ANNUAL REPORT 2023

CLAIRVEST

TABLE OF CONTENTS

KNOWLEDGE BASED - PARTNER FOCUSED

CLAIRVEST

CLAIRVEST IS ONE OF CANADA'S LEADING PROVIDERS OF PRIVATE EQUITY FINANCING TO MID-MARKET COMPANIES AND CURRENTLY HAS APPROXIMATELY C$3.3 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,

Reflecting on the past fiscal year, it was a busy period for Clairvest. In Fiscal 2023: we had two significant liquidity events, added five new partnership / investment platforms with two more new investments expected to close after year end, consummated 26 tuck-in acquisitions with our portfolio companies, and grew our headcount with excellent professionals to support our continued growth. Additionally, we laid the foundation for CEP VII where investor demand is swamping our expectation and completed a first close at our target of approximately US$1 billion. We did this while navigating a volatile environment which included radical changes to interest rates, war, stock market corrections and instability in the banking system. While this environment did not make things easier, Clairvest today is stronger than ever.

Our value creation approach centers around building great businesses. This year, two companies in our portfolio garnered significant inbound interest and achieved remarkable outcomes. Meriplex Communications successfully completed a partial recapitalization in July 2022, delivering a total return exceeding a 13 times MoC (9.2x MoC in cash and the remainder in re-invested equity). Since partnering with Founder & CEO David Henley in October 2018, the company grew EBITDA by over 800%, expanded headcount from 75 to 500 and completed 13 acquisitions. Our second home run exit this year was DTG Recycle. We partnered with Founder Dan Guimont and CEO Tom Vaughn in January 2020 to embark on an aggressive growth plan. Over the investment period, DTG Recycle completed 10 add-on acquisitions, grew EBITDA by over 300% and became the leading recycler in the Pacific Northwest. We exited DTG Recycle in November 2022 and the deal generated a 6.2x MoC and an 88% IRR. Furthermore, I would like to highlight that Clairvest was the recipient of the CVCA PE Global Dealmaker Award for our investment in Also Energy. We successfully sold Also to STEM Inc. in February 2022, realizing a 10x MoC and an 87% IRR. This award marks our seventh recognition from the CVCA, further validating our differentiated and unique strategy.

Net income in Fiscal 2023 was $52.4 million. With dividends paid, this equated to a 4.5% growth in book value per share to $81.05 (versus negative 9.3% for the S&P500). Over the last 10 years we have grown book value per share (after tax) by 15.4% per annum (our key metric). Growth of 4.5% was well below what we should have achieved and was principally from very positive developments at 6 portfolio companies which were partially offset by value declines in others. Of those value declines, some were based on declines in quoted share prices where we believe the prices will recover as the companies are strong and growing, but some were based on operating shortfalls where a value adjustment was warranted. This speaks to the merits of diversification, where we have 27 active portfolio companies today. However, it also illustrates the risks and challenges in our business, and that we have setbacks as well as victories. Denial is not part of our culture and we have achieved strong results, in part, from our ability to identify problems and opportunities and attack them. This is especially critical as we enter a potentially tougher economic environment.

Clairvest's track record is comprised of 41 realizations that have generated a 4.2x multiple of capital invested, turning $945 million into $4.0 billion. This makes us an undisputed top quartile performer in our industry over an extended period. Today we have a book value of over C$1.2 billion with over C$430 million in cash and cash equivalents. Most of that liquidity will support our existing portfolio as well as our next investment program, CEP VII. Our strategy is working and is embraced by the many talented people working at Clairvest with whom I have the privilege of working. For these reasons, along with the support from our investors and banking partners, I feel that we have never been stronger.

Since going public at $5.00 per share, I am pleased to report that we have paid cumulative dividends of $11.75 per share and have a book value of $81.05 per share, offering a return of approximately 19x to our shareholders.

At this time, I would like to acknowledge the sage counsel and wisdom brought by our board member, Joe Heffernan, who has decided not to stand for re-election to our board in August after providing over 23 years of active leadership to Clairvest. Joe has been an integral member of the Clairvest Board, serving as Chairman for 20 years and witnessing Clairvest's growth across various business cycles. We are grateful for his longstanding involvement with the firm and would like to extend our best wishes to him for the future. I would like to welcome Bill Morneau to our board, who joined us last August and has already made a disproportionate contribution, and Peter Zemsky who will join our board in August 2023.

Respectfully,

Ken Rotman
Chief Executive Officer

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, 2023 ("consolidated financial statements").

The following MD&A is the responsibility of Management and is as at June 26, 2023. 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

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 ("Clairvest SLP VI")
Clairvest CEP Holdings Limited Partnership

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, MIP VI and CEP SLP VI are described in the Transaction with Related Parties and Off-Statements of Financial Position Arrangements section of the MD&A.

As at March 31, 2023, Clairvest, through these acquisition entities, had 24 core investments in 12 different industries, some of which are located or have operations outside of North America. One was a joint investment with CEP III, four were joint investments with CEP IV and CEP IV-A (together, the "CEP IV Fund"), eight were joint investments with CEP V, CEP V India and CEP V-A (together, the "CEP V Fund"), and eleven 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, 2023:

SUMMARY OF CLAIRVEST'S INVESTEE COMPANIES AS AT MARCH 31, 2023

Investee Company	Industry Segment	Clairvest / CEP III CoInvest / CEP IV Co-Invest Ownership Percentage[26]	CEP Fund Ownership Percentage[26]	Total Ownership Percentage[26]	Description of Business
INVESTMENTS DIRECTLY HELD					
Grey Eagle Casino[1]	Gaming	Equity participation until December 15, 2023			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, 2023.
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					
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[4]	Specialty Aviation	38.7%	57.8%	96.5%	Northco is a specialty aviation services company operating across Canada and in selected locations internationally.
Top Aces[5]	Defence services	17.3%	18.2%	35.5%	Top Aces is a supplier of advanced adversary services across three continents.
Momentum Solutions[6]	Services	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")[7]	Gaming	Debentures and equity investment rights			Operates a standardbred horse racing track located in East Rutherford, New Jersey along with retail and mobile sports betting.

(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 15, 2023.

(2) CEP III Co-Invest held 32,854,115 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) CEP IV Co-Invest held 1,982.14 units of Davenport Land Investments.

(4) CEP IV Co-Invest held $21.9 million in convertible debentures of Northco with a stated interest rate of 2% per annum, and 3,867 common shares of Northco.

(5) Clairvest held 971.4445 common shares of Top Aces.

(6) Clairvest held 4,477 common shares of Momentum Solutions.

(7) CEP IV Co-Invest held US$5.4 million in secured convertible debentures of the Meadowlands with a stated interest rate of 15% per annum and US$0.6 million in preferred debt with a stated interest rate of 3% per annum. Clairvest also held warrants which entitle it to invest in equity securities subject to certain conditions.

Investee Company	Industry Segment	CEP V Co-Invest Ownership Percentage[26]	CEP Fund Ownership Percentage[26]	Total Ownership Percentage[26]	Description of Business
INVESTMENTS MADE BY CEP V CO-INVEST ALONGSIDE CEP V/CEP V India/CEP V-A					
Abra Health Group (formerly "ChildSmiles Group")[8]	Dental Services	15.0%	35.0%	50.0%	A multi-specialty dental practice providing oral health care with operations in New Jersey and Pennsylvania.
Accel Entertainment[9]	Gaming	5.9%	13.7%	19.6%	A licensed video gaming terminal operator in the United States. Listed on the NYSE under the symbol ACEL.
Digital Media Solutions[10]	Marketing Services	9.3%	21.7%	31.0%	A digital media company which operates as a customer lead generation engine for companies in a variety of different industries. Listed on the NYSE under the symbol DMS.
Durante Rentals[11]	Equipment Rental	20.1%	46.8%	66.9%	A construction equipment rental provider in the New York Metropolitan area.
FSB Technology[12]	Gaming	21.2%	49.6%	70.8%	An international business-to-business sports and internet gaming technology supplier based in London, United Kingdom.
Head Digital Works[13]	Gaming	28.9%	37.8%	66.7%	An internet-based technology and gaming company with ownership interest in Ace2Three, FanFight, Cricket.com, and WittyGames delivering a mobile social gaming experience to markets in India.
Meriplex Communications[14]	Information Technology	5.6%	12.9%	18.5%	A provider of managed networking, cybersecurity and IT services for mid-market customers throughout the United States.
Winters Bros. Waste Systems of Long Island ("Winters Bros. of LI")[15]	Waste Management	14.2%	33.1%	47.3%	A provider of commercial, industrial, and residential waste collection services across Long Island, New York.

(8) CEP V Co-Invest held 11,836,135 Class B preferred units of Abra Health Group.
(9) CEP V Co-Invest held 5,069,670 Class A-1 shares and 244,674 Class A-2 shares of Accel Entertainment.
(10) CEP V Co-Invest held 6,091,377 Class A common shares and 276,653 warrants of Digital Media Solutions.
(11) CEP V Co-Invest held 217,121.20 LLC units of Durante Rentals.
(12) CEP V Co-Invest held 7,820,855 Class A common shares and 10,354,682 Class B convertible preferred shares of FSB Technology. The investment held by CEP VI Co-Invest alongside CEP VI, CEP VI-A and CEPVI-B is described separately.
(13) CEP V Co-Invest held 39,412,175 common shares of Head Digital Works.
(14) CEP V Co-Invest held 1,044.472 common shares, 22,859.008 Class A preferred shares and 906.832 Class B preferred shares of the new Meriplex ownership entity.
(15) CEP V Co-Invest 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.

Investee Company	Industry Segment	CEP VI Co-Invest Ownership Percentage[26]	CEP Fund Ownership Percentage[26]	Total Ownership Percentage[26]	Description of Business
INVESTMENTS MADE BY CEP VI CO-INVEST ALONGSIDE CEP VI/CEP VI-A/CEP V-B					
Acera insurance[16]	Insurance services	5.7%	15.4%	21.1%	A property and casualty and group benefits insurance brokerage in Canada, with offices located in Alberta, British Columbia, Ontario and the Yukon.
Arrowhead Environmental Partners[17]	Waste Management	11.3%	30.4%	41.7%	A non-hazardous waste-by-rail operator serving in Northeastern United States markets.
Bluetree Dental[18]	Dental Services	8.1%	21.9%	30.0%	A multi-specialty pediatric and orthodontics-focused dental service organization in the Mountain West region of the United States.
Boca Biolistics[19]	Life Sciences	17.6%	47.4%	65.0%	A biosamples company located in Florida.
Brunswick Bierworks[20]	Co-packing	22.2%	59.8%	82.0%	A contract manufacturer of specialty beverages serving Canadian and United States markets.
Delaware Park[21]	Gaming	18.6%	50.1%	68.7%	A racino located in Wilmington, Delaware, serving the Delaware, Maryland, New Jersey, and Pennsylvania markets.
F12.NET[22]	Information Technology	15.9%	42.8%	58.7%	A provider of managed IT services for Canadian-based small to medium-market customers.
FSB Technology[23]	Gaming	5.6%	15.1%	20.7%	An international business-to-business sports and internet gaming technology supplier based in London, United Kingdom.
New Hampshire Gaming	Gaming	13.5%	36.5%	50.0%	An investment vehicle created to acquire and operate existing gaming locations in Southern New Hampshire with plans to build a large-scale historical horse racing facility in Nashua, New Hampshire.
NovaSource Power Services[24]	Renewal Energy	18.8%	50.6%	69.4%	A solar operations and maintenance provider serving the global commercial and residential sectors.
Star Waste[25]	Waste Management	18.3%	49.5%	67.8%	An independent solid waste management company servicing the Greater Boston Area with a focus on providing residential, commercial, and roll-off container waste collection.

(16) CEP VI Co-Invest held 27,058,823 Class A convertible preferred shares of Acera Insurance.
(17) CEP VI Co-Invest held 2,706 Class A preferred units of Arrowhead Environmental Partners.
(18) CEP VI Co-Invest held 4,134,866 LLC units of Bluetree Dental.
(19) CEP VI Co-Invest held 6,789,426.32 LLC units of Boca Biolistics.
(20) CEP VI Co-Invest held 5,449,582 Class A shares of Brunswick Bierworks and advanced a $2.6 million promissory note with a stated interest rate of 8% per annum.
(21) CEP VI Co-Invest held 19,269 common shares of Delaware Park.
(22) CEP VI Co-Invest held 283,144 Class A common shares of F12.NET.
(23) CEP VI Co-Invest held 4,787,206 priority preferred shares of FSB Technology.
(24) CEP VI Co-Invest held 2,966.6900 common shares of NovaSource Power Services.
(25) CEP VI Co-Invest held 6,764,706 Class A preferred units and 4,058,824 Class B common units of Star Waste.
(26) Ownership percentage calculated on a fully diluted basis as at March 31, 2023.

OVERVIEW OF FISCAL 2023

An overview of the significant events during fiscal 2023:

Overall and Corporate

- Clairvest ended fiscal 2023 with a book value of $1,217.7 million, or $81.05 per share, representing a growth of 4.4% during fiscal 2023. The growth comprised primarily a book value increase of $50.4 million, or $3.49 per share, net of dividends paid totaling $11.8 million, or $0.7833 per share.
- Net income and comprehensive income ("net income") during fiscal 2023 was $3.48 per share. For the fiscal year ended March 31, 2023, Clairvest recorded $130.2 million in total revenue and $52.4 million in net income, compared to $421.1 million and $330.2 million, respectively, in the prior fiscal year.
- As at March 31, 2023, Clairvest has $425 million invested in its private equity investment portfolio with a fair market value of $791 million. This compared to $353 million invested and $739 million in fair market value at the prior fiscal year end. During fiscal 2023, Clairvest made five new investments and various follow-on investments to its private equity investment portfolio at a total cost of $87 million and divested 2 investments for cash proceeds of $135 million and a net realized gain of $71 million. More information is provided below.
- During fiscal 2023, 28,300 common shares were purchased and cancelled under the various normal course issuer bids at an average price of $68.55 per share, reducing the number of common shares outstanding to 15,024,001. On March 6, 2023, Clairvest filed a new normal course issuer bid enabling it to make market purchases of up to 761,551 of its common shares in the 12-month period commencing March 8, 2023. As at June 26, 2023, no shares have been purchased under the current normal course issuer bid.
- During fiscal 2023, Clairvest paid an annual ordinary dividend of $0.10 per share and a special dividend of $0.6833 per share. The dividends were paid on July 28, 2022 to common shareholders of record as of July 6, 2022.

Clairvest/CEP III Co-Invest and CEP III

- The CEP III Co-Invest and the CEP III Fund investment program comprised 8 investments at a total cost of $238 million. As at March 31, 2023 and June 26, 2023, 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 26, 2023. Based on realization at the fair value as at March 31, 2023, CEP III would to generate approximately 2.4 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

- The CEP IV Co-Invest and the CEP IV Fund investment program comprised 12 investments at a total cost of $473 million. As at March 31, 2023, Clairvest, through CEP IV Co-Invest, and the CEP IV Fund has exited 8 of its 12 investments, generating $1.53 billion of total sale proceeds, or a 3.3 times return against invested capital. As at March 31, 2023, the CEP IV Fund had returned over 2.9 times invested capital to its third-party investors on a net basis.
- During fiscal 2023, Top Aces raised equity totalling $147 million from its existing investors to further support the growth of its business. In total, CEP IV Co-Invest funded $25 million of these equity raises. As part of these series of transactions, the US$9.7 million loan which was advanced during fiscal 2022, and the additional US$17.8 million loan which was advanced during fiscal 2023 prior to these equity raises were repaid in full.
- Remaining investments include Northco, Top Aces, New Meadowlands and the remaining interest in Davenport Land Investments. Based on realization at the fair values as at March 31, 2023, the CEP IV Fund would generate approximately 3.3 times invested capital or an IRR of 27% for its third-party investors on a net basis.

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

- The CEP V Co-Invest and the CEP V Fund investment program comprised 12 investments at a total cost of $523 million. As at March 31, 2023, CEP V Co-Invest and the CEP V Fund have realized or partially realized six investments, returning 1.7 times invested capital to its third-party investors on a net basis.

- In July 2022, CEP V Co-Invest and the CEP V Fund completed a partial recapitalization of Meriplex Communications. CEP V Co-Invest received cash proceeds of US$48.6 million and retained one-third of its previous interest in Meriplex Communications for an 18% continuing ownership interest, against total invested capital of US$5.3 million. The sale generated a return of approximately 13 times the original invested capital with an IRR of 92.2%, calculated based on the cash proceeds plus the March 31, 2023 fair value of the remaining interest in Meriplex Communications. Subsequently, CEP V Co-Invest invested an additional US$0.9 million to support Meriplex Communications' continuing acquisition program.
- In November 2022, CEP V Co-Invest and the CEP V Fund completed the sale of DTG Waste. CEP V Co-Invest received cash proceeds of US$53.4 million during fiscal 2023, plus additional proceeds of US$0.4 million subsequent to year end, against total invested capital of US$8.7 million. Including the proceeds received subsequent to year end, the sale generated over six times invested capital with an IRR of 88.3%.
- During fiscal 2023, CEP V Co-Invest sold 315,000 shares of Stem, Inc. (NYSE: STEM) for total cash proceeds of US$4.6 million. The STEM shares held by CEP V Co-Invest were the result of the sale of Also Energy which completed during fiscal 2022. CEP V Co-Invest held 776,583 shares of STEM as at March 31, 2023.
- During fiscal 2023, CEP V Co-Invest and the CEP V Fund made follow-on investments totalling GBP£8.7 million (C$13.8 million) in FSB Technology in the form of short-term loans, convertible preferred shares and common shares to support its continuing growth. CEP V Co-Invest's share of these investments was GBP£2.6 million (C$4.1 million). FSB Technology also became an investment of CEP VI Co-Invest and the CEP VI Fund as described below.
- Based on realization at the fair values as at March 31, 2023 in the remaining investments, the CEP V Fund would generate 3.2 times invested capital or an IRR of approximately 31% 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. As at March 31, 2023, the CEP VI Fund has completed eleven investments for a total cost of US$451 million, or approximately 56% of its investment program. Considering follow-on investments completed subsequent to year end totalling US$35.0 million, the CEP VI Fund has completed over 60% of its investment program.
- In July 2022, CEP VI Co-Invest and the CEP VI Fund invested US$40.0 million (C$51.6 million) for a 67.8% ownership interest in Star Waste, an independent solid waste management company servicing the Greater Boston Area with a focus on providing residential, commercial, and roll-off container waste collection. CEP VI Co-Invest's portion of the investment was US$10.8 million (C$14.2 million) in the form of 6,764,706 Class A preferred units and 4,058,824 Class B common units representing an 18.3% ownership interest in Star Waste. Subsequent to year end, CEP VI Co-Invest and the CEP VI Funds advanced US$13.8 million (C$18.7 million) to Star Waste in the form of promissory notes which accrue interest at 14% per annum, of which, US$3.7 million (C$5.1 million) was advanced by CEP VI Co-Invest. Also subsequent to year end, CEP VI Co-Invest and the CEP VI Funds invested an additional US$7.5 million in Class B common units at the same price as the July 2022 transaction.
- In September 2022, CEP VI Co-Invest and the CEP VI Fund made a $100 million equity investment to support the merger and recapitalization of Alberta-based Rogers Insurance and British Columbia-based CapriCMW forming a combined entity operating as Acera Insurance. The equity investment represents a 21.1% ownership interest in Acera Insurance. CEP VI Co-Invest's portion of the investment was $27.1 million in the form of 27,058,823 Class A convertible preferred shares representing a 5.7% ownership interest in Acera Insurance.
- In November 2022, CEP VI Co-Invest and the CEP VI Funds invested US$24.5 million (C$32.9 million) into an investment vehicle created to acquire and operate existing gaming locations in Southern New Hampshire with plans to build a large-scale historical horse racing facility in Nashua, New Hampshire. CEP VI Co-Invest's portion of the investment was US$6.6 million (C$8.9 million). The acquisition of the gaming operations was subject to gaming regulatory approval as at March 31, 2023. Subsequent to year end, the project received gaming regulatory approval and an additional US$25.7

million investment was made by the CEP VI Co-Invest and the CEP VI Funds to complete the investment. CEP VI Co-Invest's portion of the follow-on investment was US$7.0 million.

- In February 2023, CEP VI Co-Invest and the CEP VI Fund invested US$25.1 million (C$33.9 million) for a 65.0% ownership interest in Boca Biolistics, a biosamples company based in Florida. CEP VI Co-Invest's portion of the investment was US$6.8 million (C$9.2 million) in the form of 6,789,426.32 LLC units representing a 17.6% ownership interest in Boca Biolistics.
- In February 2023, CEP VI Co-Invest and the CEP VI Fund invested GBP£10.0 million (C$16.3 million) in FSB Technology, An international business-to-business sports and internet gaming technology supplier based in London, United Kingdom and which is also an investment of CEP V Co-Invest and the CEP V Fund. CEP VI Co-Invest portion of the investment was GBP$2.7 million (C$4.4 million) in the form of 4,787,206 priority preferred shares which are senior to all other equity and represent 5.6% ownership interest in FSB Technology. Subsequent to year end, an additional GBP£3.0 million was invested in FSB Technology by CEP VI Co-Invest and the CEP VI Fund.
- In March 2023, CEP VI Co-Invest and the CEP VI Fund invested US$32.2 million (C$43.8 million) for a 30.0% ownership interest in Bluetree Dental, a multi-specialty pediatric and orthodontics-focused dental service organization in the Mountain West region of the United States. CEP VI Co-Invest's portion of the investment was US$8.7 million (C$11.8 million) in the form of 4,134.866 LLC units representing an 8.1% ownership interest in Bluetree Dental.

OUTLOOK

Clairvest is a leader in the Canadian private equity industry. From inception, the Company has invested its own capital in every investment. As at June 26, 2023, Clairvest's current management team has invested $2.1 billion in 62 platform investments and has realized or partially realized on 41 investments with an aggregate cost of $945 million which have created over $3.9 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 continue to execute upon and refine its demonstrated and proven investment strategy. Also, they have 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.

As a result of elevated interest rates and other global uncertainty, Clairvest and its portfolio companies are subject to risks associated with a rising cost to operate and to finance their respective businesses. On the other hand, elevated interest rates has benefitted the Company's treasury funds given the more attractive yield available for fixed income deposits.

As at March 31, 2023, 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 fund"), 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.

The table below summarizes the status of the CEP Funds as at June 26, 2023:

Status of Clairvest Equity Partnerships as at June 26, 2023

($millions, except year of fund and number of investments)						Number of Investments	
	Year of Fund[(1)]	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	81.0%	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	87.1%	12	8
Clairvest Equity Partners VI ("CEP VI")	2020	US$620	US$230	US$850	56.5%	11	11

(1) Commencement of commitment period.

FINANCIAL POSITION AND BOOK VALUE

The following table summarizes the Company's financial position and book value as at March 31, 2023 and 2022:

Financial Position

As at, ($000's, except number of shares and per share amounts)	**March 31, 2023**	March 31, 2022
Cash, cash equivalents and temporary investments ("treasury fund")	**390,832**	348,795
Carried interest from Clairvest Equity Partners III and IV	**49,314**	35,496
Corporate investments, including carried interest from Clairvest Equity Partners V and VI, and net of corresponding management participation	**891,709**	849,073
Total assets	**1,429,651**	1,353,143
Management participation from Clairvest Equity Partners III and IV	**38,365**	26,997
Total liabilities	**211,924**	174,056
Book value	**1,217,727**	1,179,087
Book value per share	**81.05**	78.33
Dividends per share paid during the fiscal year ended	**0.7833**	0.5696
Number of common shares outstanding	**15,024,001**	15,052,301

ASSETS

As at March 31, 2023, Clairvest had total assets of $1,429.7 million, an increase of $76.6 million during fiscal 2023. The increase was primarily due new private equity investments made net of a decrease in the fair value of Clairvest's acquisition entities resulting from distribution of proceeds from investment realizations.

As at March 31, 2023, the Company's treasury funds of $390.8 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 $98.8 million in cash, investment savings accounts and guarantee investment certificates with consistent ratings to the Company's treasury funds, limited recourse capital notes and other fixed income securities. Clairvest also had access to $3.5 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 2027 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, 2023 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, 2023 and June 26, 2023.

As at March 31, 2023, Clairvest had loans receivable totalling $24.4 million, $13.1 million of which represented loans advanced to acquisition entities and the remaining $11.3 million represented bridge loans to the CEP V and CEP VI Funds.

As at March 31, 2023, Clairvest had corporate investments with a fair value of $891.7 million, an increase of $42.6 million during fiscal 2023, $791.3 million of which represented the fair value of Clairvest's investee companies, $38.9 million of which represented carried interest from Clairvest Equity Partners V and VI net of management participation, and the remaining $61.5 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 $52.0 million during fiscal 2023, which primarily comprised the following:

- Follow-on investments in existing investee companies totalling $35.5 million;
- Foreign exchange revaluation gains on investee companies totalling $33.4 million, $30.2 million of which was offset by losses in Clairvest's foreign exchange hedging strategy as described below;
- A $27.1 million equity investment in Acera Insurance;
- A $14.0 million equity investment in Star Waste;
- A $11.8 million equity investment in Bluetree Dental;
- A $9.2 million equity investment in Boca Biolistics;
- A $8.9 million investment in New Hampshire Gaming;
- Net increase in unrealized gain on investee companies of $2.6 million; partially offset by
- A partial realization of Meriplex Communications, which the shares realized had a fair value of $51.6 million as at March 31, 2022;
- The realization of DTG Recycle, which had a fair value of $12.5 million as at March 31, 2022;
- Full repayment of loans advanced to Top Aces, which had a value of $12.4 million as at March 31, 2022;
- Full repayment of the bridge loan advanced to NovaSource Power Services which had a fair value of $6.0 million as at March 31, 2022;
- The receipt of other interest and distributions from its portfolio companies, net of accruals during the year, totalling $5.4 million;
- Sale of 315,000 STEM shares which had a fair value of $2.6 million as at March 31, 2022.

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, 2023, 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 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, 2023 and 2022:

	March 31, 2023			March 31, 2022		
($000's)	**Fair value**	**Cost**	**Difference**	Fair value	Cost	Difference
Co-packing	**8,146**	**8,020**	**126**	5,117	5,117	—
Dental services	**40,357**	**27,749**	**12,608**	19,689	15,902	3,787
Equipment rental	**6,987**	**13,591**	**(6,604)**	4,439	13,591	(9,152)
Financial services	**4,563**	**—**	**4,563**	11,042	—	11,042
Gaming	**398,802**	**159,525**	**239,277**	355,325	142,501	212,824
Information technology	**37,976**	**13,130**	**24,846**	82,607	16,351	66,256
Insurance services	**27,059**	**27,059**	**—**	—	—	—
Life sciences	**9,200**	**9,174**	**26**	—	—	—
Marketing services	**—**	**995**	**(995)**	22,835	995	21,840
Renewable energy	**66,171**	**44,676**	**21,495**	106,999	53,110	53,889
Specialty aviation and defence services	**123,280**	**90,081**	**33,199**	74,357	77,046	(2,689)
Waste management	**63,766**	**28,255**	**35,511**	52,167	25,618	26,549
Other investments	**4,976**	**2,699**	**2,277**	4,693	2,622	2,071
	791,283	**424,954**	**366,329**	739,270	352,853	386,417

Significant activities of each investee company during fiscal 2023 are further described in *note 5* to the consolidated financial statements.

LIABILITIES

As at March 31, 2023, Clairvest had $211.9 million in total liabilities, which included $17.0 million in accrued management compensation, $74.3 million in share-based compensation, $38.4 million in management participation from Clairvest Equity Partners III and IV and $61.4 million in current and deferred income tax liability. $84.2 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, 2023 was $52.4 million compared with net income of $330.2 million for the year ended March 31, 2022. The following table summarizes the composition of net income for the years ended March 31:

Financial Results

Year ended March 31, ($000's, except per share amounts)	2023	2022
Net investment gain (loss) **(A)**		
- Investee companies inclusive of foreign exchange hedging activities	**80,944**	340,868
- Temporary investments	**(11,043)**	12,271
- Carried interest and management participation from Clairvest Equity Partners V and VI	**(111)**	32,527
- Acquisition entities including distributions, interest, dividends and fees received from investee companies and net of taxes paid or payable by these acquisition entities	**(131,940)**	(30,046)
	(62,150)	355,620
Distributions, interest income, dividends and fees **(B)**		
- CEP Funds	**24,024**	21,188
- Investee companies	**3,501**	4,958
- Treasury funds	**10,720**	3,856
- Acquisition entities and other	**139,830**	29,458
	178,075	59,460
Carried interest from Clairvest Equity Partners III and IV **(C)**	**14,258**	5,977
Total expenses **(D)**	**66,499**	46,044
Income before income taxes **(A+B+C-D)**	**63,684**	375,013
Income tax expense	**11,315**	44,806
Net income and comprehensive income	**52,369**	330,207
Net income and comprehensive income per share - basic and fully diluted	**3.48**	21.93

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 (loss) 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.

During fiscal 2023, CEP V Co-Invest received $141.2 million from the realization of its investment in DTG Recycle, the partial realization of its investment in Meriplex Communications and the partial sale of its STEM shares. In conjunction with those realizations, CEP V Co-Invest made distributions totalling $132.4 million, $104.8 million of which were ultimately paid to Clairvest, $16.7 million were paid to 2141788 Ontario and $10.9 million were paid as management participation.

The following tables summarize, by industry concentration, the net investment gain or loss of investee companies for the years ended March 31, 2023 and 2022. The net investment gain or loss is inclusive of the impact on the foreign exchange hedging activities related to these investments.

Net investment gain (loss), by industry concentration

Year ended March 31, 2023 ($000's)	Net realized gains (losses)	Net unrealized gains (losses)	Foreign exchange gain (loss)[1]	Total
Dental services	—	7,253	(195)	7,058
Equipment rental	—	2,110	55	2,165
Financial services	(598)	(1,507)	—	(2,105)
Gaming	—	13,489	3,377	16,866
Information technology	11,842	1,482	1,316	14,640
Life sciences	—	—	(22)	(22)
Marketing services	511	(23,847)	(675)	(24,011)
Renewable energy	4,296	(36,929)	(1,456)	(34,089)
Specialty aviation and defence services	—	36,295	103	36,398
Waste management	58,990	4,381	745	64,116
Other investments	—	(174)	102	(72)
Net investment gain (loss) on investee companies	75,041	2,553	3,350	80,944

(1) Inclusive of foreign exchange hedging activities

Year ended March 31, 2022 ($000's)	Net realized gains (losses)	Net unrealized gains (losses)	Foreign exchange gain (loss)[1]	Total
Dental services	—	4,916	(12)	4,904
Equipment rental	—	—	94	94
Financial services	4,788	4,473	—	9,261
Gaming	2,777	149,255	(5,710)	146,322
Information technology	—	60,141	(187)	59,954
Marketing services	210	(60,090)	2,423	(57,457)
Renewable energy	86,755	63,989	(258)	150,486
Residential services	128	—	—	128
Specialty aviation and defence services	—	11,043	26	11,069
Waste management	(36)	16,503	(125)	16,342
Other investments	—	—	(4)	(4)
Net investment gain (loss) on investee companies	94,622	250,230	(3,753)	341,099

(1) Inclusive of foreign exchange hedging activities

During fiscal 2023, the net impact of foreign exchange on the investee companies included a gain of $2.8 million (2022 – loss of $4.0 million) on Chilean pesos denominated investment, a gain of $1.5 million (2022 – loss of $0.1 million) on British pound denominated investment, a gain of $0.2 million (2022 – loss of $2.0 million) on Indian rupee denominated investment, and a loss of $1.1 million (2022 – gain of $2.3 million) on U.S. dollar denominated investments.

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:

Distributions, Interest, Dividends, and Fees from Investee Companies

	2023			2022		
Year ended March 31, ($000's)	**Earned directly by Clairvest**	**Earned through acquisition entities**	**Total**	Earned directly by Clairvest	Earned through acquisition entities	Total
($000's)						
Co-packing	**204**	**70**	**274**	—	—	—
Dental services	**—**	**1,400**	**1,400**	—	898	898
Financial services	**—**	**—**	**—**	1,007	—	1,007
Gaming	**614**	**3,225**	**3,839**	578	2,891	3,469
Information Technology	**240**	**—**	**240**	406	—	406
Renewable energy	**—**	**196**	**196**	—	153	153
Specialty aviation and defence services	**—**	**5,335**	**5,335**	46	2,138	2,184
Waste management	**13**	**6**	**19**	—	—	—
Other investments	**—**	**25**	**25**	—	—	—
	1,071	**10,257**	**11,328**	2,037	6,080	8,117
Dividend income						
Gaming	**—**	**563**	**563**	—	—	—
Advisory and other fees	**2,430**	**—**	**2,430**	2,921	—	2,921
Distributions, interest, dividends and fees from investee companies	**3,501**	**10,820**	**14,321**	4,958	6,080	11,038

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

	2023			2022		
Year ended March 31, ($000's)	**Earned directly by Clairvest**	**Earned through acquisition entities**	**Total**	**Earned directly by Clairvest**	**Earned through acquisition entities**	**Total**
Priority distributions	**9,363**	**—**	**9,363**	9,087	—	9,087
Management fees	**12,409**	**—**	**12,409**	11,299	—	11,299
Interest on loans advanced	**2,252**	**18**	**2,270**	802	155	957
Distributions, fees and interest from the CEP Funds	**24,024**	**18**	**24,042**	21,188	155	21,343

Carried interest from Clairvest Equity Partners III and IV during fiscal 2023 and 2022 was $14.3 million and $6.0 million, respectively. Carried interest from Clairvest Equity Partners V and VI during fiscal 2023 and 2022 was $14.1 million and $113.5 million, respectively. During fiscal 2023, the Company received $64.8 million in carried interest from Clairvest Equity Partners V.

Included in distributions and interest income for the years ended March 31, 2023 and 2022 was interest earned from treasury funds of $10.7 million and $3.9 million, respectively. Acquisition entities of Clairvest earned interest from its treasury funds totalling $4.1 million and $1.4 million respectively during fiscal 2023 and 2022.

Total expenses for the year were $66.5 million, compared with $46.0 million for the year ended March 31, 2022. 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)	2023	2022
Employee compensation and benefits	**15,496**	22,825
Share-based compensation expenses	**28,578**	13,081
Administration and other expenses	**12,634**	5,111
Finance and foreign exchange expenses (recovery)	**(1,577)**	705
Management participation from Clairvest Equity Partners III and IV	**11,368**	4,322
Total expenses, excluding income taxes	**66,499**	46,044

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 years ended March 31:

Total Share-Based Compensations Expenses

Year ended March 31, ($000's)	2023	2022
Non-voting options expense	**9,312**	9,898
Book value appreciation rights expense	**9,916**	3,101
Deferred share units and appreciation deferred share units expense	**5,995**	118
Employee deferred shares units expense (recovery)	**3,355**	(36)
Total share-based compensation expense	**28,578**	13,081

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

The Company recorded $11.3 million in income tax expenses, and its acquisition entities recorded $2.0 million in income tax expense recovery during fiscal 2023, compared with $44.8 million in income taxes expenses incurred by the Company and $7.8 million in income tax expense incurred by the acquisition entity during the prior fiscal year. Income tax expense incurred (recovered) by the Company's acquisition entities are reflected in net investment gain (loss).

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, 2023	6,283	(13,838)	(0.92)	(0.92)
December 31, 2022	55,146	37,461	2.49	2.49
September 30, 2022	71,757	40,084	2.66	2.66
June 30, 2022	(3,003)	(11,338)	(0.75)	(0.75)
March 31, 2022	253,712	207,016	13.75	13.75
December 31, 2021	99,764	76,532	5.08	5.08
September 30, 2021	31,664	28,560	1.89	1.89
June 30, 2021	35,917	18,099	1.21	1.21

* 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 or losses, 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 loss for the fourth quarter of fiscal 2023 was $13.8 million compared with a net income of $207.0 million for the fourth quarter of fiscal 2022.

Revenue for the fourth quarter of fiscal 2023 comprised $12.1 million in net investment loss, $11.7 million in distributions, interest, dividends and fees, and a $6.7 million in net carried interest from Clairvest Equity Partners III and IV. This compares with $223.0 million in net investment gain, $24.8 million in distributions, interest, dividends and fees and $5.8 million in net carried interest for the fourth quarter of fiscal 2022.

The net investment loss of $12.1 million for the fourth quarter of fiscal 2023 resulted from $10.1 million in net unrealized loss from Clairvest's investee companies and treasury funds inclusive of foreign exchange hedging activities, decrease in net carried interest of $6.3 million from Clairvest Equity Partners V and VI net of $4.3 million in net unrealized gain from Clairvest's acquisition entities. This compared with $221.5 million in net unrealized gain from Clairvest's investee companies and treasury funds inclusive of foreign exchange hedging activities, increase in net carried interest of $18.9 million from Clairvest Equity Partners V and VI, net of $17.4 million in net unrealized loss from Clairvest's acquisition entities for the fourth quarter of fiscal 2022.

Distributions, interest, dividends and fees for the fourth quarter of fiscal 2023 included income on treasury funds of $3.9 million, general partner distributions, management fees and interest earned from the CEP Funds of $6.5 million, distributions, interest, dividend and fees earned from investee companies of $1.3 million. This compared with income on treasury funds of $1.0 million, general partner distributions, management fees and interest earned from the CEP Funds of $5.1 million, distributions, interest, dividends and fees earned from investee companies of $2.9 million, and $15.9 million in distributions from acquisition entities.

Carried interest from Clairvest Equity Partners III and IV was $6.5 million for the fourth quarter of fiscal 2023 comprised entirely of unrealized carried interest. Carried interest from Clairvest Equity Partners III and IV of $5.8 million for the fourth quarter of fiscal 2022 comprised $0.1 million in realized carried interest and $5.7 million in unrealized carried interest from Clairvest Equity Partners III and IV. Carried interest from Clairvest Equity Partners III and IV is further described in *note 7* to the consolidated financial statements.

Expenses for the fourth quarter of fiscal 2023 included $12.5 million in management and director compensation expenses, $5.1 million in management participation from Clairvest Equity Partners III and IV, $1.2 million in administrative and other expenses, $0.3 million in finance and foreign exchange expenses and a $1.1 million income tax expense. This compares with $14.1 million in management and director compensation expenses, $4.4 million in management participation from Clairvest Equity Partners III and IV, $1.1 million in administrative and other expenses, $0.3 million in finance and foreign exchange expenses, and $26.8 million in income tax expense incurred for the fourth quarter of fiscal 2022. The share price of a Clairvest common share decreased by $0.92 per share during the fourth quarter of fiscal 2023, compared to an increase of $13.75 per share during the fourth quarter of fiscal 2022.

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

EQUITY AND SHARE INFORMATION

As at March 31, 2023, Clairvest had 15,024,001 common shares issued and outstanding.

During fiscal 2023, Clairvest purchased and cancelled 28,300 common shares under the Company's normal course issuer bids. No shares were purchased and cancelled subsequent to year end up to June 26, 2023. As at June 26, 2023, Clairvest had 15,024,001 common shares issued and outstanding.

No Series 1 or Series 2 shares had been issued as at March 31, 2023 and June 26, 2023.

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, 2022, 563,519 options were outstanding and 166,871 options had vested. During fiscal 2023, 165,753 new options were issued, 112,697 options had vested, 117,113 options were exercised for $7.9 million, and 8,683 options were forfeited such that 603,476 options were outstanding of which 162,455 options had vested as at March 31, 2023.

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 was 350,000 common shares, which represented approximately 2.3% of the outstanding number of common shares. As at March 31, 2023, 195,749 EDSUs had been issued based on the terms and conditions of the EDSU plan. Subsequent to year end, 998 EDSUs were redeemed such that 194,751 EDSUs were outstanding as at June 26, 2023.

Clairvest paid an ordinary dividend of $0.10 per share on the common shares in each of fiscal 2023, fiscal 2022 and fiscal 2021. During fiscal 2023, and 2022 and 2021, Clairvest also paid a special dividend in each year of $0.6833, $0.4696 and $5.4555 per share respectively.

Subsequent to year end, Clairvest declared an annual ordinary dividend of $0.10 per share, and a special dividend of $0.7105 per share. The dividends will be payable to common shareholders of record as of July 5, 2023. The dividend will be paid on July 27, 2023. 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 in 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 in 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 Clairvest has 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 could 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 publicly traded 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 (loss).

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 statements 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 assets 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.

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, 2023, Clairvest had accounts receivable from its investee companies totalling $2.6 million, from CEP III totalling 36 thousand, from CEP IV totalling $14 thousand, from CEP IV-A totalling $1 thousand, from CEP V totalling $1.4 million, from CEP V India totalling $0.9 million, from CEP V-A totalling $0.4 million, from CEP VI totalling $14.2 million, from CEP VI-A totalling $18.3 million and CEP VI-B totalling $11.6 million. Additionally, acquisition entities of Clairvest which were not consolidated in accordance with IFRS held receivables from CEP III totalling $1.2 million.

In addition, the Company advances loans to its acquisition entities, the CEP Funds and short-term loans to investee companies. During fiscal 2023, the Company received net repayments of $23.3 million, such that $24.4 million in loans remained outstanding as at March 31, 2023. Further details are described in *note 10(e)* to the consolidated financial statements.

As at March 31, 2023, Clairvest had advanced share purchase loans to certain employees of Clairvest totalling $7.1 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 $10.6 million. None of these loans were made to key management. Interest income of $0.1 million was earned on these loans during the fiscal 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 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 2023 was $11.7 million. As at March 31, 2023, the total amounts payable to the CEO, the Vice Chairman, and the President under the aforementioned plans was $16.9 million. As at March 31, 2023, the total amounts payable to the directors of Clairvest under the DSU, ADSU and Non-Voting Option plans was $30.6 million.

During fiscal 2023, Clairvest earned $1.1 million in distributions and interest income and $2.4 million in advisory and other fees from its investee companies. Additionally, acquisition entities of Clairvest which were not consolidated in accordance with IFRS earned $8.9 million in distributions and interest 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-STATEMENTS 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, 2023. 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.

Clairvest has agreed to guarantee up to $5.0 million to support a credit facility provided to Brunswick Bierworks by its bank. Clairvest would assume the lender's security position that supports the loans provided by the lender should it be called and intends 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 fiscal 2023, CEP VI Co-Invest, CEP VI, CEP VI-A and CEP VI-B entered an agreement to invest in an IT solutions provider for government defence and civilian agencies. Closing of the investment, which is subject to regulatory approvals, is anticipated to occur during fiscal 2024.

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 risks

Fair value risk

Fair value risk includes exposure to fluctuations in the fair market value of the Company's investments. The Company's objective is to invest in long-term private equity investments and its holdings may include publicly traded companies which originated from its private equity investments. These companies will likely exhibit share price volatility such that the publicly traded share price may not be the best proxy of value. The Company's investments in these public companies may trade at share prices which are not indicative of the Company's realizable value due to factors including illiquidity of the security and potential adverse consequences when a significant shareholder sells its position. Accordingly, when the Company liquidates the investments in these types of public company shares, its ultimate realized proceeds may be materially different than the valuation at the end of any reporting period which is based on the publicly traded share price at that time and subject to certain adjustments as warranted.

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 is either revenue or earnings before interest, taxes, depreciation and amortization ("EBITDA") and the multiple which is applied to either revenue or 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 consider 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. Revenue or earnings multiples used are based on public company valuations as well as private market multiples for comparable companies. Revenues are based on current run-rates adjusted for non-recurring items. 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 revenue or EBITDA may also consider forecasted impacts arising from the current economic environment or recent developments of the investee company.

The Company's objective is to invest in long-term private equity investments and its holdings may include publicly traded companies which originated from its private equity investments. These companies will likely exhibit share price volatility such that the publicly traded share price may not be the best proxy of value. The Company's investments in these public companies may trade at share prices which are not indicative of the Company's realizable value due to factors including illiquidity of the security and potential adverse consequences when a significant shareholder sells its position. Accordingly, when the Company liquidates the investments in these types of public company shares, its ultimate realized proceeds may be materially different than the valuation at the end of any reporting period which will be based on the publicly traded share price at that time.

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 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 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, 2023.

The Company's corporate investment portfolio was diversified across 24 investee companies in 12 industries as at March 31, 2023. 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 this policy 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.

Clairvest's investee companies are subject to interest rate risk. A significant change in interest rates can have materially increase the borrowing cost for these investee companies and in turn causes a negative impact to the profitability of these companies, which could have a material impact to the Company's fair value of these corporate investments. The Company manages this risk through oversight responsibilities with existing investee companies and may suggest these investee companies enter swap derivatives with their banking counterparties to hedge against this risk.

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. The general partner priority distributions and management fees for Clairvest Equity Partners VI are denominated in United States Dollars whereas the Company's overhead costs are in Canadian dollars. 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 foreign exchange hedging positions against these foreign denominated currencies. As at March 31, 2023, the Company's material foreign exchange exposure comprised its Chilean peso-denominated and Indian rupee-denominated balances as they are unhedged. In addition, there is a timing difference between the consolidated statements of financial position 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, its 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 risks

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, 2023, 7 of the 23 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, 2023, Clairvest's exposure to gaming investments represented 30.4% of its net book value. In particular, Clairvest's investment in Head Digital Works represented 13.9% 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 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, 2023, there were no material income effects on changes in 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 this policy 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-statements 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 $190.6 million as at March 31, 2023. 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, 2023.

As at March 31, 2023, Clairvest had treasury funds, inclusive of those held at acquisition entities, of $493.1 million and access to $100.0 million in credit to support its obligations and current and anticipated corporate investments. Clairvest also had access to $502.6 million in uncalled committed third-party capital through the CEP Funds as at March 31, 2023 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, 2023, 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 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 2023 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, 2023 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, 2023. Management has concluded that the design of internal controls over financial reporting were effective and operated as designed as at March 31, 2023 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. 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 or 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 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, 2023. Based on that evaluation, management concluded that the Company's internal control over financing reporting was effective for the year ended March 31, 2023.

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, 2023, 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

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, 2023 and 2022, 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, 2023 and 2022, 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 the 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 this matter. 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 matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Fair value measurement of corporate investments 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 to the consolidated financial statements. As disclosed in note 18 to the consolidated financial statements, the Company has corporate investments of $891.7 million recorded at fair value. Of these, $822.7 million relates to corporate 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 corporate investments requires the application of significant auditor judgment 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"] or revenue and the estimated adjusted EBITDA or revenue. 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. With the assistance of our valuation specialists, 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 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 or revenue and the estimated adjusted EBITDA or revenue for the relevant investee company. Our audit procedures included, among others: • Where the multiple of EBITDA or revenue 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 or revenue is based on a multiple at which the Company invested in the investee company, on follow-on investments or financings, or on partial realization in the investee company, 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 or revenue based on recent financial information of the investee company, including the most recent audited financial statements, where applicable. • Our assessment of the multiple of EBITDA or revenue and estimated adjusted EBITDA or revenue 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.

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.

AUDITORS' 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.

- 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 Gregory Murphy.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
June 26, 2023

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at March 31

$000s		2023		2022
ASSETS				
Cash and cash equivalents (notes 3 and 14)	**$**	**217,870**	$	218,417
Temporary investments (note 3)		**172,962**		130,378
Accounts receivable and other assets (note 10(f))		**65,727**		56,627
Loans receivable (note 10(e))		**24,350**		47,655
Income taxes recoverable		**1,142**		4,980
Derivative instruments (note 15)		**—**		3,222
Carried interest from Clairvest Equity Partners III and IV (note 7)		**49,314**		35,496
Corporate investments (note 5)		**891,709**		849,073
Fixed assets (note 8)		**6,577**		7,295
	$	**1,429,651**	$	1,353,143
LIABILITIES AND SHAREHOLDERS' EQUITY				
Liabilities				
Accounts payable and accrued liabilities (notes 10(h) and 16(e))	**$**	**13,834**	$	6,852
Income taxes payable		**25,201**		340
Derivative instruments liability (note 15)		**7,077**		—
Accrued compensation expense (notes 13 and 16(b))		**17,024**		18,598
Share-based compensation (note 13)		**74,269**		62,008
Management participation from Clairvest Equity Partners III and IV (note 7)		**38,365**		26,997
Deferred income tax liability (note 11)		**36,154**		59,261
	$	**211,924**	$	174,056
Contingencies, commitments and guarantees (note 16)				
Shareholders' equity				
Share capital (note 12)	**$**	**80,642**	$	80,794
Retained earnings		**1,137,085**		1,098,293
		1,217,727		1,179,087
	$	**1,429,651**	$	1,353,143

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

$000s (except per share information)		**2023**		2022
REVENUE				
Net investment gain (loss) (notes 4 and 5)	**$**	**(62,150)**	$	355,620
Distributions and interest income (notes 5, 6 and 10)		**160,941**		43,486
Carried interest from Clairvest Equity Partners III and IV (note 7)		**14,258**		5,977
Dividend income		**2,295**		1,754
Management fees (note 6)		**12,409**		11,299
Advisory and other fees (note 10(g))		**2,430**		2,921
		130,183		421,057
EXPENSES				
Employee compensation and benefits (notes 13 and 16(b))		**15,496**		22,825
Share-based compensation expenses (note 13)		**28,578**		13,081
Administration and other expenses		**12,634**		5,111
Finance and foreign exchange expenses (recovery)		**(1,577)**		705
Management participation from Clairvest Equity Partners III and IV (note 7)		**11,368**		4,322
		66,499		46,044
Income before income taxes		**63,684**		375,013
Income tax expense (note 11)		**11,315**		44,806
Net income and comprehensive income for the year	**$**	**52,369**	$	330,207
Basic and fully diluted net income and comprehensive income per share (note 12)	**$**	**3.48**	$	21.93

See accompanying notes

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended March 31

$000s		Share capital		Retained earnings		Total shareholders' equity
As at April 1, 2022	**$**	**80,794**	**$**	**1,098,293**	**$**	**1,179,087**
Changes in shareholders' equity						
Net income and comprehensive income for the year				**52,369**		**52,369**
Dividends declared ($0.7833 per share)				**(11,789)**		**(11,789)**
Purchase and cancellation of shares (note 12)		**(152)**		**(1,788)**		**(1,940)**
As at March 31, 2023	**$**	**80,642**	**$**	**1,137,085**	**$**	**1,217,727**
As at April 1, 2021	$	80,827	$	776,980	$	857,807
Changes in shareholders' equity						
Net income and comprehensive income for the year				330,207		330,207
Dividends declared ($0.5696 per share)				(8,577)		(8,577)
Purchase and cancellation of shares (note 12)		(33)		(317)		(350)
As at March 31, 2022	$	80,794	$	1,098,293	$	1,179,087

See accompanying notes

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended March 31

$000s		2023		2022
OPERATING ACTIVITIES				
Net income and comprehensive income for the year	**$**	**52,369**	$	330,207
Add (deduct) items not involving a current cash outlay:				
Amortization of fixed assets		**1,170**		1,144
Share-based compensation		**28,578**		13,508
Deferred income tax expense (recovery)		**(23,107)**		43,272
Net investment (gain) loss		**62,150**		(355,620)
Carried interest and management participation from Clairvest Equity Partners III and IV		**(2,450)**		(177)
Non-cash items relating to foreign exchange forward contracts		**13,294**		(1,598)
Non-cash items relating to corporate investments		**(6,978)**		476
		125,026		31,212
Adjustments for:				
Net cost on acquisition of temporary investments		**(49,096)**		(25,529)
Net loans repaid by acquisition entities or the CEP Funds (note 10(e))		**23,305**		38,658
Cost of settlement of realized foreign exchange forward contracts		**(2,995)**		(178)
Investments made in investee companies or acquisition entities		**(91,296)**		(54,136)
Distribution or return of capital from investee companies or acquisition entities		**—**		82,603
Settlement of share-based compensation liability		**(16,317)**		(16,716)
		(136,399)		24,702
Net change in non-cash working capital balances related to operations (note 14)		**25,007**		(14,899)
Cash provided by operating activities		**13,634**		41,015
INVESTING ACTIVITIES				
Purchase of fixed assets		**(452)**		(466)
Cash used in investing activities		**(452)**		(466)
FINANCING ACTIVITIES				
Cash dividends paid		**(11,789)**		(8,577)
Purchase and cancellation of shares (note 12)		**(1,940)**		(350)
Cash used in financing activities		**(13,729)**		(8,927)
Net increase (decrease) in cash during the year		**(547)**		31,622
Cash and cash equivalents, beginning of year		**218,417**		186,795
Cash and cash equivalents, end of year (note 14)	**$**	**217,870**	$	218,417
SUPPLEMENTAL CASH FLOW INFORMATION				
Interest received	**$**	**11,262**	$	5,046
Distributions received (notes 5 and 10)	**$**	**150,257**	$	110,892
Income taxes paid	**$**	**5,866**	$	6,698
Interest paid	**$**	**770**	$	775

See accompanying notes

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, 2023, 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, 2023 and 2022 (“consolidated financial statements”) were authorized for issuance by the Board of Directors on June 26, 2023.

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, and 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.

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

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.

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 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 SLP VI Limited Partnership ("Clairvest SLP VI")
Clairvest CEP Holdings Limited Partnership ("Clairvest CEP Holdings")

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 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, cash equivalents and temporary investments ("treasury funds"), 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 the Company's 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 consolidated statements of financial position date and are recognized at amortized cost in accordance with IFRS 9.

(b) **Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks and on 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 in 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 considers 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 occur. Foreign currency translation gains and losses on financial instruments classified as FVTPL are included in the consolidated statements of comprehensive income as part of net investment gain (loss).

(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 statements of financial position dates.

Foreign exchange forward contracts entered 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 receive, had the Company settled the outstanding contracts as at the consolidated statements 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 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 statements 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 statements of financial position date. Carried interest is accrued only in the event 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 assets 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 statements of financial position dates. Fair value is measured by use of an appropriate option-pricing model. On the exercise of stock options for shares, the liability recorded with respect to the options and consideration paid by the participant 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 on the grant date. 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 include 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 statements 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 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 statements of financial position and amortized on a straight-line basis over the shorter of the asset's useful life and the lease term.

(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%
IT 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 such 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 is 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.

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 (loss) 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 18*.

March 31, 2023 and 2022 (tabular dollar amounts in thousands, except per share information)

Recognition of carried interest and corresponding expenses

The determination of the Company's carried interest 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 IV's 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, include 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 statements 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 assets 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 income tax balances.

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, 2023, the pre-tax weighted average yield was 4.7% (2022 – 0.9%) per annum.

As at March 31, 2023, 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 the lesser of 10% of book value or 20% of treasury funds 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 February 2025. The pre-tax weighted average yield was 5.5% (2022 – 4.4%) per annum. The composition of Clairvest's temporary investments, based on their fair values, as at March 31 was as follows:

	March 31, 2023			March 31, 2022
	Due in 1 year or less	**Due after 1 year**	**Total**	Total
Guaranteed investment certificates	**$ 70,128**	**$ 3,767**	**$ 73,895**	$ 36,597
Marketable securities	**—**	**61,661**	**61,661**	45,587
Limited recourse capital notes	**—**	**10,083**	**10,083**	5,881
Other fixed income securities	**27,323**	**—**	**27,323**	42,313
	$ 97,451	**$ 75,511**	**$ 172,962**	$ 130,378

March 31, 2023 and 2022 (tabular dollar amounts in thousands, except per share information)

Additionally, Clairvest's acquisition entities held $48.1 million (2022 – $54.7 million) in cash and cash equivalents and $54.1 million (2022 – $25.8 million) in temporary investments as described in *note 5*, the funds of which were invested consistently with the funds held at Clairvest.

4. NET INVESTMENT GAIN (LOSS)

Net investment gain (loss) for the years ended March 31, 2023 and 2022 comprised the following:

		2023		2022
Net investment gain on investee companies (note 5)	$	**80,944**	$	340,868
Net investment loss on the fair value revaluation of acquisition entities		**(131,940)**		(30,046)
Net investment gain (loss) on corporate investments		**(50,996)**		310,822
Net investment gain (loss) on temporary investments		**(11,043)**		12,271
Net change in unrealized gain (loss) (note 7)		**(62,039)**		323,093
Carried interest from Clairvest Equity Partners V and VI (note 7)		**14,129**		113,509
Management participation from Clairvest Equity Partners V and VI (note 7)		**(14,240)**		(80,982)
	$	**(62,150)**	$	355,620

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.

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, 2023			March 31, 2022		
	Investee companies	**Acquisition entities net assets (liabilities)**	**Total**	Investee companies	Acquisition entities net assets (liabilities)	Total
Held directly by Clairvest Group Inc.	**$ 4,842**	**$ —**	**$ 4,842**	$ 12,368	$ —	$ 12,368
Held through the following acquisition entities:						
2141788 Ontario	**77,651**	**79,066**	**156,717**	87,484	64,774	152,258
2486303 Ontario	**833**	**2,518**	**3,351**	3,680	(2,115)	1,565
CEP III Co-Invest	**15,495**	**(78)**	**15,417**	16,496	394	16,890
MIP III	**599**	**(26)**	**573**	638	(21)	617
CEP IV Co-Invest	**137,510**	**(7,728)**	**129,782**	87,927	(11,299)	76,628
MIP IV	**1,884**	**(28)**	**1,856**	1,333	(21)	1,312
CEP V Co-Invest	**299,137**	**(39,276)**	**259,861**	345,695	(32,732)	312,963
Clairvest GP V	**26,720**	**66,736**	**93,456**	30,878	89,329	120,207
MIP V	**6,413**	**(11)**	**6,402**	7,410	(5)	7,405
CEP VI Co-Invest	**184,347**	**(7,692)**	**176,655**	117,475	(10,077)	107,398
Clairvest SLP VI	**4,599**	**(8)**	**4,591**	5,710	(2)	5,708
MIP VI	**31,253**	**6,953**	**38,206**	22,176	11,578	33,754
	$ 791,283	**$ 100,426**	**$ 891,709**	$ 739,270	$ 109,803	$ 849,073

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 relationships 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)*.

March 31, 2023 and 2022 (tabular dollar amounts in thousands, except per share information)

During the year ended March 31, 2023, Clairvest made an additional investment of $10.8 million in CEP IV Co-Invest to support its investment in Top Aces.

Also during the year ended March 31, 2023, CEP V Co-Invest received cash proceeds totalling $140.4 million from the partial realization of Meriplex Communications, the full realization of DTG Recycle, and the partial sale of STEM shares. Accordingly, CEP V Co-Invest made distributions totalling $132.4 million to its limited partners, $94.3 million of which was received by Clairvest and the remaining $38.1 million was received by 2141788 Ontario, Clairvest GP V and MIP V. The remaining cash proceeds totalling $8.0 million were used for settlement of loans, payables and foreign exchange forward contracts.

Also during the year ended March 31, 2023, Clairvest made additional investments totalling US$50.3 million (C$68.0 million) to CEP VI Co-Invest. Clairvest SLP also made investments totalling US$7.5 million (C$10.1 million) to CEP VI Co-Invest during fiscal 2023.

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, 2023	March 31, 2022
Assets		
Cash and cash equivalents	**$ 48,114**	$ 54,698
Temporary investments	**54,142**	25,806
Accounts receivable and other assets	**2,734**	1,359
Derivative instruments	**161**	6,562
Income taxes recoverable	**36**	310
Carried interest from Clairvest Equity Partners V and VI	**151,161**	201,852
Loans receivable	**154**	—
Deferred income tax asset	**1,471**	916
	$ 257,973	$ 291,503
Liabilities		
Accounts payable and accrued liabilities	**$ 17,054**	$ 3,809
Derivative instruments	**3,695**	—
Income taxes payable	**5,576**	359
Management participation from Clairvest Equity Partners V and VI	**112,280**	141,328
Loans payable	**13,123**	22,009
Deferred income tax liability	**5,819**	14,195
	$ 157,547	$ 181,700
Net assets	**$ 100,426**	$ 109,803

March 31, 2023 and 2022 (tabular dollar amounts in thousands, except per share information)

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, 2023			March 31, 2022		
	Fair value	**Cost**	**Difference**	Fair value	Cost	Difference
Co-packing	**$ 8,146**	**$ 8,020**	**$ 126**	$ 5,117	$ 5,117	$ —
Dental services	**40,357**	**27,749**	**12,608**	19,689	15,902	3,787
Equipment rental	**6,987**	**13,591**	**(6,604)**	4,439	13,591	(9,152)
Financial services	**4,563**	**—**	**4,563**	11,042	—	11,042
Gaming	**398,802**	**159,525**	**239,277**	355,325	142,501	212,824
Information technology	**37,976**	**13,130**	**24,846**	82,607	16,351	66,256
Insurance services	**27,059**	**27,059**	**—**	—	—	—
Life sciences	**9,200**	**9,174**	**26**	—	—	—
Marketing services	**—**	**995**	**(995)**	22,835	995	21,840
Renewable energy	**66,171**	**44,676**	**21,495**	106,999	53,110	53,889
Specialty aviation and defence services	**123,280**	**90,081**	**33,199**	74,357	77,046	(2,689)
Waste management	**63,766**	**28,255**	**35,511**	52,167	25,618	26,549
Other investments	**4,976**	**2,699**	**2,277**	4,693	2,622	2,071
	$ 791,283	**$ 424,954**	**$ 366,329**	$ 739,270	$ 352,853	$ 386,417

During fiscal 2023, the aggregate fair value of Clairvest's investee companies increased by $52.0 million, comprised $114.9 million in new and follow-on investments, $33.4 million in foreign exchange revaluation excluding the impact from the foreign exchange hedging program, and $2.6 million in net changes in unrealized gains in investee companies, net of investment realizations, which had a net fair value of $98.6 million as at March 31, 2022, and distributions and interest received, net of accruals, of $0.4 million.

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 entered 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, 2023 and 2022, 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, 2023 and 2022, CEP III Co-Invest held 32,854,115 limited partnership units of Chilean Gaming Holdings, representing a 36.8% equity interest.

During fiscal 2023, the Chilean anti-trust authority initiated an investigation of casino operators with respect to various license renewal processes which concluded during fiscal 2023. As at March 31, 2023, the investigation is ongoing and the Company remains uncertain as to its outcome.

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

As at March 31, 2023, CEP IV Co-Invest had four (2022 – four) 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 along with retail and mobile sports betting. As at March 31, 2023 and 2022, CEP IV Co-Invest had invested

US$5.4 million (C$5.6 million) in the Meadowlands in the form of secured convertible debentures (the "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 had also invested US$0.6 million (C$0.7 million) in the Meadowlands in the form of preferred debt, which is junior to the Meadowlands Debentures.

During fiscal 2023, the Company earned and received interest totalling US$0.8 million (C$1.1 million) on the debentures.

Specialty aviation and defence services

Northco

Northco is a specialty aviation services company operating across Canada and in selected locations internationally. As at March 31, 2023 and 2022, CEP IV Co-Invest held $21.9 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 2023, CEP IV Co-Invest earned interest totalling $0.4 million and received interest totalling $1.2 million.

Top Aces

Top Aces is a supplier of advanced adversary services across three continents. As at March 31, 2022, CEP IV Co-Invest held 722.9719 common shares of Top Aces at a cost of $38.5 million, representing a 17.4% ownership interest on a fully diluted basis. CEP IV Co-Invest had also advanced US$9.8 million (C$12.4 million) to Top Aces which accrues interest at 12% per annum.

During fiscal 2023, CEP IV Co-Invest advanced additional loans totaling US$17.9 million (C$22.8 million) under the same terms and conditions of the promissory loan previously advanced and subsequently received payments from Top Aces which totalled US$31.6 million (C$43.1 million) comprised US$27.6 million full loan repayment and US$4.0 million in interest and fees charged on the loans. The Top Aces loans were repaid through a $102 million equity raise where CEP IV Co-Invest participated and invested $17.8 million for 182.7657 common shares of Top Aces at a price of $97,703 per share which was a 40% premium to the March 31, 2022 carrying value.

Subsequent to the $102 million equity raise, Top Aces completed another $45 million equity raise from new and existing investors at a price of $115,000 per share which was a 17% premium to the prior equity raise. In conjunction with the equity raise, CEP IV Co-Invest invested $7.6 million for 65.7069 shares of Top Aces.

As at March 31, 2023, CEP IV Co-Invest held 971.4445 shares, which represents a 17.3% ownership interest in Top Aces on a fully diluted basis for an aggregate cost of $63.9 million.

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, 2023 and 2022, CEP IV Co-Invest held 4,477 common shares which represent a 4.4% ownership interest in Momentum Solutions.

Other investments

Davenport Land Developments hold real estate surrounding a casino development in Davenport, Iowa. As at March 31, 2023 and 2022, CEP IV Co-Invest held 1,982.14 units in Davenport Land Developments at a cost of $2.7 million representing a 21.9% ownership interest on a fully diluted basis.

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

As at March 31, 2023, CEP V Co-Invest had eight (2022 – nine) investments. Significant activities of CEP V Co-Invest portfolio companies were as follows:

Dental services

Abra Health Group (formerly "ChildSmiles Group") is a multi-specialty dental practice providing oral health care with operations in New Jersey and Pennsylvania. As at March 31, 2023 and 2022, 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, 2023 and 2022, CEP V Co-Invest held 217,121.20 LLC units at a cost of $13.6 million, representing a 20.1% (2022 – 20.8%) ownership interest on a fully diluted basis.

Subsequent to year end, CEP V Co-Invest made a follow-on investment of US$1.5 million for 50,000 LLC units of Durante Rentals to support an acquisition made by Durante Rentals.

Gaming

Accel Entertainment

Accel Entertainment is a licensed video gaming terminal operator in the United States. As at March 31, 2023 and 2022, CEP V Co-Invest held 5,069,670 Class A-1 shares and 244,674 Class A-2 shares of Accel Entertainment, together representing a 5.9% (2022 – 5.5%) 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 are not publicly listed and the conversion of Class A-2 shares into Class A-1 shares is subject to certain criteria based on share price or earnings.

FSB Technology

FSB Technology is an international business-to-business sports and internet gaming technology supplier based in London, United Kingdom. As at March 31, 2022, CEP V Co-Invest held 7,820,855 Class A common shares and 3,625,349 Class B convertible preferred shares at a cost of $21.2 million, representing a 25.5% 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. The Partnership had also advanced GBP£1.2 million (C$2.0 million) to FSB Technology in the form of a promissory note which accrues interest at 8% per annum.

During fiscal 2023, CEP V Co-Invest advanced additional loans totalling GBP£3.9 million (C$6.1 million) and repriced the previous loans such that all loans had an interest rate of 10% per annum.

Subsequently, CEP V Co-Invest sold the loans which had a total fair value of GBP£1.4 million (C$2.2 million) to CEP VI Co-Invest, and converted the remaining loans totalling GBP£3.8 million (C$6.1 million) into 6,729,333 Class B convertible preferred shares. Simultaneously, CEP VI Co-Invest converted the GBP£1.4 million (C$2.2 million) loans into 1,985,659 priority preferred shares which are senior to the Class B convertible preferred shares. Thereafter, CEP VI Co-Invest invested an additional GBP£1.3 million (C$2.2 million) for 1,937,769 priority preferred shares of FSB Technology.

As at March 31, 2023, Clairvest, through CEP V Co-Invest and CEP VI Co-Invest, owned 3,923,428 priority preferred shares, 10,354,682 Class B convertible preferred shares and 7,820,855 Class A common shares at an aggregate cost of $31.3 million, representing a 26.8% ownership interest on a fully diluted basis.

Head Digital Works

Head Digital Works is an internet-based technology and gaming company with ownership interest in Ace2Three, a leading platform for online rummy; FanFight, a platform for Daily Fantasy Sport; Cricket.com, a site for cricket analytics; and Witty Games, delivering a mobile social gaming experience to markets in India.

As at March 31, 2023 and 2022, CEP V Co-Invest had invested INR₹1.6 billion (C$33.1 million) in Head Digital Works in the form of 39,412,175 common shares, representing a 28.9% (2022 – 29.2%) ownership interest on a fully diluted basis.

Information technology

Meriplex Communications is a provider of managed networking, cybersecurity, and IT services for mid-market customers throughout the United States. As at March 31, 2022, CEP V Co-Invest held 5,250 common shares of Meriplex Communications, representing an 15.4% ownership interest on a fully diluted basis at a cost of $6.7 million. Clairvest had also advanced US$8.0 million (C$10.2 million) to Meriplex Communications in the form of a promissory note which accrued interest at 8% per annum which had been included in loans receivable and had a maturity date of April 1, 2024.

During fiscal 2023, CEP V Co-Invest completed a partial realization of Meriplex Communications. As a result of the recapitalization of Meriplex Communications, CEP V Co-Invest received cash proceeds totalling US$48.6 million (C$63.3 million), 1,004.618 common shares and 22,859.008 Class A preferred shares, together representing a 5.5% continuing ownership interest Meriplex Communications. The promissory note was also repaid in full.

Subsequent to the recapitalization, CEP V Co-Invest made a follow-on investment of US$0.9 million (C$1.3 million) for 39.854 common shares and 906.832 Class B preferred shares to support an acquisition made by Meriplex Communications. The Class B preferred shares are entitled to a liquidity preference over all other equity of Meriplex Communications. As at March 31, 2023, CEP V Co-Invest held 1,044.472 common shares, 22,859.008 Class A preferred shares, and 906.832 Class B preferred shares, together representing an ownership interest of 5.6% on a fully diluted basis at an adjusted cost of $3.5 million.

Marketing services

Digital Media Solutions operates as a customer lead generation engine for companies in a variety of different industries. As at March 31, 2023 and 2022, CEP V Co-Invest held 6,091,377 Class A common shares of Digital Media Solutions, which are trading on the NYSE under the symbol DMS and representing a 9.3% (2022 – 9.8%) ownership interest on a fully diluted basis. CEP V Co-Invest also held 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. CEP V Co-Invest realized the investment in Also Energy during fiscal 2022 and received 1,091,583 common shares of Stem, Inc. (“STEM shares”), the purchaser of Also Energy, in addition to the cash proceeds of US$82.4 million (C$104.6 million). The STEM shares are publicly listed on the NYSE under symbol STEM.

During fiscal 2023, CEP V Co-Invest received cash proceeds totalling US$5.2 million (C$6.8 million) on a partial sale of STEM shares.

As at March 31, 2023, CEP V Co-Invest held 776,583 STEM shares at a cost of $6.0 million.

Subsequent to year end, CEP V Co-Invest sold an additional 72,000 STEM shares for cash proceeds totalling US$0.4 million.

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, 2022, 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. The Class A convertible preferred shares were entitled to a liquidity preference over all other equity of DTG Recycle.

During fiscal 2023, CEP V Co-Invest realized its investment in DTG Recycle and received cash proceeds of US$53.4 million (C$71.8 million) which compared to a carrying value of $10.8 million as at March 31, 2022.

Subsequent to year end, CEP V Co-Invest received additional sale proceeds totalling US$0.4 million (C$0.6 million).

Winters Bros. Waste Systems of Long Island

Winters Bros. Waste Systems of Long Island ("Winters Bros. of LI") is a provider of commercial, industrial, and residential waste collection services across Long Island, New York. As at March 31, 2023 and 2022, CEP V Co-Invest held a 14.2% (2022 – 14.5%) ownership interest on a fully diluted basis in Winters Bros. of LI and its various affiliates at a cost of $10.6 million.

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

As at March 31, 2023, CEP VI Co-Invest had eleven (2022 – five) investments. Significant activities of CEP VI Co-Invest portfolio companies were as follows:

Co-packing

Brunswick Bierworks is a contract manufacturer of specialty beverages serving Canadian and United States markets. As at March 31, 2022, CEP VI Co-Invest held 5,116,616 Class A shares of Brunswick Bierworks, representing a 22.2% ownership interest on a fully diluted basis at a cost of $5.1 million.

During fiscal 2023, Clairvest advanced a promissory note for $9.5 million, bearing interest at 8% per annum, to Brunswick Bierworks. Subsequently, Clairvest assigned, at accrued cost, $2.6 million of the promissory note to CEP VI Co-Invest and the remainder to the third-party investors of Clairvest Equity Partners VI. During fiscal 2023, Clairvest and CEP VI Co-Invest earned interest income totalling $0.3 million on the promissory note.

Also during fiscal 2023, CEP VI Co-Invest made a follow-on investment of $0.3 million for 332,966 Class A shares of Brunswick Bierworks such that as at March 31, 2023, CEP VI Co-Invest held 5,449,582 Class A shares, representing an ownership interest of 22.2% in Brunswick Bierworks and a $2.6 million promissory note with an accrued value of $2.7 million.

Subsequent to year end, CEP VI Co-Invest made follow-on investments totalling $1.0 million for 1,019,975 Class A shares of Brunswick Bierworks increasing the CEP VI Co-Invest's ownership interest to 22.6% on a fully diluted basis.

Dental Services

During fiscal 2023, CEP VI Co-Invest made a US$8.7 million (C$11.8 million) investment in Bluetree Dental, a multi-specialty, pediatric and orthodontics-focused dental service organization in the Mountain West region of the United States. The investment was made in the form of 4,134.866 LLC units representing an 8.1% ownership interest in Bluetree Dental on a fully diluted basis.

Gaming

Delaware Park

Delaware Park Casino ("Delaware Park") is a racino located in Wilmington, Delaware, serving the Delaware, Maryland, New Jersey, and Pennsylvania markets. As at March 31, 2023 and 2022, CEP VI Co-Invest held 19,269 common shares, representing an ownership interest of 18.6% ownership interest in Delaware Park on a fully diluted basis at a cost of US$19.3 million (C$24.6 million).

FSB Technology

As described above, as at March 31, 2023, CEP VI Co-Invest has a GBP$2.7 million (C$4.4 million) investment in FSB Technology in the form of 4,787,206 priority preferred shares. Subsequent to year end, CEP VI Co-Invest invested an additional GBP£0.8 million (C$1.4 million) for 1,436,162 priority preferred shares of FSB Technology.

New Hampshire Gaming

During fiscal 2023, CEP VI Co-Invest invested US$6.6 million (C$8.9 million) into an investment vehicle which was created to acquire and operate existing gaming locations in Southern New Hampshire with plans to build a large-scale historical horse racing facility in Nashua, New Hampshire. The acquisition of the gaming operators was subject to gaming regulatory approval as at March 31, 2023. Subsequent to year end, the project received gaming regulatory approval and an additional US$6.8 million investment was made by CEP VI Co-Invest to complete the investment.

Information technology

F12.NET is a provider of managed IT services for Canadian-based small to medium-market customers. As at March 31, 2023 and 2022, CEP VI Co-Invest held 283,144 Class A common shares, representing an ownership interest of 15.9% in F12.NET on a fully diluted basis at a cost of $9.6 million.

Insurance

During fiscal 2023, CEP VI Co-Invest made a $27.1 million investment in Acera Insurance, a property and casualty and group benefits insurance brokerage in Canada, with offices located in Alberta, British Columbia, Ontario and the Yukon. The investment was made in the form of 27,058,823 Class A convertible preferred shares representing a 5.7% ownership interest in Acera Insurance on a fully diluted basis.

Life sciences

During fiscal 2023, CEP VI Co-Invest made a US$6.8 million (C$9.2 million) investment in Boca Biolistics, a biosamples company located in Florida. The investment was made in the form of 6,798,426.32 LLC units representing a 17.6% ownership interest in Boca Biolistics on a fully diluted basis.

Renewable energy

NovaSource is a solar operations and maintenance provider serving the global commercial and residential sectors. As at March 31, 2022, CEP VI Co-Invest held 2,966.6900 common shares, representing an ownership interest of 23.5% of NovaSource on a fully diluted basis at a cost of US$29.7 million (C$38.7 million). CEP VI Co-Invest had also advanced US$$4.7 million (C$6.0 million) to NovaSource in the form of short-term loans which accrue interest at 8% per annum. The short-term loans had a maturity date of October 5, 2022.

During fiscal 2023, CEP VI Co-Invest advanced additional loans totalling US$0.8 million (C$1.0 million) to NovaSource under the same terms and conditions. Subsequently, NovaSource completed an equity raise where a third-party acquired a minority ownership interest in the company for $100 million. CEP VI Co-Invest did not participate in the funding and continued to hold 2,966.6900 common shares which represented 18.8% ownership interest on a fully diluted basis subsequent to the equity raise. In conjunction with the transaction, CEP VI Co-Invest received full repayment on the US$5.5 million loans previously advanced to NovaSource. CEP VI Co-Invest also earned and received interest income on the loan totalling US$0.2 million (C$0.2 million).

Waste management

Arrowhead Environmental Partners

Arrowhead Environmental Partners is a non-hazardous waste-by-rail operator serving in Northeastern United States markets. As at March 31, 2023 and 2022, CEP VI Co-Invest held 2,706 Class A preferred units, representing an ownership interest of 11.3% in Arrowhead Environmental Partners at a cost of $3.7 million.

Star Waste

During fiscal 2023, CEP VI Co-Invest made a US$10.8 million (C$14.0 million) investment in Star Waste, an independent solid waste management company servicing the Greater Boston Area with a focus on providing residential, commercial, and roll-off container waste collection. The investment was made in the form of 6,764,706 Class A preferred units and 4,058,824 Class B common units together representing an 18.3% ownership interest in Star Waste on a fully diluted basis.

Subsequent to year end, the CEP VI Co-Invest advanced US$3.7 million (C$5.1 million) to Star Waste in the form of a loan with an equity repayment option should the principal and all accrued interest, accruing at 14% per annum, not be repaid on or before the maturity date of January 31, 2024. Also subsequent to year end, CEP VI Co-Invest invested an additional US$2.0 million (C$2.7 million) for 2,015,882 Class B common units of Star Waste.

March 31, 2023 and 2022 (tabular dollar amounts in thousands, except per share information)

(e) Investments directly held

Financial services

As at March 31, 2023, the Company has a residual interest in Wellington Financial, which was realized during fiscal 2018 and which is the residual warrants portfolio, which are 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 2023, Clairvest received an additional 68,312 (2022 – 64,582) CIBC common shares from an earnout provision on the prior sale of Wellington Financial, which has been accounted for and included in marketable securities.

As at March 31, 2023, Clairvest had received distributions totalling $63.9 million (2022 – $63.9 million) from Wellington Financial.

Gaming

As at March 31, 2023 and 2022, 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, 2023 and 2022, 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 15, 2023. Additionally, CEP is entitled to between 8.5% and 28.7% of the earnings of the Grey Eagle Casino until December 15, 2023. As described previously, 2486303 Ontario and Clairvest collectively hold a 100% interest in CEP.

During fiscal 2023, Clairvest earned $0.6 million (2022 – $0.6 million) and CEP earned $1.8 million (2022 – $1.8 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, 2023 and 2022. The net investment gain or loss is inclusive of the impact on the foreign exchange hedging activities related to these investments.

Net investment gain (loss), by industry concentration

Year ended March 31, 2023	Net realized gain (loss)	Net unrealized gain (loss)	Foreign exchange gain (loss)[1]	Total
Dental services	$ —	$ 7,253	$ (195)	$ 7,058
Equipment rental	—	2,110	55	2,165
Financial services	(598)	(1,507)	—	(2,105)
Gaming	—	13,489	3,377	16,866
Information technology	11,842	1,482	1,316	14,640
Life sciences	—	—	(22)	(22)
Marketing services	511	(23,847)	(675)	(24,011)
Renewable energy	4,296	(36,929)	(1,456)	(34,089)
Specialty aviation and defence services	—	36,295	103	36,398
Waste management	58,990	4,381	745	64,116
Other investments	—	(174)	102	(72)
Net investment gain (loss) on investee companies	$ 75,041	$ 2,553	$ 3,350	$ 80,944

(1) Inclusive of foreign exchange hedging activities

March 31, 2023 and 2022 (tabular dollar amounts in thousands, except per share information)

Year ended March 31, 2022	Net realized gain (loss)	Net unrealized gain (loss)	Foreign exchange gain (loss)[1]	Total
Dental services	$ —	$ 4,916	$ (12)	$ 4,904
Equipment rental	—	—	94	94
Financial services	4,788	4,473	—	9,261
Gaming	2,777	149,255	(5,710)	146,322
Information technology	—	60,141	(187)	59,954
Marketing services	210	(60,090)	2,423	(57,457)
Renewable energy	86,755	63,989	(258)	150,486
Residential services	128	—	—	128
Specialty aviation and defence services	—	11,043	26	11,069
Waste management	(36)	16,503	(125)	16,342
Other investments	(2)	(229)	(4)	(235)
Net investment gain (loss) on investee companies	$ 94,620	$ 250,001	$ (3,753)	$ 340,868

(1) Inclusive of foreign exchange hedging activities

The Company and its acquisition entities entered 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 2023, the net impact of foreign exchange on the investee companies included a gain of $2.8 million (2022 – loss of $4.0 million) on Chilean pesos denominated investment, a gain of $1.5 million (2022 – loss of $0.1 million) on British pound denominated investment, a gain of $0.2 million (2022 – loss of $2.0 million) on Indian rupee denominated investment, and a loss of $1.1 million (2022 – gain of $2.3 million) on U.S. dollar denominated investments.

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 calculated 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.

For the years ended March 31, 2023 and 2022, Clairvest recorded general partner priority distributions and management fees from the CEP Funds as follows:

March 31, 2023 and 2022 (tabular dollar amounts in thousands, except per share information)

Priority distributions

	2023	2022
CEP III	**$ 128**	$ 131
CEP IV	**1,224**	1,013
CEP V and CEP V India	**3,260**	3,394
CEP VI	**4,751**	4,549
	$ 9,363	$ 9,087

Management fees

	2023	2022
CEP IV-A and related entities	**$ 845**	$ 159
CEP V-A	**690**	724
CEP VI-A	**6,648**	6,368
CEP VI-B	**4,226**	4,048
	$ 12,409	$ 11,299

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. For 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.

For each CEP Fund, Clairvest and Clairvest management are entitled to a carried interest through their limited partnership interests in the various MIP Partnerships. Clairvest management is also entitled to a carried interest from the various CEP Co-Invest Partnerships as governed by the respective Limited Partnership Agreements. The amount of which is entitled by Clairvest and Clairvest management are described below.

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.

Carried interest from Clairvest Equity Partners III and IV for fiscal 2023 and 2022 comprised the following:

	2023	2022
Realized carried interest	**$ —**	$ 4,579
Net change in unrealized carried interest	**14,258**	1,398
	$ 14,258	$ 5,977

The following tables detail the carried interest received from Clairvest Equity Partners III and IV and management participation paid for fiscal 2023 and 2022 and the corresponding receivable and payable balances as at the respective consolidated statements of financial position dates:

March 31, 2023 and 2022 (tabular dollar amounts in thousands, except per share information)

	Realized carried interest Received during fiscal		Unrealized carried interest As at March 31	
	2023	**2022**	**2023**	**2022**
CEP	**$ —**	$ —	**$ 254**	$ 991
CEP III	**—**	—	**6,402**	8,089
CEP IV and related entities	**—**	4,050	**37,587**	22,794
CEP IV-A	**—**	529	**5,071**	3,622
	$ —	$ 4,579	**$ 49,314**	$ 35,496

	Management participation Paid during fiscal		Management participation Payable as at March 31	
	2023	**2022**	**2023**	**2022**
CEP III	**$ —**	$ —	**$ 3,201**	$ 4,044
CEP IV and related entities	**—**	2,025	**19,533**	11,397
CEP IV-A	**—**	265	**2,608**	1,811
CEP III Co-Invest	**—**	—	**2,609**	3,313
CEP IV Co-Invest	**—**	1,031	**10,414**	6,432
	$ —	$ 3,321	**$ 38,365**	$ 26,997

In accordance with IFRS 10, the carried interest from Clairvest Equity Partners V and VI and the corresponding management participation have been included in net investment gain (loss) as described in *note 4*. Carried interest from Clairvest Equity Partners V and VI for the years ended March 31, 2023 and 2022 comprised the following:

	2023	**2022**
Realized carried interest	**$ 64,820**	$ —
Net change in unrealized carried interest	**(50,691)**	113,509
	$ 14,129	$ 113,509

The following tables detail the carried interest receivable from Clairvest Equity Partners V and VI and management participation paid for the years ended March 31, 2023 and 2022 and the corresponding receivable and payable balances as at the respective consolidated statements of financial position dates, which have been included in corporate investments:

March 31, 2023 and 2022 (tabular dollar amounts in thousands, except per share information)

Unrealized carried interest	Realized carried interest received during the year ended March 31		Unrealized carried interest, as at March 31	
	2023	**2022**	**2023**	**2022**
CEP V and CEP V India	**$ 54,576**	$ —	**$ 111,696**	$ 149,340
CEP V-A	**10,244**	—	**23,972**	29,329
CEP VI	**—**	—	**4,478**	6,902
CEP VI-A	**—**	—	**6,736**	9,955
CEP VI-B	**—**	—	**4,279**	6,326
	$ 64,820	$ —	**$ 151,161**	$ 201,852

Management participation	Management participation paid during the year ended March 31		Management participation, as at March 31	
	2023	**2022**	**2023**	**2022**
CEP V and CEP V India	**$ 27,288**	$ —	**$ 56,694**	$ 74,670
CEP V-A	**5,122**	—	**12,231**	14,664
CEP VI	**—**	—	**2,463**	3,451
CEP VI-A	**—**	—	**3,705**	4,978
CEP VI-B	**—**	—	**2,353**	3,163
CEP V Co-Invest	**10,878**	—	**31,758**	37,033
CEP VI Co-Invest	**—**	—	**3,076**	3,369
	$ 43,288	$ —	**$ 112,280**	$ 141,328

March 31, 2023 and 2022 (tabular dollar amounts in thousands, except per share information)

8. FIXED ASSETS

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

	Aircraft[1]	IT equipment	Furniture, fixtures and equipment	Leasehold improvements	Right-of-use asset[2]	Total
At cost						
Balance as at April 1, 2022	**$ 6,565**	**$ 16**	**$ 301**	**$ 709**	**$ 4,175**	**$ 11,766**
Additions	**315**	**—**	**10**	**127**	**—**	**452**
Balance as at March 31, 2023	**$ 6,880**	**$ 16**	**$ 311**	**$ 836**	**$ 4,175**	**$ 12,218**
Accumulated amortization						
Balance as at April 1, 2022	**$ 2,175**	**$ 16**	**$ 287**	**$ 686**	**$ 1,307**	**$ 4,471**
Amortization expense	**674**	**—**	**12**	**—**	**484**	**1,170**
Balance as at March 31, 2023	**$ 2,849**	**$ 16**	**$ 299**	**$ 686**	**$ 1,791**	**$ 5,641**
Carrying amount as at March 31, 2023	**$ 4,031**	**$ —**	**$ 12**	**$ 150**	**$ 2,384**	**$ 6,577**
At cost						
Balance as at April 1, 2021	$ 6,104	$ 16	$ 296	$ 709	$ 4,175	$ 11,300
Additions	461	—	5	—	—	466
Balance as at March 31, 2022	$ 6,565	$ 16	$ 301	$ 709	$ 4,175	$ 11,766
Accumulated amortization						
Balance as at April 1, 2021	$ 1,500	$ 16	$ 276	$ 686	$ 849	$ 3,327
Amortization expense	675	—	11	—	458	1,144
Balance as at March 31, 2022	$ 2,175	$ 16	$ 287	$ 686	$ 1,307	$ 4,471
Carrying amount as at March 31, 2022	$ 4,390	$ —	$ 14	$ 23	$ 2,868	$ 7,295

(1) A corresponding payable equal to 50% of the net book value of the aircraft 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 and $2.0 million due after one year but no more than five years. Refer to *note 16(e)* for further details.

9. CREDIT FACILITIES

As at March 31, 2023 and 2022, 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 2027 (2022 – December 2026) 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, 2023 was 6.70% (2022 – 2.70%) per annum. The amount available under the credit facility as at March 31, 2023 and 2022 was $100.0 million. No amounts had been drawn on the facility during fiscal 2023 and 2022 and as at March 31, 2023 and 2022.

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, all of which was funded as at March 31, 2023. CEP III Co-Invest is capitalized by four limited partners, Clairvest, 2141788 Ontario, MIP III, and Clairvest CEP Holdings. In accordance with the co-investment agreement, the proportion of the commitment amongst its four limited partners is at their own discretion. As at March 31, 2023, 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. As at March 31, 2023, $2.5 million (2022 – $2.5 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 proportionate 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, $10.3 million (2022 – $21.2 million) of which remained unfunded as at March 31, 2023. CEP IV Co-Invest is capitalized by three limited partners, Clairvest, MIP IV, and Clairvest CEP Holdings. 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, 2023, 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, 2023, $6.4 million (2022 – $6.4 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 proportionate 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, $35.8 million (2022 – $35.8 million) of which remained unfunded as at March 31, 2023. CEP V Co-Invest is capitalized by five limited partners, Clairvest, 2141788 Ontario, Clairvest GP V, MIP V, and Clairvest CEP Holdings. In accordance with the co-investment agreement, the proportion of the commitment amongst its five 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, 2023, Clairvest GP V and MIP V had invested $10.0 million and $2.4 million, respectively, in CEP V Co-Invest. During fiscal 2023, Clairvest GP V and MIP V distributed $9.8 million (2022 – $7.9 million) and $2.1 million (2022 – $3.1 million), respectively, to Clairvest. As at March 31, 2023, Clairvest had received distributions totalling $20.8 million (2022 – $11.0 million) from Clairvest GP V and $6.0 million (2022 – $3.9 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 proportionate 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$311.3 million), US$106.7 million (C$144.4 million) (2022 – US$164.5 million (C$205.5 million)) of which remained unfunded as at March 31, 2023. 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, 2023, Clairvest SLP VI and MIP VI had invested US$17.5 million (C$23.7 million) (2022 – US$10.0 million (C$12.5 million)) and US$2.6 million (C$3.5 million) (2022 – 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, 2023, no distributions had been received by Clairvest from Clairvest SLP VI and MIP VI.

March 31, 2023 and 2022 (tabular dollar amounts in thousands, except per share information)

(e) Changes in loans receivable for the years ended March 31, 2023 and 2022 were as follows:

	April 1, 2022	Net loan advanced (repaid)	March 31, 2023
CEP V[1]	**$ 4,186**	**$ 5,913**	**$ 10,099**
CEP V-A[1]	**750**	**(80)**	**670**
CEP VI[1]	**3,257**	**(3,107)**	**150**
CEP VI-A[1]	**4,558**	**(4,348)**	**210**
CEP VI-B[1]	**2,898**	**(2,764)**	**134**
CEP IV Co-Invest[2]	**12,000**	**(3,929)**	**8,071**
CEP V Co-Invest[2]	**2,700**	**2,134**	**4,834**
CEP VI Co-Invest[2]	**3,550**	**(3,368)**	**182**
2486303 Ontario[3]	**3,759**	**(3,759)**	**—**
	37,658	**(13,308)**	**24,350**
Clairvest investee companies[4]	**9,997**	**(9,997)**	**—**
	$ 47,655	**$ (23,305)**	**$ 24,350**

	April 1, 2021	Net loan advanced (repaid)	March 31, 2022
CEP IV-A[1]	$ 220	$ (220)	$ —
CEP V[1]	—	4,186	4,186
CEP V-A[1]	—	750	750
CEP VI[1]	18,262	(15,005)	3,257
CEP VI-A[1]	25,651	(21,093)	4,558
CEP VI-B[1]	16,380	(13,482)	2,898
CEP IV Co-Invest[2]	—	12,000	12,000
CEP V Co-Invest[2]	—	2,700	2,700
CEP VI Co-Invest[2]	21,789	(18,239)	3,550
2486303 Ontario[3]	3,759	—	3,759
	86,061	(48,403)	37,658
Clairvest investee companies[4]	—	9,997	9,997
Other	252	(252)	—
	$ 86,313	$ (38,658)	$ 47,655

(1) Loans advanced bear interest at the reference rate in accordance with the respective Limited Partnership Agreement. Interest of $2.3 million (2022 – $0.8 million) was earned from loans advanced to these counterparties during fiscal 2023.

(2) Loans advanced to these acquisition entities are non-interest bearing.

(3) Loans advanced to 2486303 Ontario bear interest at 10.0% per annum were repaid in full during fiscal 2023. Interest income of $0.2 million (2022 – $0.4 million) was earned from these loans during fiscal 2023.

(4) Loans advanced to Meriplex Communications bearing interest at 8.0% per annum were repaid in full during fiscal 2023. Interest income of $0.2 million (2022 – $0.4 million) was earned from these loans during fiscal 2023.

March 31, 2023 and 2022 (tabular dollar amounts in thousands, except per share information)

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

	March 31, 2023	March 31, 2022
Clairvest's investee companies	$ 2,605	$ 3,028
CEP III	36	—
CEP IV	14	392
CEP IV-A	1	90
CEP V	1,369	635
CEP V India	905	186
CEP V-A	368	96
CEP VI	14,214	14,071
CEP VI-A	18,288	18,003
CEP VI-B	11,623	11,458
	49,423	47,959
Other accounts receivable and prepaid expenses	9,238	4,980
Share purchase loans	7,066	3,688
	$ 65,727	$ 56,627

Included in accounts receivable and other assets as at March 31, 2023 were share purchase loans made to certain employees of the Company totalling $7.1 million (2022 − $3.7 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 $10.6 million (2022 – $6.1 million) as at March 31, 2023. None of these loans were made to key management. Interest income of $0.1 million (2022 – $0.1 million) 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 $1.2 million (2022 – $8 thousand).

(g) During fiscal 2023, Clairvest earned $1.1 million (2022 – $2.0 million) in distributions and interest income and $2.4 million (2022 – $2.9 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 $10.2 million (2022 – $6.3 million) in distributions and interest income.

(h) Clairvest and a related party of Clairvest, through a limited partnership, own 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, 2023 and 2022 comprised the following:

	2023	2022
Current income tax expense	$ 34,422	$ 1,534
Deferred income tax expense (recovery)	(23,107)	43,272
	$ 11,315	$ 44,806

March 31, 2023 and 2022 (tabular dollar amounts in thousands, except per share information)

A reconciliation of the income tax expense for the years ended March 31, 2023 and 2022 based on the federal and Ontario statutory rate and the effective rate was as follows:

	2023		2022	
	$	**%**	$	%
Income before income taxes	**63,684**		375,013	
Statutory federal and Ontario income tax rate		**26.50**		26.50
Statutory Canadian income taxes	**16,876**	**26.50**	99,378	26.50
Non-taxable portion of net investment gains, distributions and dividends	**(9,681)**	**(15.20)**	(53,743)	(14.33)
Non-taxable portion of carried interest net of management participation	**(368)**	**(0.58)**	(3,989)	(1.06)
Non-deductible stock options and other expenses	**5,145**	**8.08**	2,624	0.70
Other	**(657)**	**(1.03)**	536	0.14
	11,315	**17.77**	44,806	11.95

In addition to the income tax expense recorded by Clairvest, acquisition entities of Clairvest recorded an income tax recovery of $2.0 million (2022 – expense of $7.8 million) during fiscal 2023, 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, 2023	March 31, 2022
Temporary differences on corporate and temporary investments	**$ 40,466**	$ 59,507
Temporary differences on derivative instruments	**853**	374
Temporary differences on accrued compensation and share-based compensation	**(16,511)**	(14,597)
Temporary differences on income	**2,490**	1,723
Temporary differences on unrealized carried interest net of management participation	**7,356**	9,954
Other	**1,500**	2,300
	$ 36,154	$ 59,261

All deferred income tax expenses (recoveries) were recognized in net income during fiscal 2023 and 2022.

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)

Issued and outstanding	**March 31, 2023**		March 31, 2022	
	Shares	**Amount**	Shares	Amount
Common shares, beginning of year	**15,052,301**	**$ 80,794**	15,058,401	$ 80,827
Purchased and cancelled under normal course issuer bid	**(28,300)**	**(152)**	(6,100)	(33)
Common shares, end of year	**15,024,001**	**$ 80,642**	15,052,301	$ 80,794

In March 2023, the Company filed a normal course issuer bid enabling it to make market purchases of up to 760,135 (2022 – 761,551) of its common shares in the 12-month period ending March 7, 2024. During fiscal 2023, the Company purchased and cancelled 28,300 common shares under the previous normal course issuer bid for an aggregate cost of $1.9 million.

Common shares of 15,024,001 (2022 − 15,052,301) were outstanding as at March 31, 2023. The weighted average number of common shares outstanding during fiscal 2023 was 15,036,381 (2022 – 15,055,594).

The basic and fully diluted net income per share computations for fiscal 2023 and 2022 were as follows:

	2023			2022		
	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	**$ 52,369**	**15,036,381**	**3.48**	$ 330,207	15,055,594	21.93

No Series 1 or Series 2 shares had been issued as at March 31, 2023 and 2022.

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, 2023 and 2022. As at March 31, 2023 and 2022, 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.

Additionally, the Company has a stock option plan on the Series 2 shares (the "Non-Voting Option Plan"). Options granted under 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, 2022, 563,519 options were outstanding, 166,871 options of which had vested. During fiscal 2023, Clairvest granted 165,753 (2022 – 254,640) options under the Non-Voting Option Plan. Also during fiscal 2023, 112,697 (2022 – 130,029) options vested, 117,113 (2022 – 184,637) options were exercised under the cash settlement feature for $7.9 million (2022 – $15.7 million) and 8,683 (2022 – 26,431) options were forfeited. As at March 31, 2023, 603,476 (2022 – 563,519) options were outstanding, 162,455 (2022 – 166,871) of which had vested.

Clairvest recognized share-based compensation expense based upon the fair value of the outstanding stock options as at March 31, 2023 using the Black-Scholes option pricing model with the following assumptions:

As at March 31, 2023

Fiscal year granted	**2023**	**2022**	**2021**	**2020**	**2019**
Number of options granted	**165,753**	**254,640**	**78,400**	**106,667**	**49,487**
Number of options exercised	**—**	**1,930**	**1,576**	**4,208**	**6,580**
Number of options forfeited	**958**	**16,502**	**7,056**	**8,274**	**4,387**
Number of options vested	**—**	**47,233**	**27,903**	**56,506**	**30,813**
Price ($)(1)	**155.29**	**129.17**	**77.38**	**82.74**	**79.29**
Black-Scholes assumptions used					
Expected volatility	**10%**	**10%**	**10%**	**10%**	**10%**
Expected forfeiture rate	**5%**	**5%**	**5%**	**5%**	**5%**
Expected dividend yield	**0.15%**	**0.15%**	**0.15%**	**0.15%**	**0.15%**
Risk-free interest rate	**3.46%**	**3.70%**	**4.05%**	**4.66%**	**5.03%**
Expected life (years)	**4.25**	**3.25**	**2.25**	**1.25**	**0.25**
Value using Black-Scholes (000s)(2)	**$ 1,532**	**$ 6,554**	**$ 4,912**	**$ 6,911**	**$ 2,972**

(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, 2023 was $79.00 (TSX: CVG).

During fiscal 2023, Clairvest recognized a share-based compensation expense of $9.3 million (2022 – $9.9 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 was 350,000 common shares, which represented approximately 2.3% of the outstanding number of common shares. During fiscal 2023, 30,125 (2022 – 22,225) EDSUs were issued based on the terms and conditions of the EDSU plan and 13,087 (2022 – nil) EDSUs were redeemed. As at March 31, 2023, a total of 195,749 (2022 – 178,711) EDSUs were outstanding, the accrual in respect of which was $15.7 million (2022 – $11.5 million) and had been included in share-based compensation liability. During fiscal 2023, Clairvest recognized an expense of $3.4 million (2022 – recovery of $36 thousand) with respect to EDSUs.

As at March 31, 2023, a total of 214,192 (2022 – 237,562) BVARs were outstanding, the accrual in respect of which was $5.5 million (2022 – $5.3 million) and had been included in share-based compensation liability, and an additional $4.5 million (2022 – $3.3 million) not accrued as those BVARs had not vested. During fiscal 2023, 72,595 (2022 – 70,139) BVARs were granted and 95,965 (2022 – 48,861) BVARs were exercised. For the year ended March 31, 2023, Clairvest recognized an expense of $9.9 million (2022 – $3.1 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:

March 31, 2023 and 2022 (tabular dollar amounts in thousands, except per share information)

		2023		2022
Paid				
Salaries	$	1,072	$	1,032
Annual incentive plans		1,515		1,236
Stock options		1,738		2,936
Book value appreciation rights		7,420		2,444
	$	11,745	$	7,648

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

		March 31, 2023		March 31, 2022
Payable				
Annual incentive plans	$	4,738	$	6,176
Stock options		4,359		4,463
Book value appreciation rights		3,289		5,314
Employee deferred share units		4,484		3,078
	$	16,870	$	19,031

As at March 31, 2023, 248,457 (2022 – 241,174) DSUs were held by directors of the Company, the accrual in respect of which was $21.6 million (2022 – $17.4 million) and had been included in share-based compensation liability. During fiscal 2023, 7,283 (2022 – 6,677) DSUs were granted. For the year ended March 31, 2023, Clairvest recognized an expense of $3.7 million (2022 – $0.5 million) with respect to DSUs.

During fiscal 2023, 15,000 ADSUs were granted to a new director such that as at March 31, 2023, 150,000 (2022 – 135,000) ADSUs were held by directors of the Company, the accrual in respect of which was $8.6 million (2022 – $6.4 million) and had been included in share-based compensation liability. For the year ended March 31, 2023, Clairvest recognized an expense of $2.2 million (2022 – $40 thousand) with respect to ADSUs.

As at March 31, 2023, compensation payable to the directors of Clairvest included $0.4 million (2022 – $0.1 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:

		2023		2022
Accounts receivable and other assets	$	(9,100)	$	(16,125)
Income taxes recoverable		3,838		(4,547)
Accounts payable and accrued liabilities		6,982		(1,702)
Income taxes payable		24,861		(616)
Accrued compensation expense		(1,574)		8,091
	$	25,007	$	(14,899)

Cash and cash equivalents as at March 31, 2023 and 2022 comprised the following:

		March 31, 2023		March 31, 2022
Cash	$	216,194	$	205,299
Cash equivalents		1,676		13,118
	$	217,870	$	218,417

March 31, 2023 and 2022 (tabular dollar amounts in thousands, except per share information)

15. DERIVATIVE INSTRUMENTS

The Company and its acquisition entities enter 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 2023, the Company paid $3.0 million (2022 – $0.2 million) on the settlement of realized foreign exchange forward contracts.

As at March 31, 2023, the Company had unexpired foreign exchange forward contracts to sell US$205.4 million (2022 – US$87.1 million) at an average rate of C$1.3171 per U.S. dollar (2022 – C$1.2871) through to July 2025 and to sell GBP£2.7 million (2022 – nil) at an average rate of C$1.6309 per Pound Sterling (2022 – nil) through to February 2024. The fair value of the forward contracts as at March 31, 2023 was a loss of $7.1 million (2022 – gain of $3.2 million).

The fair value of foreign exchange forward contracts entered by the Company's acquisition entities to hedge against foreign-denominated investee companies has 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, 2023 and 2022.

16. CONTINGENCIES, COMMITMENTS AND GUARANTEES

(a) Clairvest has committed a total of $55.5 million (2022 – $55.5 million) in the Wellington Funds, all of which was unfunded as at March 31, 2023 and 2022. 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, 2023, the Realized Amount under the Bonus Program was $2.7 million (2022 − $0.9 million) and had been accrued under accrued compensation expense liability.

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 $9.7 million (2022 − $13.3 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 and any amounts after March 31, 2022.

(c) Clairvest has agreed to guarantee up to $5.0 million to support a credit facility provided to Brunswick Bierworks by its bank. Clairvest would assume the lender's security position that supports the loans provided by the lender should it be called and intends 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.

(d) During fiscal 2023, CEP VI Co-Invest, CEP VI, CEP VI-A and CEP VI-B entered an agreement to invest in an IT solutions provider for government defence and civilian agencies. Closing of the investment, which is subject to regulatory approvals, is anticipated to occur during fiscal 2024.

(e) As at March 31, 2023 and 2022, 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 is as follows:

		2023		2022
Lease liability, beginning of year	**$**	**2,868**	$	3,326
Payments applied during the year		**(484)**		(458)
Lease liability, end of year	**$**	**2,384**	$	2,868

(1) As at March 31, 2023, the incremental borrowing rate was prime plus 1.25% per annum (2022 — prime plus 1.25%)

March 31, 2023 and 2022 (tabular dollar amounts in thousands, except per share information)

(f) In connection with its normal business operations, the Company and its investee companies may, from time to time, be involved in legal proceedings, including regulatory investigations, in which claims for monetary damages may be asserted. The Company may accrue a liability if, in the opinion of management, it is both probable that costs will be incurred to resolve the matter, and an estimate can be made of the amount of the obligation. While there is inherent difficulty in predicting the outcome of these matters, based on our current knowledge, we do not expect these matters, individually or in aggregate, to have a material adverse effect on our financial statements.

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 24 investee companies in 12 industries as at March 31, 2023. Concentration risk by industry and by country as at March 31, 2023 and 2022 was as follows:

	March 31, 2023				March 31, 2022			
	Canada	**United States**	**International(1)**	**Total**	Canada	United States	International(1)	Total
Co-packing	**$ 8,146**	**$ —**	**$ —**	**$ 8,146**	$ 5,117	$ —	$ —	$ 5,117
Dental services	**—**	**40,357**	**—**	**40,357**	—	19,689	—	19,689
Equipment rental	**—**	**6,987**	**—**	**6,987**	—	4,439	—	4,439
Financial services	**4,563**	**—**	**—**	**4,563**	11,042	—	—	11,042
Gaming	**1,111**	**138,115**	**259,576**	**398,802**	4,907	112,486	237,932	355,325
Information technology	**10,969**	**27,007**	**—**	**37,976**	8,858	73,749	—	82,607
Insurance services	**27,059**	**—**	**—**	**27,059**	—	—	—	—
Life sciences	**—**	**9,200**	**—**	**9,200**	—	—	—	—
Marketing services	**—**	**—**	**—**	**—**	—	22,835	—	22,835
Renewable energy	**—**	**66,171**	**—**	**66,171**	—	106,999	—	106,999
Specialty aviation and defence services	**123,280**	**—**	**—**	**123,280**	74,357	—	—	74,357
Waste management	**—**	**63,766**	**—**	**63,766**	—	52,167	—	52,167
Other investments	**1**	**4,975**	**—**	**4,976**	99	4,594	—	4,693
Total	**$ 175,129**	**$ 356,578**	**$ 259,576**	**$ 791,283**	$ 104,380	$ 396,958	$ 237,932	$ 739,270

(1) Includes investments in India, Chile and the United Kingdom.

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 this policy is regularly monitored by the Audit Committee.

As at March 31, 2023, $217.2 million (2022 – $217.0 million) of the Company's treasury funds are held in accounts which pay interest commensurate with prime rate changes, and $73.9 million (2022 – $36.6 million) of the Company's treasury funds are in guaranteed investment certificates with an average remaining duration of 0.4 years (2022 – 0.4 years). If interest rates were higher or lower by 1.00% 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 $2.5 million (2022 – $2.7 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*.

Clairvest's investee companies are subject to interest rate risk. Significant changes in interest rates can materially increase the borrowing cost of these investee companies and in turn cause a negative impact to the profitability of these companies, which could have a material impact to the Company's fair value of these corporate investments. The Company manages this risk through oversight responsibilities with existing investee companies and may suggest these investee companies enter swap derivatives with their banking counterparties to hedge against this risk.

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 currencies. The general partner priority distributions and management fees for Clairvest Equity Partners VI are denominated in United States dollars whereas the Company's overhead costs are in Canadian dollars. 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 hedging positions against these foreign-denominated currencies. As at March 31, 2023, the Company's material exposure to foreign-denominated currencies comprised its Chilean peso-denominated and Indian rupee-denominated balances as they are unhedged. In addition, there is a timing difference between the consolidated statements of financial position dates 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 of these foreign-denominated currencies could result in a material impact to the performance of Clairvest, its investment portfolio and 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, 2023 and 2022, there were no material income effects on changes in credit risk on financial assets. The carrying values of financial assets subject to credit exposure as at March 31, 2023 and 2022, net of any allowances for credit losses, were as follows:

March 31, 2023 and 2022 (tabular dollar amounts in thousands, except per share information)

	March 31, 2023			March 31, 2022		
	Clairvest	**Acquisition entities**	**Total**	Clairvest	Acquisition entities	Total
Financial assets						
Cash and cash equivalents	**$ 217,870**	**$ 48,114**	**$ 265,984**	$ 218,417	$ 54,698	$ 273,115
Temporary investments	**111,301**	**54,142**	**165,443**	84,791	25,806	110,597
Accounts receivable[(1)]	**57,694**	**2,734**	**60,428**	52,808	1,359	54,167
Loans receivable[(2)]	**11,263**	**154**	**11,417**	25,646	–	25,646
Derivative instruments	**–**	**161**	**161**	3,222	6,562	9,784
Corporate investments[(3)]	**–**	**23,713**	**23,713**	–	38,044	38,044
	$ 398,128	**$ 129,018**	**$ 527,146**	$ 384,884	$ 126,469	$ 511,353

(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, 2023, the Company and its acquisition entities held derivative instruments which had a net mark-to-market loss of $3.5 million (2022 – gain of $9.8 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. Management's application of this policy is regularly monitored by the Audit Committee. Management and the Audit Committee review credit quality of cash equivalents and temporary investments regularly.

The credit ratings of the Company's treasury funds, including those of its acquisition entities, based on the Dominion Bond Rating Services rating scale, with the exception of corporate bonds and loans which are based on the Standard and Poor's rating scale, were as follows:

March 31, 2023 and 2022 (tabular dollar amounts in thousands, except per share information)

	March 31, 2023			March 31, 2022		
	Clairvest	Acquisition entities	Total	Clairvest	Acquisition entities	Total
Cash	**$ 216,194**	**$ 48,114**	**$ 264,308**	$ 205,299	$ 50,611	$ 255,910
Money market savings accounts						
AA	**164**	—	**164**	—	—	—
AA-	**1,512**	—	**1,512**	9,505	3,510	13,015
A	—	—	—	3,613	578	4,191
Guaranteed investment certificates and investment savings accounts						
AA+	**18,868**	—	**18,868**	—	—	—
AA	**46,670**	**22,590**	**69,260**	4,351	—	4,351
AA-	**2,039**	**5,073**	**7,112**	15,294	2,013	17,307
A+	—	—	—	101	—	101
A	**100**	**103**	**203**	100	100	200
A-	**5,238**	—	**5,238**	10,045	161	10,206
BBB	—	—	—	5,240	—	5,240
BBB-	—	—	—	101	5,038	5,139
Not rated	**980**	**514**	**1,494**	1,365	5,613	6,978
Limited recourse capital notes						
A	**5,552**	—	**5,552**	—	—	—
A-	**1,885**	**1,879**	**3,764**	—	—	—
BBB+	**1,854**	**927**	**2,781**	—	—	—
BBB	—	—	—	1,911	—	1,911
BBB-	**792**	**792**	**1,584**	—	—	—
BB+	—	—	—	3,970	—	3,970
Other fixed income securities						
Not rated(1)	**27,323**	**22,264**	**49,587**	42,313	12,880	55,193
Total cash, cash equivalents and fixed income securities	**$ 329,171**	**$ 102,256**	**$ 431,427**	$ 303,208	$ 80,504	$ 383,712

(1) Comprised other fixed income securities as permitted by the Company's treasury policy, which in aggregate may not exceed the lesser of 10% of book value or 20% of treasury funds 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 $190.6 million (2022 – $262.5 million) as at March 31, 2023. 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 (2022 – $100.0 million) credit facility, which was undrawn as at March 31, 2023.

As at March 31, 2023, Clairvest had treasury funds, inclusive of those held at acquisition entities, of $493.1 million (2022 – $429.3 million) and access to $100.0 million (2022 – $100.0 million) in credit to support its current and anticipated corporate investments. Clairvest also had access to $0.5 billion (2022 – $0.7 billion) in uncalled committed third-party capital through the CEP Funds as at March 31, 2023 to invest along with Clairvest's capital.

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 Company's objective is to invest in long-term private equity investments and its holdings may include publicly traded companies which originated from its private equity investments. These companies will likely exhibit share price volatility such that the publicly traded share price may not be the best proxy of value. The Company's investments in these public companies may trade at share prices which are not indicative of the Company's realizable value due to factors including illiquidity of the security and potential adverse consequences when a significant shareholder sells its position. Accordingly, when the Company liquidates the investments in these types of public company shares, its ultimate realized proceeds may be materially different than the valuation at the end of any reporting period which is based on the publicly traded share price at that time and subject to certain adjustments as warranted.

March 31, 2023 and 2022 (tabular dollar amounts in thousands, except per share information)

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

	March 31, 2023			
	Fair value measurements using			**Assets/liabilities at fair value**
	Level 1	**Level 2**	**Level 3**	
Financial assets				
Cash equivalents				
Investment savings accounts	**$ 1,676**	**$ —**	**$ —**	**$ 1,676**
	1,676	**—**	**—**	**1,676**
Temporary investments				
Guaranteed investment certificates	**—**	**73,895**	**—**	**73,895**
Marketable securities	**61,661**	**—**	**—**	**61,661**
Limited recourse capital notes	**—**	**10,083**	**—**	**10,083**
Other fixed income securities	**—**	**—**	**27,323**	**27,323**
	61,661	**83,978**	**27,323**	**172,962**
Corporate investments	**68,990**	**—**	**822,719**	**891,709**
	$ 132,327	**$ 83,978**	**$ 850,042**	**$ 1,066,347**

	March 31, 2022			
	Fair value measurements using			Assets/liabilities at fair value
	Level 1	Level 2	Level 3	
Financial assets				
Cash equivalents				
Investment savings accounts	$ 13,118	$ —	$ —	$ 13,118
	13,118	—	—	13,118
Temporary investments				
Guaranteed investment certificates	—	36,597	—	36,597
Marketable securities	45,587	—	—	45,587
Limited recourse capital notes	—	5,881	—	5,881
Other fixed income securities	—	—	42,313	42,313
	45,587	42,478	42,313	130,378
Derivative instruments	—	3,222	—	3,222
Corporate investments	101,030	8,247	739,796	849,073
	$ 159,735	$ 53,947	$ 782,109	$ 995,791

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 2023, the Company transferred the fair value pertaining to its investment in STEM to level 1 from level 2 of the fair value hierarchy upon the expiry of the hold period.

March 31, 2023 and 2022 (tabular dollar amounts in thousands, except per share information)

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

The following tables present 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, 2022	Amount included in income	Purchases of assets / issuances of liabilities	Sales of assets / settlements of liabilities	Fair value March 31, 2023
Financial assets					
Other fixed income securities	**$ 42,313**	**$ 173**	**$ 12,013**	**$ (27,176)**	**$ 27,323**
Corporate investments	**739,796**	**(8,296)**	**91,219**	**—**	**822,719**
	$ 782,109	**$ (8,123)**	**$ 103,232**	**$ (27,176)**	**$ 850,042**

	Fair value April 1, 2021	Amount included in income	Purchases of assets / issuances of liabilities	Sales of assets / settlements of liabilities	Fair value March 31, 2022
Financial assets					
Other fixed income securities	$ 12,593	$ 94	$ 43,641	$ (14,015)	$ 42,313
Corporate investments	382,963	385,627	53,809	(82,603)	739,796
	$ 395,556	$ 385,721	$ 97,450	$ (96,618)	$ 782,109

(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, 2023 and 2022 (tabular dollar amounts in thousands, except per share information)

March 31, 2023	**Valuation techniques**	**Significant unobservable inputs**	**Range**
Unquoted equity instruments (including warrants) or partnership units	**Public company comparables**	**EBITDA and earnings multiples**	**3.0x to 15.0x**
		Revenue multiples	**2.1x to 3.4x**
	Recent transactions	**n/a**	**n/a**
Debentures or loans not traded or other finite set of cash flows	**Discounted cash flows**	**Discount rates**	**Up to 13.3% per annum**

March 31, 2022	Valuation techniques	Significant unobservable inputs	Range
Unquoted equity instruments (including warrants) or partnership units	Public company comparables	EBITDA and earnings multiples	4.0x to 11.0x
		Revenue multiples	3.4x to 4.0x
	Recent transactions	n/a	n/a
Debentures or loans not traded or other finite set of cash flows	Discounted cash flows	Discount rates	Up to 12.0% per annum

The most significant unobservable input for fair value measurement is either revenue or earnings before interest, taxes, depreciation and amortization ("EBITDA") and the multiple which is applied to either revenue or 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, 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 $25.0 million or a decrease of $25.0 million to the carrying value of corporate investments and net investment gain, on a pre-tax basis, for the year ended March 31, 2023 (2022 – an increase of $17.3 million or a decrease of $16.2 million). For the 2 investee companies that were valued using the revenue multiple approach, if the Company had used a revenue multiple for each investee company that was higher or lower by 0.5 times, the potential effect would be an increase of $30.9 million or a decrease of $30.9 million to the carrying value of corporate investments and net investment gain, on a pre-tax basis, for the year ended March 31, 2023 (2022 – an increase of $23.7 million or a decrease of $23.7 million). Revenue or earnings multiples used are based on public company valuations as well as private market multiples for comparable companies. Revenues are based on current run-rates adjusted for non-recurring items. 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 revenue or 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 the 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, 2023 and 2022.

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, 2023 and 2022, Clairvest had no external capital requirements, other than as disclosed in *note 16*.

20. COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS

The comparative consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of the fiscal 2023 consolidated financial statements.

SHAREHOLDER INFORMATION

As at, and for the year ended, March 31, 2023
(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

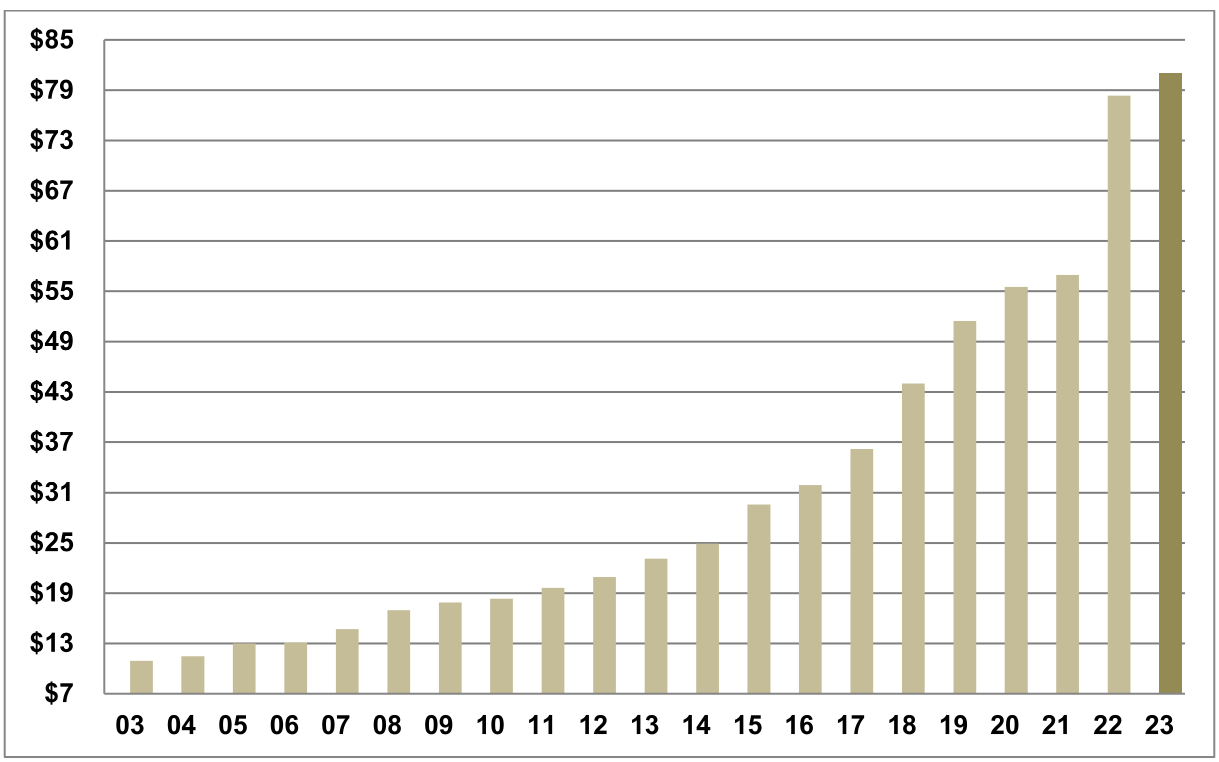
Share structure	Common Shares[3]	
Common shares outstanding		15,024,001
Less holders of 10% or more		9,423,566
Public float[1,2]		5,600,435
Market capitalization[1]		$ 1,237,977,682
Market value of public float[1,2]		$ 461,475,844
Stock market	Toronto Stock Exchange	
Stock symbol	CVG	

(1) As at June 26, 2023.

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

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

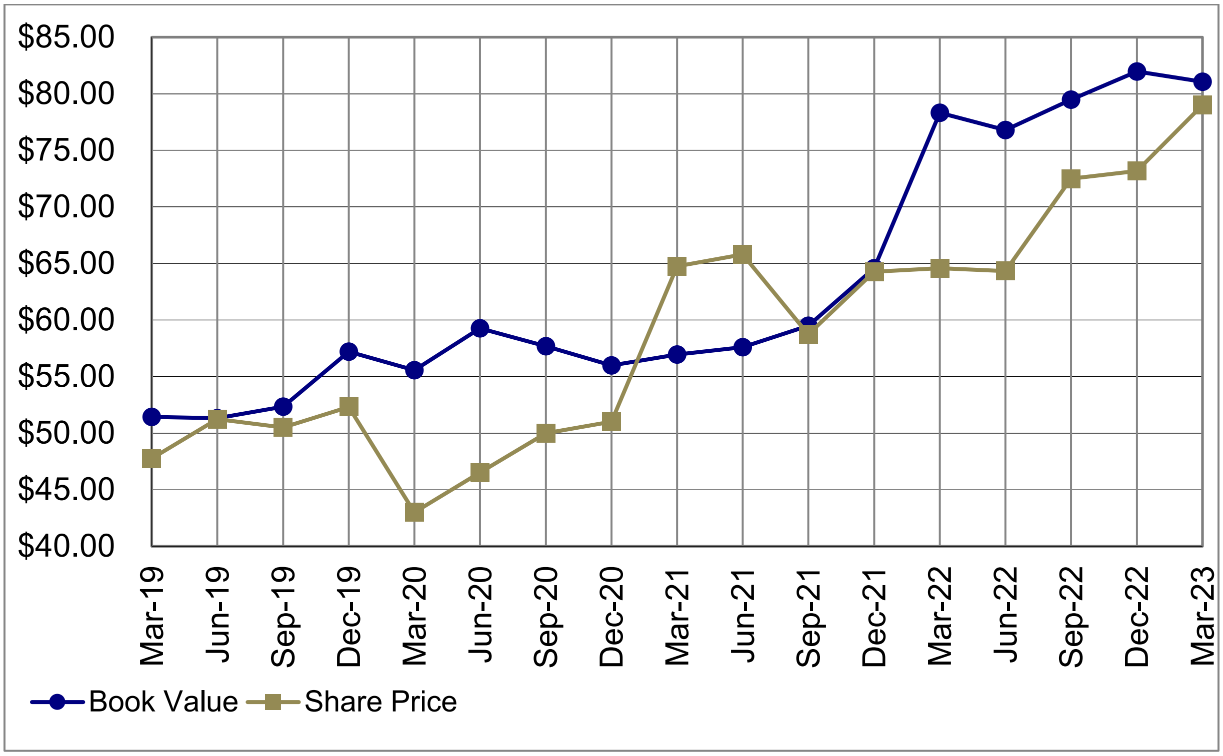
BOOK VALUE PER SHARE AT MARCH 31



SHAREHOLDER INFORMATION

As at, and for the year ended, March 31, 2023
(unaudited)

SHARE PRICE VS BOOK VALUE PER SHARE



SHARE TRADING VOLUME FISCAL 2023 and 2022

Common shares	High	Low	Close	Volume
Year to March 31, 2023				
First Quarter	**64.58**	**54.42**	**64.33**	**26,805**
Second Quarter	**77.49**	**64.32**	**72.50**	**61,908**
Third Quarter	**77.50**	**69.00**	**73.18**	**36,846**
Fourth Quarter	**85.00**	**71.99**	**79.00**	**47,769**
Year to March 31, 2022				
First Quarter	68.10	60.46	65.33	14,043
Second Quarter	68.00	57.05	58.74	16,411
Third Quarter	63.43	56.50	61.78	29,094
Fourth Quarter	69.00	61.00	64.58	21,719

SHAREHOLDER INQUIRIES

Stephanie Lo, Manager. Investor Relations & Marketing

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fax: 416.925.5753

email: stephaniel@clairvest.com

TRANSFER AGENT AND REGISTRAR

Investors are encouraged to contact
TSX Trust Company for information
regarding their security holdings.

Information can be obtained at:
301 - 100 Adelaide Street West,
Toronto, Ontario, Canada M5H 4H1
Answerline: 1.800.387.0825
Web: www.tsxtrust.com
Email: shareholderinquiries@tmx.com

CORPORATE INFORMATION

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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 10, 2023 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.