

ANNUAL REPORT 2021

CLAIRVEST

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KNOWLEDGE BASED - PARTNER FOCUSED

CLAIRVEST

CLAIRVEST IS ONE OF CANADA'S LEADING PROVIDERS OF PRIVATE EQUITY FINANCING TO MID-MARKET COMPANIES AND CURRENTLY HAS OVER C\$2.5 BILLION OF EQUITY CAPITAL UNDER MANAGEMENT.

CLAIRVEST'S MISSION IS TO PARTNER WITH ENTREPRENEURS TO HELP THEM BUILD STRATEGICALLY SIGNIFICANT BUSINESSES.

CLAIRVEST INVESTS ITS OWN CAPITAL, AND THAT OF THIRD PARTIES THROUGH THE CLAIRVEST EQUITY PARTNERS LIMITED PARTNERSHIPS, IN OWNER-LED BUSINESSES.

CHIEF EXECUTIVE OFFICER'S MESSAGE

DEAR FELLOW SHAREHOLDERS,

In many ways, fiscal 2021 was both a turbulent but active year. From a PE perspective, once the initial shock from the pandemic was absorbed by the markets, we saw significant industry growth, unprecedented levels of dry powder globally, growing valuations, and increasing leverage levels on buyout deals. Despite significant headwinds in the past year, stimulus from central banks eased liquidity concerns and global markets rebounded quickly after the initial pullback.

For Clairvest, the year came out better than expected, driven by the collective efforts of our exceptional team, the ability to stay agile, and our disciplined approach to investing. It was a challenging start, as predicted, but being invested in the right industries served us well. Once the economy started re-opening south of the border, many of our portfolio companies exhibited strong results, meeting or exceeding pre-COVID levels. Additionally, in July 2020, Digital Media Solutions (“DMS”) completed a business combination with Leo Holdings Corp and began trading on the New York Stock Exchange (NYSE), increasing our total realized return to date on the DMS investment to 3.5x invested capital with the potential to realize significant proceeds in the future from our stock. We also capitalized on specific industry tailwinds and exited our investment in Right Time Heating and Air Conditioning in December 2020, where Clairvest generated a 4.8x multiple of capital and an internal rate of return (“IRR”) of 112%. These two liquidity events bolstered our track record of performance where on our 38 exited deals, we have turned \$841 million of invested equity into \$3.3 billion, for a consolidated 3.9x multiple of capital and a pooled IRR of 24%. We were also pleased to see that the sale of County Waste of Virginia was awarded the 2021 Canadian Venture Capital & Private Equity Association (“CVCA”) Global Dealmaker Award, having generated a 3.6x multiple on invested capital (4.6x with an earnout potential) and 32% IRR. This is the sixth time over the last 13 years that a Clairvest deal has received a CVCA award.

Despite the pandemic, Clairvest and its partners continued to exhibit positive momentum by navigating mandatory shutdowns and travel restrictions. The team has been staying busy on the new deal front, deploying over \$210M in Fund VI and completing four new investments, both in domains familiar to us (IT services, waste management, renewable energy), as well as in a new domain (co-packing). For the most part, these new investments were proprietary opportunities that emerged from relationships cultivated by our team over several years. Over the past fiscal year, we have helped our partners raise over \$240M in debt to accelerate growth plans and executed 16 add-on acquisitions, with the most notable being NovaSource’s acquisition of First Solar’s North American operations & maintenance (“O&M”) platform. This was a meaningful milestone towards our objective of building the premier company in the Solar O&M space.

For the 12 months ended March 31, 2021, Clairvest’s book value per share grew to \$56.96, or by 12.5% including dividends paid. Over the last 15 years, our book value has grown at a compounded annual growth rate of 12.1% after tax, despite an average cash balance of 45% during the period. By comparison, the S&P 500 has delivered 10.0% pre-tax, which illustrates Clairvest’s solid out-performance on an absolute and risk-adjusted basis. With outstanding exits achieved over the last few years, Clairvest was pleased to return some value to its shareholders in the form of a one-time special dividend of \$5 per common share in November 2020, the same amount as was raised from our shareholders in our initial public offering many years ago.

Sadly, we lost our friend and long-time business partner, Joe Winters, CEO of Winter Bros. Waste Systems, in early January 2021 to Covid. Joe was a remarkable leader who cared about his employees and customers, and we are honored to have partnered with him and the Winters family over the past 15 years. Clairvest has been working closely with the Winters family to transition the business after this tragic loss.

Looking ahead to fiscal 2022, we are aware of the challenges but also see many great opportunities. Over the past 34 years, we developed the reputation of being partners with strong ability and integrity, which will continue to be the driver of our success.

As always, I would like to express my gratitude towards Clairvest’s employees, fund partners, investee company management teams, and our board members. Your commitment, unwavering support, and invaluable guidance provide the means to continue building value and having a positive impact on those people and communities with whom we have the privilege to connect.

Respectfully,



Ken Rotman
Chief Executive Officer

MANAGEMENT'S DISCUSSION AND ANALYSIS

As at, and for the year ended, March 31, 2021

June 22, 2021

The Management's Discussion and Analysis ("MD&A") of financial condition and results of operations analyzes significant changes in Clairvest Group Inc.'s consolidated financial results, financial position, risks and opportunities. It should be read in conjunction with the audited annual consolidated financial statements and related notes for the year ended March 31, 2021 ("consolidated financial statements").

The following MD&A is the responsibility of Management and is as at June 22, 2021. The Board of Directors carries out its responsibility for review of this disclosure through its Audit Committee. The Audit Committee reviews the disclosure and recommends its approval to the Board of Directors. The Board of Directors has approved this disclosure.

INTRODUCTION

Clairvest Group Inc. ("Clairvest" or the "Company") is a private equity management firm that specializes in partnering with management teams and other stakeholders of both emerging and established companies. The Company's shares are traded on the Toronto Stock Exchange under the symbol CVG.

Clairvest invests its own capital, and that of third parties, through various Clairvest Equity Partnerships (together, the "CEP Funds") in carefully selected companies that have the potential to generate superior returns. These Partnerships include the following:

- Clairvest Equity Partners III Limited Partnership ("CEP III")
- Clairvest Equity Partners IV Limited Partnership ("CEP IV")
- Clairvest Equity Partners IV-A Limited Partnership ("CEP IV-A")

which together, are herein referred to as Clairvest Equity Partners III and IV.

- Clairvest Equity Partners V Limited Partnership ("CEP V")
- CEP V HI India Investment Limited Partnership ("CEP V India")
- Clairvest Equity Partners V-A Limited Partnership ("CEP V-A")
- Clairvest Equity Partners VI Limited Partnership ("CEP VI")
- Clairvest Equity Partners VI-A Limited Partnership ("CEP VI-A")
- Clairvest Equity Partners VI-B Limited Partnership ("CEP VI-B")

which together, are herein referred to as Clairvest Equity Partners V and VI.

The Company concluded that its ownership interests in the CEP Funds, which meet the definition of structured entities under International Financial Reporting Standards ("IFRS"), do not meet the definition of control under IFRS. Accordingly, the financial positions and operating results of the CEP Funds are not included in Clairvest's consolidated financial statements.

The Company's consolidated financial statements include those subsidiaries which provide investment-related services and which the Company controls by having the power to govern the financial and operating policies of these entities. The following entities, which are significant in nature, provide investment-related services on behalf of the Company.

- Clairvest GP Manageco Inc.
- Clairvest GP (GPLP) Inc.
- CEP MIP GP Corporation
- Clairvest USA Limited
- Clairvest General Partner Limited Partnership
- Clairvest General Partner III Limited Partnership
- Clairvest General Partner IV Limited Partnership

MANAGEMENT'S DISCUSSION AND ANALYSIS

As at, and for the year ended, March 31, 2021

June 22, 2021

Clairvest employs various acquisition entities in structuring its investments, all of which are controlled by Clairvest. These acquisition entities, which are accounted for at fair value in accordance with IFRS as described in the Critical Accounting Estimates section of the MD&A, include the following:

- 2141788 Ontario Corporation ("2141788 Ontario")
- 2486303 Ontario Inc. ("2486303 Ontario")
- CEP III Co-Investment Limited Partnership ("CEP III Co-Invest")
- MIP III Limited Partnership ("MIP III")
- CEP IV Co-Investment Limited Partnership ("CEP IV Co-Invest")
- MIP IV Limited Partnership ("MIP IV")
- CEP V Co-Investment Limited Partnership ("CEP V Co-Invest")
- Clairvest General Partner V Limited Partnership ("Clairvest GP V")
- MIP V Limited Partnership ("MIP V")
- CEP VI Co-Investment Limited Partnership ("CEP VI Co-Invest")
- MIP VI Limited Partnership ("MIP VI")
- Clairvest Special Limited Partner VI Limited Partnership ("CEP SLP VI")

2141788 Ontario, a limited partner of CEP III Co-Invest and CEP V Co-Invest, is a wholly owned acquisition entity of Clairvest. 2486303 Ontario is a wholly owned acquisition entity of Clairvest, which together with Clairvest, directly and indirectly holds a 100% interest in Clairvest Equity Partners Limited Partnership ("CEP"), an investment fund held by third-party investors until December 2015. Clairvest's relationship with CEP III Co-Invest and MIP III, CEP IV Co-Invest and MIP IV, CEP V Co-invest, Clairvest GP V and MIP V, and CEP VI Co-Invest, MIP VI and CEP SLP VI are described in the Transaction with Related Parties and Off-Statement of Financial Position Arrangements section of the MD&A.

As at March 31, 2021, Clairvest, through these acquisition entities, had 20 core investments in 10 different industries, some of which are located or have operations outside of North America. One was a joint investment with CEP III, three were joint investments with CEP IV and CEP IV-A (together, the "CEP IV Fund"), ten were joint investments with CEP V, CEP V India and CEP V-A (together, the "CEP V Fund"), and four were joint investments with CEP VI, CEP VI-A and CEP VI-B (together, the "CEP VI Fund"). Clairvest also held an investment in the Grey Eagle Casino and a residual interest in Wellington Financial.

The table below summarizes Clairvest's direct and indirect investee companies ("investee companies") as at March 31, 2021:

MANAGEMENT'S DISCUSSION AND ANALYSIS

As at, and for the year ended, March 31, 2021

June 22, 2021

SUMMARY OF CLAIRVEST'S INVESTEE COMPANIES AS AT MARCH 31, 2021

Investee Company	Industry Segment	Clairvest Ownership Percentage ⁽²¹⁾	CEP Fund Ownership Percentage ⁽²¹⁾	Total Ownership Percentage ⁽²¹⁾	Description of Business
INVESTMENTS DIRECTLY HELD					
Grey Eagle Casino ⁽¹⁾	Gaming	Equity participation			A casino on Tsuu T'ina First Nation reserve lands, located southwest of the city of Calgary, Alberta.
Wellington Financial	Financial Services	N/A			Wellington Financial was realized during fiscal 2018. Certain entitlements on the residual warrants portfolio remain outstanding as at March 31, 2021.
INVESTMENTS MADE BY CEP III CO-INVEST ALONGSIDE CEP III					
Chilean Gaming Holdings ⁽²⁾	Gaming	36.8%	37.7%	74.5%	An investment vehicle which holds an equity interest in various gaming entertainment complexes in Chile.
INVESTMENTS MADE BY CEP IV CO-INVEST ALONGSIDE CEP IV/CEP IV-A					
Centaur Gaming	Gaming	N/A			Investment was realized during fiscal 2019. Certain deferred considerations on the sale remain outstanding as at March 31, 2021.
Davenport Land Investments ⁽³⁾	Other	21.9%	59.9%	81.8%	An investment vehicle which holds real estate surrounding a casino in Davenport, Iowa.
Northco / Top Aces ⁽⁴⁾	Specialty Aviation & Defence Services	38.7% of Northco 17.3% of Top Aces	57.8% of Northco 24.7% of Top Aces	96.5% of Northco 42.0% of Top Aces	Northco is a specialty aviation services company operating across Canada. Top Aces is a supplier of advanced adversary services in Canada, United States, and Germany.
Momentum Solutions ⁽⁵⁾	Specialty Aviation	4.4%	11.8%	16.2%	Momentum Solutions is a Toronto based, inter-connected network of logistical support companies offering innovative, custom and full-scale solutions to clients globally.
New Meadowlands Racetrack (the "Meadowlands") ⁽⁶⁾	Gaming	Debentures and equity investment rights			Operates North America's premier standardbred horse racing track located in East Rutherford, New Jersey.

- (1) Clairvest held an equity participation interest in the Grey Eagle Casino entitling to earnings between 11.25% to 38.25% of the earnings of Grey Eagle Casino until December 2022, subject to certain extension rights.
- (2) Clairvest held 30,446,299 units of Chilean Gaming Holdings, a partnership which held a 50% interest in each of Casino Marina del Sol and Casino Chillan and a 73.8% interest in each of Casino Osorno and Casino sol Calama.
- (3) Clairvest held 1,982.14 units of Davenport Land Investments.
- (4) Clairvest held \$23.6 million in convertible debentures of Northco with a stated interest rate of 2% per annum, and 3,867 common shares of Northco. Clairvest also held 722,9719 common shares of Top Aces.
- (5) Clairvest held 4,477 common shares of Momentum Solutions.
- (6) Clairvest held US\$5.4 million in secured convertible debentures of the Meadowlands with a stated interest rate of 15% per annum, US\$0.7 million in preferred debt with a stated interest rate of 3% per annum and US\$0.4 million in a non-interest-bearing short-term loan. Clairvest also held warrants which entitle it to invest in equity securities subject to certain conditions.

MANAGEMENT'S DISCUSSION AND ANALYSIS

As at, and for the year ended, March 31, 2021

June 22, 2021

Investee Company	Industry Segment	Clairvest Ownership Percentage ⁽²¹⁾	CEP Fund Ownership Percentage ⁽²¹⁾	Total Ownership Percentage ⁽²¹⁾	Description of Business
INVESTMENTS MADE BY CEP V CO-INVEST ALONGSIDE CEP V/CEP V India/CEP V-A					
Accel Entertainment ⁽⁷⁾	Gaming	5.5%	12.8%	18.3%	A licensed video gaming terminal operator in the United States. Listed on the NYSE under the symbol ACEL.
Also Energy ⁽⁸⁾	Renewable Energy	18.0%	41.9%	59.9%	A global provider of software and hardware solutions that enable the monitoring and control of power production and plant operations for commercial, industrial, and utility-scale solar plants.
ChildSmiles Group ⁽⁹⁾	Dental Services	15.0%	35.0%	50.0%	A multi-specialty dental practice with five offices across New Jersey.
Digital Media Solutions ⁽¹⁰⁾	Marketing Services	10.4%	24.2%	34.6%	A digital media company which operates as a lead generation engine for companies in a variety of different industries. Listed on the NYSE under the symbol DMS.
DTG Recycle ⁽¹¹⁾	Waste Management	14.6%	34.2%	48.8%	A waste hauling and recycling company with operations concentrated in the greater Seattle-Tacoma area of Washington State.
Durante Rentals ⁽¹²⁾	Equipment Rental	20.8%	48.6%	69.4%	A construction equipment rental provider in the New York Metropolitan area.
FSB Technology ⁽¹³⁾	Gaming	25.1%	58.6%	83.7%	A business-to-business sports and internet gaming technology supplier based in London, United Kingdom.
Head Digital Works ⁽¹⁴⁾	Gaming	32.4%	42.4%	74.8%	An internet-based technology and gaming company with ownership interest in Ace2Three, FanFight, Cricket.com, and WittyGames.
Meriplex Communications ⁽¹⁵⁾	Information Technology	17.7%	41.3%	59.0%	A provider of managed IT services company based in Houston, Texas.
Winters Bros. Waste Systems of Long Island ("Winters Bros. of LI") ⁽¹⁶⁾	Waste Management	14.0%	32.6%	46.6%	A regional solid waste collection, recycling and disposal company servicing customers in Long Island, New York.
INVESTMENTS MADE BY CEP VI CO-INVEST ALONGSIDE CEP VI/CEP VI-A/CEP V-B					
Arrowhead Environmental Partners ⁽¹⁷⁾	Waste Management	11.3%	30.4%	41.7%	A non-hazardous waste-by-rail operator in Northeastern United States markets.
Brunswick Bierworks ⁽¹⁸⁾	Co-Packing	22.2%	59.8%	82.0%	A contract manufacturer of specialty beverages based in Ontario, Canada.
F12.NET ⁽¹⁹⁾	Information Technology	16.5%	44.3%	60.8%	A provider of managed IT services for Canadian-based small and medium-sized enterprises.
NovaSource Power Services ⁽²⁰⁾	Renewable Energy	23.0%	62.1%	85.1%	A solar operations and maintenance company serving commercial, residential and utility-scale solar plants globally.

(7) Clairvest held 5,069,670 Class A-1 shares and 244,674 Class A-2 shares of Accel Entertainment.

(8) Clairvest held 1,013,062 Class A preferred stock, 577,609 Class A common stock and 11,037 Class B preferred stock of Also Energy and a promissory note with a stated interest rate of 10% per annum.

(9) Clairvest held 11,836,135 Class B preferred units of ChildSmiles Group.

(10) Clairvest held 6,058,016 Class A common shares and 276,653 warrants of Digital Media Solutions.

(11) Clairvest held 8,657,622 Class A convertible preferred shares of DTG Recycle.

(12) Clairvest held 217,121.20 LLC units of Durante Rentals.

(13) Clairvest held 7,820,855 Class A common shares and 1,770,804 Class B convertible preferred shares of FSB Technology.

(14) Clairvest held 39,412,175 common shares of Head Digital Works.

(15) Clairvest held 5,250 common shares of Meriplex Communications.

(16) Clairvest held 1,487,773 Class C units of Winters Bros. of LI., 256,037 units of WBLI II, LLC, and 1,398 units in WBLI III, LLC, affiliates to Winters Bros. of LI which are owned proportionately by the same unitholders as Winters Bros. of LI.

(17) Clairvest held 2,706 Class A preferred units of Arrowhead Environmental Partners.

(18) Clairvest held 5,116,616 Class A shares of Brunswick Bierworks.

(19) Clairvest held 283,144 Class A common shares of F12.NET.

(20) Clairvest held 2,932.6159 common shares of NovaSource Power Services.

(21) Ownership percentage calculated on a fully diluted basis as at March 31, 2021.

OVERVIEW OF FISCAL 2021

An overview of the significant events during fiscal 2021:

Overall and Corporate

- Clairvest ended fiscal 2021 with a book value of \$857.8 million, or \$56.96 per share, representing a growth of 12.5% during fiscal 2021. The growth comprised a book value increase of \$20.4 million, or \$1.41 per share, and dividends paid totaling \$84 million, or \$5.5555 per share.
- Net income and comprehensive income ("net income") during fiscal 2021 was \$6.96 per share. For the fiscal year ended March 31, 2021, Clairvest recorded \$177.7 million in total revenue and \$104.8 million in net income, compared to \$129.3 million and \$69.5 million, respectively, in the prior fiscal year.
- During fiscal 2021, 16,900 common shares were purchased and cancelled under the various normal course issuer bids at an average price of \$46.60 per share, reducing the number of common shares outstanding to 15,058,401. On March 1, 2021, Clairvest filed a new normal course issuer bid enabling it to make market purchases of up to 760,749 of its common shares in the 12-month period commencing March 8, 2021. As at June 22, 2021, no shares have been purchased under the current normal course issuer bid.
- During fiscal 2021, Clairvest paid an annual ordinary dividend of \$0.10 per share and special dividends totalling \$5.4555 per share. The ordinary dividend and a special dividend of \$0.4555 per share were paid on July 24, 2020 to common shareholders of record as of July 3, 2020. Another \$5.00 per share special dividend was paid on November 23, 2020 to common shareholders of record as at November 9, 2020. The dividends were eligible dividends for Canadian income tax purposes.

Clairvest/CEP III Co-Invest and CEP III

- As at March 31, 2021 and June 22, 2021, CEP III had returned 2.3 times invested capital to its third-party investors, after consideration of general partner priority distributions, carried interest and expenses ("on a net basis"). Clairvest, through CEP III Co-Invest, and CEP III continues to hold one investment as at June 22, 2021. Based on the fair value as at March 31, 2021, CEP III is expected to generate approximately 2.5 times invested capital or an IRR of 18% for its third-party investors on a net basis.

Clairvest/CEP IV Co-Invest and the CEP IV Fund

- Clairvest, through CEP IV Co-Invest, and the CEP IV Fund has exited 8 of its 11 investments, generating \$1.51 billion of total sale proceeds against \$436 million of invested capital. As at March 31, 2021, the CEP IV Fund had returned over 2.8 times invested capital to its third-party investors on a net basis.
- In April 2020, Top Aces completed an additional \$60 million equity financing, where CEP IV Co-Invest and the CEP IV Fund invested \$10.4 million as part of this equity financing. CEP IV Co-Invest portion of the investment was \$4.3 million.
- Remaining investments include Northco/Top Aces, New Meadowlands and the remaining interest in Davenport Land Investments. Based on the fair values as at March 31, 2021, the CEP IV Fund is expected to generate approximately 3.1 times invested capital or an IRR of 25% for its third-party investors on a net basis.

Clairvest/CEP V Co-Invest and the CEP V Fund

- Clairvest, through CEP V Co-Invest, and the CEP V Fund concluded their investment program towards the end of fiscal 2020 with 12 investments. As at March 31, 2021 and June 22, 2021, CEP V Co-Invest and the CEP V Fund have realized two investments, returning 0.3 times invested capital to its third-party investors. Of the remaining 10 investments, two have been registered and listed on public market stock exchanges.
- In June 2020, CEP V Co-Invest and CEP V Fund made a US\$12.0 million (C\$16.2 million) follow-on investment to acquire 1,775 Class A common shares of Also Energy from a minority investor. Clairvest, through CEP V Co-Invest, invested US\$3.6 million (C\$4.9 million), increasing its ownership interest to 18.0%.
- In June 2020, Head Digital Works repaid in full the remaining INR₹657.9 million (C\$13.7 million) compulsory convertible debentures ("CCD") to CEP V Co-Invest.

MANAGEMENT'S DISCUSSION AND ANALYSIS

As at, and for the year ended, March 31, 2021

June 22, 2021

- In July 2020, Digital Media Solutions (“DMS”), an investee company of CEP V Co-Invest and the CEP V Fund, completed its transaction with Leo Holdings Corp., becoming a publicly traded company on the NYSE (NYSE: DMS). As part of the transaction, CEP V Co-Invest received US\$8.2 million in cash proceeds, 6,091,377 Class A common shares of DMS and 276,653 warrants (NYSE: DMS WS) which are convertible into Class A common shares at an exercise price of US\$11.50 per warrant.
- In December 2020, CEP V Co-Invest and CEP V Fund realized on its investment in Right Time Heating and Air Conditioning (“Right Time”) for a 4.8 times invested capital or an IRR of 112%. CEP V Co-Invest received total cash proceeds of \$30.3 million on the realization.
- During fiscal 2021, CEP V Co-Invest made follow-on investments totalling \$3.9 million in FSB Technology in the form of convertible preferred shares and common shares to support its continuing growth.
- Based on the fair values as at March 31, 2021, the CEP V Fund is tracking to 2.0 times invested capital or an IRR of approximately 25% for its third-party investors on a net basis.

Clairvest/CEP VI Co-Invest and the CEP VI Fund

- Clairvest, through CEP VI Co-Invest, and the CEP VI Fund’s investment period commenced in February 2020 following the completion of the CEP V Fund investment period. As at March 31, 2021, the CEP VI Fund has completed four investments, or approximately 20% of its investment program.
- In May 2020, CEP VI Co-Invest and the CEP VI Fund acquired the solar operations and maintenance business of SunPower Corporation. Upon closing the business was renamed as NovaSource Power Services (“NovaSource”). In December 2020, NovaSource completed its acquisition of SunSystem Technology (“SST”). In March 2021, NovaSource acquired the North American operations and maintenance business from First Solar, Inc. In aggregate, CEP VI Co-Invest and the CEP VI Fund invested US\$108 million into NovaSource, CEP VI Co-Invest’s portion of which was US\$29.3 million (C\$34.3 million) representing a 23.0% ownership interest in NovaSource.
- In June 2020, CEP VI Co-Invest and the CEP VI Fund invested US\$10.0 million in Arrowhead Environmental Partners (“AEP”), a non-hazardous waste-by-rail operator in the Northeastern United States. CEP VI Co-Invest invested US\$2.7 million (C\$3.7 million) in AEP in the form of 2,706 Class A preferred units representing a 11.3% ownership interest.
- In November 2020, CEP VI Co-Invest and the CEP VI Fund invested \$35.5 million in F12.NET, a provider of comprehensive information technology services to small and medium enterprises across Canada. CEP VI Co-Invest invested \$9.6 million in F12.NET in the form of 283,144 Class A common shares representing a 16.5% ownership interest.
- Also in November 2020, CEP VI Co-Invest and CEP VI Fund invested \$18.9 million in Brunswick Bierworks, a Canadian contract manufacturer of specialty beverages. CEP VI Co-Invest invested \$5.1 million in Brunswick Bierworks in the form of 5,116,616 Class A common shares representing a 22.2% ownership interest.

OUTLOOK

Clairvest is one of the leaders in the Canadian private equity industry. From inception, the Company has invested its own capital in every investment. As at June 22, 2021, Clairvest’s current management team has made 56 platform investments and has realized or partially realized on 38 investments which have in aggregate created over \$3 billion in equity value for all stakeholders. Clairvest’s third party funds have performed in the top quartile during the last decade, and while past performance is not an indication of the future, the Clairvest team have all invested significant amounts of their personal capital in the Company which allows Clairvest to approach each investment as owners and shareholders. As a long-term investor, Clairvest is focused on building value in its investee companies by contributing strategic expertise, advising on operational improvement and helping its investee companies capitalize on new opportunities that arise.

Although there remains uncertainty on the longer-term impacts of the COVID-19 pandemic and the recovery therefrom, the Company and its investee companies have taken and will continue to take actions to mitigate the effects of COVID-19, keeping in mind the interests of the various stakeholders. These changes and any additional changes in

MANAGEMENT'S DISCUSSION AND ANALYSIS

As at, and for the year ended, March 31, 2021

June 22, 2021

operations by Clairvest and its investee companies in response to COVID-19 could materially impact the financial results of the Company. At this time, while vaccination efforts are ongoing globally, it is not possible to reliably estimate the length and severity of COVID-19-related impacts on the financial results and operations of Clairvest and its investee companies.

As at March 31, 2021, Clairvest and its controlled acquisition entities had \$1.3 billion of capital available for future acquisitions through its cash, cash equivalents and temporary investments ("treasury funds"), credit facilities and uncalled capital in the CEP Funds. As the Company's investment mission is to partner with entrepreneurs to help build strategically significant businesses, the Company and the CEP Funds intend to continue supporting their investee companies providing them with the opportunity to realize on their investment thesis through this pandemic and beyond.

The table below summarizes the status of the CEP Funds as at June 22, 2021:

Status of Clairvest Equity Partnerships as at June 22, 2021

(\$millions, except year of fund and number of investments)						Number of Investments	
	Year of Fund	Third-Party Capital	Clairvest Commitment	Total Capital	Capital Called	Total	Currently Held
Clairvest Equity Partners III ("CEP III")	2006	C\$225	C\$75	C\$300	79.8%	8	1
Clairvest Equity Partners IV ("CEP IV")	2010	C\$342	C\$125	C\$467	93.0%	11	3
Clairvest Equity Partners V ("CEP V")	2015	C\$420	C\$180	C\$600	81.4%	12	10
Clairvest Equity Partners VI ("CEP VI")	2020	US\$620	US\$230	US\$850	19.3%	4	4

FINANCIAL POSITION AND BOOK VALUE

The following table summarizes the Company's financial position and book value as at March 31, 2021 and 2020:

Financial Position

As at, (\$000's, except number of shares and per share amounts)	March 31, 2021	March 31, 2020
Cash, cash equivalents and temporary investments ("treasury funds")	279,373	428,856
Carried interest from Clairvest Equity Partners III and IV	34,318	44,409
Corporate investments, including carried interest from Clairvest Equity Partners V and VI, and net of corresponding management participation	534,667	400,291
Total assets	985,025	944,878
Management participation from Clairvest Equity Partners III and IV	25,996	34,115
Total liabilities	127,218	107,463
Book value	857,807	837,415
Book value per share	56.96	55.55
Dividends per share paid during the fiscal year ended	5.5555	0.5144
Number of common shares outstanding	15,058,401	15,075,301

ASSETS

As at March 31, 2021, Clairvest had total assets of \$985.0 million, an increase of \$40.1 million during fiscal 2021. The increase was primarily due to net gain on investment realizations and a net increase in the fair value of Clairvest's investee companies, less the \$84 million in dividends paid.

MANAGEMENT'S DISCUSSION AND ANALYSIS

As at, and for the year ended, March 31, 2021

June 22, 2021

As at March 31, 2021, the Company's treasury funds of \$279.4 million were held in cash and money market savings accounts rated not below R1-High, investment savings accounts and guaranteed investment certificates rated not below A-, marketable securities, limited recourse capital notes and other fixed income securities as permitted by the Company's treasury policy. 2141788 Ontario also held \$63.6 million in cash, investment savings accounts and guarantee investment certificates with consistent ratings to the Company's treasury funds. Clairvest also had access to \$2.4 million in cash held in various other acquisition entities which are controlled by Clairvest.

Clairvest maintains a \$100.0 million revolving credit facility which is participated in by several Schedule 1 Canadian chartered banks. The credit facility, which has an expiry of December 2025 and is eligible for a one-year extension on each anniversary date, bears interest at the bank prime rate plus 1.25% per annum on drawn amounts and a standby fee of 0.70% per annum on undrawn amounts. The amount available under the credit facility as at March 31, 2021 was \$100.0 million, which is based on debt covenants and certain restrictions within the banking arrangement. No amounts had been drawn on the facility during the year and as at March 31, 2021.

As at March 31, 2021, Clairvest had loans receivable totalling \$86.3 million, \$60.3 million of which represented bridge loans to the CEP VI Fund upon the closing of NovaSource's acquisition in late March 2021. These loans were repaid in full subsequent to year end.

As at March 31, 2021, Clairvest had corporate investments with a fair value of \$534.7 million, an increase of \$134.4 million during fiscal 2021, \$470.5 million of which represented the fair value of Clairvest's investee companies, \$28.0 million of which represented carried interest from Clairvest Equity Partners V and VI net of management participation, and the remaining \$36.2 million of which represented other net assets held by Clairvest's acquisition entities.

Excluding the carried interest and management participation from Clairvest Equity Partners V and VI and the net assets held by Clairvest's acquisition entities, the aggregate carrying value of Clairvest's investee companies increased by \$102.9 million during fiscal 2021, which primarily comprised the following:

- Net increase in unrealized gain on investee companies of \$92.8 million;
- Investments made in NovaSource totalling \$34.3 million;
- Follow-on investments in existing investee companies totalling \$13.6 million;
- An investment of \$9.6 million in F12.NET;
- An investment of \$5.1 million in Brunswick Bierworks;
- An investment of \$3.7 million in Arrowhead Environmental Partners;
- Accrued interest on debt investments and dividends totalling \$0.6 million; partially offset by
- Foreign exchange revaluation losses on invested companies totalling \$22.8 million, \$21.1 million of which were offset by gains in Clairvest's foreign exchange hedging strategy as described below;
- Redemption of Head Digital Works CCD which had a carrying value of \$13.7 million as at March 31, 2020;
- Distributions and partial realization proceeds from Digital Media Solutions totalling \$10.8 million;
- The sale of Right Time HVAC which had a fair value of \$6.4 million as at March 31, 2020;
- Proceeds received from the Wellington warrants portfolio totalling \$2.3 million; and
- Return of capital from other investee companies totalling \$0.6 million.

Clairvest has implemented a hedging strategy because it has, directly and indirectly, several investments outside of Canada. In order to limit its exposure to changes in the value of these investments denominated in foreign currencies relative to the Canadian dollar, Clairvest and its acquisition entities consider and if determined appropriate, enter into currency positions opposite these foreign denominated investments, thus creating hedges against fluctuation in the underlying currencies of Clairvest's investment. For the year ended March 31, 2021, the foreign exchange adjustments made in Clairvest's valuation of its investee companies is primarily offset by the foreign exchange adjustments made in the foreign exchange forward contracts used to support its foreign exchange hedging strategy, except for its foreign exchange exposure in its investment in Chilean Gaming Holdings denominated in Chilean Pesos ("CLP") and its investment in Head Digital Works denominated in

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Indian Rupees ("INR"), both of which are unhedged. Foreign exchange forward contracts are described in *note 15* to the consolidated financial statements.

The table below details the cost and fair value of Clairvest's investee companies, aggregated by industry concentration, as at March 31, 2021 and 2020:

(\$000's)	March 31, 2021			March 31, 2020		
	Fair value	Cost	Difference	Fair value	Cost	Difference
Co-packing	5,117	5,117	—	—	—	—
Dental services	14,884	15,902	(1,018)	16,636	15,902	734
Equipment rental	4,467	13,591	(9,124)	7,102	13,591	(6,489)
Financial services	1,782	—	1,782	3,009	—	3,009
Gaming	189,551	111,395	78,156	186,484	120,688	65,796
Information technology	22,690	16,351	6,339	8,602	6,732	1,870
Marketing services	80,951	995	79,956	7,471	995	6,476
Renewable energy	61,047	55,292	5,755	18,523	16,185	2,338
Residential services	—	—	—	6,375	6,375	—
Specialty aviation and defence services	49,316	64,623	(15,307)	81,016	60,304	20,712
Waste management	36,009	25,618	10,391	27,117	21,951	5,166
Other investments	4,639	2,312	2,327	5,257	2,346	2,911
	470,453	311,196	159,257	367,592	265,069	102,523

Significant activities of each investee company during fiscal 2021 are further described in *note 5* to the consolidated financial statements.

LIABILITIES

As at March 31, 2021, Clairvest had \$127.2 million in total liabilities, which included \$10.5 million in accrued management and director compensation, \$65.2 million in share-based compensation, \$26.0 million in management participation from Clairvest Equity Partners III and IV and \$16.9 million in current and deferred tax liability. \$48.3 million of these liabilities were and are payable only upon the cash realization of certain investments of Clairvest or the CEP Funds.

FINANCIAL RESULTS

Clairvest's operating results reflect revenue earned from its corporate investments and treasury funds and realized gains and net change in unrealized gains and losses on its corporate investments. These results are net of all costs incurred to manage these assets.

Net income for the year ended March 31, 2021 was \$104.8 million compared with net income of \$69.5 million for the year ended March 31, 2020. The following table summarizes the composition of net income for the years ended March 31:

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Financial Results

Year ended March 31, (\$000's, except per share amounts)	2021	2020
Net investment gain (loss) (A)		
- Investee companies inclusive of foreign exchange hedging activities	119,520	58,412
- Treasury funds	9,727	—
- Carried interest and management participation from Clairvest Equity Partners V and VI	24,436	3,560
- Acquisition entities including distributions, interest, dividends and fees received from investee companies and net of taxes paid or payable by these acquisition entities	(3,155)	(40,396)
	150,528	21,576
Distributions, interest income, dividends and fees (B)		
- CEP Funds	22,885	10,370
- Investee companies	4,936	4,509
- Treasury funds	4,630	10,424
- Acquisition entities and other	4,043	59,804
	36,494	85,107
Carried interest from Clairvest Equity Partners III and IV (C)	(9,299)	22,615
Total expenses (D)	60,934	50,014
Income before income taxes (A+B+C-D)	116,789	79,284
Income tax expense	11,950	9,786
Net income and comprehensive income	104,839	69,498
Net income and comprehensive income per share - basic and fully diluted	6.96	4.60

The Company fair values its acquisition entities which hold Clairvest's investee companies as well as other assets and liabilities. Distributions, interest, dividends and fees earned from and realized gains and net change in unrealized gains on the investee companies held by acquisition entities, including foreign exchange fluctuations and the hedging activities related to managing the foreign currency exposure of these investments, and income taxes incurred by these acquisition entities, are reflected in net investment gain until the proceeds are distributed out of these acquisition entities, at which point the Company would record a distribution or a dividend from acquisition entities and reverse the net investment gain or loss which had previously been recorded.

The following tables summarize, by industry concentration, the net investment gain or loss of investee companies for the years ended March 31, 2021 and 2020. The net investment gain or loss is inclusive of the impact on the foreign exchange hedging activities related to these investments.

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Net investment gain (loss), by industry concentration

Year ended March 31, 2021 (\$000's)	Net realized gains (losses)	Net unrealized gains (losses)	Foreign exchange gain (loss)⁽¹⁾	Total
Dental services	—	—	68	68
Equipment rental	850	(1,965)	65	(1,050)
Financial services	2,456	(1,226)	—	1,230
Gaming	37	24,193	(941)	23,289
Information Technology	—	5,486	(48)	5,438
Marketing services	81	87,613	(528)	87,166
Renewable energy	—	6,315	(184)	6,131
Residential services	17,421	6,509	—	23,930
Specialty aviation and defence services	116	(36,020)	—	(35,904)
Waste management	(4)	9,421	(2)	9,415
Other investments	—	(39)	(154)	(193)
Net investment gain (loss) on investee companies	20,957	100,287	(1,724)	119,520

⁽¹⁾ Inclusive of foreign exchange hedging activities

Year ended March 31, 2020 (\$000's)	Net realized gains (losses)	Net unrealized gains (losses)	Foreign exchange gain (loss)⁽¹⁾	Total
Dental services	—	—	(26)	(26)
Equipment rental	—	(6,974)	(564)	(7,538)
Financial services	—	2,871	—	2,871
Gaming	6,812	9,419	(9,639)	6,592
Information Technology	—	1,223	(41)	1,182
Marketing services	—	(2,987)	(12)	(2,999)
Renewable energy	—	—	(106)	(106)
Specialty aviation and defence services	551	23,279	—	23,830
Waste management	30,837	2,579	(412)	33,004
Other investments	—	1,628	(26)	1,602
Net investment gain (loss) on investee companies	38,200	31,038	(10,826)	58,412

⁽¹⁾ Inclusive of foreign exchange hedging activities

During fiscal 2021, the net impact of foreign exchange on the investee companies included a gain of \$1.6 million (2020 – loss of \$5.9 million) on the Chilean Pesos denominated investment, a loss of \$0.6 million (2020 – \$3.2 million) on U.S. Dollar denominated investments, a loss of \$3.2 million (2020 – \$1.5 million) on the Indian Rupee denominated investment, and a gain of \$0.4 million (2020 – loss of \$0.2 million) on the British Pound denominated investment.

The Company and its acquisition entities also receive distributions, interest, dividends or fees from various investee companies. The following table summarizes the income earned by the Company and its acquisition entities for the years ended March 31:

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Distributions, Interest, Dividends, and Fees from Investee Companies

Year ended March 31, (\$000's)	2021			2020		
	Earned directly by Clairvest	Earned through acquisition entities	Total	Earned directly by Clairvest	Earned through acquisition entities	Total
Distributions and interest income						
Dental services	—	776	776	—	—	—
Financial services	2,320	—	2,320	2,108	—	2,108
Gaming	163	1,269	1,432	30	3,112	3,142
Marketing Services	—	—	—	—	3,276	3,276
Renewable energy	—	625	625	—	570	570
Specialty aviation and defence services	—	47	47	—	1,012	1,012
Waste management	—	—	—	—	655	655
Other investments	—	92	92	—	148	148
	2,483	2,809	5,292	2,138	8,773	10,911
Dividend Income						
Financial services	—	—	—	898	—	898
Gaming	—	6	6	—	6,400	6,400
	—	6	6	898	6,400	7,298
Advisory and Other Fees	2,453	—	2,453	1,473	—	1,473
Distributions, interest, dividends and fees from investee companies	4,936	2,815	7,751	4,509	15,173	19,682

The Company and its acquisition entities also receive distributions, fees and interest from the CEP Funds as described in the Transaction with Related Parties section of the MD&A. The following table summarizes the distributions, fees and interest earned from the CEP Funds for the years ended March 31:

Distributions, Fees and Interest from the CEP Funds

Year ended March 31, (\$000's)	2021			2020		
	Earned directly by Clairvest	Earned through acquisition entities	Total	Earned directly by Clairvest	Earned through acquisition entities	Total
Priority distributions	9,602	—	9,602	7,591	—	7,591
Management fees	12,065	—	12,065	2,025	—	2,025
Interest on loans advanced	1,218	46	1,264	754	14	768
Distributions, fees and interest from the CEP Funds	22,885	46	22,931	10,370	14	10,384

Carried interest from Clairvest Equity Partners III and IV during fiscal 2021 and 2020 was a loss of \$9.3 million and an income of \$22.6 million, respectively. Carried interest from Clairvest Equity Partners V and VI during fiscal 2021 and 2020 was \$73.9 million and \$28.9 million, respectively. During fiscal 2021 and 2020, the Company received \$0.8 million and \$34.7 million in carried interest from Clairvest Equity Partners III and IV and none from Clairvest Equity Partners V and VI.

Included in distributions and interest income for the year ended March 31, 2021 and 2020 was interest earned from treasury funds of \$4.6 million and \$10.1 million, respectively. Acquisition entities of Clairvest earned interest from its

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treasury funds totalling \$1.5 million and \$1.5 million respectively during fiscal 2021 and 2020. Income from treasury funds during fiscal 2021 were impacted due to a decrease in interest rates since March 2020.

Total expenses for the year were \$60.9 million, compared with \$50.0 million for the year ended March 31, 2020. The following table summarizes expenses incurred by the Company for the years ended March 31:

Total Expenses, excluding Income Taxes

Year ended March 31, (\$000's)	2021	2020
Employee compensation and benefits	17,152	22,056
Share-based compensation expenses	41,573	4,161
Administration and other expenses	5,721	5,338
Finance and foreign exchange expenses	3,935	489
Management participation from Clairvest Equity Partners III and IV	(7,447)	17,970
Total expenses, excluding income taxes	60,934	50,014

Share-based compensation expense fluctuates as a result of changes in book value per share and the trading price of the Company's publicly traded common shares. The following table summarizes share-based compensation expenses incurred by the Company for the year ended March 31:

Total Share-Based Compensations Expenses

Year ended March 31, (\$000's)	2021	2020
Non-voting options expense (recovery)	23,699	(985)
Book value appreciation rights expense	3,548	7,411
Deferred share units and appreciation deferred share units expense (recovery)	10,337	(1,618)
Employee deferred shares units expense (recovery)	3,989	(647)
Total share-based compensation expense	41,573	4,161

Management participation is further described in *note 7* to the consolidated financial statements.

The Company recorded \$12.0 million in income tax expenses, and its acquisition entities recorded \$4.7 million in income tax expenses during fiscal 2021, compared with \$9.8 million in income taxes expenses incurred by the Company and \$4.3 million in income tax expense recovered by the acquisition entity during the prior fiscal year. Income tax expense incurred or recovered by the Company's acquisition entities are reflected in net investment gain.

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SUMMARY OF QUARTERLY RESULTS

(\$000's except per share information)	Gross revenue	Net income (loss)	Net income (loss) per common share*	Net income (loss) per common share fully diluted*
March 31, 2021	44,840	14,784	0.98	0.98
December 31, 2020	71,416	49,937	3.32	3.32
September 30, 2020	(16,480)	(24,234)	(1.61)	(1.61)
June 30, 2020	77,947	64,352	4.27	4.27
March 31, 2020	(38,036)	(24,937)	(1.65)	(1.65)
December 31, 2019	110,770	73,046	4.83	4.83
September 30, 2019	28,283	15,511	1.03	1.03
June 30, 2019	28,281	5,878	0.39	0.39

* The sum of quarterly net income (loss) per common share may not equal to the full year net income per common share due to rounding and the dilutive effect on any quarters which may not be applicable for the full year.

Significant variations arise in the quarterly results due to net investment gains, net carried interest and management participation which are revalued on a quarterly basis when conditions warrant an adjustment to the fair value of the corporate investments and due to realizations, and share-based compensation due to changes in book value per share and the trading price of the Company's publicly traded common shares.

FOURTH QUARTER RESULTS

Net income for the fourth quarter of fiscal 2021 was \$14.8 million compared with a net loss of \$24.9 million for the fourth quarter of fiscal 2020.

Revenue for the fourth quarter of fiscal 2021 comprised \$38.9 million in net investment gain, \$8.2 million in distributions, interest, dividends and fees, and a \$2.2 million reduction in net carried interest from Clairvest Equity Partners III and IV. This compares with \$98.9 million in net investment loss, \$60.7 million in distributions, interest, dividends and fees and \$0.1 million in net carried interest for the fourth quarter of fiscal 2020.

The net investment gain of \$38.9 million for the fourth quarter of fiscal 2021 resulted from \$32.2 million in net unrealized gain from Clairvest's investee companies inclusive of foreign exchange hedging activities, increase in net carried interest of \$5.5 million from Clairvest Equity Partners V and VI and \$1.2 million in net unrealized gain from Clairvest's acquisition entities. This compared with \$36.7 million in net unrealized loss from Clairvest's investee companies, decrease in net carried interest of \$5.6 million from Clairvest Equity Partners V and VI and \$56.6 million in net unrealized loss from Clairvest's acquisition entities for the fourth quarter of fiscal 2020. During the fourth quarter of fiscal 2020, Clairvest received distributions totalling \$52.6 million from CEP IV Co-Invest primarily as a result of the realization of County Waste. Accordingly, Clairvest's fair value in CEP IV Co-Invest decreased in the fourth quarter of fiscal 2020.

Distributions, interest, dividends and fees for the fourth quarter of fiscal 2021 included income on treasury funds of \$1.0 million, general partner distributions and interest earned from the CEP Funds of \$2.3 million, distributions and interest earned from investee companies of \$0.3 million and \$0.7 million in distributions from acquisition entities. This compared with income on treasury funds of \$2.3 million, general partner distributions and interest earned from the CEP Funds of \$2.2 million, distributions and interest earned from investee companies of \$0.7 million and \$53.5 million in distributions from acquisition entities for the same quarter last year.

Carried interest from Clairvest Equity Partners III and IV was a loss of \$2.2 million for the fourth quarter of fiscal 2021 comprised entirely of a reduction in unrealized carried interest. Carried interest of \$0.1 million for the fourth quarter of fiscal 2020 comprised \$32.0 million in realized carried interest and a corresponding reduction of \$31.9 million in unrealized carried interest, both resulting from the realization of County Waste of Virginia as described above. Carried interest from Clairvest Equity Partners III and IV is further described in *note 7* to the consolidated financial statements.

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Expenses for the fourth quarter of fiscal 2021 included an expense of \$25.7 million in management and director compensation expenses, an expense recovery of \$1.8 million in management participation from Clairvest Equity Partners III and IV, an expense of \$1.7 million in administrative and other expenses, an expense of \$2.1 million in finance and foreign exchange expenses and a \$2.4 million income tax expense. This compares with an expense recovery of \$8.6 million in management and director compensation expenses, an expense recovery of \$0.1 million in management participation from Clairvest Equity Partners III and IV, an expense recovery of \$1.1 million in administrative and other expenses, an expense recovery of \$0.3 million in finance and foreign exchange expenses, and an expense recovery of \$3.0 million in income tax expense for the fourth quarter of fiscal 2020. The share price of a Clairvest common share increased by \$13.75 per share during the fourth quarter of fiscal 2021, compared to a decrease of \$9.30 per share during the fourth quarter of fiscal 2020.

Management participation is further described in *note 7* to the consolidated financial statements.

EQUITY AND SHARE INFORMATION

As at March 31, 2021, Clairvest had 15,058,401 common shares issued and outstanding.

During fiscal 2021, Clairvest purchased and cancelled 16,900 common shares under the Company's normal course issuer bids. No shares were purchased and cancelled subsequent to year end up to June 22, 2021. As at June 22, 2021, Clairvest had 15,058,401 common shares issued and outstanding.

No Series 1 or Series 2 Shares had been issued as at March 31, 2021 and June 22, 2021.

Options granted under the stock option plan (the "Non-Voting Option Plan") are exercisable for Series 2 Shares, which are non-voting and have a two times preference over the common shares. The Non-Voting Option Plan has a cash settlement feature. Options granted under this plan vest at a rate of one-fifth of the grant at the end of each year over a five-year period. As at March 31, 2020, 518,758 options were outstanding and 193,695 options had vested. During fiscal 2021, 77,650 new options were issued, 128,713 options had vested and 74,498 options were exercised for \$4.3 million such that 521,910 options were outstanding and 247,910 options had vested as at March 31, 2021.

The EDSU Plan provides, among other things, that participants may elect annually to receive all or a portion of their annual bonus amounts that would otherwise be payable in cash in the form of EDSUs. EDSUs may be redeemed for cash or for common shares of the Company in accordance with the terms of the plan. Clairvest is required to reserve one common share for each EDSU issued under the EDSU Plan. The maximum number of Clairvest common shares reserved for the EDSU Plan is 200,000 which represented approximately 1.3% of the outstanding number of common shares as at March 31, 2021 and June 22, 2021. As at March 31, 2021 and June 22, 2021, 156,486 EDSUs had been issued based on the terms and conditions of the EDSU Plan, and none of which had been redeemed.

Clairvest paid an ordinary dividend of \$0.10 per share on the common shares in each of fiscal 2021, fiscal 2020 and fiscal 2019. During fiscal 2021, and 2020 and 2019, Clairvest also paid a special dividend of \$5.4555, \$0.4144 and \$0.3401 per share respectively.

Subsequent to year-end, Clairvest declared an annual ordinary dividend of \$0.10 per share, and a special dividend of \$0.4696 per share. The dividends will be payable to common shareholders of record as of July 2, 2021. The dividend will be paid on July 23, 2021. Both dividends are eligible dividends for Canadian income tax purposes.

CRITICAL ACCOUNTING ESTIMATES

For a discussion of all significant accounting policies, refer to *note 2* to the consolidated financial statements.

Fair value of financial instruments

When a financial asset or liability is initially recognized, its fair value is generally the value of consideration paid or received. Acquisition costs relating to corporate investments are not included as part of the cost of the investment. Subsequent to initial recognition, the fair value of an investment quoted on an active market is generally the bid price on the principal exchange on which the investment is traded. In determining the fair value for such investments, the Company considers the nature and length of the restriction, business risk of the investee company, its stage of development, market potential,

relative trading volume and price volatility. Additionally, there are several other factors the Company considers in determining the value at which to carry an investment quoted on an active market, including factors that may be unique to Clairvest and its business model. These factors can and do sometimes include, *inter alia*, the amount of public float and the depth of market liquidity for a particular stock, the size of our position and the amount of time it would take to dispose of our position at acceptable prices, any applicable lock-up or other contractual restrictions, whether or not Clairvest is an affiliate of the issuer of the securities, whether or not we have registration rights, the availability of safe harbor from registration requirements for resales of our position, and whether or not the securities are restricted securities or control securities. As a result of these factors, Clairvest's internal valuation is likely to differ from that of other investors. Where Clairvest's internal valuation differs from the publicly traded price of a company's shares, Clairvest's internal valuation in no way reflects a disagreement with the public price. Estimated costs of disposition are not included in the fair value determination.

In the absence of an active market, the fair values are determined by management using the appropriate valuation methodologies after considering the history and nature of the business, operating results and financial conditions, the 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 Clairvest's privately held investments could be disposed of may differ from the fair value assigned and the differences could be material. Estimated costs of disposition are not included in the fair value determination.

A change to an estimate with respect to Clairvest's privately held corporate investments or publicly traded corporate investments would impact corporate investments and net investment gain.

Recognition of carried interest and corresponding expenses

The Company recognizes carried interest from Clairvest Equity Partners III and IV on its consolidated statements of financial position which is based on the fair values of the financial instruments held by those funds. As discussed previously, fair values of certain financial instruments are determined using valuation techniques which by their nature involve the use of estimates and assumptions. Changes in the underlying estimates and assumptions could materially impact the determination of the fair value of these financial instruments. Imprecision in determining fair value using valuation techniques may affect the calculation of carried interest receivable and the resulting accrued liabilities for future payouts relating to these carried interest receivables at the statement of financial position date. In accordance with IFRS 15, the Company would only recognize carried interest from Clairvest Equity Partners III and IV in the event a significant reversal during a future period is highly improbable. The carried interest from Clairvest Equity Partners V and VI and the amounts ultimately payable to the limited partners of the corresponding MIP Partnerships are accounted for at fair value through profit or loss in accordance with IFRS 10 and included in Corporate Investments.

Deferred income taxes

The process of determining deferred income tax assets and liabilities requires management to exercise judgment while considering the anticipated timing of disposal of corporate investments, and proceeds thereon, tax planning strategies, changes in tax laws and rates, and loss carryforwards. Deferred income tax assets are only recognized to the extent that in the opinion of management, it is probable that the deferred income tax asset will be realized. A change to an accounting estimate with respect to deferred income taxes would impact deferred income tax liability and income tax expense.

Impact on COVID-19 on Significant Estimates

As at March 31, 2021, there remains uncertainty on the longer-term impacts of the COVID-19 pandemic and the recovery. Accordingly, there exists a wide range of possible outcomes regarding the full scope of economic impact of COVID-19. As a

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result, the fair value estimates of the Company's corporate investments as at March 31, 2021 required significant judgment given the uncertainty regarding the long-term impact of COVID-19 and the ultimate impact of COVID-19 on the Company's investee companies are unknown. If the pandemic's duration, spread, or related advisories and restrictions are significantly longer than the Company's estimate, or the impact on the equity markets, credit markets, or the economy in general is significantly worse than the Company's estimate, the fair value of its corporate investments may be materially adversely affected resulting in a material adverse impact to the Company's financial results.

TRANSACTIONS WITH RELATED PARTIES

Clairvest is entitled to other various entitlements from its acquisition entities as described in *note 10* to the condensed consolidated financial statements.

As at March 31, 2021, Clairvest had accounts receivable from its investee companies totalling \$2.5 million, from CEP III totalling \$45 thousand, from CEP IV totalling \$61 thousand, from CEP IV-A totalling \$78 thousand, from CEP V totalling \$0.1 million, from CEP V India totalling \$2.3 million, from CEP V-A totalling \$0.2 million, from CEP VI totalling \$8.7 million, from CEP VI-A totalling \$11.2 million and CEP VI-B totalling \$7.1 million. Additionally, acquisition entities of Clairvest which were not consolidated in accordance with IFRS held receivables from CEP III totalling \$11 thousand and from CEP V-A totalling \$6 thousand.

In addition, the Company advances loans to its acquisition entities, the CEP Funds and short-term loans to investee companies. During fiscal 2021, the Company advanced net loans of \$66.2 million, such that \$86.3 million in loans remained outstanding as at March 31, 2021. \$82.6 million of these loans have been repaid as at June 22, 2021. Further details are described in *note 10(e)* to the consolidated financial statements.

As at March 31, 2021, Clairvest had advanced share purchase loans to certain employees of Clairvest totalling \$2.8 million. The loans are interest bearing, have full recourse to the individual and are collateralized by the common shares of Clairvest owned by the employees with a market value of \$5.3 million. None of these loans were made to key management. Interest of \$49 thousand was earned on these loans during the year.

Key management at Clairvest includes the Chief Executive Officer ("CEO"), the Vice Chairman, the President and its directors. The CEO and the President are entitled to annual discretionary cash bonuses of up to 175% of their individual annual salary based on individual performance. The Vice Chairman is entitled to annual discretionary cash bonuses of up to 100% of annual salary based on individual performance. There is also an annual objective cash bonus which is based on Clairvest's Incentive Bonus Program, the stock option plans, the BVAR Plan and the EDSU Plan. Total aggregate cash compensation paid under these plans to the CEO, the Vice Chairman, and the President during fiscal 2021 were \$13.2 million. As at March 31, 2021, the total amounts payable to the CEO, the Vice Chairman, and the President under the aforementioned plans was \$15.8 million. During fiscal 2021, \$2.6 million in compensation was paid to a director under the DSU and the ADSU plan. As at March 31, 2021, the total amounts payable to the directors of Clairvest under the DSU, ADSU and Non-Voting Option plans was \$25.6 million.

During fiscal 2021, Clairvest earned \$2.5 million in distributions and interest income and \$2.5 million in advisory and other fees from its investee companies. Additionally, acquisition entities of Clairvest which were not consolidated in accordance with IFRS earned \$2.8 million in distributions and interest income and \$6 thousand in dividend income.

Clairvest and a related party of Clairvest, through a limited partnership, owns an aircraft that is available for use by both parties. Clairvest and the related party each hold a 50% limited partnership interest. As Clairvest, through a wholly owned subsidiary, is the general partner of the limited partnership, Clairvest has recognized 100% of the net book value of the aircraft and a liability for the 50% ownership held by the related party. The cost of the aircraft had been included in fixed assets and the liability in accounts payable and accrued liabilities.

OFF-STATEMENT OF FINANCIAL POSITION ARRANGEMENTS

Clairvest has committed a total of \$55.5 million in various Wellington Financial funds, all of which was unfunded as at March 31, 2021. As a result of the sale of Wellington Financial to CIBC in January 2018, these Wellington Financial funds are in the process of being wound up and may no longer invest in new investments.

Under Clairvest's Bonus Program, a bonus of 10% of after-tax cash income and realizations on certain Clairvest's corporate investments would be paid to management annually as applicable (the "Realized Amount"). As at March 31, 2021, the Realized Amount under the Bonus Program was \$0.5 million and had been accrued under accrued compensation expense liability. In accordance with IFRS, Clairvest is also required to record a liability equal to a bonus of 10% of the after-tax cash income and realizations which are applicable, but which have yet to be realized. Accordingly, Clairvest also recorded a \$6.3 million accrued compensation expense liability which would only be payable to management when the corresponding realization events have occurred. The Bonus Program does not apply to the income generated from investments made by Clairvest through CEP III Co-Invest, CEP IV Co-Invest, CEP V Co-Invest and CEP VI Co-Invest.

In conjunction with the sale of Casino New Brunswick, Clairvest provided a guarantee to fund any valid claims made by the purchaser under the indemnity provisions of the sale for a specified period of time. Any funding pursuant to the guarantee will be allocated 25% to CEP III Co-Invest and 75% to CEP III. During fiscal 2021, the guarantee was extinguished as the indemnity provision expired and no indemnity had been funded to its expiry.

Clairvest had guaranteed up to US\$2.5 million to support a credit facility provided to SunSystem Technology, a subsidiary of NovaSource, by its bank. Clairvest would assume the lender's security position that supports the loans provided by the lender should it be called and intended to allocate any amounts called under this guarantee to CEP VI Co-Invest, CEP VI, CEP VI-A and CEP VI-B on a pro-rata basis in accordance with their respective capital commitments in the CEP VI Fund. The guarantee was extinguished during fiscal 2021 with no amount having been called, in conjunction with the closing of the First Solar transaction described in *note 5(d)* to the consolidated financial statements.

As at March 31, 2021, the Company had an accrued liability resulting from future minimum annual lease payments for the use of office space totalling \$3.9 million, of which \$0.6 million is due within one year, \$2.5 million is due after one year but not more than five years and \$0.8 million is due after five years.

In connection with its normal business operations, Clairvest is from time to time named as a defendant in actions for damages and costs allegedly sustained by plaintiffs. While it is not possible to estimate the outcome of the various proceedings at this time, Clairvest does not believe that it will incur any material loss in connection with such actions.

RISK MANAGEMENT

The private equity investment business involves accepting risk for potential return, and is therefore affected by a number of risk factors. These factors, categorized as market risk, investing process risk and other risks, are described below. Additional risks not currently known to us or that we currently believe to be immaterial may also have a material adverse effect on future business of the Company.

Market risk***Fair value risk***

Fair value risk includes exposure to fluctuations in the fair market value of the Company's investments. Included in corporate investments are investee companies for which the fair values have been estimated based on assumptions that may not be supported by observable market prices. The most significant unobservable inputs for fair value measurement are earnings before interest, taxes, depreciation and amortization ("EBITDA") and the earnings multiple which is applied to the EBITDA in each individual investee company. In determining the appropriate multiple, Clairvest considers i) public company multiples for companies in the same or similar businesses; ii) where information is known and believed to be reliable, multiples at which recent transactions in the industry occurred; and iii) multiples at which Clairvest invested directly or indirectly in the company, or for follow-on investments or financings. The resulting multiple is adjusted, if

necessary, to take into account differences between the investee company and those the Company selected for comparisons and factors include public versus private company, company size, same versus similar business, as well as with respect to the sustainability of the company's earnings and current economic environment, including an estimate of the potential impact of COVID-19. Earnings multiples used are based on public company valuations as well as private market multiples for comparable companies. Earnings are based on the last twelve-month EBITDA and if necessary, adjusted for any non-recurring items such as, restructuring expenses and annualized pro-forma adjustments from recently completed acquisitions. Adjustments to EBITDA may also consider forecasted impacts arising from the current economic environment or recent developments of the investee company. The potential effects to the carrying value of the Company's investments are further described in *note 18* to the consolidated financial statements.

Clairvest may also use information with respect to recent transactions for valuations of private equity investments. When fair value is determined based on recent transaction information, this value is the most representative indication of fair value for a period of up to 12 months from the date of the investment. The fair value of corporate bonds, debentures or loans is primarily determined using a discounted cash flow model, which uses observable and unobservable inputs such as discount rates that take into account the risk associated with the investment as well as future cash flows. For those investments valued based on recent transactions and discounted cash flows, Clairvest has determined that there are no reasonable alternative assumptions that would change the fair value materially as at March 31, 2021.

The Company's corporate investment portfolio was diversified across 20 investee companies in 10 industries and 5 countries as at March 31, 2021. The Company has considered current economic events and indicators in the valuation of its investee companies.

Interest rate risk

Fluctuations in interest rates affect the Company's income derived from its treasury funds. For financial instruments which yield a floating interest rate, the income received is directly impacted by the prevailing interest rate. The fair value of financial instruments which yield a fixed interest rate would change when there is a change in the prevailing market interest rate. The Company manages interest rate risk on its treasury funds by conducting activities in accordance with the fixed income securities policy that is approved by the Audit Committee. Management's application of these policies is regularly monitored by the Audit Committee.

The potential effect on the Company's treasury funds from fluctuations in interest rates are further described in *note 17* to the consolidated financial statements.

Certain of the Company's corporate investments are also held in the form of debentures and loans. Significant fluctuations in market interest rates can have a material impact on the carrying value of these investments.

Currency risk

The Company has implemented a hedging strategy because it has, directly and indirectly, several investments outside of Canada, currently in the United States, India, Chile and the United Kingdom. The Company has also advanced loans to investee companies and the CEP VI Fund which are denominated in foreign currency. In order to limit its exposure to changes in the value of foreign denominated currencies relative to the Canadian dollar, Clairvest and its acquisition entities, subject to certain exceptions, entered into foreign exchange hedging positions against these foreign denominated currencies. As at March 31, 2021, the Company's foreign exchange exposure with respect to the Chilean Peso and Indian Rupee are unhedged. In addition, there is a timing difference between the balance sheet date and the investment valuation date given the timing of which information is available to make this determination. This could result in a delay in the implementation of the Company's hedging strategy. Accordingly, a significant depreciation in value in these currencies could result in a material impact to the performance of Clairvest's investment portfolio and the carried interest the Company could earn from the CEP Funds.

A number of investee companies are subject to foreign exchange risk. A significant change in foreign exchange rates can have a significant impact on the profitability of these entities and in turn the Company's carrying value of these

corporate investments, and could impact the carried interest the Company could earn from the CEP Funds. The Company manages this risk through oversight responsibilities with existing investee companies and by reviewing the financial condition of investee companies regularly.

Commodity price risk

Certain Clairvest's investee companies are subject to price fluctuations in commodities. Clairvest understands the risk of investing in cyclical industries which are largely tied to commodity prices and takes such risk into account in making these investments. The Company manages this risk through oversight responsibilities with existing investee companies and by reviewing the financial condition of investee companies regularly.

Investing process risk***Competition risk***

Clairvest and the CEP Funds compete for acquisition of investments with many other investors, some of which may have greater depth of investment experience in particular industries or segment or greater financial resources. There may be intense competition for investments in which Clairvest intends to invest, and such competition may result in less favorable investment terms than would otherwise be the case. There can, therefore, be no assurance that the investments ultimately acquired by Clairvest will meet all the investment objectives of Clairvest, or that Clairvest will be able to invest all of the capital it has committed to invest alongside the CEP Funds. The Company manages this risk through a disciplined approach to investing its capital and that of the CEP Funds and has strict investment policies where investments above a certain threshold require the approval of the Board of Directors.

Uncompleted and unspecified investment risk

The due diligence of each specific investment opportunity that Clairvest looks at and the negotiation, drafting and execution of the relevant agreements require substantial management time and attention and may incur substantial third-party costs. In the event that Clairvest elects not to complete a specific investment, the costs incurred up to that point for the proposed transaction are often not recoverable by Clairvest and the CEP Funds. Furthermore, in the event that Clairvest reaches an agreement relating to a specific investment, it may fail to complete such an investment for any number of reasons, including those beyond Clairvest's control. Any such occurrence could similarly result in a financial loss to Clairvest and the CEP Funds due to the inability to recoup any of the related costs incurred to complete a transaction. A shareholder must rely upon the ability of Clairvest's management in making investment decisions consistent with its investment objectives and policies. Shareholders will not have the opportunity to evaluate personally the relevant economic, financial and other information which is utilized by Clairvest in its selection of investments.

Minority investment risk

Clairvest and the CEP Funds may make minority equity investments in entities in which they do not legally control all aspects of the business or affairs of such entities. As at March 31, 2021, 11 of the 20 investments made by Clairvest and the CEP Funds were minority equity investments. In all investments, Clairvest monitors the performance of each investment, maintains an ongoing dialogue with each investee's management team and seeks board representation and negative controls as conditions of each investment.

Gaming investment risk

As at March 31, 2021, Clairvest's exposure to gaming investments represented 22.1% of its net book value. These investments are subject to the risks of any other investment but have heightened exposure to political and regulatory risk whereby a change in the political or regulatory regime governing the gaming industry in a particular jurisdiction where Clairvest's gaming assets are located, including those internationally, could have an impact on the ultimate returns of that

investment. In addition, many of these investments involve the construction of a gaming facility whereby not only is Clairvest underwriting the risk of completing the facility on budget, but it is also relying on forecasted gaming revenue, versus historical results, which is only a best estimate. While a project is in construction and for a specified period thereafter, the owners of a newly constructed gaming facility may have to guarantee some or all of the bank facility or agree to fund any operating shortfall. The Company manages this risk through oversight responsibilities with existing investee companies and by reviewing the financial condition of investee companies regularly. Historically, Clairvest has been able to manage all of these risks but past performance of Clairvest provides no assurance of future success.

Risks upon sale of investments

In connection with the disposition of an investee company, Clairvest and the CEP Funds may be required to make representations about the business and financial affairs of the business. Clairvest and the CEP Funds may also be required to indemnify the purchasers of such investee companies to the extent that any such representation turns out to be incorrect, inaccurate or misleading.

Investment structure and taxation risks

Clairvest structures its investments in a manner that is intended to achieve its investment objectives. There can be no assurance that the structure of any investment will be as tax efficient as designed or that any particular tax result will be achieved, due to unanticipated tax law changes or unforeseen circumstances during the planning phase of the tax structuring. Furthermore, Clairvest's returns in respect of its investments may be reduced by withholding or other taxes imposed by jurisdictions in which Clairvest's investee companies are organized.

Other risks***Credit risk***

Credit risk is the risk of a financial loss occurring as a result of default of a counterparty on its obligations to the Company. For the year ended March 31, 2021, there were no material income effects on changes of credit risk on financial assets. The Company manages credit risk on corporate investments through thoughtful planning, strict investment criteria, significant due diligence of investment opportunities and oversight responsibilities with existing investee companies and by conducting activities in accordance with investment policies that are approved by the Board of Directors. Management's application of these policies is regularly monitored by the Board of Directors. Management and the Board of Directors review the financial condition of its investee companies regularly.

The Company is also subject to credit risk on its accounts receivable and loans receivable, a significant portion of which are with its investee companies and its CEP Funds. The Company manages this risk through its oversight responsibilities with existing investee companies by reviewing their financial conditions regularly, and through its fiduciary duty as manager of the CEP Funds and by maintaining sufficient uncalled capital for the CEP Funds to settle obligations as they come due.

The Company manages counterparty credit risk on derivative instruments by only contracting with counterparties which are Schedule 1 Canadian chartered banks.

The Company manages credit risk on its treasury funds by conducting activities in accordance with the fixed income securities policy which is approved by the Audit Committee. The Company also manages credit risk by contracting with counterparties which are Schedule 1 Canadian chartered banks or through investment firms where Clairvest's funds are segregated and held in trust for Clairvest's benefit. With respect to the other fixed income securities under temporary investments, the Company reviews the credit quality of the counterparties through underwriting information provided by agents or brokers which are specialized in brokering these investments and in each case the Company's investment in these counterparties represents the most senior security in the counterparty's capital structure. Management's application of

these policies is regularly monitored by the Audit Committee. Management and the Audit Committee review credit quality of cash equivalents and temporary investments regularly.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. Financial obligations arising from off-statement of financial position arrangements have been previously discussed. Accounts payable, loans payable, and derivative instruments have maturities of less than one year. Management participation liability, share-based compensation liability, and amounts accrued under the Bonus Program are only due upon cash realization or completion of the respective vesting periods. Total unfunded commitments to co-invest alongside the CEP Funds, as described were \$332.3 million as at March 31, 2021. The timing of any amounts to be funded under these commitments is dependent upon the timing of investment acquisitions, which are made at the sole discretion of the Company.

The Company manages liquidity risk by maintaining a conservative liquidity position that exceeds all liabilities payable on demand. The Company invests treasury funds in liquid assets such that they are available to cover any potential funding commitments and guarantees. In addition, the Company maintains a \$100.0 million credit facility which was undrawn as at March 31, 2021.

As at March 31, 2021, Clairvest had treasury funds, inclusive of those held at acquisition entities, of \$345.3 million and access to \$100.0 million in credit to support its obligations and current and anticipated corporate investments. Clairvest also had access to \$0.8 billion in uncalled committed third-party capital through the CEP Funds as at March 31, 2021 to invest along with Clairvest's capital.

Conflicts of interest risk

Clairvest's primary business is that of a private equity investor investing its own capital but it also manages third-party capital through the CEP Funds. In accordance with the various fund agreements for the CEP Funds, Clairvest is required to invest alongside the CEP Funds unless the relevant CEP Fund investor committee approves such an investment to be invested by Clairvest without the CEP Funds' participation. Accordingly, Clairvest shareholders may not realize the full benefit of Clairvest investment opportunities as such opportunities are required to be shared with the CEP Funds.

Risk of CEP Fund Limited Partners' failure to meet their capital call obligations

The general partner of the CEP Funds is responsible to manage the affairs of the CEP Funds, which includes calling capital for investments made by the CEP Funds. If a limited partner of the CEP Funds fails to make the required capital contribution when due, Clairvest could be required to increase its investment under certain conditions. The general partner of the CEP Funds manages this risk through designing the terms of the CEP Funds appropriately and due diligence of potential limited partners of the CEP Funds prior to admitting them to the partnership.

Minority shareholder risks

As at March 31, 2021, Clairvest's Board of Directors and employees owned approximately 76% of Clairvest's common shares and the CEO owned or controlled over 50% of the total common shares of the Company. Accordingly, the CEO and other insider shareholders have the ability to exercise substantial influence with respect to Clairvest's affairs and can usually dictate the outcome of shareholder votes and may have the ability to prevent certain fundamental transactions.

Accordingly, Clairvest shares may be less liquid and trade at a relative discount compared to circumstances where such large shareholders did not have the ability to significantly influence or determine matters affecting Clairvest.

DERIVATIVE FINANCIAL INSTRUMENTS

The Company and its acquisition entities entered into foreign exchange forward contracts as economic hedges against the fair value of its foreign-denominated investments and loans in accordance with its foreign exchange hedging policy. Foreign exchange hedging activities during fiscal 2021 are further described in *note 15* to the consolidated financial statements.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

In accordance with National Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings", issued by the Canadian Securities Administrators ("CSA"), Management has evaluated the effectiveness of Clairvest's disclosure controls and procedures as at March 31, 2021 and concluded that the disclosure controls and procedures were effective in ensuring that information required to be disclosed by Clairvest in its corporate filings is recorded, processed, summarized and reported within the required time period for the year then ended.

National Instrument 52-109 also requires certification from the CEO and the Chief Financial Officer to certify their responsibilities for establishing and maintaining internal controls with regards to the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. Management has evaluated Clairvest's design and operational effectiveness of internal controls over financial reporting for the year ended March 31, 2021. Management has concluded that the design of internal controls over financial reporting were effective and operated as designed as at March 31, 2021 based on this evaluation. There were no changes in internal controls during the most recent interim period that has materially affected, or is reasonably likely to materially affect, internal controls over financial reporting. The Company has not identified any weakness that has materially affected or is reasonably likely to materially affect the Company's internal control over financial reporting.

FORWARD-LOOKING STATEMENTS

A number of the matters discussed in this MD&A deal with potential future circumstances and developments and may constitute "forward-looking" statements. These forward-looking statements can generally be identified as such because of the context of the statements and often include words such as the Company "believes", "anticipates", "expects", "plans", "estimates" or words of a similar nature.

The forward-looking statements are based on current expectations and are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include general and economic business conditions and regulatory risks. The impact of any one risk factor on a particular forward-looking statement is not determinable with certainty as such factors are interdependent upon other factors, and management's course of action would depend upon its assessment of the future, considering all information then available.

All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. The Company assumes no obligation to update forward-looking statements should circumstances, management's estimates, or opinions change.

REGULATORY FILINGS

The Company's continuous disclosure materials, including interim filings, annual MD&A and audited consolidated financial statements, Annual Information Form, Notice of Annual Meeting of Shareholders and Proxy Circular are available on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

USE OF NON-IFRS MEASURES

This MD&A contains references to "book value" and "book value per share" which are non-IFRS financial measures. Book value is calculated as the value of total assets less the value of total liabilities. Book value per share is calculated as book

MANAGEMENT'S DISCUSSION AND ANALYSIS

As at, and for the year ended, March 31, 2021

June 22, 2021

value divided by the total number of common shares of the Company outstanding as at a specific date. The terms book value and book value per share do not have any standardized meaning according to IFRS. There is no comparable IFRS financial measure presented in the Company's consolidated financial statements and thus no applicable quantitative reconciliation for such non-IFRS financial measure. The Company believes that the measure provides information useful to its shareholders in understanding our performance, and may assist in the evaluation of the Company's business relative to that of its peers.

MANAGEMENT'S REPORT

The accompanying consolidated financial statements of Clairvest Group Inc. were prepared by management, which is responsible for the integrity and fairness of the financial information presented. These consolidated financial statements are prepared in accordance with International Financial Reporting Standards. The financial information contained elsewhere in the annual report has been reviewed to ensure consistency with the consolidated financial statements.

Management maintains a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded, that transactions are properly authorized and that financial records are properly maintained to facilitate the preparation of consolidated financial statements in a timely manner. Under the supervision of management, an evaluation of the effectiveness of the Company's internal control over financial reporting was carried out for the year ended March 31, 2021. Based on that evaluation, management concluded that the Company's internal control over financing reporting was effective for the year ended March 31, 2021.

The Board of Directors carries out its responsibility for the consolidated financial statements in this annual report principally through its Audit Committee. The Audit Committee, which comprised three non-management Directors during the year ended March 31, 2021, meets periodically with management and with external auditors to discuss the scope and results with respect to financial reporting of the Company. The Audit Committee has reviewed the consolidated financial statements with management and with the independent auditors. The consolidated financial statements have been approved by the Board of Directors on the recommendation of the Audit Committee.

Ernst & Young LLP, appointed external auditors by the shareholders, have audited the consolidated financial statements and their report is included herewith.



B. Jeffrey Parr
Vice Chairman



Daniel Cheng
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CLAIRVEST GROUP INC.

OPINION

We have audited the consolidated financial statements of Clairvest Group Inc. and its subsidiaries [the "Company"], which comprise the consolidated statements of financial position as at March 31, 2021 and 2020, and the consolidated statements of comprehensive income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ["IFRSs"].

BASIS FOR OPINION

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

Key audit matter

How our audit addressed the key audit matter

Fair value measurement of financial assets based on unobservable inputs

The Company describes its critical accounting estimates, assumptions and judgment in relation to the fair value measurement of financial instruments in note 2 of the consolidated financial statements. As disclosed in note 18 of the consolidated financial statements, the Company has financial assets of \$656 million recorded at fair value. Of these, \$396 million relates to investments where fair value is based on unobservable inputs and are classified as Level 3 financial instruments within the fair value hierarchy.

Auditing the fair value of Level 3 financial assets requires the application of significant auditor judgment and involvement of valuation specialists in assessing the valuation techniques and unobservable inputs utilized by the Company. Certain valuation inputs used to determine fair value that may be unobservable include the multiple of earnings before interest, taxes, depreciation and amortization ["EBITDA"] and the estimated adjusted EBITDA. The use of different valuation techniques and assumptions could produce significantly different estimates of fair value.

Our audit procedures included, among others, evaluating the Company's valuation techniques and testing the significant inputs and assumptions utilized by the Company, including related disclosures. We evaluated the Company's valuation techniques and assessed whether these valuation techniques were reasonable based on the characteristics of the investee company, such as the operations, industry sector and market activity. We also assessed whether the unobservable inputs and assumptions identified by the Company are relevant and if it provided a reasonable basis for the fair value measurement.

The most significant and judgmental unobservable inputs impacting the fair value measurement are the multiple of EBITDA and the estimated adjusted EBITDA for the relevant investee company. Our audit procedures included, among others:

- Where the multiple of EBITDA is based on public guideline companies, we reviewed business descriptions of guideline companies selected by management and evaluated if they were reasonable based on the business of the investee company. Where applicable, we performed an independent search for additional guideline companies to benchmark and incorporate trends in the broader industry that impact the fair value measurement.
- Where the multiple of EBITDA is based on a multiple at which the Company invested in the investee company, or on follow-on investments or financings, we re-calculated the multiple using the transaction details and assessed whether the transaction continued to be representative of fair value.
- We assessed the estimated adjusted EBITDA based on recent financial information of the investee company, including the most recent audited financial statements.
- Our assessment of the multiple of EBITDA and estimated adjusted EBITDA was also based on certain qualitative factors, including the size and stage of the investee company, nature of business of guideline companies compared to the investee company, developments of the investee company, current economic environment and any relevant subsequent events.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the consolidated financial statements and our auditor's report thereon, in the Annual Report

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Gary Chin.

Toronto, Canada
June 22, 2021


Chartered Professional Accountants
Licensed Public Accountants

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at March 31

\$000s	2021	2020
ASSETS		
Cash and cash equivalents (notes 3 and 14)	\$ 186,795	\$ 272,938
Temporary investments (note 3)	92,578	155,918
Accounts receivable and other assets (note 10(f))	40,502	33,695
Loans receivable (note 10(e))	86,313	20,063
Derivative instruments (note 15)	1,446	85
Income taxes recoverable	433	8,000
Deferred income tax asset (note 11)	—	417
Carried interest from Clairvest Equity Partners III and IV (note 7)	34,318	44,409
Corporate investments (note 5)	534,667	400,291
Fixed assets (note 8)	7,973	9,062
	\$ 985,025	\$ 944,878
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Accounts payable and accrued liabilities (notes 10(h) and 16(e))	\$ 8,554	\$ 11,861
Income taxes payable	956	1,998
Accrued compensation expense (notes 13 and 16(b))	10,507	8,317
Share-based compensation (note 13)	65,216	39,039
Management participation from Clairvest Equity Partners III and IV (note 7)	25,996	34,115
Deferred income tax liability (note 11)	15,989	12,133
	\$ 127,218	\$ 107,463
Contingencies, commitments and guarantees (note 16)		
Shareholders' equity		
Share capital (note 12)	\$ 80,827	\$ 80,917
Retained earnings	776,980	756,498
	857,807	837,415
	\$ 985,025	\$ 944,878

See accompanying notes

On behalf of the Board:



MICHAEL BREGMAN
Director



JOHN KREDIET
Chairman

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended March 31

\$000s (except per share information)	2021	2020
REVENUE		
Net investment gain (notes 4 and 5)	\$ 150,528	\$ 21,576
Distributions and interest income (notes 5, 6 and 10)	20,561	80,397
Carried interest from Clairvest Equity Partners III and IV (note 7)	(9,299)	22,615
Dividend income (note 10(g))	1,415	1,212
Management fees (note 6)	12,065	2,025
Advisory and other fees (note 10(g))	2,453	1,473
	177,723	129,298
EXPENSES		
Employee compensation and benefits (notes 13 and 16(b))	17,152	22,056
Share-based compensation expenses (note 13)	41,573	4,161
Administration and other expenses	5,721	5,338
Finance and foreign exchange expenses	3,935	489
Management participation from Clairvest Equity Partners III and IV (note 7)	(7,447)	17,970
	60,934	50,014
Income before income taxes	116,789	79,284
Income tax expense (note 11)	11,950	9,786
Net income and comprehensive income for the year	\$ 104,839	\$ 69,498
Basic and fully diluted net income and comprehensive income per share (note 12)	\$ 6.96	\$ 4.60

See accompanying notes

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended March 31

\$000s	Share capital	Retained earnings	Total shareholders' equity
As at April 1, 2020	\$ 80,917	\$ 756,498	\$ 837,415
Changes in shareholders' equity			
Net income and comprehensive income for the year		104,839	104,839
Dividends declared (\$5.5555 per share)		(83,661)	(83,661)
Purchase and cancellation of shares (note 12)	(90)	(696)	(786)
As at March 31, 2021	\$ 80,827	\$ 776,980	\$ 857,807
As at April 1, 2019			
As at April 1, 2019	\$ 81,245	\$ 697,447	\$ 778,692
Changes in shareholders' equity			
Net income and comprehensive income for the year		69,498	69,498
Dividends declared (\$0.5144 per share)		(7,786)	(7,786)
Purchase and cancellation of shares (note 12)	(328)	(2,661)	(2,989)
As at March 31, 2020	\$ 80,917	\$ 756,498	\$ 837,415

See accompanying notes

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended March 31

\$000s	2021	2020
OPERATING ACTIVITIES		
Net income and comprehensive income for the year	\$ 104,839	\$ 69,498
Add (deduct) items not involving a current cash outlay:		
Amortization of fixed assets	1,203	1,216
Share-based compensation	43,433	6,034
Deferred income tax expense	4,273	7,937
Net investment gain	(150,528)	(21,576)
Carried interest and management participation from Clairvest Equity Partners III and IV	1,972	3,591
Non-cash items relating to foreign exchange forward contracts	(3,819)	883
Non-cash items relating to corporate investments	1,237	21,101
	2,610	88,684
Adjustments for:		
Net proceeds on sale of temporary investments	75,524	7,485
Net loans advanced to acquisition entities or the CEP Funds (note 10(e))	(66,250)	(10,336)
Proceeds from (cost of) settlement of realized foreign exchange forward contracts	2,458	(968)
Investments made in investee companies or acquisition entities	(35,761)	(57,524)
Proceeds on sale of investee companies	—	154
Distribution or return of capital from investee companies or acquisition entities	38,492	23,833
Settlement of share-based compensation liability	(17,256)	(7,260)
	(2,793)	(44,616)
Net change in non-cash working capital balances related to operations (note 14)	(1,399)	(49,709)
Cash used in operating activities	(1,582)	(5,641)
INVESTING ACTIVITIES		
Sale (purchase) of fixed assets	(114)	432
Cash provided by (used in) investing activities	(114)	432
FINANCING ACTIVITIES		
Cash dividends paid	(83,661)	(7,786)
Purchase and cancellation of shares (note 12)	(786)	(2,989)
Cash used in financing activities	(84,447)	(10,775)
Net decrease in cash during the year	(86,143)	(15,984)
Cash and cash equivalents, beginning of year (note 14)	272,938	288,922
Cash and cash equivalents, end of year	\$ 186,795	\$ 272,938
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest received	\$ 5,462	\$ 10,652
Distributions received (notes 5 and 10)	\$ 47,648	\$ 106,321
Income taxes paid	\$ 1,591	\$ 29,902
Interest paid	\$ 777	\$ 775

See accompanying notes

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021 and 2020 (tabular dollar amounts in thousands, except per share information)

1. NATURE OF ACTIVITIES

Clairvest Group Inc. ("Clairvest" or the "Company") is a private equity management firm that specializes in partnering with management teams and other stakeholders of both emerging and established companies. The Company's shares are traded on the Toronto Stock Exchange ("TSX") under the symbol CVG. The Company, which operates in only one business segment, actively seeks to form mutually beneficial investments with entrepreneurial businesses. As at March 31, 2021, Clairvest invests its own capital, and that of third parties, through Clairvest Equity Partners III Limited Partnership ("CEP III"), Clairvest Equity Partners IV Limited Partnership ("CEP IV"), Clairvest Equity Partners IV-A Limited Partnership ("CEP IV-A"), Clairvest Equity Partners V Limited Partnership ("CEP V"), CEP V HI India Investment Limited Partnership ("CEP V India"), Clairvest Equity Partners V-A Limited Partnership ("CEP V-A"), Clairvest Equity Partners VI Limited Partnership ("CEP VI"), Clairvest Equity Partners VI-A Limited Partnership ("CEP VI-A") and Clairvest Equity Partners VI-B Limited Partnership ("CEP VI-B") (together, the "CEP Funds"). CEP III, CEP IV and CEP IV-A are herein referred to as Clairvest Equity Partners III and IV. CEP V, CEP V India, CEP V-A, CEP VI, CEP VI-A and CEP VI-B are herein referred to as Clairvest Equity Partners V and VI.

Clairvest contributes financing and strategic expertise to support the growth and development of its investee companies in order to create realizable value for shareholders.

Clairvest is incorporated under the laws of the Province of Ontario. The Company's head office is located at 22 St. Clair Avenue East, Suite 1700, Toronto, Ontario, Canada, M4T 2S3.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation and adoption of new accounting standard

The consolidated financial statements of Clairvest are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Company has consistently applied the same accounting policies throughout all periods presented in these consolidated financial statements, as if these policies had always been in effect.

These consolidated financial statements and related notes of Clairvest for the years ended March 31, 2021 and 2020 ("consolidated financial statements") were authorized for issuance by the Board of Directors on June 22, 2021.

The consolidated financial statements have been presented on a historical cost basis, except for certain financial instruments that have been measured at fair value. The consolidated financial statements have been prepared on a going concern basis and are presented in Canadian dollars, which is the functional currency of the Company. All values are rounded to the nearest thousand dollars (\$000s), except where otherwise indicated.

Basis of consolidation

The consolidated financial statements have been prepared in accordance with IFRS 10, *Consolidated Financial Statements* ("IFRS 10"), as issued by the IASB and include the accounts of the Company and its consolidated subsidiaries. As discussed under critical accounting estimates and judgments, the Company has determined it meets the definition of an investment entity.

Consolidated subsidiaries

In accordance with IFRS 10, subsidiaries are those entities that provide investment-related services and that the Company controls by having the power to govern the financial and operating policies of these entities. Such entities would include those which earn priority distributions or management fees from the CEP Funds and carried interest from Clairvest Equity Partners III and IV. All intercompany amounts and transactions amongst these consolidated entities have been eliminated upon consolidation. The existence and effect of potential voting rights that are currently exercisable and shareholder agreements are considered when assessing whether the Company controls an entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are subsequently deconsolidated from the consolidated financial statements on the date that control ceases.

The following entities, which are significant in nature, do not meet the definition of an investment entity and provide investment-related services on behalf of the Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021 and 2020 (tabular dollar amounts in thousands, except per share information)

Clairvest GP Manageco Inc.
Clairvest GP (GPLP) Inc.
CEP MIP GP Corporation
Clairvest USA Limited
Clairvest General Partner Limited Partnership
Clairvest General Partner III Limited Partnership ("Clairvest GP III")
Clairvest General Partner IV Limited Partnership ("Clairvest GP IV")

Interests in unconsolidated subsidiaries ("acquisition entities")

In accordance with IFRS 10, interests in subsidiaries other than those that provide investment-related services are accounted for at fair value through profit or loss ("FVTPL") rather than consolidating them. As discussed under critical accounting estimates and judgments, management exercised judgment when determining whether subsidiaries are investment entities.

During fiscal 2020, the Company determined that Clairvest General Partner V Limited Partnership ("Clairvest GP V") met the definition of an investment entity, as defined in IFRS 10. This change in status resulted from an amendment to the business purpose of Clairvest GP V for it to invest directly in CEP V Co-Investment Limited Partnership.

As a result of this change in status, the assets and liabilities of Clairvest GP V have been derecognized from the Company's consolidated statement of financial position and the Company's investment in Clairvest GP V has been recognized in corporate investments as at November 22, 2019, with an initial fair value of \$0.1 million. There was no material transition gain or loss on the change. Effective November 22, 2019, Clairvest GP V is considered an acquisition entity of Clairvest and investments made by Clairvest GP V in CEP V Co-Investment Limited Partnership are measured at FVTPL. The change in status of Clairvest GP V has been accounted for prospectively from November 22, 2019, in accordance with IFRS 10.

The following entities, which are significant in nature, are controlled by Clairvest either directly or indirectly and are used as acquisition entities of the Company. The entities' principal place of business is in Canada:

2141788 Ontario Corporation ("2141788 Ontario")
2486303 Ontario Inc. ("2486303 Ontario")
CEP III Co-Investment Limited Partnership ("CEP III Co-Invest")
MIP III Limited Partnership ("MIP III")
CEP IV Co-Investment Limited Partnership ("CEP IV Co-Invest")
MIP IV Limited Partnership ("MIP IV")
CEP V Co-Investment Limited Partnership ("CEP V Co-Invest")
Clairvest GP V
MIP V Limited Partnership ("MIP V")
CEP VI Co-Investment Limited Partnership ("CEP VI Co-Invest")
MIP VI Limited Partnership ("MIP VI")
Clairvest SLP VI Limited Partnership ("Clairvest SLP VI")

The Company may also use intermediate subsidiaries whose sole purpose is to hold investments for the Company and therefore are not included in the list above.

Interests in the CEP Funds

Clairvest manages and invests alongside the CEP Funds, which meet the definition of structured entities under IFRS. Clairvest provides loans to and earns priority distributions or management fees and carried interest from the CEP Funds, which are further described in *notes 6 and 7*. The Company concluded that its ownership interests in the CEP Funds do

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not meet the definition of control under IFRS. Accordingly, the financial positions and operating results of the CEP Funds and other funds it manages for certain co-investors are not included in Clairvest's consolidated financial statements.

(a) Classification and recognition of financial instruments

In accordance with IFRS 9, *Financial Instruments* ("IFRS 9"), financial instruments classified as FVTPL would include cash and cash equivalents, temporary investments, loans receivable, derivative instruments and corporate investments. These financial instruments are classified at initial recognition at FVTPL on the basis that they are part of a group of financial assets that are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Company. The Company does not apply hedge accounting to its derivative instruments. Accounts receivable and other assets would include balances relating to its acquisition entities, indirect investee companies ("investee companies") and the CEP Funds as well as other short-term receivables. These receivable balances are recognized at amortized cost in accordance with IFRS 9. Accounts payable and accrued liabilities are considered to be payable in respect of goods or services received up to the statement of financial position date and are recognised at amortised cost in accordance with IFRS 9.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

(c) Temporary investments and corporate investments

The Company carries its temporary investments and its corporate investments at fair value. When a financial instrument is initially recognized, its fair value is generally the value of consideration paid or received. Acquisition costs relating to corporate investments are not included as part of the cost of the investment. Subsequent to initial recognition, the fair value of an investment quoted on an active market is generally the bid price on the principal exchange on which the investment is traded. Investments that are escrowed or otherwise restricted as to sale or transfer are recorded at a value which takes into account the escrow terms or other restrictions. In determining the fair value for such investments, the Company considers the nature and length of the restriction, business risk of the investee company, its stage of development, market potential, relative trading volume and price volatility and any other factors that may be relevant to the ongoing and realizable value of the investments. The amounts at which Clairvest's publicly traded investments could be disposed of may differ from this fair value and the differences could be material. Differences could arise as the value at which significant ownership positions are sold is often different from the quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity. Estimated costs of disposition are not included in the fair value determination.

In the absence of an active market, the fair values are determined by management using the appropriate valuation methodologies after considering the history and nature of the business, operating results and financial conditions, the general economic, industry and market conditions, capital market and transaction market conditions, contractual rights relating to the investment, public market comparables, private company 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 Clairvest's privately held investments could be disposed of may differ from the fair value assigned and the differences could be material. Estimated costs of disposition are not included in the fair value determination.

(d) Foreign currency translation

Income and expenses denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the transaction date. Monetary assets and liabilities are translated into Canadian dollars using exchange rates in effect as at the consolidated statement of financial position dates. Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars using the exchange rate at the date of transaction. Non-monetary assets and liabilities that are carried at fair value are translated into Canadian dollars using exchange rates at the date the fair value was determined. Exchange gains and losses are included in income in the period in which they

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021 and 2020 (tabular dollar amounts in thousands, except per share information)

occur. Foreign currency transaction gains and losses on financial instruments classified as FVTPL are included in the consolidated statements of comprehensive income as part of net investment gain.

(e) Derivative instruments

The Company and its acquisition entities enter into foreign exchange forward contracts to hedge their exposure to exchange rate fluctuations on their foreign currency-denominated investments and loans. These foreign exchange forward contracts and their underlying investments and loans are valued at exchange rates in effect as at the consolidated statement of financial position dates.

Foreign exchange forward contracts entered into by the Company are included in the consolidated statements of financial position as derivative instruments and are valued at fair value representing the estimated amount that the Company would have been required to pay, or received, had the Company settled the outstanding contracts as at the consolidated statement of financial position dates. Any unrealized gains or losses are included in finance and foreign exchange expense in the consolidated statements of comprehensive income.

Foreign exchange forward contracts entered into by the Company's acquisition entities are included in the fair value determination of these acquisition entities.

(f) Income recognition

Realized gains or losses on disposition of corporate investments and change in unrealized gains or losses in the value of corporate investments are calculated based on weighted average cost and are included in net investment gain (loss) in the consolidated statements of comprehensive income. Management fees and advisory and other fees are recorded as income on an accrual basis when earned. Distributions and interest income are recognized on an accrual basis and dividend income is recognized on the ex-dividend date. Carried interest includes amounts receivable from Clairvest Equity Partners III and IV. Each Clairvest Equity Partners III and IV Fund is separately reviewed as at the consolidated statement of financial position date and an accrual for carried interest is made when the performance conditions are achieved in accordance with IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15") based on the assumption that the remaining underlying investments are realized at their estimated fair values. The fair value of the underlying investments is determined consistently with the Company's valuation methodology and is measured at the consolidated statement of financial position date. Carried interest is accrued only in the event that it is highly probable that there will not be a significant reversal in future financial periods.

(g) Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company and its acquisition entities operate and generate taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

The Company records deferred income tax expense or recovery using the asset and liability method. Under this method, deferred income taxes reflect the expected deferred tax consequences of temporary differences between the carrying amounts of assets and liabilities and their respective income tax bases, as well as certain carryforward items. Deferred income tax assets and liabilities are determined for each temporary difference based on the income tax rates that are expected to be in effect when the asset or liability is settled. Deferred income tax assets are only recognized to the extent that, in the opinion of management, it is probable that the deferred income tax asset will be realized.

(h) Stock-based compensation plans

The Company's stock option plans allow for cash settlement of stock options. As the economics to choose cash or shares as settlement are the same for all holders, compensation expense is recognized over the applicable vesting period and a corresponding liability is recorded based on the fair value of the outstanding stock options at the consolidated statement of financial position dates. Fair value is measured by use of an appropriate option-pricing model. On the

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exercise of stock options for shares, the liability recorded with respect to the options and consideration paid by the employees is credited to share capital. On the exercise of stock options for cash, the liability recorded is reduced and any difference between the liability accrued and the amount paid is charged to share-based compensation expense.

(i) Deferred share unit plans

Directors of the Company may elect annually to receive all or a portion of their compensation in deferred share units ("DSUs") based on the closing price of a Clairvest common share on the date directors' fees are payable. Upon redemption of DSUs, the Company pays to the participant a lump sum cash payment equal to the number of DSUs to be redeemed, multiplied by the closing price of a Clairvest common share on the redemption date. A participant may redeem his or her DSUs only following termination of board service. Under the Company's DSU plan, a change to the fair value of the DSUs is charged to share-based compensation expense and recorded as a liability.

Certain directors were also granted appreciation deferred share units ("ADSUs"). Upon redemption of the ADSUs, the Company pays to the participant a lump sum cash payment equal to the number of ADSUs to be redeemed multiplied by the difference between the closing price of a Clairvest common share on the redemption date and the closing price of a Clairvest common share on the grant date. A participant may redeem his or her ADSUs only following termination of board service. Under the Company's ADSU plan, a change to the fair value of the ADSUs is charged to share-based compensation expense and recorded as a liability.

Certain employees of the Company may elect annually to receive all or a portion of their annual bonuses in employee deferred share units ("EDSUs"). The number of EDSUs granted to a participant is determined by dividing the amount of the elected bonuses to be received by way of EDSUs by the five-day volume-weighted average closing price of the Clairvest common shares. EDSUs may be redeemed for cash or for common shares of the Company. A participant may redeem his or her EDSUs only following termination of employment. Under the Company's EDSU plan, a change to the fair value of the EDSUs is charged to share-based compensation expense and recorded as a liability.

(j) Book value appreciation rights plan

The Company may elect to issue all or a portion of a participant's stock option grant by way of book value appreciation rights units ("BVARs"). Upon redemption of BVARs, the Company pays to the participant a lump sum cash payment equal to the number of BVARs to be redeemed multiplied by the increase in book value per share between the grant date and the redemption date, and grossed up such that the participant's after-tax proceeds equate to an amount as if the proceeds were taxed at the capital gains rate. The BVARs vest over a five-year period and the participant may only redeem his or her BVARs at the earlier of (i) five years from the grant date or (ii) cessation of employment with the Company.

Fair value of the BVARs is calculated based on the latest book value per share published at the time the value is being determined. As the Company's BVAR plan is a cash-settled plan, a change to the fair value of the BVARs is charged to share-based compensation expense and recorded as a liability.

(k) Entitlements of partners of a limited partnership

The Company consolidates subsidiaries which includes various limited partnerships and the entitlements of partners of these limited partnerships that are external to the consolidated group of the Company are recorded as a liability and an expense of the Company. Accordingly, that portion of the carried interest from Clairvest Equity Partners III and IV which are ultimately paid to the limited partners of the corresponding MIP partnerships which are external to the consolidated group are recorded as a management participation liability and a management participation expense on the consolidated financial statements. The amounts ultimately paid to the limited partners of the corresponding MIP Partnerships resulting from carried interest from Clairvest Equity Partners V and VI are accounted for at FVTPL.

(l) Leases

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate. Each lease payment is allocated between the repayment of the lease liability and finance expenses. Finance expenses are charged to the consolidated statement of comprehensive income over the lease period to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The

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associated right-of-use assets were measured at an amount equal to the lease liabilities, adjusted for previously recognized lease accruals, in accordance with the transitional provisions of *Leases* ("IFRS 16"), and entirely comprised real estate premises. The right-of-use assets are included within fixed assets in the consolidated statement of financial position and amortized on a straight-line basis over the shorter of the asset's useful life and the lease term. There was no impact to retained earnings on April 1, 2019 resulting from the adoption of IFRS 16.

(m) Fixed assets

Fixed assets are accounted for at cost less accumulated amortization. Leasehold improvements are amortized on a straight-line basis over the lease term including reasonably assured renewal options. All other fixed assets are amortized on a straight-line basis at the following rates per year:

Aircraft	10%
Computer equipment	30%
Computer software	50%
Furniture, fixtures and equipment	20%
Leasehold improvements	Term of lease
Right-of-use asset	Term of lease

The Company assesses, at each reporting date, whether there is an indication that a fixed asset may be impaired. If any indication exists, the Company estimates the fixed asset's recoverable amount. The recoverable amount is the higher of its fair value less cost of disposal and its value in use. When the carrying amount exceeds its recoverable amount, the fixed asset is considered impaired and is written down to its recoverable amount.

(n) Net income and comprehensive income per share

Basic net income and comprehensive income per share is determined by dividing net income and comprehensive income attributable to common shareholders by the weighted average number of common shares outstanding during the year. Fully diluted net income and comprehensive income per share are determined in accordance with the treasury stock method and is based on the weighted average number of common shares and dilutive common share equivalents outstanding during the year.

(o) Critical accounting estimates, assumptions and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, assumptions and judgments that affect the reported amounts. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates could materially differ from the related actual results. The following estimates, assumptions and judgments have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year:

Determination of investment entity

Judgment is required when making the determination that the Company or its various subsidiaries meet the definition of an investment entity under IFRS. In accordance with IFRS 10, an investment entity is an entity that: "obtains funds from one or more investors for the purpose of providing them with investment management services, commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both, and measures and evaluates the performance of substantially all of its investments on a fair value basis." In addition, IFRS 10 clarifies that an investment entity may earn fee income from the provision of investment-related services to external parties. The Company has historically invested alongside third-party capital in the CEP Funds that it manages. In determining its status as an investment entity, the Company has determined that fair value is the primary measurement attribute used to monitor and evaluate its investments.

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Fair value of financial instruments

Certain financial instruments are recorded in the Company's consolidated statements of financial position at values that are representative of or approximate fair value. The fair value of a financial instrument that is traded in active markets at each reporting date is determined by reference to its quoted market price or dealer price quotations. The fair values of certain other financial instruments are determined using valuation techniques. By their nature, these valuation techniques require the use of estimates and assumptions. Changes in the underlying estimates and assumptions could materially impact the determination of the fair value of a financial instrument. Imprecision in determining fair value using valuation techniques may affect net investment gain reported in a particular period.

The Company assesses, at each reporting date, whether there is any objective evidence to revise the fair values of its financial instruments. The assessment of the fair value of a financial instrument requires significant judgment, where management evaluates, among other factors, the financial health and business outlook of their investees. Fair value information is presented in note 17.

Recognition of carried interest and corresponding expenses

The determination of the Company's carried interest is recorded on the consolidated statements of financial position is based on the fair values of the financial instruments held by Clairvest Equity Partners III and IV. In accordance with IFRS 15, the calculated carried interest can only be recognized to the extent to which it is highly probable that there will not be a significant reversal when the relevant uncertainty is resolved. This judgment is made on a fund-by-fund basis, based on its specific circumstances, including consideration of: remaining duration of the fund, position in relation to the cash hurdle, the number of assets remaining in the fund and the potential for clawback. The actual amounts of carried interest received and paid will depend on the cash realizations of Clairvest Equity Partners III and IVs' portfolio investments and valuations may change significantly in future financial periods. As discussed previously, fair values of certain financial instruments are determined using valuation techniques and by their nature, the use of estimates and assumptions. Changes in the underlying estimates and assumptions could materially impact the determination of the fair value of these financial instruments. Imprecision in determining fair value using valuation techniques may affect the calculation of carried interest and the resulting accrued liabilities for future payouts relating to the carried interest as at the consolidated statement of financial position dates.

Income taxes

The determination of the Company's income and other tax liabilities requires interpretation of complex laws and regulations often involving multiple jurisdictions. Judgment is required in determining whether deferred income tax assets should be recognized on the consolidated statements of financial position. Deferred income tax assets are recognized to the extent that the Company believes it is probable that the deferred income tax asset will be realized. Furthermore, deferred income tax balances are recorded using enacted or substantively enacted future income tax rates. Changes in enacted income tax rates are not within the control of management. However, any such changes in income tax rates may result in actual income tax amounts that may differ significantly from estimates recorded in deferred tax balances.

Impact on COVID-19 on significant estimates

As at March 31, 2021, there remains uncertainty on the longer-term impacts of the COVID-19 pandemic and the recovery. Accordingly, there exists a wide range of possible outcomes regarding the full scope of the economic impact of COVID-19. As a result, the carrying value estimates of the Company's certain corporate investments as at March 31, 2021 required significant judgment given the uncertainty regarding the long-term impact of COVID-19 and the ultimate impact of COVID-19 on the Company's investee companies are unknown. If the duration of the pandemic, the related advisories and restrictions are significantly longer than the Company's estimate, the carrying value of its corporate investments may be materially adversely affected, resulting in a material adverse impact to the Company's consolidated financial results.

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3. CASH EQUIVALENTS AND TEMPORARY INVESTMENTS

Cash equivalents consist of deposits in investment and money market savings accounts, which have maturities of less than 90 days from the date of acquisition. As at March 31, 2021, the pre-tax weighted average yield was 0.7% (2020 – 0.8%) per annum.

As at March 31, 2021, temporary investments comprised guaranteed investment certificates, marketable securities, limited recourse capital notes and other fixed income securities as permitted by the Company's treasury policy which in aggregate may not exceed 10% of book value and with no single issue greater than 1.5% of book value. Guaranteed investment certificates have maturities greater than 90 days from the date of acquisition and through to November 2023. The pre-tax weighted average yield was 3.2% (2020 – 2.6%) per annum. The composition of Clairvest's temporary investments as at March 31 was as follows:

	March 31, 2021			March 31, 2020
	Due in 1 year or less	Due after 1 year	Total	Total
Guaranteed investment certificates	\$ 37,089	\$ 7,159	\$ 44,248	\$ 127,403
Corporate bonds	—	—	—	3,012
Marketable securities ⁽¹⁾	—	31,564	31,564	17,964
Limited recourse capital notes	—	4,173	4,173	—
Other fixed income securities	11,195	1,398	12,593	7,539
	\$ 48,284	\$ 44,294	\$ 92,578	\$ 155,918

(1) 253,610 common shares of Canadian Imperial Bank of Commerce ("CIBC", TSX:CM)

Additionally, Clairvest's acquisition entities held \$45.7 million (2020 – \$30.1 million) in cash and cash equivalents and \$20.2 million (2020 – \$26.4 million) in temporary investments as described in *note 5*.

4. NET INVESTMENT GAIN

Net investment gain for the year ended March 31, 2021 and 2020 comprised the following:

	2021	2020
Net investment gain on investee companies (note 5)	\$ 119,520	\$ 58,412
Net investment gain on treasury funds	9,727	—
Net investment gain (loss) on the fair value revaluation of acquisition entities	(3,155)	(40,396)
Net change in unrealized gain on corporate investments (note 7)	126,092	18,016
Carried interest from Clairvest Equity Partners V and VI (note 7)	73,890	14,453
Management participation from Clairvest Equity Partners V and VI (note 7)	(49,454)	(10,893)
	\$ 150,528	\$ 21,576

5. CORPORATE INVESTMENTS

In accordance with IFRS 10, the fair value of the Company's corporate investments includes the fair value of the net assets of its acquisition entities that are controlled by the Company. Accordingly, Clairvest's direct corporate investments comprise these acquisition entities, which invest directly or indirectly in various investee companies and other investee companies where Clairvest made an investment directly.

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The following table details the fair value of Clairvest's direct investments and acquisition entities, which are controlled by Clairvest, but which are not part of the consolidated group:

	March 31, 2021			March 31, 2020		
	Investee companies	Acquisition entities net assets (liabilities)	Total	Investee companies	Acquisition entities net assets (liabilities)	Total
Held directly by Clairvest Group Inc.	\$ 2,674	\$ —	\$ 2,674	\$ 3,787	\$ —	\$ 3,787
Held through the following acquisition entities:						
2141788 Ontario	64,670	55,591	120,261	51,197	38,684	89,881
2486303 Ontario	2,629	(2,958)	(329)	2,186	(3,113)	(927)
CEP III Co-Invest	14,814	460	15,274	13,843	4,531	18,374
MIP III	593	(15)	578	554	(10)	544
CEP IV Co-Invest	70,301	1,897	72,198	107,392	(711)	106,681
MIP IV	1,065	(13)	1,052	1,627	(6)	1,621
CEP V Co-Invest	234,485	(9,805)	224,680	166,954	(10,190)	156,764
Clairvest GP V	19,107	44,127	63,234	12,056	7,190	19,246
MIP V	5,095	(85)	5,010	3,737	(80)	3,657
CEP VI Co-Invest	37,849	(24,979)	12,870	2,839	(7,226)	(4,387)
Clairvest SLP VI	5,475	3	5,478	—	—	—
MIP VI	11,696	(9)	11,687	1,420	3,630	5,050
Total	\$ 470,453	\$ 64,214	\$ 534,667	\$ 367,592	\$ 32,699	\$ 400,291

2141788 Ontario, a limited partner of CEP III Co-Invest and CEP V Co-Invest, is a wholly owned acquisition entity of Clairvest. 2486303 Ontario is a wholly owned acquisition entity of Clairvest. Clairvest's relationship with CEP III Co-Invest and MIP III, CEP IV Co-Invest and MIP IV, CEP V Co-Invest, Clairvest GP V and MIP V, and CEP VI Co-Invest, Clairvest SLP VI and MIP VI are described in *notes 10(a), 10(b), 10(c) and 10(d)*.

During the year ended March 31, 2021, Clairvest made an additional investment of \$3.5 million in CEP V Co-Invest. Clairvest GP V and 2141788 Ontario also made investments of \$1.5 million and \$0.8 million, respectively, in CEP V Co-Invest during fiscal 2021. Also during the year ended March 31, 2021, CEP V Co-Invest received cash proceeds of \$41.1 million primarily as a result of the realization of Right Time Heating and Air Conditioning Canada ("Right Time HVAC") and distributions received from Digital Media Solutions. Accordingly, during fiscal 2021, CEP V Co-Invest declared capital distributions totalling \$44.8 million, \$35.0 million of which were paid to Clairvest and the remaining \$9.8 million were paid to 2141788 Ontario, Clairvest GP V and MIP V.

Also during the year ended March 31, 2021, Clairvest made additional investments totalling US\$17.8 million (C\$22.4 million) to CEP VI Co-Invest. Clairvest SLP VI and MIP VI also made investments totalling US\$5.5 million (C\$6.9 million) and US\$2.6 million (C\$3.2 million), respectively, to CEP VI Co-Invest during fiscal 2021.

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The following table details the assets and liabilities included in the determination of the fair value of the net assets of acquisition entities excluding the investee companies held by these acquisition entities:

	March 31, 2021	March 31, 2020
Assets		
Cash and cash equivalents	\$ 45,708	\$ 30,070
Temporary investments	20,245	26,362
Accounts receivable and other assets	816	1,326
Derivative instruments	6,720	—
Income taxes recoverable	48	491
Carried interest from Clairvest Equity Partners V and VI	88,343	14,453
Loans receivable	80	540
Deferred income tax asset	1,106	1,286
	\$ 163,066	\$ 74,528
Liabilities		
Accounts payable and accrued liabilities	\$ 4,390	\$ 5,915
Derivative instruments	—	11,407
Income taxes payable	753	82
Management participation from Clairvest Equity Partners V and VI	60,346	10,893
Loans payable	25,548	8,209
Deferred income tax liability	7,815	5,323
	\$ 98,852	\$ 41,829
Net assets	\$ 64,214	\$ 32,699

Excluding the net assets from acquisition entities summarized in the table above, the cost and the fair value of the Company's investee companies, aggregated by industry concentration, are summarized below.

	March 31, 2021			March 31, 2020		
	Fair value	Cost	Difference	Fair value	Cost	Difference
Co-packing	\$ 5,117	\$ 5,117	\$ —	\$ —	\$ —	\$ —
Dental services	14,884	15,902	(1,018)	16,636	15,902	734
Equipment rental	4,467	13,591	(9,124)	7,102	13,591	(6,489)
Financial services	1,782	—	1,782	3,009	—	3,009
Gaming	189,551	111,395	78,156	186,484	120,688	65,796
Information technology	22,690	16,351	6,339	8,602	6,732	1,870
Marketing services	80,951	995	79,956	7,471	995	6,476
Renewable energy	61,047	55,292	5,755	18,523	16,185	2,338
Residential services	—	—	—	6,375	6,375	—
Specialty aviation and defence services	49,316	64,623	(15,307)	81,016	60,304	20,712
Waste management	36,009	25,618	10,391	27,117	21,951	5,166
Other investments	4,639	2,312	2,327	5,257	2,346	2,911
	\$ 470,453	\$ 311,196	\$ 159,257	\$ 367,592	\$ 265,069	\$ 102,523

During fiscal 2021, the aggregate fair value of Clairvest's investee companies increased by \$102.9 million, comprised \$92.8 million in net changes in unrealized gains in investee companies and \$68.1 million in new and follow-on investments, net of investment realizations, which had an aggregate fair value of \$35.9 million, \$22.8 million of losses in foreign exchange revaluation excluding the impact from the foreign exchange hedging program and \$0.7 million in interest accrual net of repayments on debt investments.

The fair value of each investee company reflected valuation methodologies as described in *note 18*. The cost and fair value of investee companies do not reflect foreign exchange gains or losses on the foreign exchange forward contracts

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entered into as economic hedges against these investments (*note 15*). For those investments which are hedged by acquisition entities, the fair value of these foreign exchange forward contracts was included in the net assets (liabilities) of these acquisition entities. Details of each investee company are described below.

(a) Investments made by CEP III Co-Invest alongside CEP III

As at March 31, 2021 and 2020, CEP III Co-Invest had one investment remaining in Chilean Gaming Holdings, which has a 50% ownership interest in each of Casino Marina del Sol in Concepcion, Chile, and Casino Chillan in Chillán, Chile; and a 73.8% ownership interest in each of Casino Osorno in Osorno, Chile, and Casino Sol Calama in Calama, Chile. As at March 31, 2021 and 2020, CEP III Co-Invest held 30,446,299 limited partnership units of Chilean Gaming Holdings, representing a 36.8% equity interest.

(b) Investments made by CEP IV Co-Invest alongside CEP IV

As at March 31, 2021, CEP IV Co-Invest had three (2020 – three) investments remaining. Significant activities of CEP IV Co-Invest portfolio companies were as follows:

Gaming

New Meadowlands Racetrack

New Meadowlands Racetrack (the "Meadowlands") operates a standardbred horse racing track located in East Rutherford, New Jersey. As at March 31, 2021 and 2020, CEP IV Co-Invest had invested US\$5.4 million (C\$5.6 million) in the Meadowlands in the form of secured convertible debentures. CEP IV Co-Invest also holds warrants which entitle it to invest in equity securities of the Meadowlands subject to certain conditions. CEP IV Co-Invest also invested US\$0.7 million (C\$0.9 million) in the Meadowlands in the form of preferred debt, which is junior to the Meadowlands Debentures.

During fiscal 2021, the Company advanced a non-interest-bearing short-term loan of US\$0.7 million (C\$0.9 million), US\$0.3 million (C\$0.4 million) of which was repaid by the Meadowlands. The remaining portion was repaid subsequent to year end.

Centaur Gaming

Centaur Gaming was the owner and operator of Hoosier Park Racing & Casino in Anderson, Indiana, and Indiana Grand Casino and Indiana Downs Racetrack in Shelbyville, Indiana. During fiscal 2019, CEP IV Co-Invest realized its interest in Centaur Gaming for aggregate proceeds of US\$166.8 million (C\$219.4 million) and is entitled to deferred consideration of up to US\$8.4 million. During fiscal 2021, CEP IV Co-Invest received US\$2.5 million (C\$3.4 million) of this deferred consideration.

Specialty aviation and defence services

Northco / Top Aces

Northco is a specialty aviation services company operating across Canada and in selected locations internationally. As at March 31, 2021 and 2020, CEP IV Co-Invest held \$22.9 million in Northco debentures and 3,867 common shares of Northco at a cost of \$0.4 million which represented 38.7% ownership interest on a fully diluted basis. During fiscal 2021, the interest rate on the Northco debentures were amended from 10% per annum to 2% per annum.

Top Aces is a supplier of advanced adversary services in Canada, United States, and Germany. As at March 31, 2020, CEP IV Co-Invest held 685,7824 common shares of Top Aces at a cost of \$34.2 million, representing a 18.7% ownership interest on a fully diluted basis. During fiscal 2021, Top Aces completed an equity financing of \$60.0 million. In connection with the transaction, CEP IV Co-Invest made a \$4.3 million follow-on investment for 37,1895 common shares of Top Aces in support of this equity financing. As at March 31, 2021, CEP IV Co-Invest held 722,9719 common shares of Top Aces, representing a 17.3% ownership interest on a fully diluted basis.

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Momentum Solutions

Momentum Solutions is a Toronto-based, inter-connected network of logistical support companies offering innovative, custom and full-scale solutions to clients globally. As at March 31, 2021 and 2020, CEP IV Co-Invest had a 4.4% ownership interest of Momentum Solutions.

Other investments

As at March 31, 2020, CEP IV Co-Invest had an investment of \$1.6 million in Davenport Land Developments which hold real estate surrounding a casino development in Davenport, Iowa. Additionally, CEP IV Co-Invest had advanced US\$0.6 million in the form of a promissory note from a partner to help fund its 50% ownership in Davenport North.

During fiscal 2021, the investment in Davenport Land Investments was reorganized where CEP IV Co-Invest exchanged the US\$0.6 million (C\$0.6 million) promissory note and US\$0.4 million (C\$0.5 million) in accrued interest for additional equity interests in Davenport Land Investments, resulting in CEP IV Co-Invest holding a 21.9% ownership interest in Davenport Land Investments, at a combined adjusted cost of \$2.7 million.

(c) Investments made by CEP V Co-Invest alongside CEP V

As at March 31, 2021, CEP V Co-Invest had ten (2020 – eleven) investments. Significant activities of CEP V Co-Invest portfolio companies were as follows:

Dental services

ChildSmiles Group is a multi-specialty dental practice with various offices across New Jersey providing families with accessible oral health care. As at March 31, 2021 and 2020, CEP V Co-Invest held 11,836,135 Class B preferred units of ChildSmiles Group at a cost of \$15.9 million, representing a 15.0% ownership interest on a fully diluted basis. The Class B preferred units are entitled to a liquidity preference over all other equity of ChildSmiles Group.

Equipment rental

Durante Rentals is a construction equipment rental provider in the New York Metropolitan area. As at March 31, 2021 and 2020, CEP V Co-Invest held 217,721.20 LLC units at a cost of \$13.6 million, representing a 20.8% ownership interest on a fully diluted basis.

Gaming

Accel Entertainment

Accel Entertainment is a licensed video gaming terminal operator in the United States. As at March 31, 2020, CEP V Co-Invest held 4,994,907 Class A-1 shares, 244,674 Class A-2 shares and 299,052 private warrants of Accel Entertainment, together representing a 6.4% ownership interest on a fully diluted basis. The Class A-1 shares are publicly listed on the NYSE under symbol ACEL and have a cost basis of \$16.0 million. The Class A-2 shares vest over a three-year period and the conversion into Class A-1 shares is subject to certain criteria based on share price or earnings. The private warrants had a strike price of US\$11.50 per share and were converted into 74,763 Class A-1 shares during fiscal 2021, such that as at March 31, 2021, the Company held 5,069,670 Class A-1 shares and 244,674 Class A-2 shares. The Class A-1 Shares held by the Company represent 6.4% of the total A-1 shares outstanding as at March 31, 2021.

FSB Technology

FSB Technology is a Business-to-Business sports and internet gaming technology supplier based in London, United Kingdom. As at March 31, 2020, CEP V Co-Invest held 6,935,287 Class A common shares and 420,804 Class B convertible preferred shares at a cost of \$12.1 million, representing a 24.5% ownership interest on a fully diluted basis. The Class B convertible preferred shares are entitled to a liquidity preference over the Class A common shares.

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During fiscal 2021, CEP V Co-Invest made follow-on investments totalling GBP£2.2 million (C\$3.9 million) for 885,568 Class A common shares and 1,350,000 Class B convertible preferred shares such that as at March 31, 2021, CEP V Co-Invest held 7,820,855 Class A common shares and 1,770,804 Class B convertible preferred shares at a cost of \$16.0 million, representing a 25.1% ownership interest on a fully diluted basis.

Subsequent to year end, CEP V Co-Invest made an additional follow-on investment of GBP£0.9 million for 900,000 Class B convertible preferred shares, increasing its ownership interest in FSB Technology to 25.2% on a fully diluted basis.

Head Digital Works

Head Digital Works is an internet-based technology and gaming company which operates Ace2Three, FanFight, Cricket.com, and WittyGames.

As at March 31, 2020, CEP V Co-Invest had investments totalling \$46.8 million in Head Digital Works, comprising INR₹657.9 million (C\$13.7 million) in the form of compulsory convertible debentures ("CCD"), which were denominated in INR and bore interest at a rate of 16.0% per annum; and INR₹1.6 billion (C\$33.1 million) in 39,412,175 common shares, representing a 32.4% ownership interest on a fully diluted basis.

During fiscal 2021, the CCD were repaid in full by Head Digital Works.

Information technology

Meriplex Communications is a provider of managed IT services company based in Houston, Texas. As at March 31, 2021 and 2020, CEP V Co-Invest held 5,250 common shares of Meriplex Communications, representing an 17.7% ownership interest on a fully diluted basis at a cost of \$6.7 million.

Marketing services

Digital Media Solutions operates as a lead generation engine for companies in a variety of different industries. As at March 31, 2020, CEP V Co-Invest held 6,150,000 Class B units of Digital Media Solutions, representing a 13.8% ownership interest on a fully diluted basis.

During fiscal 2021, Digital Media Solutions completed a business combination with Leo Holdings Corp. The new combined entity is publicly listed on the NYSE under the symbol DMS. At completion of the transaction, CEP V Co-Invest received cash proceeds totalling US\$8.2 million (C\$10.8 million) and 6,091,377 Class A common shares of Digital Media Solutions, representing 10.4% ownership interest on a fully diluted basis. Additionally, CEP V Co-Invest received 276,653 publicly traded warrants (NYSE: DMS/WS) which are convertible into Class A common shares at an exercise price of US\$11.50 per warrant.

Renewable energy

Also Energy is a global provider of software and hardware solutions that enable the monitoring and control of power production and plant operations for commercial, industrial and utility-scale solar plants. As at March 31, 2020, CEP V Co-Invest held 1,013,062 cumulative convertible preferred shares, 45,181 Class A common shares and 11,037 Class B preferred shares for a combined cost of US\$5.4 million (C\$6.9 million), representing an ownership interest of 11.9% on a fully diluted basis. In addition, CEP V Co-Invest has also advanced US\$4.1 million (C\$5.2 million) to Also Energy in the form of a promissory note which accrues interest at 10% per annum. The promissory note had an initial maturity date of December 31, 2020 and was extended to June 30, 2021 during fiscal 2021.

During fiscal 2021, CEP V Co-invest made an additional follow-on investment of US\$3.6 million (C\$4.9 million) to acquire 532,428 Class A common shares of Also Energy from a minority investor. As at March 31, 2021, CEP V Co-Invest held 1,013,062 cumulative convertible preferred shares, 577,609 Class A common shares and 11,037 Class B preferred shares which together represent an 18.0% ownership interest in Also Energy on a fully diluted basis.

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Residential services

Right Time HVAC, an investment made during fiscal 2018, is a Canadian independent heating, ventilation and air-conditioning contractor operating in Ontario and Manitoba and focused on the residential replacement market. As at March 31, 2020, CEP V Co-Invest held 6,375,000 Class A preferred shares which were convertible into a 15.0% ownership interest in Right Time HVAC on a fully diluted basis at a cost of \$6.4 million.

During fiscal 2021, CEP V Co-Invest realized on its investment in Right Time HVAC for total cash proceeds of \$30.3 million against a cost and carrying value of \$6.4 million as at March 31, 2020.

Waste management

DTG Recycle

DTG Recycle is a waste hauling and recycling company with operations concentrated in the greater Seattle-Tacoma area of Washington State. As at March 31, 2021 and 2020, CEP V Co-Invest held 8,657,622 Class A convertible preferred shares of DTG Recycle, representing a 14.6% ownership interest on a fully diluted basis at a cost of \$11.3 million.

Winters Bros. Waste Systems of Long Island

Winters Bros. Waste Systems of Long Island (“Winters Bros. of LI”) is a regional solid waste collection, recycling and disposal company servicing customers in Long Island, New York. As at March 31, 2021 and 2020, CEP V Co-Invest held a 14.0% ownership on a fully diluted basis in Winters Bros. of LI and its various affiliates.

(d) Investments made by CEP VI Co-Invest alongside CEP VI

As at March 31, 2021, CEP VI Co-Invest had four (2020 – one) investments. Significant activities of CEP VI Co-Invest portfolio companies were as follows:

Co-packing

During fiscal 2021, CEP VI Co-Invest made a \$5.1 million investment in Brunswick Bierworks, a contract manufacturer of specialty beverages based in Ontario, Canada. The investment was made in the form of 5,116,616 Class A shares, representing an ownership interest of 22.2% in Brunswick Bierworks on a fully diluted basis.

Information technology

During fiscal 2021, the Partnership made a \$9.6 million investment in F12.NET, a provider of managed IT services for Canadian-based small and medium-sized enterprises. The investment was made in the form of 283,144 Class A common shares, representing an ownership interest of 16.5% in F12.NET on a fully diluted basis.

Renewable energy

SunSystem Technology (“SST”) is a solar operations and maintenance company serving both the commercial and residential sector in the United States. As at March 31, 2020, CEP VI Co-Invest held 3,030.5882 Class A preferred stock for a 18.2% ownership interest on a fully diluted basis at a cost of US\$3.0 million (C\$4.0 million).

During fiscal 2021, CEP VI Co-Invest made follow-on investments totalling US\$0.3 million (C\$0.4 million) to acquire an additional 379.0941 Class A preferred stock from management of SST.

Also during fiscal 2021, CEP VI Co-Invest invested US\$7.9 million (C\$11.2 million) to acquire the solar operations and maintenance business of SunPower Corporation. Upon closing, the business was renamed as NovaSource Power Services (“NovaSource”). CEP VI Co-Invest’s investment was made in the form of 778.3166 common shares of NovaSource.

Following the investments described above, NovaSource acquired SST and as part of this transaction, the CEP VI Co-Invest exchanged its interest in SST for an additional 334.5653 common shares of NovaSource.

Subsequently, NovaSource completed the acquisition of the Northern American operations and maintenance business from First Solar Inc. In connection with the transaction, CEP VI Co-Invest made a follow-on investment of US\$18.1

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million (C\$22.7 million) to acquire an additional 1,819.7340 common shares of NovaSource. As at March 31, 2021, CEP VI Co-Invest held 2,932.6159 common shares, representing an ownership interest of 23.0% on a fully diluted basis with a combined cost basis of \$38.3 million.

Waste management

During fiscal 2021, CEP VI Co-Invest made a US\$2.7 million (C\$3.7 million) investment in Arrowhead Environmental Partners, a non-hazardous waste-by-rail operator in Northeastern United States markets. The investment was made in the form of 2,706 Class A preferred units, representing an ownership interest of 11.3% in Arrowhead Environmental Partners.

(e) Investments directly held

Financial services

As at March 31, 2021, the Company has a residual interest in Wellington Financial, which was realized during fiscal 2018 and currently comprise the residual warrants portfolio which is being liquidated over time.

During fiscal 2018, Clairvest received a full return of capital on its investment of \$17.3 million in Wellington Financial and 194,876 CIBC common shares as a result of CIBC acquiring the loan portfolio of Wellington Fund V and certain assets of the general partner of Wellington Fund V.

During fiscal 2021, Clairvest received an additional 24,090 CIBC common shares from an earnout provision on the prior sale of Wellington Financial.

During fiscal 2021, Clairvest received distributions totalling \$2.3 million (2020 – \$2.1 million) from Wellington Financial. As at March 31, 2021, Clairvest had received distributions totalling \$62.9 million (2020 – \$60.6 million) from Wellington Financial.

Gaming

As at March 31, 2021 and 2020, the Company has an investment in Grey Eagle Casino, which is located on the Tsuu T'ina First Nation reserve lands, southwest of the City of Calgary, Alberta. As at March 31, 2021 and 2020, Clairvest held units of a limited partnership which operates Grey Eagle Casino, entitling Clairvest to between 2.8% and 9.6% of the earnings of the casino until December 18, 2022. Additionally, CEP is entitled to between 8.5% and 28.7% of the earnings of the Grey Eagle Casino until December 18, 2022. As described previously, 2486303 Ontario and Clairvest collectively hold a 100% interest in CEP.

During fiscal 2021, Clairvest earned \$0.2 million (2020 – \$31 thousand) and CEP earned \$0.5 million (2020 – \$0.1 million) in equity distributions from Grey Eagle Casino.

The following tables summarize, by industry concentration, the net investment gain or loss on investee companies for the years ended March 31, 2021 and 2020. The net investment gain or loss is inclusive of the impact on the foreign exchange hedging activities related to these investments.

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Net investment gain (loss), by industry concentration

Year ended March 31, 2021	Net realized gain (loss)	Net unrealized gain (loss)	Foreign exchange gain (loss) ⁽¹⁾	Total
Dental services	\$ —	\$ —	\$ 68	\$ 68
Equipment rental	850	(1,965)	65	(1,050)
Financial services	2,456	(1,226)	—	1,230
Gaming	37	24,193	(941)	23,289
Information Technology	—	5,486	(48)	5,438
Marketing services	81	87,613	(528)	87,166
Renewable energy	—	6,315	(184)	6,131
Residential services	17,421	6,509	—	23,930
Specialty aviation and defence services	116	(36,020)	—	(35,904)
Waste management	(4)	9,421	(2)	9,415
Other investments	—	(39)	(154)	(193)
Net investment gain (loss) on investee companies	\$ 20,957	\$ 100,287	\$ (1,724)	\$ 119,520

⁽¹⁾ Inclusive of foreign exchange hedging activities

Year ended March 31, 2020	Net realized gain (loss)	Net unrealized gain (loss)	Foreign exchange gain (loss) ⁽¹⁾	Total
Dental services	\$ —	\$ —	\$ (26)	\$ (26)
Equipment rental	—	(6,974)	(564)	(7,538)
Financial services	—	2,871	—	2,871
Gaming	6,812	9,419	(9,639)	6,592
Information technology	—	1,223	(41)	1,182
Marketing services	—	(2,987)	(12)	(2,999)
Renewable energy	—	—	(106)	(106)
Specialty aviation and defence services	551	23,279	—	23,830
Waste management	30,837	2,579	(412)	33,004
Other investments	—	1,628	(26)	1,602
Net investment gain (loss) on investee companies	\$ 38,200	\$ 31,038	\$ (10,826)	\$ 58,412

⁽¹⁾ Inclusive of foreign exchange hedging activities

The Company and its acquisition entities entered into foreign exchange forward contracts as economic hedges against the fair value of its foreign currency-denominated investments and loans in accordance with its foreign exchange hedging policy as approved by the Board of Directors. During fiscal 2021, the net impact of foreign exchange on the investee companies included a gain of \$1.6 million (2020 – loss of \$5.9 million) on Chilean Pesos denominated investment, a loss of \$0.6 million (2020 – \$3.2 million) on U.S. Dollar denominated investments, a loss of \$3.2 million (2020 – \$1.5 million) on Indian Rupee denominated investment, and a gain of \$0.4 million (2020 – loss of \$0.2 million) on British Pound denominated investment.

6. GENERAL PARTNER PRIORITY DISTRIBUTIONS AND MANAGEMENT FEES

Clairvest derives revenue from its investment management services for the CEP Funds in the form of general partner priority distributions or management fees. The priority distributions and management fees are charged as a percentage of committed capital on the most recent CEP Fund and of invested capital less write-downs on the other CEP Funds. The priority distributions and management fees received by Clairvest are reduced proportionately by fees earned by Clairvest from corporate investments of the CEP Funds and other amounts as provided in the respective Limited Partnership Agreements.

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During fiscal 2020, Clairvest completed the fundraising of Clairvest Equity Partners VI, a new private equity investment pool, which comprised a US\$230.0 million co-investment commitment from Clairvest through CEP VI Co-Invest (see *note 10(d)*), and US\$620.0 million of commitments from third-party investors through CEP VI, CEP VI-A and CEP VI-B. Clairvest Equity Partners VI is the successor fund to Clairvest Equity Partners V. The General Partner of CEP V delivered a notice to CEP V pursuant to its Limited Partnership Agreement, which terminated the Commitment Period of CEP V effective February 28, 2020. Accordingly, general partner priority distributions and management fees on Clairvest Equity Partners VI commenced March 1, 2020.

For the year ended March 31, 2021 and 2020, general partner priority distributions and management fees from the CEP Funds were as follows:

Priority distributions

	2021	2020
CEP III	\$ 242	\$ 370
CEP IV	1,092	1,235
CEP V	2,751	4,957
CEP V India	616	629
CEP VI	4,901	400
	\$ 9,602	\$ 7,591

Management fees

	2021	2020
CEP IV-A	\$ 142	\$ 195
CEP V-A	704	914
CEP VI-A	6,859	560
CEP VI-B	4,360	356
	\$ 12,065	\$ 2,025

7. CARRIED INTEREST AND MANAGEMENT PARTICIPATION

As governed by the respective CEP Fund Limited Partnership Agreements, certain Clairvest consolidated subsidiaries are entitled to participate in distributions equal to 20% of all net gains (“carried interest”), which is subject to the respective investors of each CEP Fund achieving a minimum net return on their investment. On Clairvest Equity Partners VI, the carried interest increases from 20% to 25% once their investors achieve a net return of two times their aggregate capital contributions.

Clairvest is entitled to 50% of the carried interest realized in each CEP Fund and Clairvest management is entitled to the other 50% of the carried interest through their limited partnership interests in the various MIP partnerships. Clairvest management is also entitled to an 8.25% carried interest from the various CEP Co-Invest partnerships as governed by their respective Limited Partnership Agreements.

As described in *note 2(k)*, Clairvest records the carried interest from Clairvest Equity Partners III and IV and records an expense and a liability on that portion of the carried interest which is payable to Clairvest management. In accordance with IFRS 10, the carried interest from Clairvest Equity Partners V and VI and the corresponding management participation has been included in net investment gain as described in *note 4*.

Carried interest from Clairvest Equity Partners III and IV for fiscal 2021 and 2020 comprised the following:

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	2021	2020
Realized carried interest	\$ 792	\$ 34,690
Net change in unrealized carried interest	(10,091)	(12,075)
	\$ (9,299)	\$ 22,615

The following tables detail the carried interest received from Clairvest Equity Partners III and IV and management participation paid for fiscal 2021 and 2020 and the corresponding receivable and payable balances as at the respective balance sheet dates:

	Realized carried interest		Unrealized carried interest	
	Received during fiscal		As at March 31	
	2021	2020	2021	2020
CEP	\$ 92	\$ 24	\$ 648	\$ 515
CEP III	700	960	7,735	7,971
CEP IV	—	28,950	22,466	30,927
CEP IV-A	—	4,756	3,469	4,996
	\$ 792	\$ 34,690	\$ 34,318	\$ 44,409

	Management participation		Management Participation	
	Paid during fiscal		Payable as at March 31	
	2021	2020	2021	2020
CEP III	\$ 350	\$ 480	\$ 3,868	\$ 3,986
CEP IV	—	14,475	11,233	15,463
CEP IV-A	—	2,378	1,734	2,498
CEP III Co-Invest	322	470	3,117	3,233
CEP IV Co-Invest	—	5,128	6,044	8,935
	\$ 672	\$ 22,931	\$ 25,996	\$ 34,115

During fiscal 2021, no carried interest was received from Clairvest Equity Partners V and VI and no management participation payments were made by Clairvest related to Clairvest Equity Partners V and VI. The following tables detail the carried interest receivable from Clairvest Equity Partners V and VI and management participation payable balances, as at the respective balance sheet dates, which have been included in corporate investments:

Unrealized Carried Interest	Realized carried interest received during the year ended March 31		Unrealized carried interest, as at March 31	
	2021	2020	2021	2020
CEP V and CEP V India	\$ —	\$ —	\$ 74,750	\$ 11,090
CEP V-A	—	—	13,593	3,363
	\$ —	\$ —	\$ 88,343	\$ 14,453

Management Participation	Management participation paid during the year ended March 31		Unrealized carried interest, as at March 31	
	2021	2020	2021	2020
CEP V and CEP V India	\$ —	\$ —	\$ 37,375	\$ 5,546
CEP V-A	—	—	6,796	1,681
CEP V Co-Invest	—	—	16,175	3,666
	\$ —	\$ —	\$ 60,346	\$ 10,893

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8. FIXED ASSETS

The composition of Clairvest's fixed assets was as follows:

	Aircrafts ⁽¹⁾	IT equipment	Furniture, fixtures and equipment	Leasehold improvements	Right-of-use asset ⁽²⁾	Total
At cost						
Balance as at April 1, 2020	\$ 5,991	\$ 16	\$ 296	\$ 708	\$ 4,175	\$ 11,186
Additions	114	—	—	—	—	114
Balance as at March 31, 2021	\$ 6,105	\$ 16	\$ 296	\$ 708	\$ 4,175	\$ 11,300
Accumulated amortization						
Balance as at April 1, 2020	\$ 891	\$ 16	\$ 255	\$ 548	\$ 414	\$ 2,124
Amortization expense	609	—	21	138	435	1,203
Balance as at March 31, 2021	\$ 1,500	\$ 16	\$ 276	\$ 686	\$ 849	\$ 3,327
Carrying amount as at March 31, 2021	\$ 4,605	\$ —	\$ 20	\$ 22	\$ 3,326	\$ 7,973
At cost						
Balance as at April 1, 2019	\$ 9,528	\$ 16	\$ 295	\$ 708	\$ 4,175	\$ 14,722
Additions	66	—	1	—	—	67
Impairment	831	—	—	—	—	831
Disposals	(4,434)	—	—	—	—	(4,434)
Balance as at March 31, 2020	\$ 5,991	\$ 16	\$ 296	\$ 708	\$ 4,175	\$ 11,186
Accumulated amortization						
Balance as at April 1, 2019	\$ 3,367	\$ 15	\$ 230	\$ 366	\$ —	\$ 3,978
Amortization expense	594	1	25	182	414	1,216
Disposals	(3,070)	—	—	—	—	(3,070)
Balance as at March 31, 2020	\$ 891	\$ 16	\$ 255	\$ 548	\$ 414	\$ 2,124
Carrying amount as at March 31, 2020	\$ 5,100	\$ —	\$ 41	\$ 160	\$ 3,761	\$ 9,062

(1) A corresponding payable equal to 50% of the net book value of the aircrafts had been recorded to reflect the ownership interest of the related parties.

(2) A corresponding accrued liability resulting from future minimum annual lease payments for the use of office space. \$0.6 million is due within one year, \$2.5 million due after one year but no more than five years, and \$0.8 million due after five years had been recorded. Refer to *note 16(e)* for further details.

9. CREDIT FACILITIES

As at March 31, 2021 and 2020, Clairvest maintained a \$100.0 million revolving credit facility which is participated in by several Schedule 1 Canadian chartered banks. The credit facility, which has a current expiry of December 2025 (2020 – December 2024) and is eligible for a one-year extension on each anniversary date, bears interest at the prime rate plus 1.25% per annum on drawn amounts and a standby fee of 0.70% per annum on undrawn amounts. The prime rate as at March 31, 2021 was 2.45% (2020 – 2.45%) per annum. The amount available under the credit facility as at March 31, 2021 and 2020 was \$100.0 million. No amounts had been drawn on the facility during fiscal 2021 and 2020 and as at March 31, 2021 and 2020.

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10. RELATED PARTY DISCLOSURES

Investments in acquisition entities and investment-related transactions with acquisition entities are further described in note 5.

- (a) CEP III Co-Invest, an investment vehicle established in fiscal 2007, has committed to co-invest alongside CEP III in all investments undertaken by CEP III. CEP III Co-Invest may only sell all or a portion of a corporate investment that is a joint investment with CEP III if it concurrently sells a proportionate number of securities of that corporate investment held by CEP III.

CEP III Co-Invest's co-investment commitment is \$75.0 million, \$15.2 million (2020 – \$15.2 million) of which remained unfunded as at March 31, 2021. CEP III Co-Invest is capitalized by three limited partners, Clairvest, 2141788 Ontario and MIP III. In accordance with the co-investment agreement, the proportion of the commitment amongst its three limited partners is at their own discretion. As at March 31, 2021, MIP III had invested \$1.1 million in CEP III Co-Invest. Clairvest, as the general partner of MIP III, is entitled to participate in distributions equal to the realizable value on the \$1.1 million invested by MIP III in CEP III Co-Invest. During fiscal 2021, MIP III distributed \$53 thousand (2020 – \$78 thousand) to Clairvest. As at March 31, 2021, \$2.5 million (2020 – \$2.4 million) had been received by Clairvest.

- (b) CEP IV Co-Invest, an investment vehicle established in fiscal 2010, has committed to co-invest alongside CEP IV and CEP IV-A in all investments undertaken by CEP IV and CEP IV-A. CEP IV Co-Invest may only sell all or a portion of a corporate investment that is a joint investment with CEP IV and CEP IV-A if it concurrently sells a proportionately number of securities of that corporate investment held by CEP IV and CEP IV-A.

CEP IV Co-Invest's co-investment commitment is \$125.0 million, \$21.2 million (2020 – \$21.2 million) of which remained unfunded as at March 31, 2021. CEP IV Co-Invest is capitalized by two limited partners, Clairvest and MIP IV. In accordance with the co-investment agreement, the proportion of the commitment amongst its two limited partners is at their own discretion. As at March 31, 2021, MIP IV had invested \$1.6 million in CEP IV Co-Invest. Clairvest, as the general partner of MIP IV, is entitled to participate in distributions equal to the realizable value on the \$1.6 million invested by MIP IV in CEP IV Co-Invest. As at March 31, 2021, \$6.2 million (2021 – \$6.2 million) had been received by Clairvest.

- (c) CEP V Co-Invest, an investment vehicle established in fiscal 2015, has committed to co-invest alongside CEP V, CEP V India and CEP V-A in all investments undertaken by CEP V, CEP V India CEP V-A. CEP V Co-Invest may only sell all or a portion of a corporate investment that is a joint investment with CEP V, CEP V India and CEP V-A if it concurrently sells a proportionately number of securities of that corporate investment held by CEP V, CEP V India and CEP V-A.

CEP V Co-Invest's co-investment commitment is \$180.0 million, \$39.2 million (2020 – \$45.0 million) of which remained unfunded as at March 31, 2021. CEP V Co-Invest is capitalized by four limited partners, Clairvest, 2141788 Ontario, Clairvest GP V and MIP V. In accordance with the co-investment agreement, the proportion of the commitment amongst its four limited partners is at their own discretion. Clairvest, as the general partner of Clairvest GP V and MIP V, is entitled to participate in distributions equal to the realizable value on the amounts invested by Clairvest GP V and MIP V in CEP V Co-Invest. As at March 31, 2021, Clairvest GP V and MIP V had invested \$9.0 million and 2.4 million, respectively, in CEP V Co-Invest. During fiscal 2021, CGP V and MIP V distributed \$3.1 million (2020 – nil) and \$0.7 million (2020 – \$0.1 million), respectively, to Clairvest. As at March 31, 2021, Clairvest had received distributions totalling \$3.1 million (2020 – nil) from Clairvest GP V and \$0.8 million (2020 – \$0.1 million) from MIP V.

- (d) CEP VI Co-Invest, an investment vehicle established in fiscal 2020, has committed to co-invest alongside CEP VI, CEP VI-A and CEP VI-B in all investments undertaken by CEP VI, CEP VI-A and CEP VI-B. CEP VI Co-Invest may only sell all or a portion of a corporate investment that is a joint investment with CEP VI, CEP VI-A and CEP VI-B if it concurrently sells a proportionately number of securities of that corporate investment held by CEP VI, CEP VI-A and CEP VI-B.

CEP VI Co-Invest's co-investment commitment is US\$230.0 million (C\$289.2 million), US\$204.1 million (C\$256.7 million) of which remained unfunded as at March 31, 2021. CEP VI Co-Invest is capitalized by three limited partners, Clairvest, Clairvest SLP VI and MIP VI. In accordance with the co-investment agreement, the proportion of the commitment amongst its three limited partners is at their own discretion. As at March 31, 2021, Clairvest SLP VI and

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MIP VI had invested US\$5.5 million (C\$6.9 million) and US\$2.6 million (C\$3.2 million), respectively, in CEP VI Co-Invest. Clairvest, as the general partner of Clairvest SLP VI and MIP VI, is entitled to participate in distributions equal to the realizable value on the amounts invested by MIP VI in CEP VI Co-Invest. As at March 31, 2021, no distributions had been received by Clairvest from Clairvest SLP VI and MIP VI.

(e) Changes in loans receivable for the years ended March 31, 2021 and 2020 were as follows:

	April 1, 2020	Net loan advanced (repaid)	March 31, 2021
CEP IV-A ⁽²⁾	\$ —	\$ 220	\$ 220
CEP V ⁽¹⁾	373	(373)	—
CEP VI ^{(1), (2)}	3,491	14,771	18,262
CEP VI-A ^{(1), (2)}	4,885	20,766	25,651
CEP VI-B ^{(1), (2)}	3,106	13,274	16,380
CEP V Co-Invest ⁽³⁾	190	(190)	—
CEP VI Co-Invest ^{(2), (3)}	4,259	17,530	21,789
2486303 Ontario ⁽⁴⁾	3,759	—	3,759
	20,063	65,998	86,061
Other ⁽²⁾	—	252	252
	\$ 20,063	\$ 66,250	\$ 86,313

	April 1, 2019	Net loan advanced (repaid)	March 31, 2020
CEP V ⁽¹⁾	\$ 658	\$ (285)	\$ 373
CEP V-A ⁽¹⁾	125	(125)	—
CEP VI ⁽¹⁾	—	3,491	3,491
CEP VI-A ⁽¹⁾	—	4,885	4,885
CEP VI-B ⁽¹⁾	—	3,106	3,106
CEP V Co-Invest ⁽³⁾	—	190	190
CEP VI Co-Invest ⁽³⁾	—	4,259	4,259
2486303 Ontario ⁽⁴⁾	8,759	(5,000)	3,759
	9,542	10,521	20,063
Other	185	(185)	—
	\$ 9,727	\$ 10,336	\$ 20,063

- (1) Loans advanced to CEP IV, CEP IV-A, CEP V, CEP V India, CEP V-A, CEP VI, CEP VI-A and CEP VI-B bear interest at the reference rate in accordance with the respective Limited Partnership Agreements. Interest of \$1.2 million (2020 – \$0.8 million) was earned from loans advanced to these counterparties during fiscal 2021.
- (2) The loans were repaid in full subsequent to year end.
- (3) Loans advanced to these acquisition entities are non-interest bearing.
- (4) Loans advanced to 2486303 Ontario bear interest at 10.0% per annum. Interest of \$0.4 million (2020 – \$0.6 million) was earned from these loans during fiscal 2021.

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(f) Accounts receivable and other assets comprised the following:

	March 31, 2021	March 31, 2020
Clairvest's investee companies	\$ 2,507	\$ 2,948
CEP III	45	275
CEP IV	61	37
CEP IV-A	78	27
CEP V	129	3,680
CEP V India	2,287	1,563
CEP V-A	217	4,574
CEP VI	8,651	3,509
CEP VI-A	11,222	4,832
CEP VI-B	7,127	3,073
	32,324	24,518
Other accounts receivable and prepaid expenses	5,357	6,494
Share purchase loans	2,821	2,683
	\$ 40,502	\$ 33,695

Included in accounts receivable and other assets as at March 31, 2021 were share purchase loans made to certain employees of the Company totalling \$2.8 million (2020 – \$2.7 million). The share purchase loans bear interest which is paid annually, have full recourse and are collateralized by the common shares of the Company purchased by the employees with a market value of \$5.3 million (2020 – \$3.3 million) as at March 31, 2021. None of these loans were made to key management. Interest of \$49 thousand (2020 – \$63 thousand) was earned on these loans during the year.

Additionally, acquisition entities of the Company which were not consolidated by the Company as described in *note 5* held receivables from CEP III totalling \$11 thousand (2020 – nil) and from CEP V-A totalling \$6 thousand (2020 – \$1.3 million).

- (g) During fiscal 2021, Clairvest earned \$2.5 million (2020 – \$2.1 million) in distributions and interest income and \$2.5 million (2020 – \$1.5 million) in advisory and other fees from its investee companies. Additionally, acquisition entities of the Company which were not consolidated by the Company as described in *note 5* earned \$2.8 million (2020 – \$8.8 million) in distributions and interest income, and \$6 thousand (2020 – \$6.4 million) in dividend income. These acquisition entities did not receive any advisory or other fees from its investee companies (2020 – nil).
- (h) Clairvest and a related party of Clairvest, through a limited partnership, owns an aircraft that is available for use by both parties. Clairvest and the related party each hold a 50% limited partnership interest. As Clairvest, through a wholly owned subsidiary, is the general partner of the limited partnership, Clairvest had recognized 100% of the net book value of the aircraft and a liability for the 50% ownership held by the related party. The cost of the aircraft had been included in fixed assets and the liability in accounts payable and accrued liabilities.

11. INCOME TAXES

Income tax expense for the years ended March 31, 2021 and 2020 comprised the following:

	2021	2020
Current income tax expense	\$ 7,677	\$ 1,849
Deferred income tax expense	4,273	7,937
	\$ 11,950	\$ 9,786

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A reconciliation of the income tax expense for the years ended March 31, 2021 and 2020 based on the Federal and Ontario statutory rate and the effective rate was as follows:

	2021		2020	
	\$	%	\$	%
Income before income taxes	116,789		79,284	
Statutory Federal and Ontario income tax rate		26.50		26.50
Statutory Federal and Ontario income taxes	30,949	26.50	21,010	26.50
Non-taxable portion of net investment gains and distributions	(27,668)	(23.69)	(7,482)	(9.44)
Non-taxable portion of carried interest net of management participation	2,709	2.32	(2,255)	(2.84)
Non-deductible portion of other expenses	5,939	5.09	(600)	(0.76)
Foreign income tax rate differences	(40)	(0.03)	(154)	(0.19)
Tax recoveries and loss carryforwards	480	0.41	(792)	(1.00)
Other	(419)	(0.36)	59	0.07
	11,950	10.24	9,786	12.34

In addition to the income tax expense recorded by Clairvest, acquisition entities of Clairvest recorded an income tax expense of \$4.7 million (2020 – recovery of \$4.3 million) during fiscal 2021, which had been included in the fair value determination of these acquisition entities.

Net deferred income tax liabilities relate to temporary differences on corporate and temporary investments, derivative instruments, accounts payable and accrued liabilities, income, and unrealized carried interest income. The composition was as follows:

	March 31, 2021	March 31, 2020
Temporary differences on corporate and temporary investments	\$ 19,845	\$ 17,417
Temporary differences on derivative instruments	192	11
Temporary differences on accrued compensation and share-based compensation	(11,545)	(8,931)
Temporary differences on income	179	(1,427)
Temporary differences on unrealized carried interest net of management participation	5,268	2,096
Other	2,050	2,550
	\$ 15,989	\$ 11,716

All deferred income tax expenses (recoveries) were recognized in net income during fiscal 2021 and 2020.

12. SHARE CAPITAL

Authorized

Unlimited number of preference shares issuable in series, with the designation, rights, privileges, restrictions and conditions to be determined by the Board of Directors prior to the issue of the first shares of a series.

Unlimited number of common shares

10,000,000 non-voting shares (Series 1)

1,000,000 non-voting shares (Series 2)

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Issued and outstanding	March 31, 2021		March 31, 2020	
	Shares	Amount	Shares	Amount
Common shares, beginning of year	15,075,301	\$ 80,917	15,136,495	\$ 81,245
Purchased and cancelled under normal course issuer bid	(16,900)	(90)	(61,194)	(328)
Common shares, end of year	15,058,401	\$ 80,827	15,075,301	\$ 80,917

In March 2021, the Company filed a normal course issuer bid enabling it to make market purchases of up to 760,749 (2020 – 759,984) of its common shares in the 12-month period ending March 7, 2022. During fiscal 2021, the Company purchased and cancelled 16,900 common shares under the previous normal course issuer bid for an aggregate cost of \$0.8 million.

Common shares of 15,058,401 (2020 – 15,075,301) were outstanding as at March 31, 2021. The weighted average number of common shares outstanding during fiscal 2021 was 15,063,127 (2020 – 15,110,507).

The basic and fully diluted net income per share computations for 2021 and 2020 were as follows:

	2021			2020		
	Net income and comprehensive income (000s)	Weighted average number of shares	Per share amount	Net income and comprehensive income (000s)	Weighted average number of shares	Per share amount
Basic and fully diluted	\$ 104,839	15,063,127	6.96	\$ 69,498	15,110,507	4.60

No Series 1 or Series 2 Shares had been issued as at March 31, 2021 and 2020.

13. SHARE-BASED COMPENSATION

The Company has a stock option plan (the "Legacy Option Plan") in place, which had no options outstanding as at March 31, 2021 and 2020. As at March 31, 2021 and 2020, 558,856 options under the Legacy Option Plan are available for future grants and 558,856 common shares of the Company have been made available for issuance to eligible participants.

The Company has a stock option plan (the "Non-Voting Option Plan") on the Series 2 Shares. Options granted under the stock option plan are exercisable for Series 2 Shares, which are non-voting and have a two times preference over the common shares. The Non-Voting Option Plan has a cash settlement feature. Options granted under this plan vest at a rate of one-fifth of the grant at the end of each year over a five-year period. As at March 31, 2020, 518,758 options were outstanding, 193,695 options of which had vested. During fiscal 2021, Clairvest granted 77,650 (2020 – 106,667) options under the Non-Voting Option Plan. Also during fiscal 2021, 128,723 options vested, and 74,498 options were exercised under the cash settlement feature for \$4.3 million. As at March 31, 2021, 521,910 (2020 – 518,758) options were outstanding, 247,910 (2020 – 193,685) of which had vested.

Clairvest recognized share-based compensation expense based upon the fair value of the outstanding stock options as at March 31, 2021 using the Black-Scholes option pricing model with the following assumptions:

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As at March 31, 2021

Year of grant	2020	2019	2018	2017	2016
Number of options granted	78,400	106,667	49,487	168,829	203,353
Number of options exercised	—	—	—	50,396	26,018
Number of options forfeited	750	1,963	—	—	7,662
Number of options vested	—	21,327	19,792	71,056	135,735
Price (\$) ⁽¹⁾	79.69	85.04	81.60	59.48	44.06
Black-Scholes assumptions used					
Expected volatility	10%	10%	10%	10%	10%
Expected forfeiture rate	5%	5%	5%	5%	5%
Expected dividend yield	0.15%	0.15%	0.15%	0.15%	0.00%
Risk-free interest rate	1.28%	0.97%	0.70%	0.49%	0.44%
Expected life (years)	4.25	3.25	2.25	1.25	0.25
Value using Black-Scholes (000s)⁽²⁾	\$ 1,340	\$ 3,135	\$ 1,887	\$ 7,349	\$ 13,566

(1) Based on two times the five-day weighted average closing price of Clairvest common shares at date of grant and is adjusted for special dividends paid by the Company.

(2) Share price for a Clairvest common share as at March 31, 2021 was \$64.75 (TSX: CVG).

During fiscal 2021, Clairvest recognized a share-based compensation expense of \$23.7 million (2020 – recovery of \$1.0 million) with respect to the Non-Voting Option Plan.

The Company has an EDSU plan which provides, among other things, that participants may elect annually to receive all or a portion of their annual bonus amounts that would otherwise be payable in cash in the form of EDSUs. EDSUs may be redeemed for cash or for common shares of the Company in accordance with the terms of the plan. Clairvest is required to reserve one common share for each EDSU issued under the EDSU Plan. The maximum number of Clairvest common shares reserved for the EDSU Plan is 200,000, which represented approximately 1.3% of the outstanding number of common shares as at March 31, 2021. During fiscal 2021, 48,990 (2020 – 29,047) EDSUs were issued based on the terms and conditions of the EDSU Plan. As at March 31, 2021, a total of 156,486 (2020 – 107,496) EDSUs were outstanding, the accrual in respect of which was \$10.1 million (2020 – \$4.5 million) had been included in share-based compensation liability. During fiscal 2021, Clairvest recognized an expense of \$4.0 million (2020 – recovery of \$0.6 million) with respect to EDSUs.

As at March 31, 2021, a total of 216,284 (2020 – 422,584) BVARs were outstanding, the accrual in respect of which was \$4.7 million (2020 – \$11.5 million) and had been included in share-based compensation liability, and an additional \$3.0 million (2020 – \$5.6 million) not accrued as those BVARs had not vested. During fiscal 2021, 35,364 (2020 – 4,082) BVARs were granted and 241,664 (2020 – 177,446) BVARs were exercised. For the year ended March 31, 2021, Clairvest recognized an expense of \$3.5 million (2020 – \$7.4 million) with respect to BVARs.

Compensation paid and payable to key management

In addition to the directors, key management at Clairvest are the Chief Executive Officer ("CEO"), the Vice Chairman and the President. The CEO and the President are entitled to annual discretionary cash bonuses of up to 175% of their individual annual salary based on individual performance. The Vice Chairman is entitled to annual discretionary cash bonuses of up to 100% of annual salary based on individual performance. There is also an annual objective cash bonus which is based on Clairvest's Incentive Bonus Program as described in *note 16(b)*, the stock option plans, the BVAR Plan and the EDSU Plan. Aggregate compensation paid for the years ended March 31 to the CEO, the Vice Chairman, and the President was as follows:

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	2021	2020
Paid		
Salaries	\$ 912	\$ 912
Annual incentive plans ⁽¹⁾	1,780	4,422
Stock options	4,314	—
Book value appreciation rights	6,205	2,923
	\$ 13,211	\$ 8,257

(1) Included an aggregate bonus of \$2.9 million paid upon the final closing of the fundraising of CEP VI ("CEP VI bonus") during fiscal 2020. The total CEP VI bonus paid by the Company to management was \$7.4 million.

Compensation payable to the CEO, the Vice Chairman and the President as at the consolidated statement of financial position dates was as follows:

	March 31, 2021	March 31, 2020
Payable		
Annual incentive plans	\$ 3,125	\$ 2,464
Stock options	5,390	2,621
Book value appreciation rights	4,657	7,957
Employee deferred share units	2,675	1,204
	\$ 15,847	\$ 14,246

During fiscal 2021, 40,656 DSUs were redeemed by a retired director of the Company for \$2.0 million. As at March 31, 2021, 234,497 (2020 – 266,673) DSUs were held by directors of the Company, the accrual in respect of which was \$16.9 million (2020 – \$12.0 million) and had been included in share-based compensation liability. During fiscal 2021, 8,480 (2020 – 9,100) DSUs were granted. For the year ended March 31, 2021, Clairvest recognized an expense of \$7.0 million (2020 – recovery of \$0.7 million) with respect to DSUs.

Also during fiscal 2021, 30,000 ADSUs were granted and 15,000 ADSUs were redeemed by directors of the Company for \$0.5 million. As at March 31, 2021, 135,000 (2020 – 120,000) ADSUs were held by directors of the Company, the accrual in respect of which was \$6.3 million (2020 – \$3.1 million) and had been included in share-based compensation liability. For the year ended March 31, 2021, Clairvest recognized an expense of \$3.7 million (2020 – recovery of \$0.5 million) with respect to ADSUs.

As described above, compensations totalling \$2.6 million was paid to a retired director under the DSU or ADSU plans during fiscal 2021. In addition to the DSU and ADSU plans previously discussed, compensation payable to the directors of Clairvest included \$2.4 million (2020 – \$0.8 million) under the Non-Voting Option Plan.

14. CONSOLIDATED STATEMENTS OF CASH FLOWS

The net change in non-cash working capital balances related to operations was as follows:

	2021	2020
Accounts receivable and other assets	\$ (6,807)	\$ (13,826)
Income taxes recoverable	7,567	(8,000)
Accounts payable and accrued liabilities	(3,307)	(2,866)
Income taxes payable	(1,042)	(20,333)
Accrued compensation expense	2,190	(4,684)
	\$ (1,399)	\$ (49,709)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021 and 2020 (tabular dollar amounts in thousands, except per share information)

Cash and cash equivalents as at March 31, 2021 and 2020 comprised the following:

	March 31, 2021	March 31, 2020
Cash	\$ 159,178	\$ 246,621
Cash equivalents	27,617	26,317
	\$ 186,795	\$ 272,938

15. DERIVATIVE INSTRUMENTS

The Company and its acquisition entities entered into foreign exchange forward contracts as economic hedges against the fair value of its foreign currency-denominated investments and loans in accordance with its foreign exchange hedging policy. During fiscal 2021, the Company received cash proceeds totalling \$2.5 million (2020 – paid \$1.0 million) on the settlement of realized foreign exchange forward contracts.

As at March 31, 2021, the Company had unexpired foreign exchange forward contracts to sell US\$81.1 million (2020 – US\$11.2 million) at an average rate of C\$1.2765 per U.S. dollar (2020 – C\$1.4141) through to May 2023. The fair value of the forward contracts as at March 31, 2021 was a gain of \$1.4 million (2020 – \$0.1 million).

The fair value of foreign exchange forward contracts entered into by the Company's acquisition entities to hedge against foreign-denominated investee companies had been included in the fair value of Clairvest's investment in these acquisition entities on the consolidated statements of financial position. The net impact of foreign exchange on the investee companies are described in *notes 5 and 17* under *Currency Risk*.

No collateral was funded to the counterparties for Clairvest's foreign exchange forward contracts and those of its acquisition entities as at March 31, 2021 and 2020.

16. CONTINGENCIES, COMMITMENTS AND GUARANTEES

(a) Clairvest has committed a total of \$55.5 million (2020 – \$55.5 million) in the Wellington Funds, all of which was unfunded as at March 31, 2021 and 2020. As a result of the sale of Wellington Financial to CIBC in January 2018, the Wellington Funds are in the process of being wound up and may no longer invest in new investments.

(b) Under Clairvest's Bonus Program, a bonus of 10% of after-tax cash income and realizations on certain of Clairvest's corporate investments would be paid to management annually as applicable (the "Realized Amount"). As at March 31, 2021, the Realized Amount under the Bonus Program was \$0.5 million (2020 – \$2.3 million) and had been accrued under accrued compensation expense liability.

In accordance with IFRS, Clairvest is also required to record a liability equal to a bonus of 10% of the after-tax cash income and realizations which are applicable, but which have yet to be realized. Accordingly, Clairvest recorded a \$6.3 million (2020 – \$2.3 million) accrued compensation expense liability that would only be payable to management when the corresponding realization events have occurred. The Bonus Program does not apply to the income generated from investments made by Clairvest through CEP III Co-Invest, CEP IV Co-Invest, CEP V Co-Invest and CEP VI Co-Invest.

(c) In conjunction with the sale of Casino New Brunswick, Clairvest provided a guarantee to fund any valid claims made by the purchaser under the indemnity provisions of the sale for a specified period of time. Any funding pursuant to the guarantee will be allocated 25% to CEP III Co-Invest and 75% to CEP III. During fiscal 2021, the guarantee was extinguished as the indemnity provision expired and no indemnity had been funded to its expiry.

(d) Clairvest had agreed to guarantee up to \$2.5 million to support a credit facility provided to SunSystem Technology, a subsidiary of NovaSource, by its bank. Clairvest would assume the lender's security position that supports the loans provided by the lender should it be called and intended to allocate any amounts called under this guarantee to CEP VI Co-Invest, CEP VI, CEP VI-A and CEP VI-B on a pro-rata basis in accordance with their respective capital commitments in CEP VI. During the quarter, the guarantee was extinguished, with no amount having been called, in conjunction with the follow-on investment made in NovaSource as described in *note 5*.

(e) As at March 31, 2021, the Company had an accrued liability resulting from future minimum annual lease payments for the use of office space. The detail of the lease liability recognized from April 1, 2019 is as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021 and 2020 (tabular dollar amounts in thousands, except per share information)

	2021	2020
Lease liability, beginning of year	\$ 3,761	\$ 4,175
Payments applied during the year	(435)	(414)
Lease liability, end of year	\$ 3,326	\$ 3,761

⁽¹⁾ As at March 31, 2021, the incremental borrowing rate was prime plus 1.25% per annum (2020 - Prime plus 1.25%)

(f) In connection with its normal business operations, the Company is from time to time named as a defendant in actions for damages and costs allegedly sustained by plaintiffs. While it is not possible to estimate the outcome of the various proceedings at this time, the Company does not believe that it will incur any material loss in connection with such actions.

17. RISK MANAGEMENT

The private equity investment business involves accepting risk for potential return, and is therefore affected by a number of risk factors.

Fair value risk

Fair value risk includes exposure to fluctuations in the fair market value of the Company's investments as described in note 18.

The Company's corporate investment portfolio was diversified across 20 investee companies in 10 industries as at March 31, 2021. Concentration risk by industry and by country as at March 31, 2021 and 2020 was as follows:

	March 31, 2021				March 31, 2020			
	Canada	United States	International ⁽¹⁾	Total	Canada	United States	International ⁽¹⁾	Total
Co-packing	\$ 5,117	\$ —	\$ —	\$ 5,117	\$ —	\$ —	\$ —	\$ —
Dental services	—	14,884	—	14,884	—	16,636	—	16,636
Equipment rental	—	4,467	—	4,467	—	7,102	—	7,102
Financial services	1,782	—	—	1,782	3,009	—	—	3,009
Gaming	3,505	88,180	97,866	189,551	2,914	72,594	110,976	186,484
Information technology	9,619	13,071	—	22,690	—	8,602	—	8,602
Marketing services	—	80,951	—	80,951	—	7,471	—	7,471
Renewable energy	—	61,047	—	61,047	—	18,523	—	18,523
Residential services	—	—	—	—	6,375	—	—	6,375
Specialty aviation and defence services	49,316	—	—	49,316	81,016	—	—	81,016
Waste management	—	36,009	—	36,009	—	27,117	—	27,117
Other investments	16	4,623	—	4,639	50	5,207	—	5,257
Total	\$ 69,355	\$ 303,232	\$ 97,866	\$ 470,453	\$ 93,364	\$ 163,252	\$ 110,976	\$ 367,592

⁽¹⁾ Includes investments in Chile, India and the UK

The Company has considered current economic events and indicators, including an estimate on the impact of COVID-19, in the valuation of its investee companies.

Interest rate risk

Fluctuations in interest rates affect the Company's income derived from its cash, cash equivalents and temporary investments ("treasury funds"). For financial instruments which yield a floating interest rate, the income received is directly

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021 and 2020 (tabular dollar amounts in thousands, except per share information)

impacted by the prevailing interest rate. The fair value of financial instruments which yield a fixed interest rate would change when there is a change in the prevailing market interest rate. The Company manages interest rate risk on its treasury funds by conducting activities in accordance with the fixed income securities policy that is approved by the Audit Committee. Management's application of these policies is regularly monitored by the Audit Committee.

As at March 31, 2021, \$185.8 million (2020 – \$270.9 million) of the Company's treasury funds are held in accounts which pay interest commensurate with prime rate changes, and \$44.2 million (2020 – \$127.4 million) of the Company's treasury funds are in guaranteed investment certificates with an average remaining duration of 0.5 years (2020 – 0.6 years). If interest rates were higher or lower by 0.25% per annum, and assuming the renewal rates of these guaranteed investment certificates commensurate with prime rate changes, the potential effect would have been an increase or a decrease of \$0.6 million (2020 – \$1.0 million) per annum to distributions and interest income on a pre-tax basis.

Certain of the Company's corporate investments are also held in the form of debentures and loans. Significant fluctuations in market interest rates can have a significant impact on the carrying value of these investments as described in *note 18*.

Currency risk

The Company has implemented a hedging strategy because it has, directly and indirectly, several investments outside of Canada, currently in the United States, India, Chile and the United Kingdom. The Company may also advance loans to investee companies which are denominated in foreign currency. In order to limit its exposure to changes in the value of foreign-denominated currencies relative to the Canadian dollar, Clairvest and its acquisition entities, subject to certain exceptions, entered into hedging positions against these foreign-denominated currencies. As at March 31, 2021, the Company's foreign exchange exposure with respect to the Chilean Peso and Indian Rupee are unhedged. In addition, there is a timing difference between the balance sheet date and the investment valuation date given the timing of which information is available to make this determination could result in a delay in the implementation of the Company's hedging strategy. Accordingly, significant depreciation in value in these currencies could result in a material impact to the performance of Clairvest's investment portfolio and potentially the carried interest it could earn from the CEP Funds.

A number of investee companies are subject to foreign exchange risk. A significant change in foreign exchange rates can have a significant impact on the profitability of these entities, and in turn the Company's carrying value of these investee companies. The Company manages this risk through oversight responsibilities with existing investee companies and by reviewing the financial condition of investee companies regularly.

Credit risk

Credit risk is the risk of a financial loss occurring as a result of default of a counterparty on its obligations to the Company. For the years ended March 31, 2021 and 2020, there were no material income effects on changes of credit risk on financial assets. The carrying values of financial assets subject to credit exposure as at March 31, 2021 and 2020, net of any allowances for losses, were as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021 and 2020 (tabular dollar amounts in thousands, except per share information)

	March 31, 2021			March 31, 2020		
	Clairvest	Acquisition entities	Total	Clairvest	Acquisition entities	Total
Financial assets						
Cash and cash equivalents	\$ 186,795	\$ 45,708	\$ 232,503	\$ 272,938	\$ 30,070	\$ 303,008
Temporary investments	61,014	20,245	81,259	137,954	26,362	164,316
Accounts receivable ⁽¹⁾	36,081	816	36,897	27,863	1,326	29,189
Loans receivable ⁽²⁾	60,765	80	60,845	11,855	540	12,395
Derivative instruments	1,446	6,720	8,166	85	–	85
Corporate investments ⁽³⁾	–	19,036	19,036	–	32,803	32,803
	\$ 346,101	\$ 92,605	\$ 438,706	\$ 450,695	\$ 91,101	\$ 541,796

(1) Excludes prepaid expenses and receivables from acquisition entities."

(2) Excludes loans receivable from acquisition entities.

(3) Excludes net assets (liabilities) from acquisition entities.

The Company manages credit risk on corporate investments through thoughtful planning, strict investment criteria, significant due diligence of investment opportunities and oversight responsibilities with existing investee companies and by conducting activities in accordance with investment policies that are approved by the Board of Directors. Management's application of these policies is regularly monitored by the Board of Directors. Management and the Board of Directors review the financial condition of investee companies regularly.

The Company is also subject to credit risk on its accounts receivable and loans receivable, a significant portion of which are with its investee companies and its CEP Funds. The Company manages this risk through its oversight responsibilities with existing investee companies, by reviewing the financial conditions of investee companies regularly, and through its fiduciary duty as Manager of the CEP Funds and by maintaining sufficient uncalled capital for the CEP Funds to settle obligations as they come due.

The Company manages counterparty credit risk on derivative instruments by only contracting with counterparties which are Schedule 1 Canadian chartered banks. As at March 31, 2021, the Company and the Company's acquisition entities held derivative instruments which had a net mark-to-market gain of \$8.2 million (2020 – loss of \$11.4 million). The Company believes the counterparty risk with respect to its and its acquisition entities' derivative instruments is minimal.

The Company manages credit risk on treasury funds by conducting activities in accordance with the fixed income securities policy which is approved by the Audit Committee. The Company also manages credit risk by contracting with counterparties which are Schedule 1 Canadian chartered banks or through investment firms where Clairvest's funds are segregated and held in trust for Clairvest's benefit. With respect to the other fixed income securities under temporary investments, the Company reviews the credit quality of the counterparties through underwriting information provided by agents or brokers which are specialized in brokering these investments and in each case the Company's investment in these counterparties represents the most senior security in the counterparty's capital structure. Management's application of these policies is regularly monitored by the Audit Committee. Management and the Audit Committee review credit quality of cash equivalents and temporary investments regularly.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021 and 2020 (tabular dollar amounts in thousands, except per share information)

The credit ratings, based on the Dominion Bond Rating Services rating scale, with the exception of corporate bonds and loans which are based on Standard & Poor's rating scale, were as follows:

	March 31, 2021			March 31, 2020		
	Clairvest	Acquisition entities	Total	Clairvest	Acquisition entities	Total
Cash	\$ 159,178	\$ 37,200	\$ 196,378	\$ 270,984	\$ 29,769	\$ 300,753
Money market savings accounts						
R1-High	—	—	—	389	279	668
R1-Low	—	—	—	235	—	235
Guaranteed investment certificates and investment savings accounts						
AA+	3,050	—	3,050	—	—	—
AA	66,689	16,437	83,126	122,093	16,195	138,288
AA-	870	—	870	—	—	—
A	—	—	—	5,909	—	5,909
A ⁽¹⁾	301	60	361	311	—	311
BBB ⁽¹⁾	302	—	302	210	102	312
BB ⁽¹⁾	—	—	—	105	—	105
Not rated ⁽¹⁾	653	404	1,057	105	306	411
Corporate bonds						
A+	—	—	—	3,012	—	3,012
Limited recourse capital notes						
BBB	2,052	—	2,052	—	—	—
BB+	2,121	—	2,121	—	—	—
Other fixed income securities						
Not rated ⁽²⁾	12,593	11,852	24,445	7,539	9,781	17,320
Total cash, cash equivalents and fixed income securities	\$ 247,809	\$ 65,953	\$ 313,762	\$ 410,892	\$ 56,432	\$ 467,324

(1) Principal protected by the Canada Deposit Insurance Corporation

(2) Comprised other fixed income securities as permitted by the Company's treasury policy which in aggregate may not exceed 10% of book value and with no single issue greater than 1.5% of book value

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. Financial obligations arising from off-statement of financial position arrangements have been previously discussed. Accounts payable, loans payable, and derivative instruments have maturities of less than one year. Management participation liability, share-based compensation liability, and amounts accrued under the Bonus Program are only due upon cash realization or completion of the respective vesting periods. Total unfunded commitments to co-invest alongside the CEP Funds, as described, were \$332.3 million (2020 – \$404.6 million) as at March 31, 2021. The timing of any amounts to be funded under these commitments is dependent upon the timing of investment acquisitions, which are made at the sole discretion of the Company.

The Company manages liquidity risk by maintaining a conservative liquidity position that exceeds all liabilities payable on demand. The Company invests its treasury funds in liquid assets such that they are available to cover any potential funding commitments and guarantees. In addition, the Company maintains a \$100.0 million (2020 – \$100.0 million) credit facility which was undrawn as at March 31, 2021.

As at March 31, 2021, Clairvest had treasury funds, inclusive of those held at acquisition entities, of \$345.3 million (2020 – \$485.3 million) and access to \$100.0 million (2020 – \$100.0 million) in credit to support its current and anticipated corporate investments. Clairvest also had access to \$0.8 billion (2020 – \$1.0 billion) in uncalled committed third-party capital through the CEP Funds as at March 31, 2021 to invest along with Clairvest's capital.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021 and 2020 (tabular dollar amounts in thousands, except per share information)

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

Cash, cash equivalents, temporary investments, loans receivable, corporate investments, and derivative instruments are carried at fair value in accordance with the Company's accounting policy as described in *note 2(c)* to the consolidated financial statements. All other financial instruments, including receivables and payables, are short-term in nature.

(a) Fair value hierarchy

The Company classifies financial instruments measured at FVTPL according to the following hierarchy, based on the lowest level of significant input used in measuring fair value.

Level	Fair value input description	Financial instruments
Level 1	Quoted prices (unadjusted) from active markets	Quoted equity instruments Quoted corporate bonds Money market and investment savings accounts
Level 2	Inputs other than quoted prices included in Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices)	Quoted equity instruments which are not actively traded (i.e. significant ownership positions) Guaranteed investment certificates Quoted corporate bonds or loans which are not actively traded
Level 3	Inputs that are not based on observable market data	Unquoted equity instruments or partnership units Corporate bonds, debentures or loans not traded

The following table presents the financial instruments measured at fair value classified by the fair value hierarchy:

March 31, 2021				
	Fair value measurements using			Assets/liabilities at fair value
	Level 1	Level 2	Level 3	
Financial assets				
Cash equivalents				
Investment savings accounts	\$ 27,617	\$ —	\$ —	\$ 27,617
	27,617	—	—	27,617
Temporary investments				
Guaranteed investment certificates	—	44,248	—	44,248
Marketable securities	31,564	—	—	31,564
Limited recourse capital notes	—	4,173	—	4,173
Other fixed income securities	—	—	12,593	12,593
	31,564	48,421	12,593	92,578
Derivative instruments	—	1,446	—	1,446
Corporate investments	151,704	—	382,963	534,667
	\$ 210,885	\$ 49,867	\$ 395,556	\$ 656,308

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021 and 2020 (tabular dollar amounts in thousands, except per share information)

March 31, 2020				
	Fair value measurements using			Assets/liabilities at fair value
	Level 1	Level 2	Level 3	
Financial assets				
Cash equivalents				
Money market savings accounts	\$ 423	\$ —	\$ —	\$ 423
Investment savings accounts	25,894	—	—	25,894
	26,317	—	—	26,317
Temporary investments				
Guaranteed investment certificates	—	127,403	—	127,403
Corporate bonds	—	3,012	—	3,012
Marketable securities	—	17,964	—	17,964
Other fixed income securities	—	—	7,539	7,539
	—	148,379	7,539	155,918
Derivative instruments	—	85	—	85
Corporate investments	—	50,619	349,672	400,291
	\$ 26,317	\$ 199,083	\$ 357,211	\$ 582,611

For financial instruments that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization based on the lowest level input that is significant to the fair value measurement as a whole at the end of each reporting period. Transfers between levels of fair value hierarchy are deemed to have occurred at the date of event.

During fiscal 2021, the Company transferred the fair value pertaining to its investment in Accel Entertainment to level 1 from level 2 of the fair value hierarchy upon the expiry of the hold period. Also fiscal 2021, the Company transferred the fair value pertaining to its investment in Digital Media Solutions to level 1 from level 3 of the fair value hierarchy upon completion of the business combination as described in *note 5* and the subsequent expiry of the hold period.

(b) Level 3: Reconciliation between opening and closing balances

The following table presents the changes in fair value measurements for instruments included in Level 3 of the fair value hierarchy set out in IFRS 13, *Fair Value Measurement*:

	Fair value April 1, 2020	Transfer to (from) level 3	Amount included in earnings	Purchases of assets / issuances of liabilities	Sales of assets / settlements of liabilities	Fair value March 31, 2021
Financial assets						
Other fixed income securities	\$ 7,539	\$ —	\$ 88	\$ 12,505	\$ (7,539)	\$ 12,593
Corporate investments	349,672	(33,023)	69,045	35,761	(38,492)	382,963
	\$ 357,211	\$ (33,023)	\$ 69,133	\$ 48,266	\$ (46,031)	\$ 395,556

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021 and 2020 (tabular dollar amounts in thousands, except per share information)

	Fair value April 1, 2019	Transfer to (from) level 3	Amount included in earnings	Purchases of assets / issuances of liabilities	Sales of assets / settlements of liabilities	Fair value March 31, 2020
Financial assets						
Other fixed income securities	\$ 31,169	\$ —	\$ (2)	\$ —	\$ (23,628)	\$ 7,539
Corporate investments	346,600	(50,619)	20,154	57,524	(23,987)	349,672
	\$ 377,769	\$ (50,619)	\$ 20,152	\$ 57,524	\$ (47,615)	\$ 357,211

(c) Level 3: Fair value measurement based on reasonably possible alternative assumptions

While Clairvest considers its fair value measurements to be appropriate, the use of reasonably alternative assumptions could result in different fair values. On a given measurement date, it is possible that other market participants could measure a same financial instrument at a different fair value, with the valuation techniques and inputs used by these market participants still meeting the definition of fair value. The fact that different fair value measurements exist reflects the judgment, estimates and assumptions applied as well as the uncertainty involved in determining the fair value of these financial instruments.

Included in corporate investments are investee companies (refer to *note 5*) for which the fair values have been estimated based on assumptions that are not supported by observable inputs. The following tables detail quantitative information on the primary valuation techniques and unobservable inputs based on the form of investment:

March 31, 2021	Valuation techniques	Significant unobservable input	Range
Unquoted equity instruments (including warrants) or partnership units	Public company comparables	EBITDA and Earnings multiples	4.0x to 10.0x
	Recent transactions	n/a	n/a
Debentures or loans not traded or other finite set of cash flows	Discounted cash flows	Discount rates	4.0% to 20.0%

March 31, 2020	Valuation techniques	Significant unobservable input	Range
Unquoted equity instruments (including warrants) or partnership units	Public company comparables	EBITDA and Earnings multiples	3.9x to 9.2x
	Recent transactions	n/a	n/a
Corporate bonds, debentures or loans not traded or other finite set of cash flows	Discounted cash flows	Discount rates	6.0% to 20.0%

The most significant unobservable input for fair value measurement is earnings before interest, taxes, depreciation and amortization ("EBITDA") and the earnings multiple which is applied to the EBITDA in valuing each individual investee company. In determining the appropriate multiple, Clairvest considers (i) public company multiples for companies in the same or similar businesses; (ii) where information is known and believed to be reliable, multiples at which recent transactions in the industry occurred; and (iii) multiples at which Clairvest invested directly or indirectly in the company, or for follow-on investments or financings. The resulting multiple is adjusted, if necessary, to take into account differences between the investee company and those the Company selected for comparisons and factors include public versus private company, company size, same versus similar business, as well as with respect to the sustainability of the company's earnings and current economic environment, including an estimate of the potential impact of COVID-19. As at March 31, 2021, 11 investee companies were valued using the earnings multiple approach. If the Company had used an earnings multiple for each investee company that was higher or lower by 0.5 times, the potential effect would be an increase of \$12.6 million or a decrease of \$10.2 million to the carrying value of corporate investments and net investment gain, on a pre-tax basis, for the year ended March 31, 2021 (2020 – an increase of \$18.0 million or a

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021 and 2020 (tabular dollar amounts in thousands, except per share information)

decrease of \$16.3 million). Earnings multiples used are based on public company valuations as well as private market multiples for comparable companies. Earnings are based on the last twelve-month EBITDA and if necessary, adjusted for any non-recurring items such as, restructuring expenses and annualized pro-forma adjustments from recently completed acquisitions. Adjustments to EBITDA may also consider forecasted impacts arising from the current economic environment or recent developments of the investee company.

Clairvest may also use information about recent transactions carried out in the market for valuations of private equity investments. When fair value is determined based on recent transaction information, this value is the most representative indication of fair value. The fair value of corporate bonds, debentures or loans is primarily determined using discounted cash flow technique. This technique uses observable and unobservable inputs such as discount rates that take into account the risk associated with the investment as well as further cash flows. For those investments valued based on recent transactions or discounted cash flows, Clairvest has determined that there are no reasonable alternative assumptions that would change the fair value materially as at March 31, 2021 and 2020.

19. CAPITAL DISCLOSURES

Clairvest considers the capital it manages to be shareholders' equity. Clairvest also manages capital held in acquisition entities, the third-party capital committed or invested in the CEP Funds and co-investments made by other investors.

Clairvest's objectives in managing capital are to:

- Preserve a financially strong company with substantial liquidity to pursue new acquisitions and growth opportunities as well as to support its operations and the growth of its existing investee companies;
- Achieve an appropriate risk adjusted return on capital;
- Build long-term value in its investee companies to generate superior returns; and
- Have appropriate levels of committed third-party capital available to invest alongside Clairvest's capital. The management of third-party capital also provides management fees and/or priority distributions to Clairvest and the ability to enhance Clairvest's returns by offsetting a portion of its operating costs and by earning a carried interest.

As at March 31, 2021 and 2020, Clairvest had no external capital requirements, other than as disclosed in *note 16*.

SHAREHOLDER INFORMATION

As at, and for the year ended, March 31, 2021
(unaudited)

SHAREHOLDER COMMUNICATION

Clairvest has both the obligation and desire to provide its shareholders with full and continuous disclosure, on a timely basis, throughout the fiscal year. Annual and quarterly reports are provided as part of this process and the company releases information on material events through the press, as required. Further disclosure can be found on the company's website, www.clairvest.com, and on the SEDAR website, www.sedar.com.

VALUATION MEASURES

Clairvest's focus is on building long-term value of its corporate investments. Accordingly, the results reflected the fair value of our investments. The fair value method, however, is not without its limitations. Clairvest's investments are often carried at values, which may vary from actual realizations.

OUTSTANDING SECURITIES

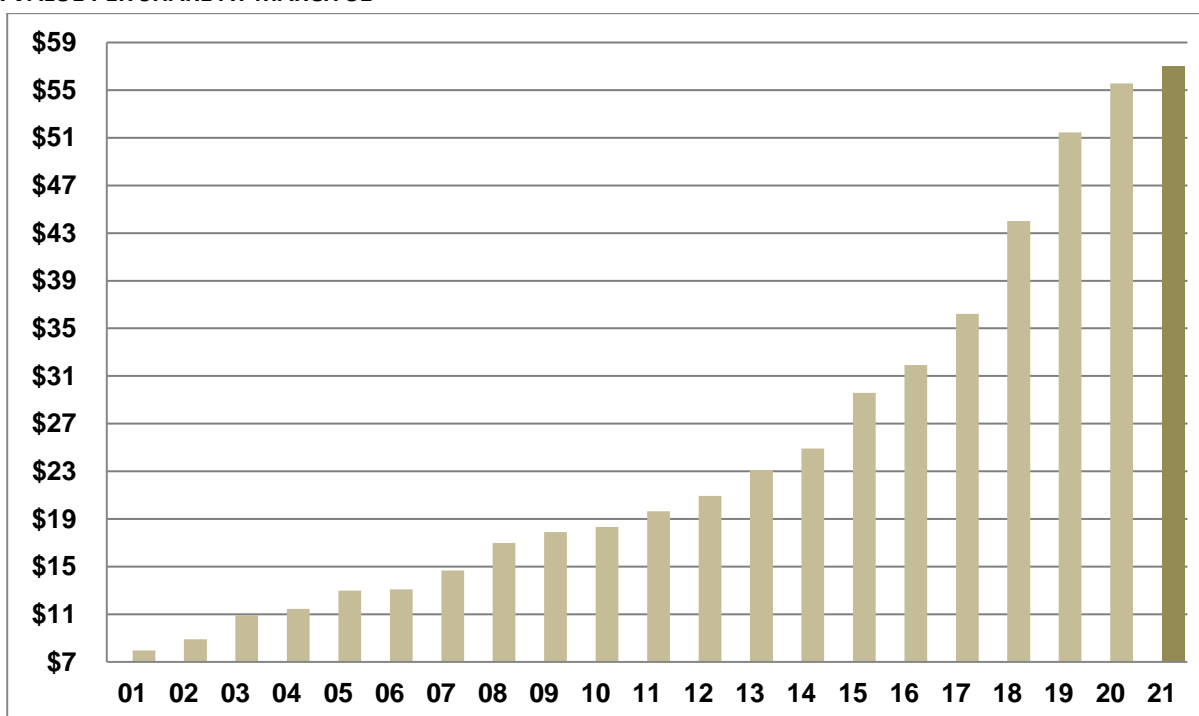
Share structure	Common Shares ⁽³⁾
Common shares outstanding	15,058,401
Less holders of 10% or more	9,558,180
Public float ^(1,2)	5,500,221
Market capitalization ⁽¹⁾	\$ 990,842,786
Market value of public float ^(1,2)	\$ 361,914,542
Stock market	Toronto Stock Exchange
Stock symbol	CVG

(1) As at June 18, 2021.

(2) Excludes holders of 10% or more of the outstanding common shares.

(3) During the year, Clairvest filed a new Normal Course Issuer Bid.

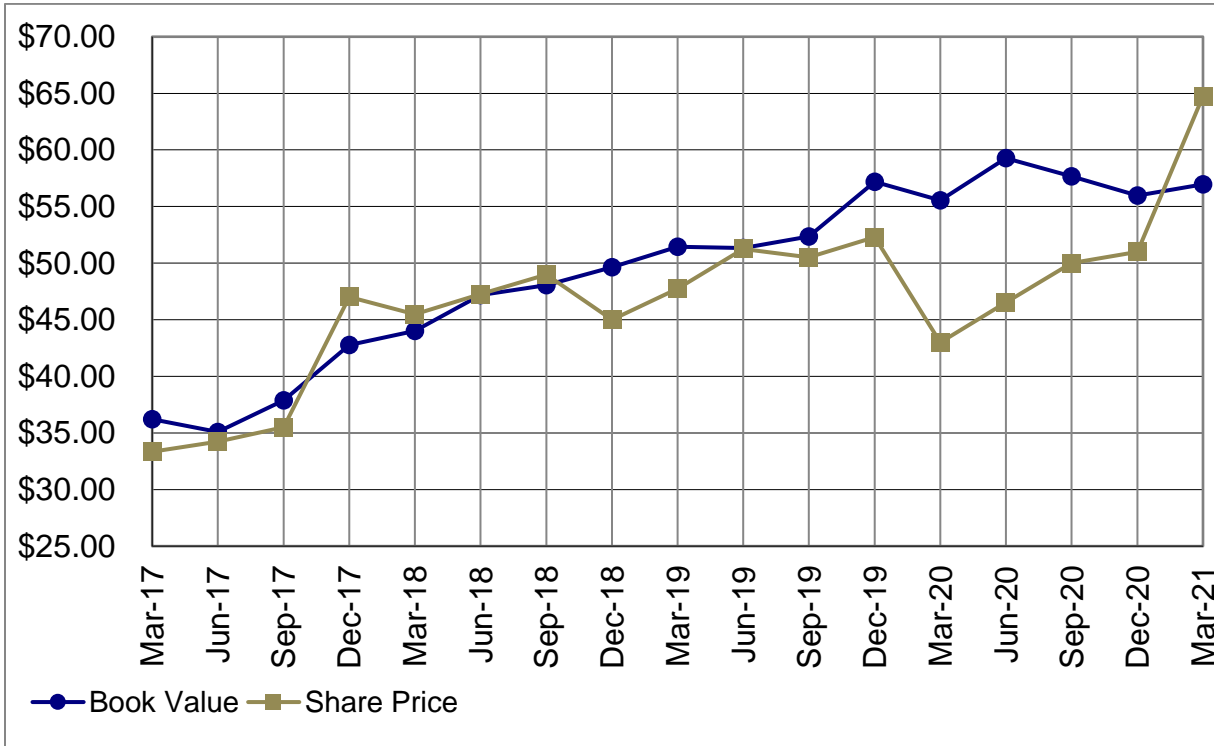
BOOK VALUE PER SHARE AT MARCH 31



SHAREHOLDER INFORMATION

As at, and for the year ended, March 31, 2021
(unaudited)

SHARE PRICE VS BOOK VALUE PER SHARE



SHARE TRADING VOLUME FISCAL 2021 and 2020

Common shares	High	Low	Close	Volume
Year to March 31, 2021				
First Quarter	43.40	37.74	43.40	59,131
Second Quarter	46.27	41.46	45.35	37,189
Third Quarter	51.00	43.54	51.00	60,811
Fourth Quarter	67.30	52.00	64.75	28,555
Year to March 31, 2020				
First Quarter	50.83	46.82	50.83	43,249
Second Quarter	51.78	48.36	50.51	128,657
Third Quarter	54.00	49.61	52.30	44,107
Fourth Quarter	55.00	40.00	43.00	90,675

SHAREHOLDER INQUIRIES

Stephanie Lo, Manager, Investor Relations & Marketing

tel: 416.925.9270

fax: 416.925.5753

email: stephaniel@clairvest.com

TRANSFER AGENT AND REGISTRAR

Investors are encouraged to contact
AST Trust Company (Canada) for information
regarding their security holdings.

Information can be obtained at:

P.O. Box 700, Station B

Montréal, Québec H3B 3K3

Answerline: 1.800.387.0825

Web: www.astfinancial.com

Email: inquiries@astfinancial.com

CORPORATE INFORMATION

CORPORATE OFFICE

22 St. Clair Avenue East, Suite 1700

Toronto, Ontario M4T 2S3

Tel: 416.925.9270 Fax: 416.925.5753

Web: www.clairvest.com

AUDITORS

Ernst & Young LLP

THE ANNUAL MEETING OF SHAREHOLDERS

August 11, 2021 by way of a live audio webcast.

The link to join the live audio meeting can be found at:

www.clairvest.com/shareholders/annual-meeting

All Shareholders are encouraged to attend.