



## **Founders Advantage Capital Corp. Announces Executive Management Changes; Provides Corporate Update**

**Calgary, Alberta** – January 30, 2019 – Founders Advantage Capital Corp. (TSX-V: FCF) (the “Corporation” or “FA Capital”) is pleased to announce that it has appointed James Bell as President and Chief Executive Officer of the Corporation. Mr. Bell is an experienced corporate securities lawyer and has been with the Corporation since April, 2016, in various executive positions. Ron Gratton, an independent Board member, will replace Mr. Bell as Interim Chief Financial Officer of the Corporation while the Corporation considers its alternatives for that role.

Mr. Bell replaces Stephen Reid who was the President and CEO of FA Capital since February, 2016. The Corporation and Mr. Reid reached a mutual agreement for his departure as an executive officer of the Corporation as Mr. Reid continues to be motivated to see FA Capital succeed going forward and for the market to recognize the value of the Corporation’s portfolio. Mr. Reid and the Board of Directors agreed that a change in executive management is in the best interest for all FA Capital shareholders.

J.R. Kingsley Ward, Chairman of the Corporation commented: “We would like to sincerely thank Stephen for his contributions to the Corporation over the last three years. Stephen has a unique talent to source and complete transactions with not-for-sale private companies and we would like to recognize Stephen’s key role in founding FA Capital, developing our unique investment structure and completing our four acquisitions. Stephen’s commitment and dedication to FA Capital has been exemplary and we wish him well in his future endeavours.”

During the second half of 2018, the Corporation took steps to significantly reorganize its operations and reduce its corporate expenses in an effort to maximize free cash flow from its four (4) investments. The Corporation was successful in this undertaking as run-rate corporate overhead has been reduced from over \$4 million to less than \$1.75 million annually. The reduction of general and administrative expenses at head office are expected to have a significant impact on our go-forward free cash flow, which the Corporation plans on reinvesting into its portfolio companies to maximize portfolio growth and return on invested capital.

As we have noted previously, we do not believe the market value of our common shares properly reflects the intrinsic value of our four (4) underlying assets. As such, the Corporation intends to continue to optimize its operations and the performance of its assets but does not intend to pursue any short-term strategies that will be dilutive or erode the underlying value of the portfolio.

James Bell, President and Chief Executive Officer commented: “I’m honoured that the Board has tasked me with writing the next chapter in the FA Capital story. We continue to believe in the fundamental value of our assets and the capabilities of our team at head office and at our great portfolio companies. We look forward to running a lean public company that enables us to showcase the financial performance and underlying value of our portfolio companies.”

The Corporation's Common Shares are listed on the TSXV under the symbol “FCF”.

For further information please refer to the Corporation's website at [www.advantagecapital.ca](http://www.advantagecapital.ca).

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### **Cautionary Statement Regarding Forward-Looking Information**

Certain statements in this news release constitute forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as “anticipate”, “believe”, “estimate”, “will”, “expect”, “plan”, “schedule”, “intend”, “propose”, or similar words suggesting future outcomes or an outlook. Forward-looking information in this news release includes, but is not limited to:

- the run-rate corporate monthly and annual general and administrative expense;
- that the reduced general and administrative expenses will have a significant impact on free cash flow going forward.

Such forward-looking information is based on a number of assumptions which may prove to be incorrect. Assumptions have been made with respect to the following matters, in addition to any other assumptions identified in this news release:

- that the Corporation will not incur any unforeseen expenses.

Although the Corporation believes that the expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on them as the Corporation can give no assurance that such expectations will prove to be correct. Forward-looking information is based on expectations, estimates and projections that involve a number of known and unknown risks and uncertainties which could cause actual results to differ materially from those anticipated by the Corporation and described in the forward-looking information. The material risks and uncertainties include, but are not limited to:

- changes in staffing due to employees resigning and new employees being hired at a higher cost;
- anticipated costs and expenses being more than currently budgeted.

The foregoing list of risks is not exhaustive. For more information relating to risks, see the section titled “Risk Factors” in the Corporation’s current annual information form. The forward-looking information contained in this news release is made as of the date hereof and, except as required by applicable securities law, the Corporation undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.