

News Release

November 10, 2017

Crosswinds Holdings Inc. Reports Q3 2017 Financial Results

TORONTO Crosswinds Holdings Inc. (“Crosswinds” or the “Company”) (TSX: CWI) today announced its financial results as at and for the three and nine months ended September 30, 2017.

Business Highlights

- The Company’s recorded a loss for the third quarter primarily driven by negative performance on its investment in Monarch Delaware Holdings LLC and its subsidiaries (“Monarch”) as a result of Hurricane Irma which made landfall in Florida in September 2017 combined with weak underwriting performance.
- Crosswinds is in discussions regarding a sale of its joint venture investment in Monarch to its joint venture partner. There can be no assurance such discussions will result in a transaction and any such transaction would be conditioned on definitive documentation and regulatory approval.
- Crosswinds Re did not participate in 2017 Florida reinsurance renewals after determining that rates were insufficient for Crosswinds Re’s rate of return targets.
- The Company implemented a normal course issuer bid in the third quarter as the Company believes this is currently the best use of its available capital.

For the three months ended September 30, 2017, the Company reported:

Q3 2017 Financial Highlights

- Net loss of \$(2,593,144) or \$(0.28) per common share (“Share”) compared to net loss of \$(282,230) or \$(0.05) per Share for the three months ended September 30, 2016. Until such time as (i) Monarch’s performance improves or a strategic change is made to this investment; and/or (ii) Crosswinds Re becomes active and profitable, the Company expects its revenues to be constrained;
- Share of loss from Monarch of \$(2.4 million) compared to share of income of \$0.1 million for the three months ended September 30, 2016;
- Shareholders’ equity attributable to Crosswinds’ shareholders (or net book value¹) of \$20.2 million or \$2.19 per Share¹ compared to \$20.2 million or \$3.81 per Share¹ at December 31, 2016; and

¹ Net book value per share is a non-IFRS financial measure and is calculated as total shareholders’ equity under International Financial Reporting Standards (IFRS) divided by the number of common shares outstanding as at the period end. See the cautionary statement regarding use of Non-IFRS financial measures at the end of this release.

- \$0.7 million of the decrease in net book value¹ during the quarter represents unrealized foreign exchange loss on translating the USD denominated investment in Monarch into Canadian dollars for financial statement purposes in an environment where the Canadian dollar has strengthened. The Monarch investment is subject to significant foreign currency fluctuations which are unrealized but can distort the investment performance.

For the nine months ended September 30, 2017, the Company reported:

- Net loss of \$(3,961,054) or \$(0.47) per Share compared to net loss of \$(994,502) or \$(0.17) per Share for the nine months ended September 30, 2016; and
- Share of loss from Monarch of \$(2.9) million compared to income of \$0.3 million for the nine months ended September 30, 2016.

Statement of Operations Highlights

<i>In CAD thousands, except per Share amounts</i>	Three months ended Sept. 30		Nine months ended Sept. 30	
	2017	2016	2017	2016
Revenue	\$ 105	\$ 110	\$ 361	\$ 319
Net results of investments	(2,513)	117	(3,113)	260
Expenses	(533)	(495)	(1,627)	(1,526)
Net loss	\$(2,941)	\$ (268)	(4,379)	(947)
Non-controlling interest's (income) loss	348	(14)	418	(48)
Net loss attributable to the shareholders of Crosswinds	\$(2,593)	\$ (282)	(3,961)	(995)
Net loss per Share	\$ (0.28)	\$ (0.05)	\$(0.47)	\$(0.17)

For the quarter ended September 30, 2017, the Company reported:

- Cash of \$7.9 million compared to \$1.6 million at December 31, 2016 reflecting the completion of a rights offering in Q1 2017 and the monetization of Salbro in Q2 2017; and
- Carrying value of \$14.3 million for Monarch compared to \$18.3 million at December 31, 2016. \$1.3 million of the \$4.0 million decrease in the carrying value of Monarch from December 31, 2016 to the end of Q3 2017 was attributable to foreign exchange fluctuations as a result of a strengthening Canadian dollar.

**Balance Sheet
 Highlights**

Balance Sheet Highlights

<i>In CAD thousands, except per Share amounts</i>	September 30, 2017	December 31, 2016
Cash	\$ 7,899	\$ 1,566
Investments in an associate and private entity	14,255	21,322
Other assets	206	202
Total Assets	\$ 22,360	\$ 23,090
Total Liabilities	(151)	(277)
Total Shareholders' Equity	\$ 22,209	\$ 22,813
Non-controlling interests	(2,036)	(2,610)
Shareholders' Equity attributable to the shareholders of Crosswinds	\$20,173	\$20,203
Number of shares outstanding (millions)	9.2	5.3
Net book value per Share attributable to the shareholders of Crosswinds	\$ 2.19	\$ 3.81

**Financial
 Information**

For a comprehensive review of the Company's results, shareholders are encouraged to read the Company's condensed interim consolidated financial statements and accompanying Interim Management's Discussion and Analysis for the period ended September 30, 2017, copies of which will be available on the Company's website at www.crosswindsinc.com and on SEDAR at www.sedar.com.

**Crosswinds
 Holdings Inc.**

Crosswinds is a publicly traded private equity firm and asset manager targeting strategic and opportunistic investments in the financial services sector with a particular focus on the insurance industry.

**More
 information**

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Caution Regarding Forward-Looking Information

This release includes certain forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue" or the negative thereof or variations thereon or similar terminology. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. These forward-looking statements are subject to a number of risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements. Reference should be made to the risk factors in

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the Company's 2016 Annual Information Form, in the Management's Discussion and Analysis for the year ended December 31, 2016 and in our other filings with Canadian securities regulators. Additional important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, interest rates, tax related matters, loss of personnel, reliance on key personnel, ability of the Company to generate positive future returns for investors, ability of the Company to execute its strategies from time to time; the receipt of any regulatory approvals or consents required from time to time.

Cautionary Statement Regarding the Use of Non-IFRS Financial Measures

This news release makes reference to the net book value per share which is a non-IFRS financial measure both on a consolidated basis including non-controlling interests with respect to the Company's investment in Monarch and on a non-consolidated basis attributable solely to the Company's shareholders without non-controlling interests. These measures are non-IFRS financial measures. The Company calculates the net book values per Share as it believes it to be an important metric that shareholders use and frequently request and refer to because shareholders often view the Company as a holding company of investments. These non-IFRS financial measures do not have any standardized meaning prescribed by IFRS and therefore are unlikely to be comparable to a similar measure presented by other issuers. This classification is not an IFRS measure and should not be considered either in isolation of, or as a substitute for, a measure prepared in accordance with IFRS.

Cautionary Statement Regarding the Valuation of Investments in Private Entities

For the periods prior to the sale of its investment in Salbro, fair values for this investment were determined by management using the appropriate valuation methodologies after considering the history and nature of the business, operating results and financial conditions, outlook and prospects, general economic, industry and market conditions, capital market and transaction market conditions, contractual rights relating to the investment, public market comparables, private market transaction multiples and, where applicable, other pertinent considerations. The process of valuing investments for which no active market exists is inevitably based on inherent uncertainties and the resulting values may differ from values that would have been used had an active market existed. The amounts at which the Company's investments in private entities could or are ultimately disposed of may differ from the fair value assigned and the differences could be material.