

MANAGEMENT'S DISCUSSION AND ANALYSIS

As at, and for the year ended, March 31, 2020

June 24, 2020

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, 2020 ("consolidated financial statements").

The following MD&A is the responsibility of Management and is as at June 24, 2020. 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

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

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 GP V
- MIP V Limited Partnership ("MIP V")
- CEP VI Co-Investment Limited Partnership ("CEP VI Co-Invest")
- MIP VI Limited Partnership ("MIP VI")
- Clairvest Special Limited Partner VI Limited Partnership ("CEP SLP VI")

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

As at March 31, 2020, Clairvest, through these acquisition entities, had 17 core investments in 10 different industries and 5 countries. One was a joint investment with CEP III, three were joint investments with CEP IV and CEP IV-A (together, the "CEP IV Fund"), eleven were joint investments with CEP V, CEP V India and CEP V-A (together, the "CEP V Fund"), and one was a joint investment 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, 2020:

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SUMMARY OF CLAIRVEST'S INVESTEE COMPANIES AS AT MARCH 31, 2020

Investee Company	Industry Segment	Geographic Segment	Clairvest Ownership Percentage ⁽¹⁾	CEP Fund Ownership Percentage ⁽¹⁾	Total Ownership Percentage ⁽¹⁾	Description of Business
INVESTMENTS DIRECTLY HELD						
Grey Eagle Casino ⁽¹⁾	Gaming	Canada	Equity participation			A casino on Tsuu T'ina First Nation reserve lands, located southwest of the city of Calgary, Alberta.
Wellington Financial	Financial Services	Canada	N/A			Wellington Financial was realized during fiscal 2018. Certain entitlements on the residual warrants portfolio remain outstanding as at March 31, 2020.
INVESTMENTS MADE BY CEP III CO-INVEST ALONGSIDE CEP III						
Chilean Gaming Holdings ⁽²⁾	Gaming	Chile	36.8%	37.7%	74.5%	An investment vehicle which holds an equity interest in various gaming entertainment complexes in Chile.
INVESTMENTS MADE BY CEP IV CO-INVEST ALONGSIDE CEP IV/CEP IV-A						
Centaur Gaming	Gaming	United States	N/A			The owner and operator of the Hoosier Park Racing & Casino in Anderson, Indiana and the Indiana Grand Casino and Indiana Downs Racetrack in Shelbyville, Indiana. Investment was realized during fiscal 2019. Certain deferred considerations on the sale remain outstanding as at March 31, 2020.
County Waste of Virginia	Waste Management	United States	N/A			A regional solid waste collection company servicing customers in the states of Virginia and Pennsylvania. Investment was realized during fiscal 2020. Certain sale proceeds and entitlement remain outstanding as at March 31, 2020.
Davenport Land Investments ⁽³⁾	Other	United States	18.7% of Davenport North 13.4% of Davenport South	51.1% of Davenport North 36.6% of Davenport South.	69.8% of Davenport North 50.0% of Davenport South	Comprised two entities ("Davenport North" and "Davenport South") holding real estate surrounding a casino in Davenport, Iowa.
Northco / Top Aces ⁽⁴⁾	Specialty Aviation & Defence Services	Canada	38.7% of Northco 23.9% of Top Aces	57.8% of Northco 33.7% of Top Aces	96.5% of Northco 57.6% of Top Aces	Northco is a specialty aviation services company operating across Canada. Top Aces is a supplier of advanced adversary services across three continents.
Momentum Solutions ⁽⁵⁾	Specialty Aviation	Canada	4.4%	11.9%	16.3%	Momentum Solutions was a wholly-owned subsidiary of MAG Aerospace, an investment realized during fiscal 2018. Momentum Solutions is a Toronto based, inter-connected global network of leading strategic support companies.
New Meadowlands Racetrack (the "Meadowlands") ⁽⁶⁾	Gaming	United States	Debentures and equity investment rights			Operates North America's premier standardbred horse racing track located in East Rutherford, New Jersey.

- (1) Clairvest held an equity participation interest in the Grey Eagle Casino entitling to earnings between 11.25% to 38.25% of the earnings of Grey Eagle Casino until December 2022, subject to certain extension rights.
- (2) Clairvest held 30,446,299 units of Chilean Gaming Holdings, a partnership which held a 50% interest in each of Casino Marina del Sol and Casino Chillan and a 73.8% interest in each of Casino Osorno and Casino sol Calama.
- (3) Clairvest held 1,408.81 units of Davenport North, 1,298.21 units of Davenport South and a US\$0.6 million promissory note from a partner of Davenport Land Investments.
- (4) Clairvest held \$23.6 million in convertible debentures of Northco with a stated interest rate of 2% per annum effective April 1, 2020, and 3,867 common shares of Northco. Clairvest also held 685,7824 common shares of Top Aces.
- (5) Clairvest held 4,477 common shares of Momentum Solutions.
- (6) Clairvest held US\$5.4 million in secured convertible debentures of the Meadowlands with a stated interest rate of 15% per annum and US\$0.7 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.

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Investee Company	Industry Segment	Geographic Segment	Clairvest Ownership Percentage ⁽¹⁹⁾	CEP Fund Ownership Percentage ⁽¹⁹⁾	Total Ownership Percentage ⁽¹⁹⁾	Description of Business
INVESTMENTS MADE BY CEP V CO-INVEST ALONGSIDE CEP V/CEP V India/CEP V-A						
Accel Entertainment ⁽⁷⁾	Gaming	United States	6.4%	14.9%	21.3%	A licensed video gaming terminal operator in Illinois. Listed on the NYSE under the symbol ACEL.
Also Energy ⁽⁸⁾	Renewable Energy	United States	11.9%	27.9%	39.8%	A 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 globally.
ChildSmiles Group ⁽⁹⁾	Dental Services	United States	15.0%	35.0%	50.0%	A multi-specialty dental practice with five offices across New Jersey.
Digital Media Solutions ⁽¹⁰⁾	Marketing Services	United States	13.8%	32.2%	46.0%	A digital media company which operates as a lead generation engine for companies in a variety of different industries.
DTG Recycle ⁽¹¹⁾	Waste Management	United States	14.6%	34.2%	48.8%	A waste hauling and recycling company with operations concentrated in the greater Seattle-Tacoma area of Washington State.
Durante Rentals ⁽¹²⁾	Equipment Rental	United States	21.5%	50.1%	71.6%	A construction equipment rental provider in the New York Metropolitan area.
FSB Technology ⁽¹³⁾	Gaming	United Kingdom	24.5%	57.2%	81.7%	A business-to-business sports and internet gaming technology supplier based in London, United Kingdom.
Head Digital Works ⁽¹⁴⁾	Gaming	India	32.7%	42.7%	75.4%	An internet-based technology and gaming company with ownership interest in Ace2Three, a leading platform for online rummy, FanFight, a growing platform for Daily Fantasy Sport, and Cricket.com, a leading site for cricket analytics, and WittyGames, delivering a mobile social gaming experience.
Meriplex Communications ⁽¹⁵⁾	Information Technology	United States	17.8%	41.4%	59.2%	A company based in Houston, Texas that designs, installs and manages complex networking solutions for businesses.
Right Time Heating and Air Conditioning ("Right Time HVAC") ⁽¹⁶⁾	Residential Services	Canada	14.8%	34.5%	49.3%	A Canadian independent heating, ventilation and air-conditioning contractor operator out of various locations in Ontario and Manitoba and focused strictly on the residential replacement market.
Winters Bros. Waste Systems of Long Island ("Winters Bros. of LI") ⁽¹⁷⁾	Waste Management	United States	14.0%	32.7%	46.7%	A regional solid waste collection, recycling and disposal company servicing customers in Long Island, New York.
INVESTMENTS MADE BY CEP VI CO-INVEST ALONGSIDE CEP VI/CEP VI-A/CEP V-B						
SunSystem Technology ⁽¹⁸⁾	Renewable Energy	United States	18.2%	48.9%	67.1%	A solar operations and maintenance company serving both commercial and residential sector in the United States.

(7) Clairvest held 4,994,907 Class A-1 Shares, 244,675 Class A-2 Shares, and 299,052 private warrants of Accel Entertainment.

(8) Clairvest held 1,013,062 Class A Preferred Stock, 45,181 Class A Common Stock and 11,037 Class B Preferred Stock of Also Energy and a promissory note with a stated interest rate of 10% per annum from Also Energy.

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

(10) Clairvest held 6,150,000 Class B units of Digital Media Solutions.

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

(12) Clairvest held 217,721.20 LLC Units of Durante Rentals.

(13) Clairvest held 6,935,287 Class A Shares and 420,804 Preferred Shares of FSB Technology.

(14) Clairvest held 202,230 common shares of Head Digital Works and INR₹657.9 million in compulsory convertible debentures with a stated interest rate of 16% per annum.

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

(16) Clairvest held 6,375,000 Class A preferred shares of Right Time HVAC.

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

(18) Clairvest held 3,030,588 Class A Preferred Stock of SunSystem Technology.

(19) Ownership percentage calculated on a fully diluted basis as at March 31, 2020.

OVERVIEW OF FISCAL 2020

An overview of the significant events during fiscal 2020 and those which occurred subsequent to year end follows:

Overall and Corporate

- Clairvest's book value increased by \$58.7 million, or \$4.11 per share, to \$837.4 million or \$55.55 per share. The increase was primarily due to net income and comprehensive income ("net income") of \$4.60 per share, net of \$0.5144 per share in dividends paid. Inclusive of dividends paid, Clairvest's book value increased by 9.0% during fiscal 2020. For the fiscal year ended March 31, 2020, Clairvest recorded \$129.3 million in total revenue and \$69.5 million in net income, compared to \$204.2 million and \$119.2 million, respectively, in the prior fiscal year.
- During fiscal 2020, 61,194 common shares were purchased and cancelled under the various normal course issuer bids at an average price of \$48.84 per share, reducing the number of common shares outstanding to 15,075,301. On March 7, 2020, Clairvest filed a new normal course issuer bid enabling it to make market purchases of up to 759,984 of its common shares in the 12-month period commencing March 7, 2020, 743,084 of which remained available as at March 31, 2020. A further 9,000 common shares were purchased and cancelled subsequent to year end and up to June 24, 2020.
- During fiscal 2020, Clairvest paid an annual ordinary dividend of \$0.10 per share and a special dividend of \$0.4144 per share. The dividends were paid on July 25, 2019 to common shareholders of record as of July 5, 2019. The dividends were eligible dividends for Canadian income tax purposes.

Clairvest/CEP III Co-Invest and CEP III

- As at March 31, 2020 and June 24, 2020, 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"). CEP III continues to hold one investment as at June 24, 2020. Based on the fair value as at March 31, 2020, CEP III is expected to generate approximately 2.5 times invested capital or an IRR of over 18% for its third-party investors on a net basis.

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

- In January 2020, Clairvest and the CEP IV Fund completed the sale of County Waste of Virginia, a regional solid waste collection company servicing customers in the states of Virginia and Pennsylvania. As at March 31, 2020, Clairvest and the CEP IV Fund had received cash proceeds on the sale totalling US\$170.5 million and an additional US\$2.2 million subsequent to year end. Clairvest and the CEP IV Fund are also entitled to a deferred payment which is contingent on achieving certain corporate milestones. Cash proceeds received during fiscal 2020 and subsequently, in U.S. dollar terms, generated 3.6 times invested capital, or a 32% IRR over the 7-year holding period. In Canadian dollar terms, CEP IV Co-Invest received total sale proceeds of \$60.1 million against the cost of its investment of \$14.8 million, or 4.1 times invested capital. The probability of achieving the required corporate milestones for the deferred payment is currently unknown and as a result, no value has been assigned to this deferred payment as at March 31, 2020.
- Upon the sale of County Waste of Virginia, Clairvest and the CEP IV Fund has exited 8 of its 12 investments, generating \$1.48 billion of total sale proceeds against \$263 million of invested capital. As at March 31, 2020, the CEP IV Fund had returned over 2.8 times invested capital to its third-party investors on a net basis.
- Remaining investments include Top Aces, New Meadowlands and our residual interest in Davenport Land Investments and Northco. Based on the fair values as at March 31, 2020, the CEP IV Fund is expected to generate approximately 3.3 times invested capital or an IRR of approximately 26% for its third-party investors on a net basis.

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

- The CEP V Fund was active during fiscal 2020, completing four new investments, as well as realizing one investment, completing one merger between a portfolio company and a publicly-traded company, and another proposed merger with a publicly traded company currently in progress for another portfolio company.
- In February 2020, the CEP V Fund completed its investment period, with 12 investments to date, representing approximately 77% of its committed capital. Following the completion of its investment period, the CEP V Fund is only permitted to make follow-on investments in these 12 investments.

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- In June 2019, CEP V Co-Invest and the CEP V Fund invested US\$34.5M (C\$45.1 million) in Durante Rentals, a construction equipment rental provider in the New York Metropolitan area. CEP V Co-Invest invested US\$10.4 million (C\$13.6 million) for common equity representing a 21.5% ownership interest in Durante Rentals.
- In July 2019, CEP V Co-Invest and the CEP V Fund invested £23.1 million (C\$37.9 million) in FSB Technology, a B2B sports and internet gaming technology supplier based in London, UK. An additional £1.4 million (C\$2.4 million) of follow-on investments was made in FSB Technology following the initial investment and up to March 31, 2020. In totality, CEP V Co-Invest invested £7.4 million (C\$12.1 million) in FSB Technology in the form of 6,935,287 Class A common shares and 420,804 Class B convertible preferred shares for a 24.5% ownership interest in FSB Technology.
- In November 2019, CEP V Co-Invest and the CEP V Fund realized its investment in GTA Gaming for aggregate cash proceeds of \$52 million. CEP V Co-Invest received \$15.5 million in cash proceeds against the cost of its investment of \$9.0 million.
- In November 2019, Accel Entertainment completed a business combination with a public company whereby CEP V Co-Invest and the CEP V Fund rolled 100% of its equity interest in Accel Entertainment into the new combined entity which is traded on the New York Stock Exchange under the symbol ACEL.
- In January 2020, CEP V Co-Invest and the CEP V Fund invested US\$28.9M (C\$37.7 million) in DTG Recycle, a waste hauling and recycling company with operations in the greater Seattle-Tacoma area of Washington State. CEP V Co-Invest invested US\$8.7 million (C\$11.3 million) in DTG Recycle in the form of 8,657,622 Class A convertible preferred shares which are convertible into a 14.6% ownership interest.
- In February 2020, Digital Media Solutions, a portfolio company of CEP V Co-Invest and the CEP V Fund, announced it is exploring a business combination with Leo Holdings Corp. ("Leo"), an agreement of which was signed in April 2020. Clairvest's obligation to consummate the transaction is subject to, among other things, the delivery by Leo of a minimum cash amount.
- In March 2020, CEP V Co-Invest and the CEP V Fund invested US\$39.5M (C\$53.0 million) in ChildSmiles Group, a multi-specialty dental practice providing oral health care with operations in various locations across the state of New Jersey. CEP V Co-Invest invested US\$11.8 million (C\$15.9 million) in ChildSmiles Group in the form of 11,836,165 Class B preferred units representing a 15.0% ownership interest.
- Subsequent to year end, CEP V Co-Invest and CEP V Fund made a US\$12.0 million (C\$16.2 million) follow-on investment to acquire 1,775 Class A common shares of Also Energy from a minority investor. CEP V Co-Invest invested US\$3.6 million (C\$4.9 million), increasing its ownership interest to 18.0%.
- Based on the fair values as at March 31, 2020, the CEP V Fund is tracking to 1.2 times invested capital to its third-party investors on a net basis.

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

- The CEP VI Fund was formed in April 2019 with US\$230 million commitment by Clairvest through CEP VI Co-Invest, and US\$620 million of third-party capital.
- In February 2020, upon the completion of the CEP V Fund investment period, the investment period of the CEP VI Fund commenced. The commencement of the CEP VI Fund investment period brings an enhanced level of fees as described in the Outlook section of the MD&A.
- With the commencement of the CEP VI Fund, Clairvest allocated its US\$11.2 million investment in SunSystem Technology ("SST") amongst CEP VI Co-Invest and the CEP VI Fund on a pro-rata basis, with CEP VI Co-Invest retaining US\$3.0 million of the investment.
- Subsequent to year end, CEP VI Co-Invest and the CEP VI Fund invested US\$30.2 million to acquire the solar operations and maintenance business of SunPower Corporation. Upon closing the business was renamed as NovaSource Power Services ("NovaSource"). CEP VI Co-Invest invested US\$9.2 million for a 29.2% ownership interest in NovaSource.
- Also subsequent to year end, CEP VI Co-Invest and the CEP VI Fund invested US\$10.0 million in Arrowhead Environmental Partners ("AEP"), a non-hazardous waste-by-rail operator in the Northeastern United States. CEP VI Co-

Invest invested US\$2.7 million in AEP in the form of 2,706 Class A preferred units representing a 11.3% ownership interest.

OUTLOOK

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. As at March 31, 2020 and June 24, 2020, the duration and impact of COVID-19 pandemic on Clairvest and its investee companies are unknown. A number of the Company's investee companies are located in jurisdictions or are in segments of the economy which have been severely impacted by COVID-19, where some have suffered a temporary 100% decline in revenue as a result of a shutdown of all non-essential businesses as mandated by the relevant local or federal government.

The Company and its investee companies have taken and will continue to take actions to mitigate the effects of COVID-19, keeping in mind the interests of the various stakeholders. These changes and any additional changes in operations by Clairvest and its investee companies in response to COVID-19 could materially impact the financial results of the Company. In recent weeks, some of these businesses have begun re-opening; however, it is not possible to reliably estimate the length and severity of COVID-19-related impacts on the financial results and operations of Clairvest and its investee companies.

Uncertain economic conditions resulting from the COVID-19 outbreak have materially impacted the debt and equity markets, which could materially impact the ultimate exit value of the Company's investee companies. A number of the Company's investments are structured with a preferred position in the capital structure, providing additional downside protection against temporary fluctuations of value.

As at March 31, 2020, Clairvest and its controlled acquisition entities had \$1.6 billion of capital available for future acquisitions through its cash, cash equivalents and temporary investments ("treasury funds"), credit facilities and uncalled capital in the CEP Funds. The current economic and capital markets environment may present unique opportunities for the Company's existing investee companies to complete acquisitions or for the Company and the CEP VI Fund to acquire new businesses that it may not be able to acquire otherwise. As the Company's investment mission is to partner with existing entrepreneurs to help build strategically significant businesses, the Company and the CEP Funds intend to continue supporting their investee companies providing them with the opportunity to realize on their investment thesis through this pandemic and beyond.

With the commencement of the CEP VI Fund investment period, the Company is benefiting from the additional fees and priority distributions over the next few years, currently estimated to be approximately \$13 million per annum, subject to foreign exchange rate fluctuations and reductions as CEP III, CEP IV and CEP V continue to realize on their respective portfolio, thereby reducing the asset base of which fees and priority distributions are calculated. These additional fees and priority distributions will ensure that the Company can continue to grow its human resource capital and infrastructure to maintain the rigorous standards in identifying, qualifying and closing on new investment opportunities, and to continue to support our existing investee companies.

From inception, the Company has invested its own capital in every investment. Clairvest's team of professionals have all invested significant amounts of 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 at June 24, 2020, Clairvest's current management team has made 54 platform investments and has realized or partially realized on 37 investments which have in aggregate generated 3.6 times invested capital.

The table below summarizes the status of the CEP Funds as at June 24, 2020:

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Status of Clairvest Equity Partnerships as at June 24, 2020

(\$millions, except year of fund and number of investments)						Number of Investments	
	Year of Fund	Third-Party Capital	Clairvest Commitment	Total Capital	Capital Called	Total	Currently Held
Clairvest Equity Partners III ("CEP III")	2006	C\$225	C\$75	C\$300	79.8%	8	1
Clairvest Equity Partners IV ("CEP IV")	2010	C\$342	C\$125	C\$467	91.2%	11	4
Clairvest Equity Partners V ("CEP V")	2015	C\$420	C\$180	C\$600	76.5%	12	11
Clairvest Equity Partners VI ("CEP VI")	2020	US\$620	US\$230	US\$850	6.3%	3	3

FINANCIAL POSITION AND BOOK VALUE

The following table summarizes the Company's financial position and book value as at March 31, 2020 and 2019:

Financial Position

As at, (\$000's, except number of shares and per share amounts)	March 31, 2020	March 31, 2019
Cash, cash equivalents and temporary investments ("treasury funds")	\$ 428,856	\$ 452,325
Carried interest from Clairvest Equity Partners III and IV	44,409	56,484
Corporate investments, including carried interest from Clairvest Equity Partners V and VI, and net of corresponding management participation	400,291	366,279
Total assets	944,878	911,253
Management participation from Clairvest Equity Partners III and IV	34,115	42,599
Total liabilities	107,463	132,561
Book value	837,415	778,692
Book value per share	55.55	51.44
Dividends per share paid during the fiscal year ended	0.5144	0.4401
Number of common shares outstanding	15,075,301	15,136,495

ASSETS

As at March 31, 2020, Clairvest had total assets of \$944.9 million, an increase of \$33.6 million during fiscal 2020. The increase was primarily due to net gain on investment realizations and a net increase in the fair value of Clairvest's investee companies.

As at March 31, 2020, the Company's treasury funds of \$428.9 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, and other fixed income securities as permitted by the Company's treasury policy. 2141788 Ontario also held \$43.6 million in cash, investment savings accounts and guarantee investment certificates with consistent ratings to the Company's treasury funds. Clairvest also had access to \$12.8 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 2024 and is eligible for a one-year extension on each

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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, 2020 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, 2020.

As at March 31, 2020, Clairvest had corporate investments with a fair value of \$400.3 million, an increase of \$34.0 million during fiscal 2020, \$367.6 million of which represented the fair value of Clairvest's investee companies, \$3.6 million of which represented carried interest from Clairvest Equity Partners V and VI net of management participation, and the remaining \$29.1 million of which represented other net assets (liabilities) held by Clairvest's acquisition entities.

Excluding the carried interest and management participation from Clairvest Equity Partners V and VI and the net assets (liabilities) held by Clairvest's acquisition entities, the aggregate carrying value of Clairvest's investee companies increased by \$28.0 million during fiscal 2020, which primarily comprised the following:

- Net increase in unrealized gain on investee companies of \$31.0 million;
- An investment of \$15.9 million in ChildSmiles Group;
- An investment of \$13.6 million in Durante Rentals;
- An investment of \$12.1 million in FSB Technology;
- An investment of \$11.3 million in DTG Recycle;
- An investment of \$4.0 million in SST;
- Follow-on investment in existing investee companies totalling \$2.6 million;
- Accrued interest on debt investments and dividends totalling \$1.4 million;
- Foreign exchange revaluation gains on invested companies totalling \$0.4 million; partially offset by
- The sale of County Waste which had a fair value of \$31.2 million as at March 31, 2019;
- Reclassification of CIBC common shares from corporate investment to temporary investment upon the expiry of the trading restrictions. The carrying value of the CIBC common shares on the date of reclassification was \$23.2 million;
- The sale of GTA Gaming which had a fair value of \$9.0 million as at March 31, 2019;
- The sale of Impero Waste which had a fair value of \$0.5 million as at March 31, 2019.

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 hedging positions against these foreign denominated currencies. For the year ended March 31, 2020, the foreign exchange adjustments made in Clairvest's valuation of its investee companies is primarily offset by the foreign exchange adjustments made in the forward 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 equity investment in Head Digital Works denominated in Indian Rupees ("INR"), both of which are unhedged. Forward exchange forward contracts are described in *note 15* to the consolidated financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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June 24, 2020

The table below details the cost and fair value of Clairvest's investee companies, aggregated by industry concentration, as at March 31, 2020 and 2019:

	March 31, 2020			March 31, 2019		
	Fair value	Cost	Difference	Fair value	Cost	Difference
Dental services	16,636	15,902	734	—	—	—
Equipment rental	7,102	13,591	(6,489)	—	—	—
Financial services	3,009	—	3,009	22,634	154	22,480
Gaming	186,484	120,688	65,796	177,319	117,565	59,754
Information technology	8,602	6,732	1,870	7,016	6,732	284
Marketing services	7,471	995	6,476	10,055	995	9,060
Renewable energy	18,523	16,185	2,338	12,463	11,621	842
Residential services	6,375	6,375	—	6,375	6,375	—
Specialty aviation and defence services	81,016	60,304	20,712	56,687	59,100	(2,413)
Waste management	27,117	21,951	5,166	43,390	28,486	14,904
Other investments	5,257	2,346	2,911	3,609	2,651	958
	367,592	265,069	102,523	339,548	233,679	105,869

The cost and fair value of these investee companies do not reflect foreign exchange gains or losses on the foreign exchange forward contracts entered into as economic hedges against the Company's foreign currency-denominated investments. Significant activities of each investee company during fiscal 2020 are further described in *note 5* to the consolidated financial statements.

LIABILITIES

As at March 31, 2020, Clairvest had \$107.5 million in total liabilities, which included \$8.3 million in accrued management and director compensation, \$39.0 million in share-based compensation, \$34.1 million in management participation from Clairvest Equity Partners III and IV and \$14.1 million in current and deferred tax liability. \$48.6 million of these liabilities were 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, 2020 was \$69.5 million compared with net income of \$119.2 million for the year ended March 31, 2019. The following table summarizes the composition of net income for the years ended March 31:

MANAGEMENT'S DISCUSSION AND ANALYSIS

As at, and for the year ended, March 31, 2020

June 24, 2020

Financial Results

Year ended March 31, (\$000's, except per share amounts)	2020	2019
Net investment gain (loss)		
- Investee companies inclusive of foreign exchange hedging activities	\$ 58,412	\$ 119,114
- Carried interest less management participation from Clairvest Equity Partners V and VI	3,560	—
- Acquisition entities including distributions, interest, dividends and fees received from investee companies and net of taxes paid or payable by these acquisition entities	(40,396)	(242,266)
	21,576	(123,152)
Distributions, interest income, dividends and fees		
- CEP Funds	10,370	9,974
- Investee companies	4,509	3,460
- Treasury funds	10,424	8,029
- Acquisition entities and other	59,804	258,205
	85,107	279,668
Carried interest from Clairvest Equity Partners III and IV	22,615	47,691
Total expenses	50,014	66,329
Income before income taxes	79,284	137,878
Income tax expense	9,786	18,636
Net income and comprehensive income	69,498	119,242
Net income and comprehensive income per share - basic and fully diluted	4.60	7.87

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

During fiscal 2020, CEP IV Co-Invest realized on its investment in Impero Waste and County Waste of Virginia and received interest payments and other partial sale proceeds from other investee companies. In aggregate, CEP IV Co-Invest received total cash proceeds of \$62.7 million during fiscal 2020. CEP IV Co-Invest made distributions totalling \$62.2 million, \$56.2 million of which were paid to Clairvest, \$0.9 million were paid to an acquisition entity of Clairvest and \$5.1 million were paid as management participation.

During fiscal 2020, CEP V Co-Invest realized on its investment in GTA Gaming and received distributions from other investee companies. In aggregate, CEP V Co-Invest received total proceeds of \$18.0 million during fiscal 2020, the proceeds of which were retained and used to fund expenses and other investments made by CEP V Co-Invest.

The following tables summarize, by industry concentration, the net investment gain or loss of investee companies for the years ended March 31, 2020 and 2019. The net investment gain or loss is inclusive of the impact on the foreign exchange hedging activities related to these investments.

MANAGEMENT'S DISCUSSION AND ANALYSIS

As at, and for the year ended, March 31, 2020

June 24, 2020

Net investment gain (loss), by industry concentration

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

⁽¹⁾ Inclusive of foreign exchange hedging activities

Year ended March 31, 2019 (\$000's)	Net realized gains (losses)	Net unrealized gains (losses)	Foreign exchange gain (loss)⁽¹⁾	Total
Financial services	—	(2,418)	—	(2,418)
Gaming	49,859	29,602	(3,811)	75,650
Information Technology	—	—	(19)	(19)
Marketing Services	—	7,914	71	7,985
Renewable energy	—	—	(64)	(64)
Specialty aviation and defence services	21,097	11,725	154	32,976
Waste management	434	5,282	(672)	5,044
Other investments	—	—	(40)	(40)
Net investment gain (loss) on investee companies	\$ 71,390	\$ 52,105	\$ (4,381)	\$ 119,114

⁽¹⁾ Inclusive of foreign exchange hedging activities

During fiscal 2020, the net impact of foreign exchange on the investee companies included a \$5.9 million loss (2019 – \$2.4 million) on the Chilean Pesos denominated investment, a \$3.2 million loss (2019 – \$0.7 million gain) on U.S. Dollar denominated investments, a \$1.5 million loss (2019 – \$2.7 million) on the Indian Rupee denominated investment, and a \$0.2 million loss (2019 – nil) on the British Pound denominated investment.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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June 24, 2020

Distributions, Interest, Dividends, and Fees from Investee Companies

Year ended March 31, (\$000's)	2020			2019		
	Earned directly by Clairvest	Earned through acquisition entities	Total	Earned directly by Clairvest	Earned through acquisition entities	Total
Distributions and interest income						
Financial services	2,108	—	2,108	113	—	113
Gaming	30	3,112	3,142	522	8,048	8,570
Marketing Services	—	3,276	3,276	—	6,209	6,209
Renewable energy	—	570	570	—	288	288
Specialty aviation and defence services	—	1,012	1,012	391	3,834	4,225
Waste management	—	655	655	—	369	369
Other investments	—	148	148	—	126	126
	2,138	8,773	10,911	1,026	18,874	19,900
Dividend Income						
Financial services	898	—	898	1,094	—	1,094
Gaming	—	6,400	6,400	—	1,421	1,421
	898	6,400	7,298	1,094	1,421	2,515
Advisory and Other Fees	1,473	—	1,473	1,340	603	1,943
Distributions, interest, dividends and fees from investee companies	4,509	15,173	19,682	3,460	20,898	24,358

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

Distributions, Fees and Interest from the CEP Funds

Year ended March 31, (\$000's)	2020			2019		
	Earned directly by Clairvest	Earned through acquisition entities	Total	Earned directly by Clairvest	Earned through acquisition entities	Total
Priority distributions	\$ 7,591	\$ —	\$ 7,591	\$ 8,164	\$ —	\$ 8,164
Management fees	2,025	—	2,025	1,259	—	1,259
Interest on loans advanced	754	14	768	551	33	584
Distributions, fees and interest from the CEP Funds	\$ 10,370	\$ 14	\$ 10,384	\$ 9,974	\$ 33	\$ 10,007

Carried interest from Clairvest Equity Partners III and IV during fiscal 2020 and 2019 was \$22.6 million and \$47.7 million respectively. Carried interest from Clairvest Equity Partners V and VI during fiscal 2020 was \$14.5 million. During fiscal 2020, the Company received \$34.7 million in carried interest from Clairvest Equity Partners III and IV and none from Clairvest Equity Partners V and VI.

Included in distributions and interest income for the year ended March 31, 2020 and 2019 was interest earned from treasury funds of \$10.1 million and \$8.0 million respectively. Acquisition entities of Clairvest earned interest from its treasury funds totalling \$1.5 million and \$0.9 million respectively during fiscal 2020 and 2019.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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Total expenses for the year were \$50.0 million, compared with \$66.3 million for the year ended March 31, 2019. 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)	2020	2019
Employee compensation and benefits	\$ 22,056	\$ 12,200
Share-based compensation expenses	4,161	11,332
Administration and other expenses	5,338	8,515
Finance and foreign exchange expenses	489	809
Management participation from Clairvest Equity Partners III and IV	17,970	33,473
Total expenses, excluding income taxes	\$ 50,014	\$ 66,329

Included in employee compensation and benefits during fiscal 2020 was a \$7.4 million bonus paid to management upon the final closing of the fundraising of the CEP VI Fund.

The following table summarizes share-based compensation expenses incurred by the Company for the year ended March 31:

Total Share-Based Compensations Expenses

Year ended March 31, (\$000's)	2020	2019
Non-voting options expense (recovery)	\$ (985)	\$ 3,436
Book value appreciation rights expense	7,411	6,825
Deferred share units and appreciation deferred share units expense (recovery)	(1,618)	931
Employee deferred shares units expense (recovery)	(647)	140
Total share-based compensation expense	\$ 4,161	\$ 11,332

The share price of a Clairvest common share decreased between March 31, 2019 and March 31, 2020, resulting in a recovery of expenses on certain share-based compensation.

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

The Company recorded \$9.8 million in income tax expenses, and its acquisition entities recovered \$4.3 million in income tax expenses during fiscal 2020, compared with \$18.6 million in income taxes expenses incurred by the Company and \$3.6 million in income tax expense incurred by the acquisition entity during the prior fiscal year. Income tax expense incurred or recovered by the Company's acquisition entities are reflected in net investment gain (loss).

MANAGEMENT'S DISCUSSION AND ANALYSIS

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SUMMARY OF QUARTERLY RESULTS

	Gross revenue \$	Net income (loss) \$	Net income (loss) per common share* \$	Net income (loss) per common share fully diluted* \$
(\$000's except per share information)				
March 31, 2020	(38,036)	(24,937)	(1.65)	(1.65)
December 31, 2019	110,770	73,046	4.83	4.83
September 30, 2019	28,283	15,511	1.03	1.03
June 30, 2019	28,281	5,878	0.39	0.39
March 31, 2019	53,684	27,182	1.80	1.80
December 31, 2018	34,532	24,032	1.59	1.59
September 30, 2018	26,753	13,373	0.88	0.88
June 30, 2018	89,238	54,655	3.61	3.61

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

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

FOURTH QUARTER RESULTS

Net loss for the fourth quarter of fiscal 2020 was \$24.9 million compared with a net income of \$27.2 million for the fourth quarter of fiscal 2019.

Revenue for the fourth quarter of fiscal 2020 comprised \$98.9 million in net investment loss, \$60.7 million in distributions, interest, dividends and fees, and \$0.1 million in net carried interest from Clairvest Equity Partners III and IV. This compares with \$14.5 million in net investment loss, \$50.5 million in distributions, interest, dividends and fees and \$17.7 million in net carried interest for the fourth quarter of fiscal 2019.

The net investment loss of \$98.9 million for the fourth quarter of fiscal 2020 resulted from \$36.7 million in net unrealized loss from Clairvest's investee companies inclusive of foreign exchange hedging activities, reduction in net carried interest of \$5.6 million from Clairvest Equity Partners V and VI and \$56.6 million in net unrealized loss from Clairvest's acquisition entities. This compared with \$28.2 million in net unrealized gain from Clairvest's investee companies and \$42.7 million in net unrealized loss from Clairvest's acquisition entities for the fourth quarter of fiscal 2019. During the fourth quarter of fiscal 2020, Clairvest received distributions totalling \$52.6 million from CEP IV Co-Invest primarily as a result of the realization of County Waste. During the fourth quarter of fiscal 2019, Clairvest received distributions totalling \$43.7 million from CEP IV Co-Invest primarily as a result of the realization of Rivers Casino. Accordingly, Clairvest's fair value in CEP IV Co-Invest decreased in both the fourth quarter of fiscal 2020 and 2019.

Distributions, interest, dividends and fees for the fourth quarter of fiscal 2020 included income on treasury funds of \$2.3 million, general partner distributions and interest earned from the CEP Funds of \$2.2 million, distributions and interest earned from investee companies of \$0.7 million and \$53.5 million in distributions from acquisition entities. This compared with income on treasury funds of \$2.7 million, general partner distributions and interest earned from the CEP Funds of \$2.1 million, distributions and interest earned from investee companies of \$0.1 million and \$44.6 million in distributions from acquisition entities for the same quarter last year.

Carried interest from Clairvest Equity Partners III and IV of \$0.1 million for the fourth quarter of fiscal 2020 comprised \$32.0 million in realized carried interest and a corresponding reduction of \$31.9 million in unrealized carried interest. Carried interest of \$17.7 million for the fourth quarter of fiscal 2019 comprised \$25.3 million in realized carried

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interest from CEP Funds, \$6.9 million in realized carried interest from other co-investors and a reduction of \$14.5 million in carried interest from the CEP Funds. 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 2020 included an expense recovery of \$8.6 million in management and director compensation expenses, an expense recovery of \$0.1 million in management participation from Clairvest Equity Partners III and IV, an expense recovery of \$1.1 million in administrative and other expenses, an expense recovery of \$0.3 million in finance and foreign exchange expenses and an expense recovery of \$3.0 million in income tax expense. This compares with \$7.2 million in management and director compensation expenses, \$11.7 million in management participation, \$4.0 million in administrative and other expenses, \$0.2 million in finance and foreign exchange expenses recoveries, and \$3.4 million in income tax expense recovery for the fourth quarter of fiscal 2019. The share price of a Clairvest common share fell by \$9.30 per share during the fourth quarter of fiscal 2020.

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

EQUITY AND SHARE INFORMATION

As at March 31, 2020, Clairvest had 15,075,301 common shares issued and outstanding.

During fiscal 2020, Clairvest purchased and cancelled 61,194 common shares under the Company's normal course issuer bids. An additional 9,000 shares were purchased and cancelled between April 1, 2020 and June 24, 2020. As at June 24, 2020, Clairvest had 15,066,301 common shares issued and outstanding.

No Series 1 or Series 2 Shares had been issued as at March 31, 2020 and June 24, 2020.

Options granted under the stock option plan (the "Non-Voting Option Plan") are exercisable for Series 2 Shares, which are non-voting and have a two times preference over the common shares. The Non-Voting Option Plan has a cash settlement feature. Options granted under this plan vest at a rate of one-fifth of the grant at the end of each year over a five-year period. As at March 31, 2020, 518,758 options were outstanding and 193,685 had vested.

The EDSU Plan provides, among other things, that participants may elect annually to receive all or a portion of their annual bonus amounts that would otherwise be payable in cash in the form of EDSUs. EDSUs may be redeemed for cash or for common shares of the Company in accordance with the terms of the plan. Clairvest is required to reserve one common share for each EDSU issued under the EDSU Plan. The maximum number of Clairvest common shares reserved for the EDSU Plan is 200,000 which represented approximately 1.3% of the outstanding number of common shares as at March 31, 2020 and June 24, 2020. As at March 31, 2020 and June 24, 2020, 107,496 EDSUs had been issued based on the terms and conditions of the EDSU Plan, and none of which had been redeemed.

Clairvest paid an ordinary dividend of \$0.10 per share on the common shares in each of fiscal 2020, fiscal 2019 and fiscal 2018. During fiscal 2020, and 2019 and 2018, Clairvest also paid a special dividend of \$0.4144 and, \$0.3401 and \$0.2621 per share respectively.

Subsequent to year-end, Clairvest declared an annual ordinary dividend of \$0.10 per share, and a special dividend of \$0.4555 per share. The dividends will be payable to common shareholders of record as of July 3, 2020. The dividend will be paid on July 24, 2020. Both dividends are eligible dividends for Canadian income tax purposes.

CRITICAL ACCOUNTING ESTIMATES

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

Fair value of financial instruments

When a financial asset or liability is initially recognized, its fair value is generally the value of consideration paid or received. Acquisition costs relating to corporate investments are not included as part of the cost of the investment. Subsequent to initial recognition, the fair value of an investment quoted on an active market, the fair value is generally the bid price on the principal exchange on which the investment is traded. Investments that are escrowed or otherwise restricted on sale or transfer are recorded at amounts at fair values which take into account the escrow terms or other restrictions. In

determining the fair value for such investments, the Company considers the nature and length of the restriction, business risk of the investee company, its stage of development, market potential, relative trading volume and price volatility and any other factors that may be relevant to the ongoing and realizable value of the investments. The amounts at which Clairvest's publicly-traded investments could be disposed of may differ from this fair value and the differences could be material. Differences could arise as the value at which significant ownership positions are sold is often different than 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 market transaction multiples and, where applicable, other pertinent considerations. The process of valuing investments for which no active market exists is inevitably based on inherent uncertainties and the resulting values may differ from values that would have been used had an active market existed. The amounts at which Clairvest's privately-held investments could be disposed of may differ from the fair value assigned and the differences could be material. Estimated costs of disposition are not included in the fair value determination.

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

Recognition of carried interest and corresponding expenses

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

Deferred income taxes

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

Impact on COVID-19 on Significant Estimates

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. A number of the Company's investee companies are located in jurisdictions or are in segments of the economy which have been severely impacted by COVID-19, where some have suffered a temporary 100% decline in revenue as a result of a shutdown of all non-essential businesses as mandated by the local or federal government. As a result, the fair value estimates of the Company's corporate investments as at March 31, 2020 were impacted due to cash flow forecasts and risk premiums implied by equity and credit markets. These fair value estimates required significant judgment given the uncertainty regarding the long-term

impact of COVID-19 and the ultimate impact of COVID-19 on the Company's investee companies are unknown. If the duration or the spread of the pandemic, the related advisories and restrictions are significantly longer than the Company's estimate, or the impact on the equity or credit markets or the economy in general is significantly worse than the Company's estimate, the fair value of its corporate investments may be materially adversely affected resulting in a material adverse impact to the Company's financial results.

ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

Effective April 1, 2019, the Company adopted IFRS 16, Leases ("IFRS 16") on a modified retrospective basis. The Company has identified that it has approximately \$4.2 million in right of use assets and \$4.2 million in lease liabilities which were identified from adoption of IFRS 16, and in accordance with transitional provisions, has chosen to not restate its comparative information. Accordingly, the comparative information continues to be presented in accordance with the Company's previous accounting policy. Clairvest recognized right-of-use assets and their corresponding lease liabilities for all significant lease contracts. In applying IFRS 16, Clairvest has used the following practical expedients as permitted by the standard: 1) Operating leases with a remaining lease term of less than 12 months as at April 1, 2019 were treated as short-term leases under IFRS 16; and 2) Payments associated with leases of low-value assets are recognized on a straight-line basis as an expense in the consolidated statements of comprehensive income.

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, 2020, Clairvest had accounts receivable from its investee companies totalling \$2.9 million, from CEP III totalling \$0.3 million, from CEP IV totalling \$37 thousand, from CEP IV-A totalling \$27 thousand, from CEP V totalling \$3.7 million, from CEP V India totalling \$1.6 million, from CEP V-A totalling \$4.6 million, from CEP VI totalling \$3.5 million, from CEP VI-A totalling \$4.8 million and CEP VI-B totalling \$3.1 million. Additionally, acquisition entities of Clairvest which were not consolidated in accordance with IFRS held receivables from CEP V-A totalling \$1.3 million.

In addition, the Company advances loans to its acquisition entities, the CEP Funds and short-term loans to investee companies. During fiscal 2020, the Company advanced net loans of \$10.3 million, such that \$20.1 million in loans remained outstanding as at March 31, 2020. Further details are described in *note 10(e)* to the consolidated financial statements.

As at March 31, 2020, Clairvest had advanced share purchase loans to certain employees of Clairvest totalling \$2.7 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 \$3.3 million. None of these loans were made to key management. Interest of \$63 thousand was earned on these loans during the year.

Key management at Clairvest includes the Chief Executive Officer ("CEO"), the Vice Chairman, the President and its directors. The CEO and the President are entitled to annual discretionary cash bonuses of up to 175% of their individual annual salary based on individual performance. The Vice Chairman is entitled to annual discretionary cash bonuses of up to 100% of annual salary based on individual performance. There is also an annual objective cash bonus which is based on Clairvest's Incentive Bonus Program, the stock option plans, the BVAR Plan and the EDSU Plan. Total aggregate cash compensation paid under these plans to the CEO, the Vice Chairman, and the President during fiscal 2020 were \$8.3 million. As at March 31, 2020, the total amounts payable to the CEO, the Vice Chairman, and the President under the aforementioned plans was \$14.2 million. During fiscal 2020, no cash compensation was paid to directors under the BVAR, DSU or ADSU plans. As at March 31, 2020, the total amounts payable to the directors of Clairvest under the DSU, ADSU and Non-Voting Option plans was \$15.8 million.

During fiscal 2020, Clairvest earned \$2.1 million in distributions and interest income, \$1.2 million in dividend income and \$1.5 million in advisory and other fees from its investee companies. Additionally, acquisition entities of Clairvest which were not consolidated in accordance with IFRS earned \$8.8 million in distributions and interest income and \$6.4 million in dividend income.

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

OFF-STATEMENT OF FINANCIAL POSITION ARRANGEMENTS

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

Under Clairvest's Bonus Program, a bonus of 10% of after-tax cash income and realizations on certain Clairvest's corporate investments would be paid to management annually as applicable (the "Realized Amount"). As at March 31, 2020, the Realized Amount under the Bonus Program was \$2.3 million and had been accrued under accrued compensation expense liability. In accordance with IFRS, Clairvest is also required to record a liability equal to a bonus of 10% of the after-tax cash income and realizations which are applicable, but which have yet to be realized. Accordingly, Clairvest also recorded a \$2.3 million accrued compensation expense liability that would only be payable to management when the corresponding realization events have occurred. The Bonus Program does not apply to the income generated from investments made by Clairvest through CEP III Co-Invest, CEP IV Co-Invest, CEP V Co-Invest and CEP VI Co-Invest.

In conjunction with the sale of Casino New Brunswick, Clairvest provided a guarantee which as at March 31, 2020 was \$1.6 million to fund any valid claims made by the purchaser under the indemnity provisions of the sale for a specified period of time. Any funding pursuant to the guarantee will be allocated 25% to CEP III Co-Invest and 75% to CEP III. As at March 31, 2020, no amounts with respect to this guarantee had been funded.

As part of the holding structure of Chilean Gaming Holdings, acquisition entities of CEP III Co-Invest had loans totalling \$39.5 million as at March 31, 2019 from an unrelated financial institution, while another acquisition entity of CEP III Co-Invest held term deposits totalling \$39.5 million as at March 31, 2019 with the same financial institution as security for these loans. The deposits were redeemed and used to repay the loans in full during fiscal 2020.

Clairvest has guaranteed up to US\$2.5 million to support SST's credit facility with its bank. The guarantee is callable by the lender under certain circumstances and should it be called, Clairvest will assume the lender's security position that supports the loans provided by the lender. Clairvest 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 the CEP VI Fund. As at March 31, 2020, the total contingent exposure under this guarantee is US\$2.0 million, US\$0.5 million of which would be assumed by CEP VI Co-Invest if called. Any additional guarantee is subject to Clairvest's consent at its sole discretion.

As at March 31, 2020, the Company had an accrued liability resulting from future minimum annual lease payments for the use of office space totalling \$4.5 million, of which \$0.6 million is due within one year, \$2.5 million is due after one year but not more than five years and \$1.4 million is due after five years.

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

RISK MANAGEMENT

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

Market risk***Fair Value risk***

Fair value risk includes exposure to fluctuations in the fair market value of the Company's investments. Included in corporate investments are investee companies for which the fair values have been estimated based on assumptions that may not be supported by observable market prices. The most significant unobservable inputs for fair value measurement are earnings before interest, taxes, depreciation and amortization ("EBITDA") and the earnings multiple which is applied to the EBITDA in 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. Earnings multiples used are based on public company valuations as well as private market multiples for comparable companies. 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. 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 future cash flows. For those investments valued based on recent transactions, Clairvest has determined that there are no reasonable alternative assumptions that would change the fair value materially as at March 31, 2020.

The Company's corporate investment portfolio was diversified across 17 investee companies in 10 industries and 5 countries as at March 31, 2020. The Company has considered current economic events indicators, including an estimate of the potential impact of COVID-19, in the valuation of its investee companies.

Interest rate risk

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

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

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

Currency risk

The Company has implemented a hedging strategy because it has, directly and indirectly, several investments outside of Canada, currently in the United States, India, Chile and the United Kingdom. The Company has also advanced loans to investee companies which are denominated in foreign currency. In order to limit its exposure to changes in the value of foreign-denominated currencies relative to the Canadian dollar, Clairvest and its acquisition entities, subject to certain exceptions, entered into foreign exchange hedging positions against these foreign-denominated currencies. As at March 31, 2020, the Company's foreign exchange exposure with respect to the CLP and with respect to its equity investment in India

are unhedged. Significant depreciation in value in these currencies could result in a material impact to the performance of Clairvest's investment portfolio and the carried interest the Company could earn from the CEP Funds.

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

Commodity price risk

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

Investing process risk***Competition risk***

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

Uncompleted and unspecified investment risk

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

Minority investment risk

Clairvest and the CEP Funds may make minority equity investments in entities in which they do not legally control all aspects of the business or affairs of such entities. As at March 31, 2020, 8 of the 17 investments made by Clairvest were minority equity investments. In all investments, Clairvest monitors the performance of each investment, maintains an ongoing dialogue with each investee company's management team and seeks board representation and negative controls as conditions of each investment.

Gaming investment risk

As at March 31, 2020, Clairvest's exposure to the gaming industry represented 22.3% 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 could have an impact on the ultimate returns of that investment. In addition, these investments may involve the construction of a gaming facility whereby not only is Clairvest underwriting the risk of completing the facility on budget, but it is also relying on forecasted gaming revenue, versus historical results, which is only a best estimate. While a project is in construction and for a specified period thereafter, the owners of a newly constructed gaming facility may have to guarantee some or all of the bank facility or agree to fund any operating shortfall. The Company manages this risk through oversight responsibilities with existing investee companies and by reviewing the financial condition of investee companies regularly. Historically, Clairvest has been able to manage all of these risks but past performance of Clairvest provides no assurance of future success.

Risks upon sale of investments

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

Investment structure and taxation risks

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

Other risks***Credit risk***

Credit risk is the risk of a financial loss occurring as a result of default of a counterparty on its obligations to the Company. For the year ended March 31, 2020, there were no material income effects on changes of credit risk on financial assets. The Company manages credit risk on corporate investments through thoughtful planning, strict investment criteria, significant due diligence of investment opportunities and oversight responsibilities with existing investee companies and by conducting activities in accordance with investment policies that are approved by the Board of Directors. Management's application of these policies is regularly monitored by the Board of Directors. Management and the Board of Directors review the financial condition of its investee companies regularly.

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

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

The Company manages credit risk on its treasury funds by conducting activities in accordance with the fixed income securities policy which is approved by the Audit Committee. The Company also manages credit risk by contracting with counterparties which are Schedule 1 Canadian chartered banks or through investment firms where Clairvest's funds

MANAGEMENT'S DISCUSSION AND ANALYSIS

As at, and for the year ended, March 31, 2020

June 24, 2020

are segregated and held in trust for Clairvest's benefit. With respect to the other fixed income securities under temporary investments, the Company reviews the credit quality of the counterparties through underwriting information provided by agents or brokers which are specialized in brokering these investments and in each case the Company's investment in these counterparties represents the most senior security in the counterparty's capital structure. Management's application of these policies is regularly monitored by the Audit Committee. Management and the Audit Committee review credit quality of cash equivalents and temporary investments regularly.

Liquidity risk

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

As at March 31, 2020, Clairvest had treasury funds of \$428.9 million and access to \$100.0 million in credit to support its obligations and current and anticipated corporate investments. Clairvest also had access to \$56.4 million in treasury funds held by its acquisition entities and \$1.0 billion in uncalled committed third-party capital through the CEP Funds as at March 31, 2020 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 capital calls

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, 2020, Clairvest's Board of Directors and employees owned approximately 76% of Clairvest's common shares and the CEO owned or controlled over 50% of the total common shares of the Company. Accordingly, the CEO and other insider shareholders have the ability to exercise substantial influence with respect to Clairvest's affairs and can usually dictate the outcome of shareholder votes and may have the ability to prevent certain fundamental transactions.

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

DERIVATIVE FINANCIAL INSTRUMENTS

The Company and its acquisition entities entered into foreign exchange forward contracts as economic hedges against the fair value of its foreign-denominated investments and loans in accordance with its foreign exchange hedging policy. Foreign exchange hedging activities during fiscal 2020 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 of March 31, 2020 and concluded that the disclosure controls and procedures were effective in ensuring that information required to be disclosed by the Company 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, 2020. Management has concluded that the design of internal controls over financial reporting were effective and operated as designed as at March 31, 2020 based on this evaluation. There were no changes in internal controls during the most recent interim period that has materially affected, or is reasonably likely to materially affect, internal controls over financial reporting. The Company has not identified any weakness that has materially affected or is reasonably likely to materially affect the Company's internal control over financial reporting.

FORWARD-LOOKING STATEMENTS

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

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

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

REGULATORY FILINGS

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

USE OF NON-IFRS MEASURES

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