

CLAIRVEST REPORTS FISCAL 2022 FOURTH QUARTER AND YEAR END RESULTS

Toronto, Ontario (June 27, 2022) – Clairvest Group Inc. (TSX: CVG) today reported results for the fourth quarter and year ended March 31, 2022 and material events which occurred subsequent to year end. *(All figures are in Canadian dollars unless otherwise stated)*

Highlights

- March 31, 2022 book value was \$1,179.1 million or \$78.33 per share compared with \$972.1 million or \$64.58 per share as at December 31, 2021 and \$56.96 per share as at March 31, 2021
- Net income for the fourth quarter was \$207.0 million or \$13.75 per share, driven by significant valuation changes in the Clairvest Equity Partners V (“CEP V”) and Clairvest Equity Partners VI (“CEP VI”) investment portfolios
- Net income for fiscal 2022 was \$330.2 million or \$21.93 per share
- Book value per share grew by 39% during fiscal 2022
- Stem, Inc. (NYSE: STEM) completes acquisition of Also Energy generating for Clairvest and CEP V a cash return of 9.1x plus a rolled interest in STEM which equaled another 0.8x our investment for a total return of 9.9x, using the March 31 carrying value for the STEM shares
- Clairvest and CEP V portfolio company Head Digital Works experienced material court wins thereby re-opening certain markets and increasing regulatory clarity of the rapidly expanding skill-based on-line gaming industry in India
- Subsequent to year end, Clairvest and CEP V entered into a definitive agreement to partially realize their interest in Meriplex Communications
- Subsequent to year end, Clairvest and CEP VI portfolio company NovaSource Power Services entered into a definitive agreement for a US\$100 million equity raise at a premium to the March 31 carrying value
- Subsequent to year end, Clairvest announced the addition of William F. Morneau to its board of directors
- Subsequent to year end, Clairvest declared an annual dividend of \$1.5 million, or \$0.10 per share, and a special dividend of \$10.3 million, or \$0.6833 per share, both payable on July 28, 2022

Clairvest’s book value was \$1,179.1 million or \$78.33 per share as at March 31, 2022, compared with \$972.1 million or \$64.58 per share as at December 31, 2021 and \$857.8 million or \$56.96 per share as at March 31 2021. Total cash, cash equivalents and temporary investments excluding marketable securities, as reported under IFRS, was \$349 million. In addition, our acquisition entities held \$80 million in cash and cash equivalents as at March 31, 2022 bringing total available cash to \$429 million. In aggregate, this represented 36% of our book value as at March 31, 2022, or approximately \$28 per share.

Net income for the fourth quarter was \$207.0 million, or \$13.75 per share. The net income for the fourth quarter of fiscal 2022 reflects a net increase in the fair value of Clairvest’s investee companies and a corresponding increase in carried interest from the CEP Funds, reflecting the developments in various portfolio companies as described below.

Net income for the fiscal year was \$330.2 million or \$21.93 per share. Net investment gain for the fiscal year was \$355.6 million, \$94.6 million of which was net realized gain primarily resulting from the sale of Also Energy as described below. During the fiscal year, 6,100 shares were purchased and cancelled under the Company's normal course issuer bid for a total purchase price of \$0.4 million, or at an average price of \$57.38 per share.

In February 2022, Clairvest and CEP V completed the sale of their interest in Also Energy for a 9.9 times invested capital with an IRR of 86% over the 5-year holding period of its investment, calculated based on the cash proceeds received and the March 31, 2022 carrying value of the share consideration received on the sale. Clairvest received cash proceeds of US\$82.4 million and 1,091,583 shares of STEM on the sale of its equity interest against total invested capital of US\$9.0 million. In addition, the promissory note advanced to Also Energy was repaid in full at closing.

During the quarter, the carrying value of Clairvest and CEP V portfolio company Head Digital Works was increased materially as a result of favorable court rulings in various jurisdictions in India and valuation indications resulting from fundraisings completed by industry competitors of Head Digital Works. As at March 31, 2022, Clairvest's investment in Head Digital Works represented 14% of Clairvest's net assets. As reported previously, this investment is subject to various regulatory developments which could result in positive or negative material changes to the valuation of this investment.

Subsequent to year end, Clairvest and CEP V entered into a definitive agreement to partially realize their interest in Meriplex Communications. The closing of this transaction is subject to various conditions including regulatory approvals.

Also subsequent to year end, Clairvest and CEP VI portfolio company NovaSource Power Services entered into a definitive agreement for an equity raise where a third-party investor is to acquire a minority ownership interest for US\$100 million. The closing of this transaction is subject to various conditions including regulatory approvals.

"Clairvest completed fiscal 2022 on a strong note with the stellar exit of AlsoEnergy, which is a testament to our investment strategy focused on building industry knowledge and backing owner-operators, both of which contributed to this successful realization. On the back of our first renewable energy exit, NovaSource, our second investment in this space also signed a definitive agreement for an equity raise to support the company's upcoming growth initiatives," said Ken Rotman, CEO of Clairvest. "Elsewhere in the portfolio, Meriplex entered into a definitive agreement to partially sell the company (awaiting the satisfaction of customary closing conditions) and would represent another tremendous result for Clairvest in the IT services space. On another note, we remain cautiously optimistic about Head Digital Works based on the recent regulatory wins and industry valuations observed."

Also subsequent to year end, Clairvest declared an annual ordinary dividend of \$0.10 per share and a special dividend of \$0.6833 per share, such that in aggregate, the dividends represent 1% of the March 31, 2022 book value. Both dividends will be payable on July 28, 2022 to common shareholders of record as of July 6, 2022 and are eligible dividends for Canadian income tax purposes.

Summary of Financial Results – Unaudited

Financial Results ⁽¹⁾	Quarter ended March 31		Year ended March 31	
	2022	2021	2022	2021
(\$000's, except per share amounts)	\$	\$	\$	\$
Net investment gain (loss)	223,040	38,892	355,620	150,528
Net carried interest from Clairvest Equity Partners III and IV	5,831	(2,212)	5,977	(9,299)
Distributions, interest income, dividends and fees	24,841	8,160	59,460	36,494
Total expenses (recovery), excluding income taxes	19,887	27,669	46,044	60,934
Net income (loss) and comprehensive income (loss)	207,016	14,784	330,207	104,839
Basic and fully diluted net income (loss) per share	13.75	0.98	21.93	6.96

Financial Position	March 31 2022	March 31 2021
(\$000's, except share information and per share amounts)	\$	\$
Total assets	1,353,143	985,025
Total cash, cash equivalents and temporary investments	348,795	279,373
Carried interest from Clairvest Equity Partners III and IV	35,496	34,318
Corporate investments ⁽¹⁾	849,073	534,667
Total liabilities	174,056	127,218
Management participation from Clairvest Equity Partners III and IV	26,997	25,996
Book value ⁽²⁾	1,179,087	857,807
Common shares outstanding	15,052,301	15,058,401
Book value per share ⁽²⁾	78.33	56.96

⁽¹⁾ Includes carried interest of \$201,852 (March 31: \$88,343) and management participation of \$141,328 (March 31: \$60,346) from Clairvest Equity Partners V and VI, and \$80,504 (March 31: \$65,953) in cash, cash equivalents and temporary investments held by Clairvest's acquisition entities.

⁽²⁾ Book value is a Non-IFRS measure calculated as the value of total assets less the value of total liabilities.

Clairvest's annual fiscal 2022 financial statements and MD&A are available on the SEDAR website at www.sedar.com and the Clairvest website at www.clairvest.com.

About Clairvest

Clairvest's mission is to partner with entrepreneurs to help them build strategically significant businesses. Founded in 1987 by a group of successful Canadian entrepreneurs, Clairvest is a top performing private equity management firm with over CAD \$3.2 billion of capital under management. Clairvest invests its own capital and that of third parties through the Clairvest Equity Partners limited partnerships in owner-led businesses. Under the current management team, Clairvest has initiated investments in 57 different platform companies and generated top quartile performance over an extended period.

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Forward-looking Statements

This news release contains forward-looking statements with respect to Clairvest Group Inc., its subsidiaries, its CEP limited partnerships and their investments. These 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 Clairvest, its subsidiaries, its CEP limited partnerships and their investments to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include general and economic business conditions and regulatory risks. Clairvest is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or otherwise.

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