FOUNDERS ADVANTAGE RELEASES Q2-2019 RESULTS

Calgary, Alberta – August 26, 2019 – Founders Advantage Capital Corp. (TSX-V: FCF) ("FAC" or the "Corporation") is pleased to report its financial results for the three and six months ended June 30, 2019 ("Q2-2019"). For complete information, readers should refer to the consolidated financial statements and management discussion and analysis which are available on SEDAR at www.sedar.com and on the Corporation's website at www.advantagecapital.ca. All amounts are presented in Canadian dollars unless otherwise stated.

Our subsidiaries are referred to herein as Dominion Lending Centres Limited Partnership ("DLC"), Club16 Limited Partnership operating as Club16 Trevor Linden Fitness ("Club16"), Cape Communications International Inc. operating as Impact Radio Accessories ("Impact") and Astley Gilbert Limited ("AG").

Q2 2019 Highlights

- Q2-2019 consolidated revenue of $37.3 million is the highest quarterly revenue amount recorded since inception of the current investment model;
- Adjusted EBITDA of $12.1 million for the three-month period ending June 30, 2019, representing a 12.9% increase compared to Q2-2018;
- Proportionate share of adjusted EBITDA of $7.1 million for Q2-2019, increasing by 8.7% compared to Q2-2018;
- Income from operations of $6.2 million for Q2-2019, increasing from $5.8 million in Q2-2018;
- Adjusted net income attributable to shareholders decreased to $0.4 million for Q2-2019, compared to a net income of $0.9 million in Q2-2018;
- Subsequent to the quarter, on July 31, 2019, the Corporation entered into a binding agreement to sell the Corporation's 50% interest in AG for proceeds of $17.0 million (the "AG Transaction");
- The Corporation recognized a $3.5 million loss for the period ended Q2-2019 compared to a net income of $0.7 million during Q2-2018, primarily due to a non-cash impairment loss on AG goodwill of $6.8 million;
- The Corporation is scheduled to make its first principal repayment at par from excess cash flow on its corporate credit facility in the amount of $0.5 million, scheduled for August 29, 2019; and
- The Corporation incurred $0.17 million and $0.15 million in general administrative expenses for the months of June and July, respectively, in line with managements goal of achieving run-rate corporate general and administrative expenses to approximately $2.0 million per annum.

James Bell, President and CEO, commented, "We are pleased to report our Q2-2019 financial and operating results. First, we are pleased to report that our portfolio companies continue to perform in line with our expectations. Impact and Club16 have both enjoyed a strong first half of the year and DLC continued to grow funded volumes in Q2-2019, notwithstanding the current housing environment. Further, we are happy to report that we have achieved our goal of running a leaner and more efficient company with corporate general and administrative expenses decreasing to $0.17 million and $0.15 million in the months of June and July, respectively. Further, our portfolio companies continue to produce strong excess free cash flow which has enabled the Corporation to make its first principal repayment on the Sagard Credit Facility at par in the amount of $0.5 million on August 29, 2019. Reducing corporate overhead and corporate debt were two key objectives previously outlined by management. Last, as previously reported, the Corporation will be divesting of its 50% interest in AG. The divestiture will enable the Corporation to reduce corporate leverage, increase go-forward free cash flow and focus on its remaining three growth-oriented portfolio companies."

Selected Consolidated Financial Highlights:

(in thousands except per share amounts)	Three months ended Jun 30, 2019	Three months ended Jun 30, 2018	Six months ended Jun 30, 2019	Six months ended Jun 30, 2018
Revenues	$ **37,288**	$ 35,626	$ **70,283**	$ 65,767
Income from operations	**6,214**	5,831	**7,590**	7,273
Adjusted EBITDA (1)	**12,094**	10,709	**19,849**	16,952
Adjusted EBITDA attributable to: (1)				
Shareholders	**6,618**	5,554	**10,744**	8,640
Non-controlling interests	**5,476**	5,155	**9,105**	8,312
Adjusted EBITDA margin (1)	**32%**	30%	**28%**	26%
Proportionate share of investee adjusted EBITDA (1)	**7,075**	6,511	**11,854**	10,445
Free cash flow (1)	**2,353**	2,531	**1,980**	1,443
Net (loss) income for the period	**(3,499)**	663	**(4,394)**	(1,376)
Net (loss) income attributable to:				
Shareholders	**(2,288)**	(976)	**(3,760)**	(3,267)
Non-controlling interests	**(1,211)**	1,639	**(634)**	1,891
Adjusted net income (1)	**2,682**	3,604	**1,447**	3,674
Adjusted net (loss) income attributable to: (1)				
Shareholders	**372**	886	**(1,495)**	107
Non-controlling interests	**2,310**	2,718	**2,942**	3,567
Diluted loss per share	**(0.06)**	(0.03)	**(0.10)**	(0.09)
Adjusted loss per share (1)	**0.01**	0.02	**(0.04)**	-
Dividend declared per share	**-**	0.0125	**-**	0.0250

(1) Please see the Non-IFRS Financial Performance Measures section of this document for additional information.

Q2-2019 Highlights

As previously disclosed, the Corporation's 2019 financial results include the impact of IFRS 16-Leases, effective January 1, 2019. The Corporation was required to adopt IFRS 16 and used the modified retrospective approach. Financial results prior to 2019 were not prepared on this basis. As a result, the comparability of the Corporation's 2019 general and administrative expenses, depreciation and amortization, finance expense, net income and Adjusted EBITDA prior to 2019 is impacted. The Corporation provided further details on the impact of IFRS 16 adoption the Accounting Policies of its Q1-2019 MD&A.

Adjusted EBITDA increased $1.4 million or 12.9% compared to the three months ended June 30, 2018. Adjusted EBITDA increased on the adoption of IFRS 16. Pursuant to the new accounting standard, $1.6 million of lease payments previously recognized as rent expense are now reflected as $1.5 million of depreciation expense and $0.6 million of interest expense in the three months ended June 30, 2019. In addition, the Consumer Products and Services segment increased $0.4 million from recent club openings and expansions, and Corporate adjusted EBITDA increased $0.5 million from lower expenses. Franchise segment adjusted EBITDA decreased $1.0 million compared to the three months ended June 30, 2018 primarily due to higher operating expenses primarily from higher advertising expenses due to the timing of marketing events.

Adjusted net loss for the three months ended June 30, 2019 decreased $0.9 million compared to the same period in the previous year due to increased income from operations offset by higher deferred tax expense and finance expense.

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)	**Jun 30, 2019**	Jun 30, 2018	**Jun 30, 2019**	Jun 30, 2018
Adjusted EBITDA (1)				
Franchise	$ **3,896**	$ 4,838	$ **6,462**	$ 8,372
Consumer Products and Services	**4,502**	3,067	**6,574**	3,833
Business Products and Services	**4,153**	3,761	**7,923**	6,552
Corporate and consolidated	**(457)**	(957)	**(1,110)**	(1,805)
Total adjusted EBITDA (1)	**12,094**	10,709	**19,849**	16,952
Proportionate share of investee adjusted EBITDA (1)				
Franchise (2)	**2,273**	2,831	**3,876**	4,946
Consumer Products and Services	**2,701**	1,840	**3,944**	2,300
Business Products and Services	**2,101**	1,840	**4,034**	3,199
Total Proportionate share of investee adjusted EBITDA (1)	**7,075**	6,511	**11,854**	10,445

(1) Please see the Non-IFRS Financial Performance Measures section of this document for additional information.

(2) For the six months ended June 30, 2019, includes a $0.5 million loss on settlement of a contract dispute with a third-party provider.

Cancellation of Stock Options
The Corporation has entered into an agreement with a former employee to cancel 200,000 stock options having an exercise price of $3.00 and expiring on February 23, 2021; 100,000 stock options having an exercise price of $4.40 and expiring on July 7, 2021; and 200,000 stock options having an exercise price of $4.00 expiring on September 15, 2022. As such, an aggregate of 500,000 stock options have been cancelled.

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'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 expected completion of the AG Transaction and the timing thereof;
- the expected benefits of the AG Transaction, including the reduction of corporate leverage and increasing go forward free cash flow;
- the Corporation's expectation that run-rate corporate general and administrative expenses will be approximately $2.0 million per annum; and
- the Corporation's anticipated payment on its credit facility.

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:

- the AG Transaction will close substantially on the terms set out herein;
- the Corporation will be able to secure all required approvals, including the approval of the TSXV, to complete the proposed AG Transaction substantially on the terms and conditions set out herein;
- that future general and administrative costs will be consistent with current amounts; and
- that the Corporation's lender agrees with the calculation of excess cash flow for Q2-2019.

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 hereof 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 the 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 press release are qualified by these cautionary statements. The foregoing list of risks is not exhaustive. For more information relating to risks, see the risk factors identified in our 2018 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.