

**CLAIRVEST REPORTS FISCAL 2018
FIRST QUARTER RESULTS**

Toronto, Ontario (August 14, 2017) – Clairvest Group Inc. (TSX: CVG) today reported results for the first quarter ended June 30, 2017. *(All figures are in Canadian dollars unless otherwise stated)*

Highlights

- June 30, 2017 book value was \$533.1 million or \$35.09 per share versus \$36.21 per share at March 31, 2017
- Net loss for the quarter was \$11.6 million or \$0.76 per share which included a \$1.00 per share unrealized loss in Head Infotech India Pvt. Ltd. (“Ace2Three”)
- Clairvest and Clairvest Equity Partners III (“CEP III”) completed the sale of Lyophilization Services of New England, Inc. (“LSNE”) and realized 3.5 times invested capital
- Subsequent to quarter end, Clairvest and Clairvest Equity Partners IV (“CEP IV”) completed the sale of CRS Contractors Rental Supply Limited Partnership (“CRS”) and realized 3.2 times invested capital or 31% IRR over a holding period of 4.5 years
- Subsequent to quarter end, Clairvest paid an annual ordinary dividend of \$1.5 million, or \$0.10 per share, and a special dividend of \$4.0 million, or \$0.2621 per share, both paid on July 24, 2017

Clairvest’s book value was \$533.1 million or \$35.09 per share as at June 30, 2017, compared with \$550.2 million or \$36.21 per share at March 31, 2017. Net loss for the quarter was \$11.6 million, or \$0.76 per share, and dividends of \$0.3621 per share were accrued at June 30, 2017.

In April 2017, Clairvest and Clairvest Equity Partners V invested \$99.2 million in Ace2Three, with Clairvest’s portion of the investment being \$56.0 million, in the form of \$22.9 million in compulsory convertible debentures and \$33.1 million in common shares. Ace2Three operates an online, skilled based gaming platform in India providing an online rummy experience. In June 2017, Ace2Three experienced a material adverse development as described in Clairvest’s June 20, 2017 and June 28, 2017 news releases which resulted in a company-wide shut down of operations for Ace2Three for nine days. Since June 28, 2017, Ace2Three has reopened its gaming platform outside the state of Telangana, and the Indian courts have provided Ace2Three with interim relief to continue to do this for a period of time which should allow Ace2Three to move its registered business address outside of Telangana. Revenue from customers outside of Telangana represented approximately 60% of Ace2Three’s overall revenue prior to the above-referenced development. Ace2Three, along with other online skilled based rummy companies in India, are challenging the validity of the regulatory developments and the matter is before the courts. While Ace2Three remains profitable, at June 30, 2017, Clairvest has determined that there has been a negative impact on the fair value of this investment and has reduced the fair value of its equity investment in Ace2Three to 50% of its cost, or an unrealized loss of \$15.8 million on a pre-tax basis. The carrying value may be adjusted in future quarters as we learn more about the regulatory environment and the impact on operating performance.

During the quarter, Clairvest and CEP III realized on the sale of LSNE. Over the life of the investment, LSNE generated 3.5 times invested capital for Clairvest, which made its investment through CEP III Co-Investment Limited Partnership (“CEP III Co-Invest”). At closing, CEP III Co-Invest received cash proceeds of \$27.4 million and recorded a net realized gain of \$0.2 million.

At June 30, 2017, Clairvest had approximately \$615 million of capital available for future acquisitions through treasury funds, credit facilities, access to funds in its acquisition entities and uncalled committed capital in various Clairvest Equity Partnerships (the “CEP Funds”).

In August 2017, Clairvest and CEP IV completed the sale of CRS for cash proceeds of \$118.5 million. Clairvest’s portion of the investment was made by CEP IV Co-Investment Limited Partnership (“CEP IV Co-Invest”), which realized proceeds totaling \$34.2 million over the life of the investment, against an investment of \$10.6 million, or 3.2 times invested capital over a 4.5 year holding period. As at June 30, 2017, CRS was carried at the estimated sale proceeds which have since been received.

“We are pleased with our experience with CRS and LSNE, which are further testaments to the merits of our investment strategy, including partnering with management in target industries. CRS marks our 3rd asset sale in the past eight months, which is a reflection of our feeling about the current market. Elsewhere in the portfolio, the regulatory developments at Ace2Three have been disappointing and led us to reduce that investment’s carrying value,” said Jeff Parr, Co-CEO of Clairvest. “We remain committed to our Ace2Three investment and are working with Ace2Three management to rebound from the recent setback.”

Subsequent to quarter end, Clairvest paid an annual ordinary dividend of \$0.10 per share and a special dividend of \$0.2621 per share, such that in aggregate, the dividends represent 1% of the March 31, 2017 book value. Both dividends were paid on July 24, 2017 to common shareholders of record as of July 6, 2017 and are eligible dividends for Canadian income tax purposes.

Summary of Financial Results – Unaudited

Financial Results ⁽¹⁾	Quarters ended	
	2017	June 30 2016
(\$000’s, except per share amounts)	\$	\$
Net investment gains (losses)	(23,534)	14,508
Net carried interest income – realized and unrealized changes	2,290	4,716
Distributions, interest income, dividends and fees	17,413	6,081
Total expenses, excluding income taxes	10,024	12,406
Net income (loss) and comprehensive income (loss)	(11,560)	11,574
Basic and fully diluted net income (loss) per share	(0.76)	0.76

Financial Position	June 30, 2017	March 31, 2017
(\$000’s, except share information and per share amounts)	\$	\$
Total assets ⁽¹⁾	651,060	671,951
Total cash, cash equivalents and temporary investments ⁽¹⁾	89,323	122,169
Unrealized carried interest from the CEP Funds ⁽¹⁾	84,232	98,322
Corporate investments, at fair value ⁽¹⁾	421,123	410,102
Total liabilities ⁽¹⁾	117,918	121,747
Management participation ⁽¹⁾	58,298	67,050
Book value ⁽²⁾	533,142	550,204
Common shares outstanding	15,194,095	15,194,095
Book value per share ⁽²⁾	35.09	36.21

⁽¹⁾ Under IFRS, the Company is required to fair value certain acquisition entities and wholly-owned holding entities and record them as corporate investments. The Company is also required to recognize as revenue that portion of the carried interest from the

CEP Funds which are allocated to the principals and employees of Clairvest through various limited partnerships which are controlled by Clairvest. In addition, Clairvest is required to record a liability for any entitlements of limited partners of a partnership where the limited partners are not part of the consolidated group of the Company but where the partnership is required to be consolidated by the Company. Accordingly, that portion of the carried interest from the CEP Funds that is allocated to the limited partners of these partnerships (“MIP Partnerships”) and the carried interest payable to MIP Partnerships by other partnerships which are consolidated by Clairvest (collectively, the “Management participation”) are recorded as an expense and a liability of the Company.

⁽²⁾ Book value is a Non-IFRS measure calculated as the value of total assets less the value of total liabilities. The term book value does not have any standardized meaning according to IFRS and therefore may not be comparable to similar measures presented by other companies. There is no comparable IFRS measure presented in Clairvest’s consolidated financial statements and thus no applicable quantitative reconciliation for such non-IFRS financial measure. The Company has calculated book value consistently for many years and believes that book value can provide information useful to its shareholders in understanding its performance, and may assist in the evaluation of its business relative to that of its peers.

Clairvest’s first quarter fiscal 2018 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 Group Inc. is a private equity investor which invests its own capital, and that of third parties through the Clairvest Equity Partners (“CEP”) limited partnerships, in businesses that have the potential to generate superior returns. In addition to providing financing, Clairvest contributes strategic expertise and execution ability to support the growth and development of its investee partners. Clairvest realizes value through investment returns and the eventual disposition of its investments.

Contact Information

Maria Klyuev
Director, Investor Relations and Marketing
Clairvest Group Inc.
Tel: (416) 925-9270
Fax: (416) 925-5753
mariak@clairvest.com

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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