFRS. Please see the Corporation's MD&A for a description these measures and a reconciliation of these measures to their nearest IFRS measure.

Cautionary Note Regarding Forward-looking Information

Certain statements in this document constitute forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as "anticipate," "believe," "estimate," "will," "expect," "plan," "intend," or similar words suggesting future outcomes or an outlook. Forward-looking information in this document includes, but is not limited to, the 2018 outlook and strategic objectives; Club16's investments positioning it for growth; the Corporation's expectation that its collaborative approach will enhance and accelerate growth and performance; completing additional acquisitions; our investee entities being able to distribute cash to the corporate head office; revenue from investees in the future being greater than revenue from investees for the current period; our business plan and investment strategy; general business strategies and objectives; the new mortgage rules passed by the Canadian federal government not having a significant long-term effect on DLC's revenues; Club16 successfully opening additional clubs and continuing to offer personal training; and Impact and AG growing organically.

Such forward-looking information is necessarily based on many estimates and assumptions, including material estimates and assumptions, related to the factors identified below that, while considered reasonable by the Corporation as at the date of this MD&A considering management's experience and perception of current conditions and expected developments, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, changes in taxes and capital; increased operating, general and administrative, and other costs; changes in interest rates; general business, economic and market conditions; our ability to obtain the required capital to finance our investment strategy and meet our commitments and financial obligations; our ability to source additional investee entities and to negotiate acceptable acquisition terms; our ability to obtain services and personnel in a timely manner and at an acceptable cost to carry out our activities; the ability of the Corporation to continue to execute on its business strategy during the strategic review process, and the various risks and assumptions customarily related thereto; the likelihood that the Corporation will be able to identify and undertake alternatives which enhance shareholder value; DLC's ability to maintain its existing number of franchisees and add additional franchisees; changes in Canadian mortgage lending and mortgage brokerage laws; material decreases in the aggregate Canadian mortgage lending business; the timely receipt of required regulatory approvals; changes in the fees paid for mortgage brokerage services in Canada; the realization of lower DLC dealer commission costs as a result of the terminated dealer agreement; changes in the regulatory framework for the Canadian housing sector; demand for DLC, Club16, Impact and AG's products remaining consistent with historical demand; our ability to realize the expected benefits of the DLC, Club16, Impact and AG transactions; our ability to generate sufficient cash flow from investees and obtain financing to fund planned investment activities and meet current and future commitments and obligations; the uncertainty of estimates and projections relating to future revenue, taxes, costs and expenses; changes in, or in the interpretation of, laws, regulations or policies; the outcome of existing and potential lawsuits, regulatory actions, audits and assessments; and other risks and uncertainties described elsewhere in this document and in our other filings with Canadian securities authorities.

Many of these uncertainties and contingencies can affect our actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, us. Readers are cautioned that forward-looking statements are not guarantees of future performance. All forward-looking statements made in this MD&A are qualified by these cautionary statements. The foregoing list of risks is not exhaustive. For more information relating to risks, see the Business Risks and Uncertainties section herein and the risk factors identified in our 2017 Annual Information Form and our 2017 Annual Report. The forward-looking information contained in this document is made as of the date hereof and, except as required by applicable securities laws, we undertake no obligation to update publicly or revise any forward-looking statements or information, whether because of new information, future events or otherwise.