Court File No. CV-20-00639312-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

CROWN CAPITAL PRIVATE CREDIT FUND, LP by its general partner, CROWN CAPITAL PRIVATE CREDIT MANAGEMENT INC.

Applicant

- and -

MILL STREET & CO. INC.

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

RESPONDING APPLICATION RECORD

April 20, 2020

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AFFIDAVIT OF NOAH MURAD

I, NOAH MURAD, of the Town of Thornhill, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am the President of the respondent, Mill Street & Co. Inc. ("Mill Street"), and as such, I have knowledge of the matters contained in this affidavit. Where I have been advised of specific facts and events, I believe them to be true.

2. I make this affidavit in response to the "Application" of the applicant, Crown Capital Private Credit Fund, LP, by its general partner, Crown Capital Private Credit Management Inc. ("CCPCF") and the Affidavit of Timothy Oldfield, sworn April 7, 2020 (the "Oldfield Affidavit").

3. Unfortunately, this Application was served upon us on the evening of April 8, 2020, at the commencement of the Passover holidays which I and my family observe every year. From their dealings with us, the Applicant is aware of how observant my family is and that we were therefore not able to deal with this matter from April 8 to 10 and again from April 14 to 16, 2020, meaning our time to respond to it has been significantly reduced.

BACKGROUND:

4. Mill Street is a privately owned Ontario corporation.

5. Mill Street owns, operates and provides management services to a diverse group of companies which are mostly located throughout Ontario.

6. Crown Capital Partners Inc. ("CCPI") is a publicly traded company listed on the TSX (stock symbol CRWN) that specializes in providing capital to successful mid-market companies.

7. CCPCF, the applicant is a wholly owned subsidiary of CCPI.

8. CCPI and CCPCF are hereinafter collectively referred to as "Crown".

9. Christopher A. Johnson ("Chris") is the President and CEO of Crown.

10. Timothy Oldfield ("Tim") is the Senior Vice-President and Chief Investment Officer of Crown.

11. Josh Axler ("Josh") is an investment manager with Crown.

THERE HAS BEEN NO DEFAULT

12. At the outset, and before dealing with the background to this relationship and dispute, I need to point out that there has been no default by Mill Street. The details and responses to each of the alleged defaults are set out below after I explain the background to this relationship, but I don't want it to be lost that we do not accept that there has been a default that entitles the applicant to the relief it is seeking on this application.

13. Furthermore, despite the serious economic difficulties caused by the Covid-19 pandemic, the situation has thankfully not affected the overall profitability of Mill Street's portfolio companies.

THE CREDIT AGREEMENT

Early Negotiations for the Credit Agreement

14. Mill Street acquires and operates a number of businesses in a variety of industries including construction, distribution and technology.

15. In January, 2018, I met with Chris to discuss a potential partnership between Mill Street and Crown which would involve obtaining an acquisition line to continue Mill Street's pace of growth without further dilution to ownership.

16. Chris represented to us that with respect to a potential transaction with Mill Street, Crown's investment strategy would be to provide long-term patient debt and act as a quasi-equity partner without any dilution of equity interests on the part of Mill Street's ownership.

17. Chris offered to provide a 10-year promissory note for $10 million with an offer of additional availability for funding throughout that term. Chris further represented that, as long-term investors, and "rented-equity", Crown was well-equipped to be patient during any potential economic volatility that Mill Street may experience over the 10-year period of the arrangement. Chris also represented that the relationship with Crown would not subject Mill Street to any significant issues relating to interference or control on it by Crown.

18. Most importantly, Chris expressed that so long as there was no adverse effect on the security of the proposed loan, Crown would defer to Mill Street's judgment on critical and material decisions related to its portfolio given that its managers, including Chris, did not have the time, resources, expertise or ability to make such determinations.

19. After the initial discussions, the potential lending transaction between Mill Street and Crown progressed with Crown completing substantial due diligence of Mill Street, its operating companies and its management team.

20. Over the course of negotiations, Crown represented to Mill Street that the intent of Crown's strategic model in entering into the Credit Agreement (defined below) with Mill Street was to stay with Mill Street for longer than the initial 10-year term of the Credit Agreement. In furtherance of this, it was expressed that there would be the option to extend the term of the Credit Agreement at its conclusion, and to invest additional sums of as much as $30 million over the course of the Credit and in greater amounts in the long term to further increase Mill Street's growth. At the same time, Crown reiterated that it had no intention to interfere with Mill Street's operations through this transaction.

21. While Chris admitted to me that this was Crown's first investment in a complex company of Mill Street's kind, Chris expressed excitement in Mill Street's equity growth.

22. During many meetings prior to the consummation of the Credit Agreement, (and afterwards) Chris and Josh reiterated their and Crown's view that Mill Street should "tighten up" its business by reducing its total business holdings from nine and selling its ownership in businesses that lacked long term potential.

23. In this regard, Chris and John expressed that by only keeping the best performing businesses, Mill Street's managers would be able to focus all of their time and resources on Mill Street's best companies and theoretically grow the value of its business at a faster pace. Chris and John further represented that by following this strategy and growing Mill Street's business fast, Mill Street would get access to additional capital in the future as their portfolio grew.

24. Ultimately, Mill Street and its principal's agreed to implement the recommendations made by Crown, through Chris, Tim and John and over the course of its relationship with Crown, has made changes as per the recommendations by divesting in some of its companies which were previously part of Mill Street's portfolio.

25. Before meeting with Crown, I had been meeting with other potential equity partners to engage on behalf of Mill Street, two of which had made reasonable offers as well, but as a result of the representations made by Crown and the alignment on the strategic initiatives that they were recommending, I ceased negotiations with other entities and I agreed to proceed to work with Crown on a credit arrangement transaction for Mill Street.

26. Finally, as a result of months of negotiations and due diligence, on May 16, 2018, Mill Street and Crown entered into a credit agreement (the "Credit Agreement"), a copy of which is attached as Exhibit "B" to the Oldfield Affidavit.

The Terms under the Credit Agreement

27. Under the Credit Agreement, Crown was to provide $10 million ("Credit Amount") to Mill Street (less fees) as debt to be secured by a registered general security interest on Mill Street, which was first in ranking, and a share pledge of 100% of the ownership of the common shares of Mill Street (the "Security").

28. As Mill Street did not directly own hard assets but instead owned shares of its portfolio companies, and each portfolio company had term debt and operating lines of credit with their respective banks, the Security would be held in subordinate ranking after all of Mill Street's portfolio debt lenders.

29. The Credit Agreement also stipulated the obligations of the parties, including that Mill Street would need to meet certain covenants and financial ratios set by Crown and provide monthly and quarterly reporting to Crown.

30. Under the Credit Agreement, Mill Street would pay an interest for the Credit Amount at no less than 12% per annum, which would be paid to Crown by monthly payments of $100,000.00.

Crown's Other Financial Incentives in Mill Street through the Credit Agreement

31. In addition to the interest payments, under the Credit Agreement, Crown received a fee equal to 3% or $300,000.00, on closing of the Credit Agreement transaction, and would further receive 5% of any profit withdrawal's made by Mill Street's shareholders, and as an

additional bonus, 5% of the growth of Mill Street's equity, based on a pre-determined formula (the "Equity Bonus").

32. At the time of the closing for the Credit Agreement, I received the formula for the Equity Bonus and disagreed with it. Crown, specifically Tim, had proposed a calculation of the Equity Bonus which significantly discounted the value of Mill Street. Since Crown was being paid a higher Equity Bonus if the starting value of Mill Street was lower, I believed at the time that the reason Crown put forth this proposal was not because it was based on a fair market value calculation, but rather, so that Crown's potential Equity Bonus under the calculation could be greater in value.

33. I wrote to Tim at the time of execution of the Credit Agreement to indicate that I disagreed with the Equity Bonus calculation, but in the spirit of growing a future partnership between the parties, which was intended to last 10 years, Mill Street would not dispute the proposed formula. Tim thanked me and said he looked forward to growing the partnership. A copy of my email exchange with Tim dated May 16, 2018 is attached as **Exhibit "A".**

34. By including the Equity Bonus calculation in the Credit Agreement, Crown was demonstrating that it was seeking a variable return on the investment that it was making with Mill Street, which is more typical of an equity investor rather than a pure debt lender, who would just be interested in collecting payments for interest and principal.

35. In agreeing to such terms, Mill Street was relying on Crown's concept of "Rented Equity", such that this Credit Agreement was to form the start of a 10-year relationship which would then carry on further in time. In that context Mill Street wanted Crown to earn above average returns for its investors as the stronger Crown would be as an institution over time, the stronger Mill Street would be as well.

36. The Credit Agreement also contemplated scenarios under which the Credit Amount would be repaid prior to completion of the 10-year term. These scenarios had both pre-payment penalties of as much as 12% of the Credit Amount, and $5 million as a minimum equity-like bonus.

37. The pre-payment penalties built into the Credit Agreement were meant to penalize Mill Street for backing out of the Credit Agreement arrangement before the term of the Credit Agreement, but said penalties would decline over time as the 10-year term progressed. Essentially, the transaction was structured to align both Crown and Mill Street on a long-term outlook for the partnership.

38. Mill Street would never have agreed to the interest rate in the Credit Agreement, the Equity Bonus, the prepayment terms and/or to disperse 5% of its withdrawn profits had Crown not presented the Credit Agreement as a form of quasi-equity investment that would be available for the 10-year term and then more that allowed Mill Street with full control to grow the company subject only to appropriate oversight.

39. Mill Street agreed to enter into the Credit Agreement, on the terms contained therein, specially based on the representations of Crown that it intended to be a long-term investor with Mill Street and that it intended to collaborate with Mill Street to grow its portfolio – rather than just as a pure lender.

OPERATIONS AFTER ENTERING INTO THE CREDIT AGREEMENT

40. For the first approximately 18 months after Mill Street entered into the Credit Agreement, Mill Street and Crown's relationship was amicable. Mill Street would make payments of the interest to Crown, myself and Mill Street employees would report directly to Josh and Tim on a monthly basis as required under the Credit Agreement, and even spoke to them both with regularity to keep them informed of its operations and potential acquisition targets.

41. Josh and I regularly spoke on the phone, on many occasions for more than 3 hours at a time, wherein he and I would discuss in detail not only all of the activities of each company, but ideas that I had with respect to Mill Street's growth and future. As such, Crown was regularly informed with respect to not only financial information within Mill Street, but even on what Mill Street was contemplating to do in the future. Josh also attended Mill Street offices from time to time, and is well known within our company.

42. Throughout this time, not once did Crown indicate any issues with how the Credit Agreement was being carried out, nor did it make any indication to Mill Street that it wasn't complying with the terms of the Credit Agreement.

43. In fact, Mill Street received a "Crown Jewel" award from Crown for its performance in Crown's portfolio. A copy of my email to Chris, Tim and John thanking them for the award, dated February 1, 2019, is attached as **Exhibit "B"**.

44. Mill Street's success was not only recognized by Crown, but it was further ranked by the Financial Post Magazine at No. 14 on their Innovation Nation 150 List that was released in April 2019, a copy of which is attached hereto as **Exhibit "C"**.

45. In September 2019, the Globe and Mail ranked Mill Street at No. 13 on their inaugural Report on Business ranking of Canada's Top Growing Companies. An excerpt of this report dealing with Mill Street is attached hereto and marked as **Exhibit "D"**, and the full report can be found at:
https://www.theglobeandmail.com/business/rob-magazine/article-canadas-top-growing-companies/

46. After having entered into the Credit Agreement with Crown, as he did during negotiations of the Credit Agreement, Chris would repeatedly recommended to me that Mill Street ought to continue to tighten up its investment holdings by selling shares of some of the companies that it owned, and then focusing its activities on large acquisitions in similar industries while simultaneously divesting from companies/industries outside of that area.

47. Chris' recommendation to me in this regard was prefaced on the premise that this would ensure that Mill Street could develop a business plan that would be more aligned with, and thereby ensure further funding from, Crown.

48. In following Chris' recommendations in this regard, since entering into the Credit Agreement, Mill Street reduced its portfolio to four divisions from nine divisions (with 30 distinct companies), by divesting its interests in areas such as insurance, building and tool supply and health and beauty distribution and instead, focusing primarily on the construction industry.

RELATIONSHIP WITH CROWN BEGINS TO DETERIORATE

Failure to Provide Further Funding to Mill Street and Proposed Term Sheet

49. Despite its earlier representations with respect to providing further investments into Mill Street, Crown never funded any money beyond the Credit Amount to Mill Street for either working capital or future acquisitions.

The Proposed Term Sheet

50. For example, relying on Crown's previous representations, I approached Crown in November, 2018 for additional funding to assist Mill Street with its redemption of long-term preferred shareholders, providing working capital and restructuring its balance sheet for the upcoming year which would assist our cash flow and further secure Crown's investment. Jacob and I met with Chris, Time and Josh to present Mill Street's business plan for the coming year and to discuss the need for additional capital into the business.

51. At that time, Chris indicated that Crown could only provide funding to Mill Street for acquisitions only. Crown also explained that they preferred that Mill Street look for larger and more mature businesses to acquire.

52. While this was all contrary to representations which had been made to Mill Street during the course of the negotiations of the Credit Agreement, I considered the recommendations made by Crown as I wanted to ensure that any additional investment that would be coming from Crown into Mill Street, would be done so as to best serve both parties.

53. Chris, Tim and Josh also explained that in to increase the loan to Mill Street beyond the Credit Amount, the loan would need to be transferred to one of Crown's managed funds. The Credit Amount would then have to be renegotiated in accordance with the terms of investments made in those funds. One of these terms was that the length of the loan would be shortened to 5 years. I originally expressed some concern about this shortened term, given the parties intention to be working together for the long-term, but after a later phone call with Josh, wherein he told me that the 5 year term could be extended perpetually, my concerns in this regard were alleviated.

54. At the end of our meeting, Chris said that the next steps to transition the Credit Amount to Crown's managed funds would be for Crown to issue a term sheet with this new structure for Mill Street's review. As we were leaving, Tim mentioned to me that moving the loan into Crown's managed funds would give us far more access to capital for Mill Street, an amount he mentioned of up to another $30 million. Attached hereto and marked as **Exhibit "E"** is an email exchange commencing November 30, 2018 in reference to moving our loan into their fund.

55. Jacob and I both understood after that meeting that, in conjunction with continuing to reduce our overall investment holdings as per Crown's recommendations, that Crown would support additional acquisitions with additional funding from its managed funds, and that Mill Street was to receive a term sheet that would outline the terms of the new proposed loan within in a short period of time.

56. Ultimately, while no term sheet was ever received or even drafted to my knowledge, I was made to believe that this term sheet was going to be issued, in one form or another, up until May, 2019.

57. After our meeting with Chris, Time and Josh, I was told by Josh that the reason why the term sheet was delayed was because Crown needed to fairly calculate the Equity Bonus and how the Credit Amount would be transferred into the managed fund. When I asked Josh if there was anything Mill Street could do to assist this process, Josh said that this was an entirely internal administrative matter for Crown and had nothing to do with Mill Street or its performance. Subsequent excuses for their delay followed, including having to devote their attention to other files. Attached hereto and marked as **Exhibit "F"** is a copy of an April 2019, chain of emails being one of our many communications on their delay in issuing the term sheet.

The Proposed Acquisition Transactions

58. Thereafter, based on what had been discussed between, Jacob, me and the representatives of Crown, between November, 2018 and January, 2019, Mill Street proposed two large acquisition transactions to Crown, both of which were in the construction industry. Chris

represented that funding would be provided for one of the acquisitions, and for the next three months, Josh worked with me and Mill Street's management to develop an investment memo that would be presented internally to Crown. Mill Street's completion of said acquisition would have doubled its profits, size, and provided Mill Street with a national presence.

59. Despite Mill Street's efforts to move the proposed acquisition forward, during the Josh and I were working on preparing an investment memo, Josh told me that because of issues with other loans made by Crown, neither he nor any of the other staff at Crown could complete the investment memo, and instead, its completion was left to Mill Street in order to stay within the necessary timelines.

60. During the course of this acquisition, several months of due diligence took place between Mill Street and Crown, as well as through communications between Josh, Tim, myself and Mill Street's management on the new acquisition and on Mill Street's operations. At the same time, Mill Street continued to move forward with the vendors of the target acquisition company. Attached hereto and marked as **Exhibit "G"** is examples of correspondence that we exchanged on these acquisitions and the delays by Crown in considering same. This correspondence also refers to the promised term sheet referred to above that never materialized.

61. At Crown's request, Mill Street incurred additional expenses from a third-party auditor to review all financial information and reporting of the target acquisition company, all under the impression that we would be receiving funding from Crown to complete Mill Street's acquisition.

62. During the entire period between the meeting that took place in November, 2018, and around May 2019, I, as well as other members of the Mill Street staff, had regular conversations and correspondence with Josh on the portfolio performance, the upcoming acquisitions and the timing of the aforementioned term sheet that was still expected. Attached hereto and marked as **Exhibit "H"** is one example of the questions and responses provided as to our portfolio's performance.

63. Crown's delay in providing additional funding, caused us to question Crown's ability and desire to support Mill Street with further investment. Mill Street's other lenders and shareholders began to question the strength of the relationship Mill Street and Crown, and thereby Mill Street's credibility.

64. Thereafter, in May, 2019, after months of due diligence and representations regarding the acquisition to other interested parties in Mill Street, Josh communicated to me, for the first time, that Crown was not in a position to provide funding for the proposed acquisition, or any funding solution for any of the needs expressed and understood by Crown from the meeting between the parties in November. I immediately sent an email expressing my frustration in the email attached at **Exhibit "I"**

65. Chris, understanding that Crown had once again transgressed the partnership, offered to have a conference call immediately to address the issue. During that call, the parties agreed to have a meeting where we could all discuss the issues at hand and get on the same page.

66. Further to the aforementioned call, Jacob and I met again with Chris, Tim, and Josh. Crown's representatives indicated that Crown would not be able to provide financial support for either of the large acquisitions proposed by Mill Street, and recommended that if Mill Street wanted to complete them, it should raise equity financing on its own, after which Crown would look at providing the support it had earlier promised.

67. I pause here to mention that rather than apologizing to us, Crown could have raised issues with our alleged defaults as the reason that it was not living up to its promises to fund. No such correspondence exists as (despite their current allegations) there were no defaults.

68. I was extremely disappointed with this outcome and expressed that this decision would have severe consequences to Mill Street's growth plan and credibility in the market. Chris, Tim and Josh expressed that they understood our concerns and subsequently offered to work towards a different type of structure that would support smaller acquisitions on a case-by-case basis, subject to some of parameters that they expressed during that meeting.

69. I was a bit shocked by this suggestion regarding smaller acquisition as it was contrary to the strategy which had been conveyed by Crown to Mill Street since negotiations of the Credit Agreement and recently in the November, 2018 meeting.

70. It had become clear to Jacob and I that over the numerous months while discussions were taking place with Josh about the acquisition, there was never any intention of issuing the proposed term sheet, and moving the Credit Amount to a managed fund, or any other affirmative actions with respect to promises of further investment by Crown into Mill Street.

71. Ultimately, as a result of Crown's failure to provide further funding, Mill Street was forced to source new funding for the acquisition but Crown's delay led to our loss of that acquisition. In the process Mill Street incurred, among other fees, financing and legal fees in excess of $200,000.00 as a result of Crown's delay. Attached hereto and marked as **Exhibit "J"** are just some of the costs that Mill Street incurred in this regard.

Crown's Dwindling Portfolio and Development of a "Power Fund"

72. In September 2019, scheduled a meeting with Chris to discuss Mill Street's deteriorating relationship with TD Bank. After that, Chris communicated to me that he was exploring a new private fund platform, similar to their recently created "Power Fund", where Crown would create an equity fund and asked me to consider turning Mill Street into that fund.

73. During this meeting Chris specifically pointed to Mill Street's ability to source and execute on acquisitions as well as manage and grow them as reasons for the proposal to bring Mill Street onto such an endeavor.

74. Chris also explained to me that the driving force for his proposal was the lack of available equity funding from the public capital markets for Crown, and that Crown's new strategy was to raise private pools of capital which Crown believed would be far more extensive and available.

75. Chris explained to me that Crown was expecting to recover funds from certain troubled investments and that it would commit to investing those amounts into Mill Street if and when it was converted into an equity fund based on this proposal.

76. It became apparent to me and our staff at Mill Street that Crown was undergoing a strategic modification of their business plan, and it appeared that under this plan, it was looking to exclude emphasis on long-term financing, such as the arrangement made with Mill Street.

77. In addition to Chris' mention of the challenges of raising capital in the public markets for this sort of lending, Mill Street also became aware that the only two other long-term financing transactions in Crown's portfolio, were either in arrears on their payments to Crown, or in financial difficulty.

78. Mill Street was the only long-term debtor of Crown which was in good standing with Crown at the time of said meeting.

Crown's Further Offer to Transition Relationship with Mill Street

79. As a result of Crown's modified business plan and due to their satisfaction with Mill Street's performance, and bearing in mind the circumstances at the time, Chris offered to convert the current loan of Mill Street under the Credit Agreement into an equity purchase into Mill Street, a commitment to provide additional funding and to have Mill Street transform into a limited partnership whereby Mill Street's management would be given partnership units and the authority to operate and manage certain problematic companies and investments within Crown's portfolio. To that end, Chris sent me a discussion memo of points to review which is attached as **Exhibit "K".**

80. Under this premise, in the following months, I along with Mill Street's management team worked with Crown on a potential transaction over the course of a number of discussions and meetings.

81. During this time, Mill Street and its managers met with Crown, namely Chris, Tim and Josh, to work through a financial model for the proposed equity fund. Specific details of the financial terms of the fund were discussed including the performance of all Mill Street's subsidiaries, the valuation that would be given to Mill Street, the return profile of the fund, the specific amount of capital, namely $25 million, that would be further invested into Mill Street and how the initial amount of that capital would be invested. Attached hereto and marked as **Exhibit "L"** are copies of various emails exchanged on the move to the proposed equity fund.

82. During the course of these meetings, at one point, Josh attended Mill Street's office for an entire day wherein he had access to all of Mill Street's staff, books, and records in order to create a financial model for the proposed fund. Josh and I met that day for a short period and discussed some of the terms of the valuation of such a transaction.

83. I also met with Chris twice during this period. During our first meeting over lunch, Chris and I discussed the challenges due to Crown's 20 year history as only a debt lender, and the impact that would have on Mill Street's ability to raise equity in a fund. Chris shared my sentiments but expressed that he believed private capital pools would give our group collectively a greater chance of raising our valuation than doing another transaction, such as a merger.

84. During the meeting, Chris also expressed that although he trusted Tim, Josh and his management team at Crown, they were not entrepreneurs and that the entirety of Crown's business development lay in his own ability to generate ideas and strategies. Chris told me that he recognized that ability in me and that he saw that I could in the future run, or be a key man in Crown's operations, because I had abilities that his current team lacked. I was flattered by this statement and left the meeting excited about the future partnership between Mill Street and Crown.

85. My second meeting with Chris took place after Josh attended Mill Street's offices. Prior to the meeting, and considering the amount of time both of our companies had dedicated to this initiative, I asked Chris for a term sheet, or memorandum of understanding that we could discuss during our meeting.

86. Subsequently, during my meeting with Chris, he mentioned to me that Crown had just suffered its first investment loss in 5 years, which had resulted in a $15 million impairment on their financial statements. In addition to this loss, Crown had an issue with their first investment in their newly created Power Fund, wherein they had invested $3 million into expenses for one of their partners in the investment, and they had to recover those funds because they had been incorrectly spent.

87. Chris then explained that these issues, particularly the misstep in the Power Fund, were stressing the time and resources available to Crown's management team and expressed that his staff needed to work through the business plan of the proposed fund with Mill Street more methodically to avoid similar instances to the Power Fund.

88. Chris handed me a document that was meant to be the memorandum of understanding, however, the documents was not on Crown letterhead, and it was never sent to me by email. Chris told me that he had support for launching of the proposed fund from his team, but that they needed to do more work on the model and the financial reporting plan in order to proceed.

89. As we proceeded in discussions with respect to the proposed fund with Mill Street, it became clear to me in or around October, 2019, that once again, Chris, Tim and Josh did not have the necessary board support for this proposal. .

90. In a meeting that took place in October, 2019 at Crown's offices, Chris expressed again that Crown had just completed its worst financial quarter since its IPO, and that they could not afford the time, resources and capital to continue to put towards the proposed fund with Mill Street, and that they would be interested in revisiting the matter again in the summer of 2020.

91. A copy of Chris' written confirmation that he wouldn't be proceeding with this fund followed a few days later and is attached hereto and marked as **Exhibit "N"**. This email clearly indicates that the financial difficulties with the proposed financing plan were all internal

to Crown and that they were not concerned with Mill Street's financial performance or its ability to be a "good fit" with Crown moving forward.

92. From the start of the discussions for a proposed term sheet in November, 2018, to the proposed fund discussions which ended with this email in November 2019, Mill Street and Crown had spent one year in constant communications about how to expand the partnership between their companies, and grow the valuation of Mill Street for their mutual gain, only to have Crown renege on these representations at every instance.

ATTEMPTS TO FINANCE THE GNI TRANSACTION

93. During the same time that Mill Street was looking into a transaction model to modify the Credit Agreement with Crown (as suggested by Chris), due to a dispute with one of its minority partners which was the subject of an arbitration, Mill Street had the opportunity to acquire the remaining minority interest in its top-earning subsidiary, Great Northern Insulation ("GNI").

94. It is notable that the dispute with the minority shareholder was caused, in large part, by Crown's inability to fund promises they made to us. However, as the dispute allowed us to acquire the remaining 25% of shares in GNI, it was ultimately a positive event as the minority shareholder was hindering the growth of the company that we were trying to achieve.

95. Once again and as set out at Exhibit "L" above, Mill Street approached Crown to assist with the buy-out of the minority shareholding interest and general refinancing of GNI (the "GNI Transaction") on the basis that once GNI was wholly owned by Mill Street, Mill Street's equity value, by Crown's own metrics, and cash flow potential would increase considerably.

96. The financial impact of the GNI Transaction to Mill Street's equity value was specifically discussed and calculated during the aforementioned meeting at Crown's offices that discussed the financial planning for the proposed equity fund. In particular, the value of GNI was assessed and agreed to be $11,238,000 and Mill Street was purchasing the remaining 25% of the shares of GNI from its minority shareholder at this value.

97. Chris, Tim and Josh, all understood that the buyout of the minority shareholding interest through the GNI Transaction, if completed, would increase the overall value of Mill Street's portfolio, and Crown's security, even if the proposed equity fund was not completed and the Credit Agreement remained in place.

98. Prior to this proposed acquisition of GNI's remaining shareholding, Mill Street was only permitted to withdraw $900,000.00 annually from the profits of GNI due to its agreement with the minority shareholder. If Mill Street fully acquired GNI, it would then be able to withdraw from GNI's entire profit base, which at the time, was projected to be $6.5 million before the deductions of any principal and interest payments on any debt.

99. In addition, Crown was aware that Mill Street's relationship with TD Bank had deteriorated by this point, and that Mill Street would have to source other lenders as a result. Despite Mill Street's request to Crown to provide the necessary funds, once again, Crown was unable to provide any funds to put towards the GNI Transaction.

100. At this point, Mill Street had already sourced a new long-term debt relationship with Fiera Capital ("Fiera") to fund the aforementioned large acquisition, as well as provide financing to buy out TD Bank's lending amount in one of Mill Street's subsidiaries. In fact, Chris had spoken with the principals of Fiera and gave Mill Street a strong reference in favour of its proposed acquisition, and also gave Mill Street a strong recommendation of Fiera as well.

101. Crown was well aware of how difficult the buy out of TD's position was given that TD Bank had not been supportive of Mill Street's plan to focus its business on certain over-performing acquisitions while minimizing its exposure to certain under-performing acquisitions (the plan specifically favoured by Crown as well). This had led to TD Bank demanding repayment of its loan.

102. Notwithstanding this difficulty and Crown's initial advice that it would fund the acquisition, when they were unable to do so they endorsed Mill Street's use of Fiera to fund the acquisition and advised us that they gave us the positive review.

103. Nonetheless, at all material times, Crown was informed and kept apprised, through hours of conversations and written correspondence between myself, Tim, Josh, and other Mill Street employees of the refinancing plans for the GNI Transaction, timing of the proposed transaction and strategic value of the GNI Transaction.

104. Crown was also informed that due to the circumstances surrounding the arbitration and refinancing causing pressure on Mill Street's cash flow, certain interest payments to Crown under the Credit Agreement may be slightly delayed. A copy of our exchange of correspondence in connection this delay and our updates on the arbitration buy-out process is attached hereto and marked as **Exhibit "O".**

105. It is clear that throughout 2019, Crown never took issue with Mill Street's request to delay interest payments under the Credit Agreement as a result of the GNI acquisition and the limits on Mill Street's ability to use GNI's funds until receipt of the arbitrator's award.

106. Mill Street expected leeway with interest payments as GNI had grown to make up over 60% of the cash flows of Mill Street's business holdings. This growth was by design and as an extension of the recommendations made to Mill Street by Crown, to grow specific top performing companies, a strategy that was working well to that point.

107. Crown understood at the time that GNI made up a majority of the cash flow of Mill Street's holdings, and further understood due to the arbitrator in that matter having restricted withdrawals from GNI, Mill Street's ability to make its interest payments to Crown would be impacted.

108. To that end, the interest payments for December 2, 2019 and January 2, 2020 (when the arbitration was almost complete) were paid in January 2020 following the completion of the arbitration and refinancing. Crown did not make any complaints or raise any issues at the time that Mill Street was working with other lenders to complete the GNI Transaction. While Tim complained about the late interest payments, I reminded him again why Mill Street was forced into this position to which there was no response and the interest payments were made for

those months under the Credit Agreement. Attached at **Exhibit "P"** is correspondence in January 2020 between myself and Tim on the financing of our purchase of GNI's shares, the late interest payments and the cause for same.

109. I believe that by this time Tim and Crown, were trying to re-characterize Mill Street's relationship with Crown to create a default so it would be able to demand repayment of the Credit Amount as Crown could not, in reality, fulfill what it had originally sold to Mill Street of being a long term partner.

MILL STREET'S ALLEGED DEFAULT UNDER THE CREDIT AGREEMENT

Initial Allegations of a Default

110. Contrary to paragraph 10 of the Oldfield Affidavit, Mill Street has not been in default of the Credit Agreement, and as detailed below, where such technical defaults existed, they were cured or otherwise accepted by the parties.

111. As detailed herein, despite claiming that Mill Street's defaults began at the outset of the Credit Agreement, there was never any discussion between the parties, or notice from Crown, with respect to any such default(s) until January, 2020 at the earliest.

112. As demonstrated by the historical operations and interactions of the parties, since the Credit Agreement, for the most part, and only until recently, Mill Street and Crown maintained an open dialogue on each other's activities, and actively discussed various iterations by which the relationship between the parties could grow or otherwise transfer beyond that of just a lender-borrower.

113. On January 17, 2020, shortly after the GNI Transaction was completed, I was very surprised when Mill Street received a letter from Crown alleging that it was in default of the Credit Agreement. Said letter claimed that the default was based on the November, 2019 and December, 2019 interest payments being late, and other unspecified alleged events of default that were not detailed or referenced with any particulars. A copy of the January 17, 2020 letter is attached as Exhibit "F" to the Oldfield Affidavit.

114. Said letter was particularly concerning given that neither of Tim, Josh or Chris picked up the phone to call me to let me know of their concerns. Crown had never once raised an issue with Mill Street's performance, the performance of its obligations under the Credit Agreement, and to the contrary, had commended Mill Street's growth and portfolio, offered to convert the Credit Agreement into an equity share into Mill Street to equity and even offered to allow Mill Street to manage its failing businesses in the transaction that was being discussed within mere months of receiving said letter.

115. At no point prior to receipt of said letter had Mill Street ever been advised of Crown's position that Mill Street was in default of the Credit Agreement.

116. By letter dated January 20, 2020, Mill Street immediately responded to the letter from Crown re-explaining the events that had transpired which had led to the delay in payment of the interest amounts and indicating that Mill Street disputed the allegations in the letter that it was in default of the Credit Agreement. Mill Street's letter is attached as **Exhibit "Q"**.

Discussions to Unwind the Transaction Agreement

117. In early February, 2020, Mill Street's management team met with Chris, Josh and Tim.

118. For the first time since the parties had entered into the Credit Agreement, Chris expressed that he was suddenly unhappy with Crown's investment in Mill Street, and took the position, despite having been aware of the GNI Transaction throughout the course of its negotiation and finalization, including the attempts to raise funds to complete said transaction through further funds from Crown, that Crown's security position in Mill Street was compromised because of the completion of the GNI Transaction, which Crown alleged was completed without its consent.

119. Chris further alleged that the delay in making the interest payments for November and December, 2019 had created a situation whereby Crown had no choice but to hold Mill

Street in default of the Credit Agreement, to terminate said agreement on that basis and demand full repayment of the Credit Amount advanced under the Credit Agreement.

120. Again, I was shocked by these allegations and the position taken by Crown. During said meeting, Mill Street and its team made it clear that we also took issue with the fact that Crown was claiming that it was unaware of/had not consented to the GNI Transaction, when in reality, Chris, Josh and Tim had specifically known about the closing of the GNI Transaction, and were advised that the interest payments under the Credit Agreement would be paid, although slightly delayed as a result of same.

121. Ultimately, I expressed to Crown that the partnership between the two companies had broken down as Crown had failed to live up to Mill Street's expectations with respect to their further financial commitment in supporting Mill Street's operations and further acquisition activities.

122. As a result of the impasse between us, we left the meeting in agreement to find an alternative partner to repay Crown over the next two quarters but stated that in return, Crown would need to discount any prepayment penalty contemplated under the Credit Agreement as both parties were in agreement to having the Credit Agreement come to an end.

123. In the meeting, Chris agreed with the sentiments discussed and agreed to devise a manner by which the parties could go their separate ways, with Mill Street repaying Crown the amounts borrowed under the Credit Agreement, without the full extent of the penalty contemplated under the Credit Agreement.

124. We did not leave the meeting under the impression from Crown, or Chris, that there was any urgency related to re-payment of the Credit Amount, but simply that the longer it took, the less likely the pre-payment penalty could be reduced. Furthermore, the follow up correspondence we received from Chris also did not suggest any urgency but advised that a document would be forthcoming. Attached hereto and marked as **Exhibit "S"** is a copy of his correspondence of February 4, 2020 as well as my response.

125. In my email reply, I also explained that Crown's security through the GNI Transaction was actually greatly improved and after the meeting provided further proof to Tim using Crown's metrics as contained in the Credit Agreement.

126. I must comment that it was surreal to go from discussing a proposed equity fund partnership with Crown just over a month prior, where I was specifically told that I would be an important manager for Crown's future, to being in a meeting where Crown had claimed Mill Street was in default. The turn of events was a complete and unforeseen surprise to me.

127. Just over one week later, we received the proposed amending agreement, a copy of which is attached as **Exhibit "T"**.

128. While the Amending Agreement indicated that the prepayment penalty contemplated by the Credit Agreement was reduced, as had been discussed between Mill Street and Crown during their meeting, it was not a forbearance, did not retract the default and further added a clause whereby Mill Street would have to release Crown from any claims it may have against Crown to this point. Such a clause had never been discussed or considered by the parties at any point.

129. Contrary to paragraph 17 and 19 of the Oldfield Affidavit, the parties were aware that Mill Street's buyout of the Credit Amount would be done expeditiously, but would require time. It was never conveyed in the literal sense of being "immediate" as suggested by Oldfield. Further, the Amending Agreement and proposed forbearance which were proposed by Crown departed drastically from what had been discussed between Mill Street and Crown to transition out of the Credit Agreement, and Mill Street required the appropriate time to have the matters considered by their corporate counsel as well.

130. Immediately following said meeting, Chris recommended Mill Street to a company who could be a potential partner and structure a transaction – between itself and Mill Street, and potentially Crown for future business as well. This was typical of the last few months of our communication where Chris would go back and forth on Mill Street's position in relation to Crown; either we were now in default and had to repay Crown, or Mill Street would work

with Crown on a large transaction for both the benefit of both companies. This approach was very confusing, but I took this as a sign that Mill Street and Crown could work amicably to repay the Credit Amount and then go their separate ways. Attached hereto and marked as **Exhibit "U"** is a copy of this correspondence from Chris dated February 6, 2020.

131. Mill Street met with the company that Chris had referred them to, in order to work on a potential transaction. Mill Street also had engaged with a broker to seek out alternative equity or debt partners that would be required in order to repay the Credit Amount to Crown.

132. Since then, Mill Street has found entities which will be able to provide funds for it to make full repayment of the required amounts to Crown over the course of the next two quarters as had been contemplated by the parties during their discussions. Details of these entities are set out below.

133. As an aside, the appointment of a receiver would make the task of raising equity (or debt) financing very difficult if not impossible and will unnecessarily complicate the process of paying out Crown's debt.

134. Mill Street has continued to maintain complete and transparent communications with Crown, including with Tim and Josh with respect to the steps they were taking in finding a transaction to repay Crown, and complied with their reporting requirements under the Credit Agreement. At the same time, Mill Street also continued to make timely payment of all interest payments owed by it under the Credit Agreement.

135. Crown was also in the process of completing its filings of financial statements and management discussions, which it completed on March 13, 2020. Notably, in their SEDAR filings, Crown made no mention of Mill Street being in default of the Credit Agreement. A copy of Crown's financial statements are attached hereto and marked as **Exhibit "V".**

136. It is notable that Crown indicates in these filings that Mill Street is "Current" on its loan while indicating that Crown's other two long-term loans to other companies were in default/arrears.

137. On March 20, 2020, being a Friday, and having been a week removed from Crown having completed its filings, as COVID-19 began to gain traction in Ontario/Canada and affect the operations of businesses, Crown's stock price, which is publicly traded, took a significant hit. A copy of a chart of Crown's stock price that I pulled from the internet is attached hereto and marked as **Exhibit "W"**.

138. On this date, Chris reached out to me to ask for comments on the Amending Agreement that had been circulated. I told Chris that I intended to get an update from our counsel, Lorne Segal at Gowlings and that I would provide comments on behalf of Mill Street by the Monday, March 23, 2020 – which I did. A copy of this email is attached hereto and marked as **Exhibit "X"**.

139. Chris told me on the phone that he was close to drafting a demand letter on the Credit Amount, which, again, I was surprised to hear and I told him same. I further told Chirrs that Mill Street was not in default, and that refinancing the Credit Agreement, which was structured for a 10-year term, could not reasonably be done in two months. Chris said he would continue to hold off on a demand letter so long as we found a mutually agreeable way of proceeding. I understood that to mean negotiating the Amending Agreement, which I had already expressed to Chris that Mill Street was willing to do.

140. On March 23, 2020, Ontario premier, Doug Ford announced the shut-down of non-essential businesses in Ontario.

141. On March 24, 2020, in the evening Chris and I had a phone call where he arbitrarily threatened to make an immediate demand on the full Credit Amount under the Credit Agreement despite our discussions and not receiving any comments back on the Amending Agreement that they had proposed.

142. Chris then threatened to direct the matter to a court appointed receiver so he could "control our business", and "do what he is good at, calling loans." I took his threats very seriously but was still in shock at the change in his behaviour, as well as his general view that he

was now, suddenly a pure debt lender rather than the quasi-equity partner he and Crown had advertised to us to be.

143. On the phone, Chris said he would offer another alternative proposal to Mill Street to amend the Credit Agreement which we would receive the next day where if we did not accept, there would be a demand. We immediately received a new amending agreement which included reducing the prepayment penalty, changing the term of the loan from 10-years to instead end in September, 2020, and with Crown's involvement, to appoint an advisor to sell GNI to a third-party (which was now fully owned by Mill Street despite the allegations that Crown had not consented to the GNI Transaction in the first place).

144. The aforementioned document was sent to me that evening after 8:00 pm.

145. Based on the threat to make immediate demand for payment and the proposed alternative amendments to the Credit Agreement, it had become clear to me that despite Mill Street's viable alternatives to repaying Crown over the next two quarters as had been discussed between us, Chris insisted on interfering with Mill Street's management and was using the "default" allegation and threat of demand to do so.

146. Prior to 10 a.m. on March 25, 2020, despite having only received the new proposed amendment after 8:00 pm on the night before, Crown, through its counsel, sent a demand under the Credit Agreement, a copy of which is attached as Exhibit "H" to the Oldfield Affidavit (the "Demand").

147. The Demand was prefaced on the basis of the earlier alleged defaults of the November and December, 2019 interest payments being late (although they had since been paid and accordingly any such default, if it did exist, which is denied, having been cured) which Crown claimed constituted a breach under section 9.1(t) of the Credit Agreement (which involves the failure to maintain financial covenants) and a general allegation of breaches of covenants in the Credit Agreement which were vague and unspecified.

148. My exchange of emails with Chris that day made it clear to me, that despite Crown's intentions in starting this default process was to give Crown the opportunity to explore a takeover similar to what it had just done with WireIE, whereby it could create a new managed fund out of the takeover of GNI and any other assets they chose to include. Chris essentially threatened this in his correspondence to me of March 25, 2020 where he indicated that the Default proceedings would be used as a means to sell GNI in order to repay his loan. Attached hereto and marked as **Exhibit "Y"** is my email exchange with Chris on March 25, 2020.

149. Mill Street immediately responded to Crown through a letter by its counsel on March 25, 2020 denying that any default existed under the Credit Agreement, including accountant prepared financial reports showing that Mill Street was always in covenant with the Credit Agreement. A copy of that letter is attached as Exhibit "I" to the Oldfield Affidavit.

150. Mill Street advised Crown that it believed that the Demand was made in bad faith.

151. On that same day, a representative of Fiera reached out to me by phone and told me that Chris reached out to them to inform them of the Demand and asked me to explain the situation which I did. I also became aware that Chris solicited Mill Street's COO, Ezio D'Onofrio, separately by LinkedIn. A copy of that exchange is attached at **Exhibit "Z"**.

152. I was shocked by these predatory actions given that the Demand, calling lenders and solicitation of employees was occurring all on the day after our evening phone call about an amending agreement and during the COVID-19 work stoppages where most business were trying to adapt to the current financial climate.

153. To date, and as acknowledged at paragraph 22 of the Oldfield Affidavit, Mill Street is still making its interest payments to Crown under the Credit Agreement and providing it with all information that it is required to provide under the Credit Agreement, including its financial reporting obligations.

The Defaults Alleged by Crown

154. In response to the letter from Mill Street's counsel of March 25, 2020, denying that it was in default of the Credit Agreement, on or about April 1, 2020, counsel for Crown responded to Mill Street and enclosed notice of intention to enforse security under the *Bankruptcy and Insolvency Act (Canada)* on the basis that Mill Street was in default of the Credit Agreement.

155. The letter from Crown's counsel also challenged Mill Street's position that it "[did] not accept that it is in default in any manner" and then continued to list 20 sub-points, enumerated from letters (a) to (t) of alleged defaults by Mill Street under the Credit Agreement.

156. In response to the April 1, 2020 letter, Mill Street continues to maintain that it was not and is not in default of the Credit Agreement.

157. Prior to receipt of the April 1, 2020 letter aside from the Demand, which only related to default with respect to late payment of interest amounts in November and December, 2019, which Mill Street had denied was accurate, there had been no comments or notice by Crown to Mill Street with respect to any of the alleged defaults contained in the April 1, 2020 letter, or otherwise, prior to this time.

158. In fact, as demonstrated below, most of the alleged defaults relate to the period prior to December 31, 2019 and yet Crown's SEDAR filing at Exhibit "V" above, indicates no such default on the part of Mill Street.

Specific Responses to the Alleged Defaults (Exhibit "J" to Oldfield Affidavit)

Alleged Delay in Delivering Financial Reports and Documents (Allegations a, b, d, f & j)

159. With respect to the allegations at points (a), (b), (d), (f) and (j) that Mill Street delivered its quarterly financial statements beyond the deadlines set out in section 8.1 of the Credit Agreement, Mill Street denies said allegations. As a general note, I personally along with

our financial team had hours of phone calls and written correspondence with Josh and Tim about the financial statements and all of Mill Street's operations.

160. With respect to the first quarter report (item (a)), that after the Credit Agreement was closed on May 26, 2018, sixty days later, on July 27, 2018, and within Mill Street's time to deliver same, it delivered its first quarter report to Crown. A copy of said correspondence, variously dated, and enclosures are attached at **Exhibit "AA"**.

161. The second quarter financial report, item (b) were then delivered on September 17, 2018. A copy of said correspondence, dated September 17, 2018 and enclosure are attached at **Exhibit "BB"**.

162. With respect to the alleged failure to deliver timely further quarter reports for the 2019 fiscal year (item (c)), the Credit Agreement provided for the delivery of same within 90 days from the end of the fiscal year, being January 31, and therefore, Mill Street would have had until April 30 to deliver same.

163. Attached at **Exhibit "CC"** is an email chain, dated April 2, 2019 confirming acknowledge of the statements alleged in the default at item (d). Notably there were no issues raised with respect to the timeliness of same or Mill Street being in default. In fact, the Crown representative indicated that Crown was unable to work on the Mill Street matters as it was devoting attention to another pressing matter.

164. With respect to the alleged default at (f), as demonstrated by the correspondence at **Exhibit "DD"**, variously dated in May and June, 2019, in which Mill Street's acquisition was being approved at around the same time, there was no note of any default or issues with timeliness of the delivery of the reports.

165. In addition, at this time, Crown was also aware that Mill Street had a change in its controller and thereby it acknowledged and accepted that there may be some delays for new personnel to be brought to speed with matters. An email introducing the new controller, dated July 22, 2019 is attached as **Exhibit "EE"**

166. With respect to the allegations at item (j), as stated below, at the time said reports would have been due, Crown was working directly with Mill Street's auditors and would have had access to any reports it required and were aware this was necessitated due to a change in controller for Mill Street. As such, Crown would have been aware of any delays in the reporting for said time period, and been a participant in said delays.

167. A copy of emails between Mill Street's auditors, Fazzari + Partners LLP ("Fazzari") and members of Crown's team of various dates are attached as **Exhibit "FF"**.

168. Mill Street further states that prior to receipt of the April 1, 2020 letter, there had been no comments or notice with respect to the failure to deliver said report in a timely manner or any previous notice of default with respect to any of these allegations.

169. Under Section 11.1(c) of the Credit Agreement, as Mill Street had never been made aware of any default(s), it could not be held to be in default as it would be allowed time under said provision to comply with the required terms.

170. Mill Street further states that if any such default existed, Crown was aware of and accepted Mill Street's efforts to meet the requirements.

171. Mill Street complied with the provisions of the Credit Agreement as soon as practically possible such that any such default which may have fleetingly existed, which are denied, were and have been cured.

Alleged Transaction Done without Crown's Consent (Allegation c)

172. With respect to the allegations at item (c) that in December, 2018, Mill Street breached section 9.2(a) of the Credit Agreement by selling its holdings in a company, Sauve Lumber (a subsidiary of Mill Street's "Fastway" group) without Crown's written consent, said consent was provided.

173. To that extent, I had hours of phone calls with Josh about the selling off of the building supply companies and the structure of these sales and this is confirmed in the email attached at **Exhibit "GG"**, December 10, 2018 where Josh asks for updates on "either Fastway

sales". It is obvious that Crown was aware of the sale of Sauve Lumber which it claims was sold without consent. Crown raised no issues when Mill Street confirmed in that same email chain that the transaction had been closed and attached a copy of the Closing documents for the transaction.

174. Again, no notice of default was issued in this regard at any time prior to receipt of the April 1, 2020 letter.

175. Further and in any event, said alleged default is without merit as Crown was obligated to not withhold reasonable consent under the Credit Agreement and that it would therefore have been required to consent to the transaction referenced in its allegation.

176. Mill Street also states that at or around the same time as the alleged default, Crown was in discussion with Mill Street to convert the Credit Agreement and to provide Mill Street further funding as referenced herein. Notably in those communications also, there is no indication of any defaults by Mill Street or issues in the relationship between the parties.

Alleged Issues with Calculations in Reporting (Allegation d)

177. With respect to the allegations regarding Mill Street's alleged breach of section 9.1(t)(i) of the Credit Agreement with respect to a fixed covenant calculation, which relate to the same reporting as the alleged item (d) default discussed herein, as demonstrated by the correspondence attached above at Exhibit "CC" throughout April, 2019, Crown confirmed receipt of the report from Mill Street.

178. Moreover, and as stated previously while Crown alleges this default occurred in April, 2019, Mill Street had approached Crown with respect to two potential acquisition transactions and throughout the course of those communications (see Exhibit "G" above) Crown did not raise issues of this alleged default.

179. I do not agree that there is any default in this regard or that Crown ever advised that it required a revision to it at any point prior to the April 1, 2020 letter.

Alleged Discrepancies in Financial Reporting (Allegations g & h)

180. With respect to the allegations at point (g) and (h) which again claim that Mill Street delivered draft audited financial statements beyond the deadlines set out in section 8.1 of the Credit Agreement, and that there were discrepancies in the from other materials, Mill Street denies said allegations.

181. First, there were no obligations requiring Mill Street to deliver draft audited financial statements under the Credit Agreement. As mentioned herein, Crown was aware that Mill Street had a change in controller. As such, Mill Street provided audited statements in lieu of the Credit Agreement reporting requirements, which were accepted by Crown.

182. In fact, in this process Mill Street authorized Crown personnel to speak directly with its auditors. Accordingly, Crown was working directly with the auditors at said time on addressing any discrepancies they believed existed. Crown had complete access to ask the auditors for any and all reports they required. Copies of emails between the parties, including with Fazzari are attached above at Exhibit "EE".

183. Accordingly, and as no notice of any default related to the allegations at item (g) or (h) were provided to Mill Street prior to delivery of the April 1, 2020 letter, Mill Street reasonably believed Crown was satisfied with all reporting done by Mill Street and the auditors in this regard.

Alleged Interest Payment Delay for August, 2019 (Allegation i)

184. With respect to the alleged delayed payment of interest for August, 2019, as noted at item (i), the payment was sent by Mill Street in a timely manner, but as noted by Tim, there was an error in the wiring instruction such that the payment was not actually received. A copy of that email exchange is set out at **Exhibit "HH".** The discrepancy was immediately corrected the following day and thereby, if any default existed it was cured promptly.

185. I can't help but note that even when Crown provided its initial default letter of January 17, 2020, it did not mention this alleged default.

The GNI Transaction (Allegations k, l, m & n)

186. The default at allegations items (k) to (n) all deal with the time period and circumstances during the GNI Transaction which have been detailed herein, including the delay in making the November and December, 2019 payments of interest to Crown. Mill Street denies any of the default allegations.

187. As stated herein, Crown was also aware of and in fact invited to help finance the GNI Transaction. It was also notified of the anticipated delay in payments. Crown made no objections and provided no default notices of the allegations at the time said matters would have transpired.

188. The various email chains attached at Exhibits "L", "O" and "P", variously dated, detail the events, including illustrating Crown's knowledge and involvement of the GNI Transaction as well as the benefit of the GNI Transaction to Mill Street's portfolio and thereby, Crown's investment in Mill Street.

189. Mill Street received no indication of Crown's opposition to the GNI Transaction and further states that under section 9.2, Crown would have no basis to unreasonably withhold its consent from completion of the transaction.

Disallowed Payments (Allegation o)

190. With respect to the allegations at item (o), this is the first time Mill Street has been made aware of the issue, and I do not accept that there was a default or pending event of default – especially not as of the dates of the payments.

191. In any event, under the Credit Agreement, Mill Street would have 30 days to cure any actual default. Mill Street is still involved in a back and forth with Josh investigating the allegations and if in fact, this allegation has merit, Mill Street will make payment of the 5% fee to Crown if it determined to be validly owing. Attached hereto and marked as **Exhibit "II"** is a copy of our email exchange in this regard.

Delay in Submission of Business Plan (Allegation p)

192. With respect to the allegations at item (p), Mill Street was preparing its business plan in the last quarter of 2019 which included potential investment from Crown or another entity to complete the GNI Transaction as well as dealing with the potential change in structure to the relationship between Mill Street's arrangement with Crown. However, as there was uncertainty in the plan due to Crown being non-committal about their investment as well as the potential change in their relationship with Mill Street as I have described above, this caused an obvious delay in our ability to finalize same. In any case, Mill Street did provide the business plan in a timely manner under these circumstances.

193. Once again, with respect to any further information requested by Crown, we would have 30 days to provide same from such request (i.e. by April 20, 2020) before we would be in default. That information is attached hereto at **Exhibit "JJ"**.

Alleged Inaccurate Covenant Calculations (Allegation q)

194. Contrary to the default allegations at item (q) with respect to covenant calculations, being inaccurate, as demonstrated by the email at **Exhibit "KK"**, dated March 5, 2020, Mill Street has offered all financial information supported by its accountants to represent the calculations provided and to show that there is no breach in that regard.

195. With respect to any subsequent requests for information or alleged default, the first allegation of same was the April 1, 2020 letter and Mill Street would still be within its 30-day period to respond to any such request (and has now done so as set out at Exhibit "JJ" immediately above) and hence there is no default.

Alleged EBITDA Concentration Default (Allegation r)

196. Contrary to the default allegations at item (r) with respect to EBITDA calculations, if there was a default in this regard, the first notice we received of it would be the April 1, 2020 letter, and Mill Street would still be within its 30-day period to cure any such default.

197. In this regard, I have discussed the calculations with Josh and Tim and noted to them that this covenant as originally drafted in the Credit Agreement was not suitable and

needed to be restructured as GNI added significant growth to Mill Street and other portfolio companies, based on Chris' advice, had been discontinued or sold.

198. In this email exchange from prior to the Credit Agreement, Tim acknowledged that the covenant referenced was flawed and it was noted that if GNI continued its growth at the time, the referenced calculation in the covenant would need to be changed.

199. A copy of correspondence exchange in this regard, dated May 12-13, 2018 is attached as **Exhibit "LL"**.

200. I am advised by Mill Street's controller, Trevor Harris, that in a meeting between Mill Street and Crown representatives, it was made clear that there was no expectation from Crown that this covenant would be met and in fact, acknowledged that this covenant should be changed. Once again, although Mill Street was never within the covenant as contemplated, Crown had never raised a concern with same.

Compliance Certificates Executed by President (Allegation s)

201. With respect to the default allegations at item (s), despite two years having elapsed, Crown has never raised the issue of compliance certificates not being submitted as a default. Crown accepted the default. Alternatively, if there was a default in this regard, as of the date of the April 1, 2020 letter, Mill Street would still be within its 30-day period to cure any such default, however, providing compliance certificates seems rather silly at this point.

Alleged Failure to Notify of an Event of Default (Allegation t)

202. Finally, with respect to item (t) and Mill Street allegedly, having failed to inform Crown of a pending default, in light of the alleged events, Crown was always kept apprised of Mill Street's acquisitions and operations through verbal and other communication, including instances whereby Mill Street would need to delay monthly interest payments, or make transactions such as the GNI Transaction. Crown was always aware of Mill Street's actions, and accordingly, and of the defaults which it now alleges.

203. Most notably, this general allegation of default which details alleged defaults arising since the Credit Agreement was entered into, and thereafter supposedly persisted throughout the relationship of the parties is not referred to at all by Crown when it completed its SEDAR filing. A copy of said filing is attached above at Exhibit "V".

CROWN'S SATISFACTION WITH MILL STREET

204. As stated herein, aside from the recent issues raised in the Demand, which were then discussed and seemingly the parties were able to come to a resolution whereby they would work to unwind the Credit Agreement, and then the April 1, 2020 letter listing the various alleged defaults, Crown had always indicated that it was happy with its investments in Mill Street and that it valued Mill Street's opinion and expertise.

205. As demonstrated by the examples set out above, Crown always praised Mill Street, indicated that it was considering to transition the Credit Agreement into a partnership type venture and that it was satisfied with the relationship between the parties.

206. Aside from the examples already stated herein, on August 23, 2018, a time at which Crown now claims Mill Street was in default of the Credit Agreement, Crown was seeking Mill Street's advice on a new fund. A copy of said correspondence, dated August 23, 2018 is set out above at Exhibit "AA".

207. Mill Street maintains that despite Crown's attempts to claim that defaults existed since shortly after execution of the Credit Agreement, it was clear that Crown was extremely satisfied with Mill Street's performance. In fact, in an email, dated October 31, 2018, attached above at Exhibit "BB", in response to my request for consent on a sale of one of Mill Street's holdings, Crown indicated that a consent letter would be provided, and then went on to remark "don't let that hold you up", indicating that it was satisfied with Mill Street and thereby indicating that it did not view it's need to provide written consent to each of Mill Street's action imperative.

208. At the date, I swear this affidavit, Mill Street is up to date with its interest payments to Crown as required by the Credit Agreement.

209. Due to Crown's failed investments, tumbling stock price and now the business shut-downs due to COVID-19, Crown is attempting to fabricate a default under the Credit Agreement to attempt a takeover of Mill Street's operations and cash-flow to support its own operations.

FARBER'S CONFLICT FROM BEING APPOINTED AS A RECEIVER

210. In the event that the Court decides to appoint a receiver in this matter, it cannot be Farber, as proposed by Crown.

211. In August, 2019, Mill Street entered into an engagement with Farber with respect to Farber providing it with consulting services to develop a mission, vision and values for Mill Street. Over the course of this engagement, Farber was to be provided and was provided with extensive confidential information regarding the operations and workings of Mill Street and its portfolio of companies.

212. At the outset of the engagement, Farber delivered an engagement letter to Mill Street, attached as **Exhibit "MM"** (the "Engagement Letter"). The Engagement Letter contained Farber's standard terms and conditions which included a strict clause of confidentiality, which specifically stated that Farber recognized that their professional reputation was built on maintaining absolute confidentiality and discretion.

213. Given that Mill Street was engaging Farber in services specifically with respect to creating an overall vision for the Mill Street group, and for which it paid Farber over $100,000.00, Mill Street expected Farber to maintain strict confidentiality with respect to their engagement and all communications exchanged as a result thereof.

214. Some of the material that was delivered to Farber as part of their engagement, included, among other things, Mill Street's 2019 plan/outlook, as attached in the email dated August 21, 2019, attached as **Exhibit "NN"**.

215. Farber's engagement with Mill Street ended about seven months ago, in or around September, 2019.

216. At paragraphs 28 to 30 of the Oldfield Affidavit, where Tim makes reference to having Farber appointed as the Receiver, he remarks that he has been advised by Farber representatives that no conflict exists and goes on to outline why Farber's prior engagement with Mill Street would allegedly not create a conflict.

217. Notably, Crown has had no discussions with Mill Street with respect to appointing Farmer as a receiver and we had no knowledge of same prior to receiving the application materials. Accordingly, even prior to our objection, Farber and Crown were already aware that a conflict exists and therefore some information must have already been passed between Farber's personnel – the details of which have not been provided to us or the court.

218. Farber has confidential information regarding the inner workings of Mill Street, information which Mill Street expected to be maintained with "absolute confidentiality". Mill Street does not consent to any waiver of confidentiality in this regard

219. Allowing Farber to act as a receiver, if this Court chooses to appoint one, would be severely prejudicial to Mill Street.

BUYOUT OF THE CREDIT AMOUNT AND RELATIONSHIP WITH CANNACORD

220. As it currently stands, Mill Street denies that it is in default of the Credit Agreement, and therefore there is no basis for Crown to demand its repayment. The term of the Credit Agreement was 10 years and approximately 8 years remain on that term.

221. Nonetheless, as stated herein, based upon the meeting between the parties early this year, it was agreed that the relationship between the parties was falling apart and accordingly, the parties would work together to arrange to have the Credit Amount repaid so they could go their separate ways.

222. Otherwise, Mill Street has no obligation to make payment of the Credit Amount as it remains in compliance with the remaining terms under the Credit Agreement.

223. As noted above, it was discussed that Crown would consider decreasing the pre-payment penalizations under the Credit Agreement and for Mill Street would look to getting financing for the Credit Amount.

224. Contrary to the terms that were discussed between the parties, since that time, the proposed Amending Agreement sent by Crown and their proposed forbearance agreement go beyond what was discussed and include other terms which were not contemplated.

225. Mill Street had no obligation to agree to any such arrangements as they remained in good standing under their obligations under the Credit Agreement. Instead, Mill Street decided that it would continue to look for financing to buy out the Credit Amount owed to Crown.

226. Back when Mill Street was seeking further financing from Crown for other projects, as detailed herein, when such funding was not forthcoming, Mill Street had engaged Cannacord, with respect to its services to act as a broker to arrange for further financing for Mill Street as required by it for its proposed acquisitions.

227. Mill Street has been in on-off discussions with Cannacord since as early as March, 2019, as such discussions were ongoing simultaneously to Mill Street's discussions with Crown for funding on the various proposed acquisitions.

228. In light of the recent position taken by Crown with respect to the alleged defaults, making a demand on the Credit Agreement and agreeing to part ways with Mill Street by having them buy out Crown's Credit Amount, as of about January 2020 Mill Street re-engaged with Cannacord to arrange for financing to buy out the Credit Amount as soon as possible.

229. As of the signing of this affidavit, Cannacord has expressed to Mill Street that it has fielded offers from a number of potential parties who will be able to provide Mill Street with the necessary financing required to buy out the Credit Amount owed to Crown. Cannacord expects to finalize a term sheet within 30-60 days and to close a transaction with 180 days, barring any further disruption from COVID-19. Attached hereto and marked as **Exhibit "OO"** is correspondence from Cannacord confirming this expectation of re-financing.

230. While Mill Street continues to pay the interest obligations to Crown under the Credit Agreement, and abide by the other terms under said agreement, once said funding is arranged, it is Mill Street's intention to buy out the Credit Amount from Crown and thereby end the Credit Agreement.

231. To date, Mill Street, and the companies in its portfolio, have continued to operate in the normal course, all of which is known to Crown through Mill Street's reporting to it.

232. The appointment of a receiver will cause significant and unnecessary concern and stress to Mill Street's portfolio companies, employees, trade creditors and other stakeholders which will cause untold harm to the companies. This is especially so in these strange economic times resulting from the Covid-19 pandemic.

233. Again, the appointment of a receiver is unnecessary given that none of the very technical breaches being alleged by Crown have caused it any increased risk to their loan and, if anything, have been manufactured by Crown in order to improve Crown's claim to increased charges as part of an early pay-out of their debt.

234. As set out above, Crown's desire to call the loan is borne out of a change in their own business model and their desire to reap increased charges through the early pay-out of the debt and have nothing to do with the financial performance of Mill Street or any risk to their debt.

235. Appointing a receiver will also cause Mill Street to incur substantial fees that will diminish its ability to pay Crown and other creditors and otherwise add unnecessary costs to Mill Street in completing the buy-out of the Credit Agreement as contemplated between the parties.

SWORN before me at the City) of Vaughan, in the Province of) Ontario, on April 18, 2020) (VIRTUALLY COMMISSIONED))) Commissioner for taking affidavits RAHUL GANDOTRA - 70296U	**NOAH MURAD**

This is **Exhibit "A"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

Rahul Gandotra

From: Noah Murad <nmurad@millstreetco.com>
Sent: May-16-18 1:29 PM
To: Tim Oldfield
Cc: Josh Axler
Subject: RE: 2018 Consolidated financial statements

Thanks Tim

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

MILL STREET & Co.

From: Tim Oldfield
Sent: May 16, 2018 1:26 PM
To: Noah Murad
Cc: Josh Axler
Subject: Re: 2018 Consolidated financial statements

Thanks Noah. I also appreciate your approach and recognize that formulas aren't perfect. We are certainly looking forward to working together in partnership going forward.

Sincerely,

Tim.

Tim Oldfield, CPA, CA, CFA, CBV
Chief Investment Officer
Crown Capital Partners Inc.
Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

On May 16, 2018, at 1:06 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Tim

I appreciate you doing taking this approach to some of the numbers.

I will accept this although I should mention that to say that the entire business is worth about $3.5 million is not something that I agree with (nor would anyone else I know of). This is just the result of a formula but not reflective of reality.

I am agreeing to this value because I want Crown to be happy and comfortable in our deal and in working with us.

I am hoping that I can continue to expect the same commitment to partnership from you and your team going forward.

Looking forward to working together.

Regards

Noah

On May 16, 2018, at 12:27 PM, Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:

> Noah, I have updated the EVPS calculation based on the actual results you provided. The spreadsheet presents the previous tables as well for reference. The EBITDA was updated to the normalized amounts that you provided (we also normalized the $300k in salaries in HVAC) and we also updated the net debt amounts to the actual as per your numbers. I put EBITDA for Tuque and Defendus to $nil as these amounts were negative in 2018. Also, the pref share figure I had in the previous version was incorrect.
>
> Let me know if you'd like to discuss.
>
> Tim
>
> Tim Oldfield, CPA, CA, CFA, CBV
> Chief Investment Officer
> **Crown Capital Partners Inc.**
> Direct 416-640-6798
> tim.oldfield@crowncapital.ca
> www.crowncapital.ca
>
>> On May 16, 2018, at 11:47 AM, Noah Murad <nmurad@millstreetco.com> wrote:
>>
>> Hi Tim
>>
>> Ok great thanks for the update.
>>
>> Noah
>>
>> On May 16, 2018, at 11:46 AM, Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:

This is **Exhibit "B"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

Jacob Murad

From: Jacob Murad
Sent: Friday, February 1, 2019 10:19 AM
To: chris.johnson@crowncapital.ca
Cc: Josh Axler; Tim Oldfield; brent.hughes@crowncapital.ca; Ezio D'onofrio (edonofrio@millstreetco.com)
Subject: Re: Thank You

Good Morning,

I just wanted to thank you all again for dinner last night and the Crown jewel award. Ezio and I had a great time and it was a pleasure meeting and spending time with representatives from your portfolio companies and the entire Crown team.

All the best,

JACOB MURAD, J.D., LL.M.
general counsel

jmurad@millstreetco.com

TEL: 905-764-5465 ext. 223 CELL: 416-879-0227

7616 Yonge Street, Thornhill, Ontario L4J 1V9

MILL STREET & Co.

This is **Exhibit "C"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

Rahul Gandotra

A Commissioner for taking affidavits
Rahul Gandotra #70296U

FP INNOVATION NATION

THE FP INNOVATION 150

A curated list of small and medium-sized companies at the forefront of the ideas economy and poised to grow.

*** As seen in Financial Post Magazine April 2019**

INNOVATION NATION

From building artificial intelligence systems and researching stem cells to designing pet toys and making beer, being innovative can take many forms, as this look at companies across the country shows

THE LIST

1-35

RANK		CEO	Location	Staff	Revenue ($mil)	Description
1	HATCH LTD.	John Bianchini	Mississauga, Ont.	9,000	1,700	Consulting engineering and project management
2	CERIDIAN HCM INC.	David Ossip	Toronto	4,300	950	Cloud human capital management software
3	GREENFIELD GLOBAL INC.	Howard Field	Toronto	250	800	Specialty alcohol and ethanol producer
4	POINTS INTERNATIONAL LTD.	Rob MacLean	Toronto	180	380	Loyalty e-commerce technology
5	EXFO INC.	Germain Lamonde	Quebec City	2,000	320	Automated common cause analysis software/services
6	REAL MATTERS INC.	Jason Smith	Markham, Ont.	800	300	Real-estate performance-based marketplace
7	ROSS VIDEO LTD.	David Ross	Ottawa	650	200	Live video production technology and services
8	POINTCLICKCARE TECHNOLOGIES INC.	Mike Wessinger	Mississauga, Ont.	1,400	160	Cloud-based health information technology
9	KINAXIS INC.	John Sicard	Ottawa	307	156	Supply chain software solutions
10	STEMCELL TECHNOLOGIES INC.	Allen Eaves	Vancouver	875	150	Biotechnology products and services
11	VISION CRITICAL COMMUNICATIONS INC.	Scott Miller	Vancouver	750	150	Cloud-based customer intelligence platform
12	SOTI INC.	Carl Rodrigues	Mississauga, Ont.	700	105	Mobility management technology and services
13	STINGRAY DIGITAL GROUP INC.	Eric Boyko	Montreal	367	101	Multi-platform music and video services
14	MILL STREET & CO.	Noah Murad	Thornhill, Ont.	600	100-200	Intelligent allocation of capital
15	ACCEDIAN NETWORKS INC.	Patrick Ostiguy	Montreal	230	100	Network monitoring software and hardware
16	BLUECAT NETWORKS INC.	Michael Harris	Toronto	430	100	IP address management software
17	BROCK SOLUTIONS	Vivienne Ojala	Kitchener, Ont.	490	100	Engineering solutions and professional services
18	D2L CORP.	John Baker	Kitchener, Ont.	550	88	Cloud-based learning platform
19	LIGHTSPEED POS INC.	Dax Dasilva	Montreal	491	75	High-tech POS and end-to-end solutions
20	PYTHIAN GROUP INC.	Paul Vallee	Ottawa	400	70	Services and software for disruptive technology
21	HOOTSUITE INC.	Ryan Holmes	Vancouver	1,000	64	Cross-platform social media management tool
22	DISTRICT M INC.	Jean-François Côté	Montreal	62	50-100	Advertising exchange programmatic solutions
23	ENVIRONICS ANALYTICS GROUP LTD.	Jan Kestle	Toronto	200	50	Marketing and data analytical services
24	FRESHBOOKS INC.	Mike McDerment	Toronto	300	50	Cloud-based accounting software
25	MOGO FINANCE TECHNOLOGY INC.	David Feller	Vancouver	250	50	Digital finance solution technology
26	HYDROGENICS CORP.	Daryl Wilson	Mississauga, Ont.	100	40	Zero-emission hydrogen technology
27	AUVIK NETWORKS INC.	Marc Molin	Waterloo, Ont.	200	30	Network management systems for MSPs
28	COVEO SOLUTIONS INC.	Louis Tetu	Quebec City	295	30	Cloud-based AI-powered search technology
29	ESENTIRE INC.	Kerry Bailey	Cambridge, Ont.	300	30	Managed detection and response cybersecurity
30	DEJERO LABS INC.	Bruce Anderson	Waterloo, Ont.	135	25-50	Video transportation and connectivity solutions
31	CLIO	Jack Newton	Burnaby, B.C.	194	25	Cloud-based legal practice management platform
32	NEXT PATHWAY INC.	Chetan Mathur	Toronto	120	25	Big data and digital transformation technology
33	NULOGY CORP.	Jason Tham	Toronto	160	25	CPG brands and co-pack solutions platform
34	TELPAY INC.	Bill Loewen	Winnipeg	25	25	All-in-one electronic payment system
35	THINK RESEARCH CORP.	Sachin Aggarwal	Toronto	200	25	Clinical decision support software

This is **Exhibit "D"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits

Rahul Gandotra #70296U

TOP 400

REPORT ON BUSINESS

CANADA'S TOP GROWING COMPANIES

Meet the next generation: the 400 boldest businesses in the country

PUBLISHED SEPTEMBER 27, 2019

Welcome to the inaugural Report on Business ranking of Canada's Top Growing Companies. These 400 businesses operate in such hot sectors as fintech, e-commerce and cannabis, along with long-established industries like manufacturing and transportation. Some are globally known giants, including Shopify (No. 98), Canada Goose (No. 188) and Alimentation Couche-Tard (No. 326); most are less familiar names but worth watching nonetheless.

Why? Because each company on this list is rising fast: Their average revenue growth was 511% over the past three years. As these businesses expand, they solidify Canada's reputation as an entrepreneurial nation and offer lessons on finding new markets, commercializing great ideas and building teams that can inspire organizations of all sizes. Among this group are likely some of the country's biggest innovations and corporations of the future—the next generation of Canadian business stars.

VIEW OUR METHODOLOGY

We list Canada's top growing companies by three-year revenue growth

3-YEAR REVENUE GROWTH %

3,206%

13 **Mill Street & Co.**, Thornhill, ON

Operates businesses in the commercial and building services sectors

3-YEAR REVENUE GROWTH %

3,009%

2018 REVENUE: $75M-$100M | EMPLOYEES: 750 | CEO(NOAH MURA

14 **Article**, Vancouver

Manufactures modern furniture sold via an online storefront

3-YEAR REVENUE GROWTH %

3,004%

2018 REVENUE: $100M-$250M USD | EMPLOYEES: 320 | CEO AAM BAIC

15 **Borrowell**, Toronto

Offers online credit education and runs a financial services marketplace

3-YEAR REVENUE GROWTH %

2,754%

2018 REVENUE: $5M-$10M | EMPLOYEES: 70 | CEO(S) ANDRE GRAHA

16 **AlayaCare**, Montreal

Operates a software platform used by home health care agencies

3-YEAR REVENUE GROWTH %

2,732%

2018 REVENUE: $5M-$10M | EMPLOYEES: 152 | CEO(S) ADRIAN SCHAU

17 **Fancii & Co.**, Edmonton

Retails beauty tools via an online storefront

3-YEAR REVENUE GROWTH %

2,730%

2018 REVENUE: $5M-$10M | EMPLOYEES: 10 | CEO(S) BREND ZHENG

18 **HonkMobile**, Toronto

Operates an online platform to facilitate payment of parking fees

2018 REVENUE: $10M-$25M | EMPLOYEES: 12 | CEO(S MICHA BACK

This is **Exhibit "E"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

<image001.png>

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: December 10, 2018 2:37 PM
To: Noah Murad <nmurad@millstreetco.com>
Subject: Re: Follow Up

Hi Noah,

Thanks for following up. We have to organize a few things on our end before we can work through the process with you. I don't expect it to happen before the new year.

Any updates on either of the Fastway sales?

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Dec 10, 2018, at 10:30 AM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh,

Just wanted to follow up on the below. Is this something you guys wanted to make time for before the holidays?

Let me know what you all think is best.

Kind regards,

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: November 30, 2018 12:31 PM
To: Noah Murad <nmurad@millstreetco.com>
Subject: Re: Follow Up

Hi Noah,

Of course. Chris is out of the office today but I will speak with him and Tim Monday about next steps.

Have a good weekend,

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Nov 30, 2018, at 12:29 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh,

Just as a follow up to our discussion yesterday with respect to moving our partnership into your fund.

I have thought about it further and am interested as I said. I do have some questions about specifics of the new terms and how this would work so am wondering what the next steps are with you and the team on how to move it forward.

Please let me know what you think is the best way to move forward.

Kind regards

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

This is **Exhibit "F"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

From: Josh Axler
To: Noah Murad
Cc: Jacob Murad
Subject: Re: Mill Street - Q4 Reporting
Date: Friday, April 12, 2019 7:12:47 PM

Hi Noah,

Firstly Mazel Tov, Jacob told me both Amanda and the baby are doing well!

Yes as I mentioned to Jacob I have had to devote my attention to the other file. I do recognize your needs and will be working through what I have from you over the weekend. I will be able to provide you a better update on Monday.

Have a great weekend with the family before back to work on Monday.

Regards,

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Apr 12, 2019, at 3:41 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh,

I am getting back to the office next week and Jacob gave me a brief update on where you are on our term sheet.

I know you are working on this and have your hands full with your other file but I need to express to you a greater sense of urgency in getting this moved along as well as how little we understand of where we are today in your process.

Maybe internally you all feel comfortable and that is why you are not concerned, but as it stands today we have no idea when to expect even a term sheet, let alone what would be on the term sheet. This creates a lot of uncertainty for us which considering our large growth plan for this year makes things extremely difficult for us.

All we are looking for at this stage is a realistic date of the timing of a term sheet and the basic outline of what we are working towards.

Bear in mind that we met back in November and outlined our plans to you and the team, it was committed to us we would see this term sheet (at least as a draft) at that time. As a result of that meeting we set our financing plans for the year. The feedback from you on what the deal will look like cannot wait anymore as we expect to close these two deals in the next two months.

If there is anything we need to discuss in more detail then I would request an urgent meeting next week to go through it. If on the other hand this is simply an underwriting and logistical issue then Vin or myself are available to sit with you to get you the information you need without further delay.

If you could please get back to me as soon as possible that would be great.

Thanks again Josh

Kind regards
Noah

On Apr 4, 2019, at 9:15 PM, Josh Axler <josh.axler@crowncapital.ca> wrote:

> Hi Noah,
>
> I apologize for the delayed response today - I've been slammed on something that came up with one of our portfolio companies.
>
> I will call you tomorrow morning,
>
> Josh Axler
> Investment Associate
> **Crown Capital Partners Inc.**
> 416-640-4159
> josh.axler@crowncapital.ca
> www.crowncapital.ca
>
>> On Apr 4, 2019, at 2:54 PM, Noah Murad <nmurad@millstreetco.com> wrote:
>>
>> Hi Josh,
>>
>> I Just wanted to get an update on where you are in the process.
>>
>> I'm not sure if I told you but my wife and I are having our third kid next week (on Monday) and I just wanted to try to get a better idea of both of those two things I had asked about (timing and amount of financing). At the very least, it

would be very helpful to remove the uncertainty around when we can even get an answer to this so I can work with this as it relates to the closing dates.

Any update you can provide would be great.

Kind regards

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: April 2, 2019 4:16 PM
To: Noah Murad <nmurad@millstreetco.com>
Cc: Vinod Takrani <VTakrani@millstreetco.com>
Subject: Re: Mill Street - Q4 Reporting

Received

Yes will let you know.

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Apr 2, 2019, at 4:09 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh,

Can you please confirm receipt and let me know if you need anything else.

Regards

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Vinod Takrani <VTakrani@millstreetco.com>
Sent: April 2, 2019 2:35 PM
To: Josh Axler <josh.axler@crowncapital.ca>
Cc: Noah Murad <nmurad@millstreetco.com>
Subject: RE: Mill Street - Q4 Reporting

Hi Josh,

Attached are the stand alone Mill Street financials and the updated version of the model.

Regards,

Vin Takrani
senior accountant

<image002.jpg>
7616 Yonge Street
Thornhill, ON L4J 1V9
905-764-5465 ext. 227
www.millstreetco.com

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: April 2, 2019 1:34 PM
To: Vinod Takrani
<VTakrani@millstreetco.com>
Cc: Noah Murad <nmurad@millstreetco.com>
Subject: Re: Mill Street - Q4 Reporting

Thanks Vin,

Can you also send the financial statements for Mill Street Holdco and the updated version of our spreadsheet/model

Thanks,

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Apr 2, 2019, at 10:28 AM, Vinod Takrani <VTakrani@millstreetco.com> wrote:

Hi Josh,

Please find attached the following reporting for Q4:

- Mill Street Consolidated

Balance sheet as at January 31, 2019

- Mill Street Consolidated Statement of Operations from February 1, 2018 to January 31, 2019
- Mill Street Crown Capital Financial Covenant as at January 31, 2019

I am also send you an updated EBIDTA table showing the breakdown by company compared to last year.

Regards,

Vin Takrani
senior accountant

<image001.jpg>
7616 Yonge Street
Thornhill, ON L4J 1V9
905-764-5465 ext. 227
www.millstreetco.com
<Mill Street & Co - Consolidated Balance Sheet - 2019-01.pdf><Mill Street & Co - Consolidated Statement of Operations - 2019-01.pdf><Mill Street & Co. - Crown Capital Financial Covenant - 2019-01.xlsx><Mill Street & Co Inc - EBITDA Table - 2019 v3.xlsx>

This is **Exhibit "G"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

From: Noah Murad
To: Chris Johnson
Cc: Tim Oldfield; Josh Axler; Jacob Murad
Subject: Mill Street: Follow up to last meeting
Date: Monday, February 4, 2019 4:08:34 PM
Attachments: image001.png
Mapleridge Term Sheet Roynat.pdf
Discussion Paper OpLine - Mill Street.pdf

Hi Chris, Tim and Josh,

I am sorry to have missed the dinner the other night, I heard from Jacob and Ezio that it was a great time and I will definitely be there next time. Thank you for the award, it looks great and we are displaying it in the boardroom. We also have set up a meeting with Rob from WireIE in the next week or so.

If you recall, after our last meeting, we had discussed, among other things, that you would be sending us a term sheet for additional financing.

I wanted to send a follow up note to the last meeting we had and just to mention a couple of things that we are doing that are relevant in the near term.

1. Mapleridge Acquisition: I have attached the discussion paper we received from BNS/Roynat for the Mapleridge acquisition. I am going to negotiate this further, but they are willing to provide us with a $7 million 10-year term loan for the acquisition. We are going to see what TD will do in terms of matching the offer.

All of the due diligence materials we have received have been consistent so far. If you have any questions or would like to look at anything we have seen please let me know. Of interest is we were contacted by a competitor of Mapleridge's that has revenues of about $10 million that would like to sell, and this could be an interesting tuck in after we close.

2. Share Structure: Since the new year began, Jacob and I have been going back and forth on our current shareholder mix and what the best structure is going forward for the long term, and wanted to propose the following to you, which we would like you to support.

Currently we have approx. $16 million of pref shareholders.

In evaluating this, we find that we have basically investors that fit into 3 buckets.

i) People who want their 8% coupon
ii) People who bought in at a low valuation and want their future upside through a liquidity event
iii) People who haven't decided yet and don't want to decide.

In my view, those who only want an 8% yield, should not also receive the potential upside, or should get the 8% somewhere else. Those who want the upside, should be willing to forego receiving the 8% yield, because they understand that there is an opportunity cost to paying out this dividend.

So what we would like to offer our pref investors is one of the following options:

1. If they want the yield, they can convert their current shares to a new class D preferred that pays the same 8% yield.
2. If they want the upside, they can keep their shares, but agree in principle that we will be accruing all of their preferred dividends.
3. If they want neither, that we can, on a one-time basis, make available up to 25% (or $4 million) to redeem preferred shareholders who want their money back. (We have no obligation to do so, but again, there is significant upside for us in terms of equity since we are buying the equity at a discount).

We have had preliminary discussions with our shareholders over the last couple of months and I believe that about half will move to the new class, about half will stay, and we will likely have about $3.5 million of redemptions.

In the near term, I believe we will save about $600,000 worth of cash on annual basis. Over the long term this maneuver, between the $3.5 million in redemptions and those who convert, we (meaning my family) will earn back about 15% of the common shares in the event of a liquidity event.

I was hoping to get a clearer picture on the new term sheet preferably soon so that we can finalize prior to our next quarter end. This way we can move forward with the plan above while taking into account the timeline of the various issues above.

Please contact me with any questions or comments on the above.

Kind regards

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

From: Noah Murad
To: Christopher A. Johnson CFA, CBV
Subject: Fwd: Mill Street: Follow up to last meeting
Date: Tuesday, February 5, 2019 6:00:07 PM
Attachments: image001.png
ATT00001.htm
Mapleridge Term Sheet Roynat.pdf
ATT00002.htm
Discussion Paper OpLine - Mill Street.pdf
ATT00003.htm

Hi Chris

I just had a call with Josh and was a bit confused relative to the meeting we had at your office. I just wanted to make sure I understood our meeting correctly.

I understood from our meeting that we were both looking to build a long term relationship and that Crown was willing to support our growth and goals over an extended period of time. Structurally, this makes sense for both of us because we will increase cash distributions to you and you will help us grow our business with long term capital.

The trouble is that we seem to operate on different timelines. I am trying to achieve certain objectives in growing the business, and need to have our stakeholders somewhat adaptable to the speed with which we operate.

For example, I am already working on two potential acquisitions in addition to Mapleridge. Both of these are large companies that would be a great fit for us. We also have two other tuck in investments we want to make in the construction industry.

Without an understanding that the funds are actually committed for this growth from Crown, it makes it very difficult to plan. Conversely if the funds are not committed in the correct timeframe then I need to make a totally different plan.

The feedback I seem to be getting is that funds are available for acquisitions on a case by case basis. This makes sense but is slightly different than my understanding which is that Crown is 'rented-equity' as you called it in the meeting.

If that is the nature of the capital, and I agree that it is, than we need to be able to use it as growth equity on our timelines and according to the way we would prefer to use it (of course provided that you agree).

Conversely there are many alternatives to fund acquisitions. For example, we don't need acquisition funds for Mapleridge and I believe we can duplicate this many times over. Lending to acquisitions is not really where the challenges are for a company like ours.

The real opportunities are structural (again like in the ideas as described below), and in also completing our acquisitions within a slightly faster timeframe than is typical. We are always looking at structure and speed as differentiation points. (You can see that it has taken us only the last 6 months or so to tighten up our company considerably and begin selling non-core businesses. (We just closed the sale of Salevent for $6 million as you know)).

So what I find confusing is that I leave our conversations together believing that we are on the same page. We discuss the long term and how we are going to get there. I then find afterwards that there is a more 'wait and see' approach from Crown. If there are some challenges around moving this quickly, I can understand it, but would rather that be communicated to me.

If I can clearly understand what you are thinking then I can plan accordingly, but as of now the message I am getting is that on the one hand, you want to grow our partnership together, and then on the other hand it has to be done in a way that has not been entirely explained to me, and within a timeframe that has not been explained to me.

If I am misreading the communication then please let me know. If would be great to discuss by phone tomorrow or later this week if possible.

Sincerely

Noah

Begin forwarded message:

From: Noah Murad <nmurad@millstreetco.com>
Date: February 4, 2019 at 4:08:32 PM EST
To: Chris Johnson <chris.johnson@crowncapital.ca>
Cc: Tim Oldfield <tim.oldfield@crowncapital.ca>, Josh Axler <josh.axler@crowncapital.ca>, Jacob Murad <jmurad@millstreetco.com>
Subject: Mill Street: Follow up to last meeting

Hi Chris, Tim and Josh,

I am sorry to have missed the dinner the other night, I heard from Jacob and Ezio that it was a great time and I will definitely be there next time. Thank you for the award, it looks great and we are displaying it in the boardroom. We also have set up a meeting with Rob from WireIE in the next week or so.

If you recall, after our last meeting, we had discussed, among other things, that you would be sending us a term sheet for additional financing.

I wanted to send a follow up note to the last meeting we had and just to mention a couple of things that we are doing that are relevant in the near term.

1. Mapleridge Acquisition: I have attached the discussion paper we received from BNS/Roynat for the Mapleridge acquisition. I am going to negotiate this further, but they are willing to provide us with a $7 million 10-year term loan for the acquisition. We are going to see what TD will do in terms of matching the offer.

All of the due diligence materials we have received have been consistent so far. If you have any questions or would like to look at anything we have seen please let me know. Of interest is we were contacted by a competitor of Mapleridge's that has revenues of about $10 million that would like to sell, and this could be an interesting tuck in after we close.

2. Share Structure: Since the new year began, Jacob and I have been going back and forth on our current shareholder mix and what the best structure is going forward for the long term, and wanted to propose the following to you, which

we would like you to support.

Currently we have approx. $16 million of pref shareholders.

In evaluating this, we find that we have basically investors that fit into 3 buckets.

<!--[if !supportLists]-->i)<!--[endif]-->People who want their 8% coupon

<!--[if !supportLists]-->ii)<!--[endif]-->People who bought in at a low valuation and want their future upside through a liquidity event

<!--[if !supportLists]-->iii)<!--[endif]-->People who haven't decided yet and don't want to decide.

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So what we would like to offer our pref investors is one of the following options:

1. If they want the yield, they can convert their current shares to a new class D preferred that pays the same 8% yield.
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We have had preliminary discussions with our shareholders over the last couple of months and I believe that about half will move to the new class, about half will stay, and we will likely have about $3.5 million of redemptions.

In the near term, I believe we will save about $600,000 worth of cash on annual basis. Over the long term this maneuver, between the $3.5 million in redemptions and those who convert, we (meaning my family) will earn back about 15% of the common shares in the event of a liquidity event.

I was hoping to get a clearer picture on the new term sheet preferably soon so that we can finalize prior to our next quarter end. This way we can move forward with the plan above while taking into account the timeline of the various issues above.

Please contact me with any questions or comments on the above.

Kind regards

NOAH MURAD

president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

From: Noah Murad
To: Josh Axler
Cc: Jacob Murad
Subject: RE: Mill Street - Q4 Reporting
Date: Tuesday, April 16, 2019 11:26:52 AM
Attachments: image001.png

Hi Josh,

We will get on this right away but as I explained in my earlier email I need to understand what exactly is ultimately being proposed here from your side. All of the questions below lead me to believe that you are not as far along in the process as we need to be, which is fine so long as I understand what we are working towards at the end of the day.

What are you thinking you will be going to the board with at this stage?

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: April 16, 2019 11:11 AM
To: Noah Murad <nmurad@millstreetco.com>
Cc: Jacob Murad <jmurad@millstreetco.com>
Subject: Re: Mill Street - Q4 Reporting

Good morning Noah,

That is great recognition, and good to hear about Tuque.

Firstly I want to apologize for the delay, as you well know there can often be situations in a portfolio that require extra attention. With that being said I am still working on a more full-some list as juggle a few things but a few to get started on:

Mill Street

1) What is the status of the audit? Will you have individual statements for all the companies that have to produce statements for the senior lenders?
2) How are the portfolio companies performing to the 2020 budget? Are the companies on track for Q1?
3) Has TD finalized the GNI/Fastway debt?
4) Is Thorold progressing?
5) How is Fastway developing under GNI, will the company still operate at a loss in Q1?
6) Once the brokerage business of Tuque is sold will the technology business continue (and the costs associated with the business)?
7) Has Dfendus had any issues with the senior lenders?
8) Can you have Vin update the Crown model that he uses to send the quarterly information to include MR and MCW as well as the 2020 budget for the portfolio companies.

Mapleridge

1) What is the status with Roynat?
2) Are there any outstanding diligence items?
3) Did you ever get the report from Roynat?
4) Based on the budget and senior covenants what do you expect the management fees to MS to be?
5) Do you have a timing update from the Vendor on their share structure?

MCW

1) Update on senior lenders, what type of terms have you been discussing?
2) Can you send the answers to the diligence questions you sent to the vendors/broker?
3) What is the status on the compensation arrangements?
4) Outstanding diligence items?
5) In a previous e-mail you mentioned that they will guarantee FCF of $6.5 million, from the LOI I can see that is only if EBITDA falls below $2 million is that correct?
6) Have you determined the compensation and equity arrangement with Bill?
7) What are your expectations of cashflow up to Mill Street?

I will send you some more as I get through it,

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Apr 16, 2019, at 9:06 AM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh

Can we expect these questions this morning? Or do you feel you have everything you need?

We are finalizing the APA for Tuque and will send it over today.

Noah

On Apr 15, 2019, at 1:35 PM, Josh Axler <josh.axler@crowncapital.ca> wrote:

Hi Noah,

Just wanted to keep you in the loop - just putting together some questions/clarification points to send to you which I will also use to discuss everything with Chris and Tim. Should send that off to you later this evening.

Thanks,

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Apr 12, 2019, at 7:31 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh

Thanks a lot for your wishes and for your email I really appreciate it.

Have a great weekend.

Noah

On Apr 12, 2019, at 7:12 PM, Josh Axler
<josh.axler@crowncapital.ca> wrote:

Hi Noah,

Firstly Mazel Tov, Jacob told me both Amanda and the baby are doing well!

Yes as I mentioned to Jacob I have had to devote my attention to the other file. I do recognize your needs and will be working through what I have from you over the weekend. I will be able to provide you a better update on Monday.

Have a great weekend with the family before back to work on Monday.

Regards,

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Apr 12, 2019, at 3:41 PM,
Noah Murad
<nmurad@millstreetco.com>
wrote:

Hi Josh,

I am getting back to the office next week and Jacob gave me a brief update on where you are on our term sheet.

I know you are working on this and have your hands full with your other file but I need to express to you a greater sense of urgency in getting this moved along as well as how little we understand of where we are today in your process.

Maybe internally you all feel comfortable and that is why you are not concerned, but as it stands today we have no idea when to expect even a term sheet, let alone what would be on the term sheet. This creates a lot of uncertainty for us which considering our large growth plan for this year makes things extremely difficult for us.

All we are looking for at this stage is a realistic date of the timing of a term sheet and the basic outline of what we are working towards.

Bear in mind that we met back in November and outlined our plans to you and the team, it was committed to us we would see this term sheet (at least as a draft) at that time. As a result of that meeting we set our financing plans for the year. The feedback from you on what the deal will look like cannot wait anymore as we expect to close these two deals in the next two months.

If there is anything we need to discuss in more detail then I would request an urgent meeting next week to go through it. If on the other hand this is simply an underwriting and logistical issue then Vin or myself are available to sit with you to get you the information you need without further delay.

If you could please get back to me as soon as possible that would be great.

Thanks again Josh

Kind regards
Noah

On Apr 4, 2019, at 9:15 PM, Josh Axler <josh.axler@crowncapital.ca> wrote:

> Hi Noah,
>
> I apologize for the delayed response today - I've been slammed on something that came up with one of our portfolio companies.
>
> I will call you tomorrow morning,
>
> Josh Axler
> Investment Associate
> **Crown Capital Partners Inc.**
> 416-640-4159
> josh.axler@crowncapital.ca
> www.crowncapital.ca

From: Noah Murad
To: Josh Axler
Subject: RE: Mill Street - Q4 Reporting
Date: Friday, May 3, 2019 1:31:26 PM
Attachments: image001.png

Josh,

Just to pre-empt the discussion, believe me I am not trying to irritate you. You and I just need to get on the same page, because even though we are still finishing the MCW report, and that is not the issue, I don't know what it is that you are doing on your side.

Are you simply looking for the MCW report to 'ok' everything internally? And then you can get back to me with the term sheet and/or date for the board meeting to get approval?

In other words, on my end, it seems as though we are being asked to provide more information to you every week, and that report is then contingent on something else (before it was getting the acquisition to contextualize the term sheet mentioned in November, then it was providing the summary of what has happened since we became partners, now it is the full report on MCW).

We will get you all the reports, and I trust you and therefore defer to you and the rest of the group as to what you think the steps are, but as of now am not certain that we are proceeding in a linear direction towards what I am asking for. On the call today, however, I just need to be clear that this is what we are doing.

Once we are on the same page about this I can relay that message to Vin, Ezio, Jake, my lawyers, Bill and the rest of the guys in our companies who are all eager to get this thing done.

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: May 3, 2019 12:16 PM

To: Noah Murad <nmurad@millstreetco.com>
Subject: Re: Mill Street - Q4 Reporting

Can you please call me at 3?

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On May 3, 2019, at 10:29 AM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh

What time can I reach you today?

Noah

On May 3, 2019, at 9:26 AM, Josh Axler <josh.axler@crowncapital.ca> wrote:

Hi Noah,

My apologies as well - I had not scanned the full document when I responded the other day. I had thought that this was going to be the analysis of MCW, not the Mill Street FY19 summary.

While that is helpful, what we really need as far as process is a report/summary of the due diligence you have perform so far. As we discussed given what is going on here (we just press released Wednesday night that one of the companies we lend to is in a receivership process), we have to rely on you for the diligence & we can then focus on specific areas within your analysis to follow up on.

Lets connect later today,

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca

www.crowncapital.ca

On May 1, 2019, at 5:31 PM, Noah Murad
<nmurad@millstreetco.com> wrote:

Hi Josh

Sorry I had not seen this email and tried you.

We can of course talk anytime, however, and I may be misreading what you intended here, but your email reads as though the group reviewing this report is necessary for you to respond on the same issues we have already been discussing.

I prepared the report because you had indicated to me the last time we spoke that you were going to be tied up in other files and that this would help you with your underwriting process/presentation to the board. All the report does is summarize the discussions we have had for the past 6 months in a more organized way.

My hope is that I have just misread the current situation and we are further along than I think, but considering that we are now in to May, the work that needs to be done both on my side to complete the acquisitions as well as the work between us to get final approval and close, we can't have another week go by without a clear path forward.

It's of course no issue to go through this report with everyone you need to, but by Friday, we need more certainty because of where we are in the cycle for acquiring the new businesses. Specifically, the timing of the term sheet and what is needed to close the financing.

Please confirm that we can get this answer on Friday. If you have any new information in the meantime, please let me know.

Regards

NOAH MURAD
president

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7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: May 1, 2019 3:40 PM
To: Noah Murad <nmurad@millstreetco.com>
Subject: Re: Mill Street - Q4 Reporting

Thanks Noah,

Can we talk later in the week once I have had a chance to share this with everyone?

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On May 1, 2019, at 3:26 PM, Noah Murad <nmurad@millstreetco.com> wrote:

<Crown Report-Jan 2019.pdf>

From: Noah Murad
To: Josh Axler
Subject: RE: MCW
Date: Tuesday, May 14, 2019 5:57:10 PM
Attachments: MCW Analysis.docx
MCW Financial Model - MS - 02.20.19 V2.xlsx
image001.png

Josh

Further to my email I have attached the MCW write-up we have done. I have also attached the financial model that we refer to. This is currently being updated with YTD numbers. In addition, please refer to the data room for the RFP samples and other large files because I couldn't send them due to the file size.

If you have further questions let me know and we can go through them.

Looking forward to your comments and a further update on the term sheet.

Kind regards

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: May 13, 2019 9:29 PM
To: Noah Murad <nmurad@millstreetco.com>
Subject: Re: Checking In

Hi Noah,

Sorry another crazy few days here, just catching up on my e-mails before I head home. Tim and I were working through the components on Friday and I put together a draft term sheet over the weekend, which Tim and I will go through tomorrow.

How is the MCW report coming along?

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On May 13, 2019, at 5:04 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh

Just following up on the below.

Kind regards

Noah

On May 9, 2019, at 10:11 AM, Josh Axler <josh.axler@crowncapital.ca> wrote:

Good morning Noah,

Working on it today - won't be able to discuss with everyone until tomorrow so not certain about tomorrow. I will update you tomorrow.

Regards,

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On May 8, 2019, at 10:40 AM, Noah Murad

<nmurad@millstreetco.com> wrote:

Hi Josh

Just wanted to check in with respect to our discussions. I will send MCW materials to you early next week. Are you still ok time-wise for the term sheet on Friday?

Kind regards

NOAH MURAD
president

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7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Noah Murad
To: Josh Axler
Subject: Re: MCW
Date: Wednesday, May 15, 2019 6:09:23 PM

Hi Josh

Thanks for the update. Yes I am let me know what time works for you.

Kind regards

Noah

On May 15, 2019, at 5:32 PM, Josh Axler <josh.axler@crowncapital.ca> wrote:

> Hi Noah,
>
> Thanks for sending that. I will go through it in detail.
>
> Just a quick update on the term sheet - I did go through with Tim and 90% done just need to clarify a few things with Chris and our CFO with some of the implications on moving the loan from our balance sheet to the fund.
>
> Are you around tomorrow afternoon to chat?
>
> Josh Axler
> Investment Associate
> **Crown Capital Partners Inc.**
> 416-640-4159
> josh.axler@crowncapital.ca
> www.crowncapital.ca
>
> > On May 15, 2019, at 10:47 AM, Noah Murad <nmurad@millstreetco.com> wrote:
> >
> > Good Morning Josh
> >
> > Just as a note, I sent you the report yesterday as a word document so that we are able to go back and forth on it. I am expecting a few items from the vendors on this as well including a verification from the accountants on the add-backs to the earnings (i.e. salaries and bonuses) as well as updated YTD financials.
> >
> > I will also have an update on the senior debt today. I have one offer from RBC and a meeting with TD to see what their appetite is.

Please give me a call or let me know if you need anything else on your end.

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Noah Murad
Sent: May 14, 2019 5:57 PM
To: Josh Axler <josh.axler@crowncapital.ca>
Subject: RE: MCW

Josh

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<image001.png>

From: Josh Axler <josh.axler@crowncapital.ca>
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To: Noah Murad <nmurad@millstreetco.com>
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Josh Axler
Investment Associate
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josh.axler@crowncapital.ca
www.crowncapital.ca

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NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill,
Ontario L4J 1V9

<image001.png>

This is **Exhibit "H"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: April-16-19 9:17 PM
To: Noah Murad
Cc: Jacob Murad
Subject: Re: Mill Street - Q4 Reporting

I have a call at 1pm, but should be available after 2

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Apr 16, 2019, at 9:10 PM, Noah Murad <nmurad@millstreetco.com> wrote:

How is 1pm?

Noah

On Apr 16, 2019, at 8:55 PM, Josh Axler <josh.axler@crowncapital.ca> wrote:

> Ok no problem,
>
> Let me know when you are available.
>
> Josh Axler
> Investment Associate
> **Crown Capital Partners Inc.**
> 416-640-4159
> josh.axler@crowncapital.ca
> www.crowncapital.ca
>
> On Apr 16, 2019, at 7:48 PM, Noah Murad <nmurad@millstreetco.com> wrote:
>
> Hi Josh
>
> Unfortunately I have a meeting at 9 but am free in the afternoon. Would that work?
>
> Noah

On Apr 16, 2019, at 7:30 PM, Josh Axler <josh.axler@crowncapital.ca> wrote:

Thanks Noah,

I have to drive to a meeting for 9:30 tomorrow morning. Are you available for me to call you from the car?

Josh

On Apr 16, 2019, at 4:00 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh,

See below and attached re the answers. I have also attached the last draft of the APA, and our agreement for residual commissions on a go forward. In a nutshell, we are selling Tuque for just under $1.6 million. The consulting agreement attached provides that we get 10% of the revenue for all of existing business annually (so about $60,000 minimum), plus 15% for the first year of any new business we add to the group. In other words, it is 15% of the revenue for the first year and then 10% on the following years when they renew. There is no renewal commission for home and auto. I believe that when you add just Mapleridge and MCW our annual amount will be about $100,000. We also have the technology which as I will note below has some value that we believe we can extract additional capital here as well.

Between the sale of Tuque and Salevent, we have exited businesses for a total gross value of approximately $8 million, and we invested about $2 million ($750,000 of which was class B pref shares).

Please let me know of anything else you need. And of course I am available to go over any of this by phone.

Kind regards

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: April 16, 2019 11:11 AM

To: Noah Murad <nmurad@millstreetco.com>
Cc: Jacob Murad <jmurad@millstreetco.com>
Subject: Re: Mill Street - Q4 Reporting

Good morning Noah,

That is great recognition, and good to hear about Tuque.

Firstly I want to apologize for the delay, as you well know there can often be situations in a portfolio that require extra attention. With that being said I am still working on a more full-some list as juggle a few things but a few to get started on:

Mill Street

1. What is the status of the audit? Will you have individual statements for all the companies that have to produce statements for the senior lenders?

The audit is good. We are on track to receive a draft statement in the next few weeks. GNI will be done I believe by the end of the month, and we will have finals probably by the first week of May.

2. How are the portfolio companies performing to the 2020 budget? Are the companies on track for Q1?

So far, yes. EBITDA is up significantly in GNI and HVAC over this time last year and the budget. All Source, Lumbermens and dfendus are all around the budget give or take immaterial amounts. The only company that is below is Fastway from a revenue standpoint, but as I allude to below the bottom line is decent.

3) Has TD finalized the GNI/Fastway debt?
TD has approved the loan however we have not yet closed. The reason is because TD is asking about how to address Thorold and other items which are not being paid out on closing. Their lawyers are concerned that there may be some item post closing that effects their security. So we are supposed to have another meeting next week to discuss this further.

4) Is Thorold progressing?
TD has stalled the approval of the sale of Thorold which has caused Ted (the former vendor) to threaten us. So that is where we are as of now.

I should mention with respect to both #3 and #4, that we have made clear from the onset of our discussions on this matter 5 months ago that it would be better for us to complete the restructuring through a formal process (we have a second charge to the bank on all companies) so that we can move forward with GNI/Fastway without any trailing issues. The reason why we chose not to go that route is because we want to ensure that we have a very good reputation with the banks and as I told you wanted to take the opportunity to show how we behave when something goes poorly. That is why we agreed to and TD approved the contemplated loan. Our intention was to complete the loan package with TD, which included the sale of Thorold, then use our loan to do the final restructuring. We completed all the pre-funding requirements on the loan package, however at that point TD wanted more clarity on the trailing issues and some oversight on the post closing events. That is the reason for the meeting next week.

5) How is Fastway developing under GNI, will the company still operate at a loss in Q1?
Feb and March were very poor weather months so we are still operating at a small loss. As far as the management, Matt has spent a lot of time in the last few weeks setting up the reporting mechanisms as well as hiring an operations manager, in other words, he is focusing on people and having systems internally that hold everyone accountable, which is great. We are also setting up the retail planograms at each location to drive business through local marketing as our locations are very well placed in each market that they are in.

We have 10 houses we are bidding on for May (this is $1 million worth of revenue) so I believe that we will be operating at a profit during the high season.
6) Once the brokerage business of Tuque is sold will the technology business continue (and the costs associated with the business)?
No. Our intention is to sell this to another firm, as we have several inquiries, or, Shaun has inquired about purchasing this from us and starting the business on his own. There are several opportunities for us to partner with other insurance entities as well given that they do not have the technology that we have.

7) Has Dfendus had any issues with the senior lenders?
No. Incidentally we are in negotiation with an Alberta based Fire and Security company to buy Defendus.

8) Can you have Vin update the Crown model that he uses to send the quarterly information to include MR and MCW as well as the 2020 budget for the portfolio companies.

See attached

Mapleridge

1. What is the status with Roynat?

Roynat has continued to delay us on an approval and are trying to renegotiate, so I told them that we were moving on and they can get back to us when they come up with an answer. We are expecting a term sheet from BMO who had also reached out. I have also asked TD to put something together for us on this as well.

2. Are there any outstanding diligence items?

We have to complete the legal due diligence (searches), but there is nothing else there really needed.

3. Did you ever get the report from Roynat?

See attached.

4. Based on the budget and senior covenants what do you expect the management fees to MS to be?

I believe that the debt servicing for this business will be about $1 million per year, to a maximum of $1.1 million. Our 80% share of the EBITDA should be no less than $1.8 million, which means that we should be able to receive a $700,000 management fee in year 1 (approximately), on an equity investment of no more than $2 million. This is based on our receiving at least $6 million with a 7 year amortization.

5. Do you have a timing update from the Vendor on their share structure?

Yes, please see the powerpoint attached on the new structure. (It is overly complicated but as you can gather does not change the business deal).

MCW

1. Update on senior lenders, what type of terms have you been discussing?

We have asked for no less than $13 million, to a high of $18 million. It is a no brainer for them at $10 million, just to give you a feel for where we are. We have asked for a 10 year amortization, but we will likely get 7 years.

They are comfortable with $13 million because this is 2x the $6.5 million EBITDA we are forecasting, plus the operating facility which we have asked to keep at $10 million. That said, we are looking at the need for a facility that large because it seems as though the company can operate with a $5 million operating facility and this can be added to the term debt.

I am meeting the management next Tuesday and am going to ask them what they think and why they feel they need this large of an operator.

2. Can you send the answers to the diligence questions you sent to the vendors/broker?

We have received answers to 5 of the questions. There is a lot of material so Jacob will send you a link to a drop box. We have some follow up questions as well for Tuesday.

3. What is the status on the compensation arrangements?

If you look at the previous model I sent, this is what we are going to shoot for on the closing. Let me know if you would like us to send it separately. You will see that there is a post closing EBITDA target and prior to closing, we will need to look at each contract and match this to the model.

4. Outstanding diligence items?

We still have not received all of the answers to our questions.

5. In a previous e-mail you mentioned that they will guarantee FCF of $6.5 million, from the LOI I can see that is only if EBITDA falls below $2 million is that correct?

The $6.5 million is the target that they will hit and that, over and above this, they will receive an earn out payment. The $2 million is the amount that can be used as a set off if the business produces less money.

6. Have you determined the compensation and equity arrangement with Bill?

What we are finalizing is the following: Bill is taking the salary of a current partner who is retiring. His salary is $500,000 annually (bear in mind that Bill makes $1.3 million now with JCI). After the first year, Bill will receive 10% ownership, and after the second year, Bill receive another 10%. We also had lengthy discussions about him taking this amount in pref shares in Mill, which he likes a lot, so this is something that we are still discussing.

Bill only gets equity distributions after all debt is paid (more on this below), which means that his equity only counts after both the senior lender and /or crown is paid.

7. What are your expectations of cashflow up to Mill Street?

My preference is that we use less of a senior term in the deal and take the $13 million. This is mainly because having an op-line of $10 million that is only has about 20% utilization will give us more cash flexibility within the business. That said, I believe that the $13 million will take approximately $2.5 million to service annually.

Our deal with Bill requires that he recognizes that Mill has to be paid before profits are distributed because we explained that we have a cost of funds. This means that, assuming the maximum in this deal, that Crown provides $9 million at the same rates, this $1 million or so would come directly off the top.

So, in essence, there is $1 million coming into Mill Street right away. After that, assuming that the company makes the $6-$6.5 million, and it has distributed as much as $7 million in a year historically, we should be able to receive another $1-$1.5 million annually from the business without there being an issue with covenants or the operations of the company.

I will send you some more as I get through it,

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Apr 16, 2019, at 9:06 AM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh

Can we expect these questions this morning? Or do you feel you have everything you need?

We are finalizing the APA for Tuque and will send it over today.

Noah

On Apr 15, 2019, at 1:35 PM, Josh Axler <josh.axler@crowncapital.ca> wrote:

Hi Noah,

Just wanted to keep you in the loop - just putting together some questions/clarification points to send to

you which I will also use to discuss
everything with Chris and Tim. Should
send that off to you later this evening.

Thanks,

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Apr 12, 2019, at 7:31 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh

Thanks a lot for your wishes and for your email I really appreciate it.

Have a great weekend.

Noah

On Apr 12, 2019, at 7:12 PM, Josh Axler <josh.axler@crowncapital.ca> wrote:

Hi Noah,

Firstly Mazel Tov, Jacob told me both Amanda and the

This is **Exhibit "I"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

From: Chris Johnson
To: Noah Murad
Cc: Josh Axler; Tim Oldfield; Jacob Murad
Subject: Re: Crown Funding and Partnership
Date: Tuesday, May 21, 2019 5:48:32 PM

We will call you on your cell.

Christopher A. Johnson, CFA
President & CEO
Crown Capital Partners Inc.
p. (416) 640-6715
chris.johnson@crowncapital.ca

> On May 21, 2019, at 5:44 PM, Noah Murad <nmurad@millstreetco.com> wrote:
>
> That will work for me if you would like to call my cell phone or provide me the best number to call.
>
> Noah
>
> On May 21, 2019, at 5:39 PM, Chris Johnson <chris.johnson@crowncapital.ca> wrote:
>
>> Call at 6pm today work for all parties?
>>
>> Christopher A. Johnson, CFA
>> President & CEO
>> Crown Capital Partners Inc.
>> p. (416) 640-6715
>> chris.johnson@crowncapital.ca
>>
>>> On May 21, 2019, at 5:31 PM, Noah Murad <nmurad@millstreetco.com> wrote:
>>>
>>> Chris, Tim, Josh
>>>
>>> I just had an profoundly unacceptable conversation with Josh with respect to the promised term sheet that we were to get weeks ago. I am now being told that "we are too leveraged with the acquisition of MCW" and that you cannot support the acquisition.
>>>
>>> We have from the onset of our relationship followed and delivered on all aspects of our relationship. Chris, in our last meeting you told us to look at our partnership with you as "rented equity" and we developed our business plans based

on our confidence that you would be there to support our plans. We were very explicit in saying that our plan was to finish the year with a run rate of $200 million in revenue and an EBITDA of $20 million. At all times in the past 6 months since our meeting we were assured that Crown would give us another tranche of funding between 10-15 Million particularly based on an acquisition target that we identified. We were at first assuming that we would receive a draft term sheet after the meeting but then we were told that we needed to find the acquisition first.

A few months later, we uncovered the MCW opportunity through leveraging a relationship that I have cultivated for a long time.

I was then told that we needed to continue to supply financial information and updates through many variations in order to bring you up to speed on our activities within Mill Street. (Activities that I might add followed a plan that you recommended where we consolidate our businesses and sell off what could not or would not fit in the bigger plan. All of which we did with great success). To be specific, my issue is not with reporting, it is that I was being told that the term sheet hinged on our being able to supply more reports to backfill the reports already provided.

We were then told to provide a full analysis on the due diligence for MCW because Crown could not commit the time to constructing the underwriting for issues that were outside of our relationship as partners. We completed this report and sent it last week. We did this because we were working with you to provide a solution to what I thought were simply short term demands on your time.

Throughout this time and even all the way up until Wednesday last week (noted in the email I have forwarded below), I had been told that the term sheet for this acquisition was being completed. AT NO TIME over the last 6 months were we told that Crown would not support us.

Now, I am being told that we are too dependent on debt. I am also being told that there is concern with our overall business and you want to see that we can improve the results. This is the first time I am hearing this despite the many hours we spent explaining and reporting all of these issues in real time.

The idea that we are buying the companies with all debt, in particular, is completely incorrect. We could have taken any number of dilutive equity deals that we were offered in the past year. We continued to hold off looking to set up the new acquisitions which would allow us to garner a higher valuation in doing the equity transactions. This is a strategy that you encouraged based on our meeting. It is completely unacceptable that you leave us now after all this time without a solution from Crown.

I am asking you to deliver the promised term sheet as expected. If you cannot do the 12 million that was last assured to us in our conversations with Josh then come to the table with something that we can justify all the efforts that we put in to our relationship and the hurdles that you made us go over. It is one thing to tell me that you cannot do anything and to fund alternatives months ago but to wait until we are virtually near the end of the due diligence on both deals, until we have told everyone including our bank and acquisitions targets that we have support on the equity side and until after I have patiently agreed to every request is simply not acceptable.

Please indicate what you are prepared to do to support our request.

Please let me know if we can have a call today or tomorrow with all three of you to discuss matters (or at least with you Chris).

I was hoping to hear back from Josh today on some further conversations. Failing any update on your part I am available for an urgent call.

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Josh Axler <josh.axler@crowncapital.ca
Sent: May 15, 2019 5:32 PM
To: Noah Murad <nmurad@millstreetco.com>
Subject: Re: MCW

Hi Noah,

Thanks for sending that. I will go through it in detail.

Just a quick update on the term sheet - I did go through with Tim and 90% done just need to clarify a few things with Chris and our CFO with some of the implications on moving the loan from our balance sheet to the fund.

Are you around tomorrow afternoon to chat?

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On May 15, 2019, at 10:47 AM, Noah Murad <nmurad@millstreetco.com> wrote:

Good Morning Josh

Just as a note, I sent you the report yesterday as a word document so that we are able to go back and forth on it. I am expecting a few items from the vendors on this as well including a verification from the accountants on the add-backs to the earnings (i.e. salaries and bonuses) as well as updated YTD financials.

I will also have an update on the senior debt today. I have one offer from RBC and a meeting with TD to see what their appetite is.

Please give me a call or let me know if you need anything else on your end.

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Noah Murad
Sent: May 14, 2019 5:57 PM
To: Josh Axler <josh.axler@crowncapital.ca>
Subject: RE: MCW

Josh

Further to my email I have attached the MCW write-up we have done. I have also attached the financial model that we refer to. This is currently being updated with YTD numbers. In addition, please refer to the data room for the RFP samples and other large files because I couldn't send them due to the file size.

If you have further questions let me know and we can go through them.

Looking forward to your comments and a further update on the term sheet.

Kind regards

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: May 13, 2019 9:29 PM
To: Noah Murad <nmurad@millstreetco.com>
Subject: Re: Checking In

Hi Noah,

Sorry another crazy few days here, just catching up on my e-mails before I head home. Tim and I were working through the components on Friday and I put together a draft term sheet over the weekend, which Tim and I will go through tomorrow.

How is the MCW report coming along?

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On May 13, 2019, at 5:04 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh

Just following up on the below.

Kind regards

Noah

On May 9, 2019, at 10:11 AM, Josh Axler <josh.axler@crowncapital.ca> wrote:

Good morning Noah,

Working on it today - won't be able to discuss with everyone until tomorrow so not certain about tomorrow. I will update you tomorrow.

Regards,

Josh Axler
Investment

Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On May 8, 2019, at 10:40 AM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh

Just wanted to check in with respect to our discussions. I will send MCW materials to you early next week. Are you still ok time-wise for the term sheet on Friday?

Kind regards

NOAH MURAD
president

TEL: 905-764-5465 ext. 222
CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

This

delete
this
email
and
destroy
all
copies
of it.

This is **Exhibit "J"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

WILDEBOER
wildlaw.ca
DELLELCE LLP

STATEMENT OF ACCOUNT

GST/HST No.:	R134403013
Matter No.:	190565
Date:	February 24, 2020
Invoice No.:	580722

Mill Street & Co Inc.
7616 Yonge Street
Thornhill, ON L4J 1V9

Attention: Jacob Murad

Re: Acquisition of MCW Group of Companies

TO PROFESSIONAL SERVICES RENDERED to the date hereof with respect to the above-noted matter as set out in Schedule "A" attached hereto; and to all advice, consultations, correspondence and attendances necessary and incidental to the foregoing:

OUR FEE HEREIN	**$**	**154,378.00**
HST on Fees		20,069.14
TOTAL DISBURSEMENTS	**$**	**237.98**
HST on Taxable Disbursements		30.94
TOTAL FEES, DISBURSEMENTS AND TAXES	**$**	**174,716.06**
TOTAL DUE AND PAYABLE	**$**	**174,716.06**

THIS IS OUR ACCOUNT HEREIN

WILDEBOER DELLELCE LLP

Per: ____________________
Sanjeev Patel

E. & O. E.

ACCOUNTS ARE DUE WHEN RENDERED. IN ACCORDANCE WITH THE SOLICITORS ACT, INTEREST AT THE RATE OF 2.0% PER ANNUM WILL BE CHARGED ON ALL AMOUNTS DUE ONE MONTH AFTER THE DATE OF DELIVERY OF THIS ACCOUNT. ALL AMOUNTS REFLECTED HEREIN ARE IN CANADIAN DOLLARS UNLESS SPECIFIED OTHERWISE.

This is **Exhibit "K"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 17, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

From: Noah Murad
To: Jacob Murad
Subject: FW: Discussion points
Date: Monday, September 23, 2019 12:45:08 PM
Attachments: Mill Street Discussion Points.docx
ATT00001.htm
image001.png

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

From: Chris Johnson <chris.johnson@crowncapital.ca>
Sent: September 21, 2019 9:49 AM
To: Noah Murad <nmurad@millstreetco.com>
Subject: Discussion points

Hey Noah - I put together some discussion points. Please review and add as you see fit.

Mill Street Discussion Points
September 21, 2019

Objective

- Integrate Mill Street into Crown's platform to provide Crown with a private equity vertical and Mill Street with capital.
- Grow private equity vertical by focusing on cash producing companies that can be grown and held for an indefinite period of time.
- Obtain additional funding for vertical through Crown fundraising platform.

Ownership Structure

- Transfer Mill Street's assets to a limited partnership ("PELP") at a transfer value to be determined (see below).
- Crown converts loan to Mill Street into PELP units.
- Mill Street becomes GP of PELP.
- Crown acquires Mill Street for nominal consideration (i.e. 100% of current Mill Street value to be ascribed to PELP).

Management Structure & Compensation

- Mill Street management remains in place with current roles, responsibilities and compensation (confirm and attempt to line up with Crown).
- Profit sharing program tied to NAV to be developed. It's contemplated that 80% of PELP profit share plan will be allocated to those with direct involvement in that portfolio with 20% to a Crown 'family' pool to be shared with all Crown and subsidiary employees (Mill Street employees participate in family pool as well).
- Consider Noah having management role at Crown in addition to Mill Street.
- Accounting and administration to be centralized at Crown under Mike and integrated with power and telecom operations.

Fund Economics

- Mill Street to charge PELP management fees of 2% of NAV plus 20% increases in NAV in excess of 10% per annum (rolling average and high water marks to be established).
- Mill Street to enter into management services agreements with portfolio companies as principle source of revenue. Management fees from portfolio companies to credit management fees charges to PELP.
- Objective is for management fees following MCW acquisition to be sufficient to cover overhead costs plus a profit of ~$500k and grow with additional acquisitions.
- Net of management fees, PELP to target a cash-on-cash return of 10% and an all-in return of +20%.

Transfer Value

- Value of portfolio companies to be determined using values to be agreed to by Mill Street and Crown.
- Where the value of a portfolio company is expected to be significantly higher as demonstrated by earnings over the next six months or for the positions with contingent consideration (e.g. SaleEvent, Tuque, etc.), the value will be set at the higher level provided units additional PELP units will be issued to Crown if the earnings or contingent consideration do not materialize.

Next Steps

- Confirm portfolio values – Noah / Tim
- MCW underwriting – Noah / Tim
- Mill Street pref / common conversion details – Noah
- Crown loan conversion details – Tim
- Additional Crown investment details – Tim
- Mill Street / Crown integration plan – Noah / Chris
- Other?

This is **Exhibit "L"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

From: Noah Murad
To: Chris Johnson
Subject: RE: Discussion points
Date: Saturday, September 21, 2019 9:23:37 PM
Attachments: image001.png

Hi Chris

Thanks for sending this over. If you have time early this week it would be good to come to your office and discuss some of this in person so please let me know if you can do this. Of course a call will also work.

Here are my questions/comments:

1. We are aligned on the points on the objective. The only question that we need to understand is more insight into the potential you are seeing on your side to raise capital through this private equity vertical. Jacob and I have never went out to raise a fund, so we don't know what you are seeing in the market and if there is current demand there.

   This is a critical point, because, although it doesn't impact our willingness to be partners with you, it does impact the type of structure we use as well as the overall business plan.

2. A general question: Assuming that we are able to raise the more capital through Crown's platform, what does this mean for our overall partnership? For example, if Crown is able to raise more capital because of this vertical, but invests it into a different Fund, how does this help Mill Street/the private equity vertical?

   Specifically, are you thinking that Mill Street will be the GP for some or all of the other funds you have, and that we would raise another large sum (for example $500mm) on the back of the 4 spokes we will have, to be managed by the team overall?

   Or, are you thinking that Crown will invest the additional $25 million in this vertical and Mill Street is the GP for its own assets?

   I have no issue either way but am trying to understand if Mill Street is being fully integrated into all aspects of the operations, or if we are going to be managing our own portfolio only.

Values

With respect to the values I looked at your spreadsheet and your comments. I also thought about this and discussed it with my family. What we concluded is that the best way to go about this is from the end point where we want to be, and work backwards.

Where we would want to be at the end of it is have Crown as our only partner in the portfolio (i.e. no more individuals owning prefs) and secondly for Crown to own 40% and my family own 60%.

What I want to suggest for the value is to take a gross equity value of $25 million, which is about the mid-high point of the range you supplied. The below table at the end of this email is based on the spreadsheet you provided and plugging $25 million into the portfolio value.

After the new investment of $10 million**, Crown would own 60%. What we would ask for is two things. 1) the ability to earn back up to 20% of the ownership based on performance (i.e. NAV increases in value) and 2) the ability to use the cash flows from the portfolio to redeem pref holders in the ordinary course to our benefit and not out of the profit sharing. Between these two methodologies we would have the opportunity to earn the ownership without being further diluted.

**note: It would be better to have the entire $25 million being held on our balance sheet so that we can leverage this with senior lenders, banks, sellers, etc. We have some suggestions on how this can be done without it being dilutive to the whole deal. For example, just escrowing the money and releasing it based on our hitting milestones.

Structure

As it relates to the structure, I have no issue with what you are suggesting over the long term (or on any new investment we make), however, you should consider that your structural idea requires that we raise a lot of money behind it in order to justify the amount of work involved versus doing something simpler which I will suggest below. That being said, and this goes back to the first question, if I am missing the potential of the type of structure you are suggesting, then I would understand better.

What I would suggest at these beginning stages of the vertical is that we simply keep the existing business structure (if possible). This would not create a triggering event and would leave our investors as pref holders.

After the conversion of the loan and the investment, we could simply do the profit splits as follows:

- Base overhead calculation as you note should be similar to what we have now. It is about $2.5 million at the current rate and we estimated that this was going to grow to $3 million with the hiring of a CFO and potentially an HR person.
- Base management to Crown fee equal to the same approx. 12% on invested capital currently being paid and this becomes part of overhead (this is higher than the 10% watermark we have in the 2&20 models)
- We pay 8% to the pref holders
- The balance of the funds are retained for reinvestment or distributed based on a pro rata split between common shareholders (i.e. 60-40 initially for Crown).

Once we are able to grow the business, we can refinance these pref holders and more readily switch to the GP-LP model you have. I don't think this will take very long as we have many ideas for doing so.

All of the above notwithstanding, we could switch to the structure you have, but the pref holders need to be somehow left in a passive investment with a coupon so they can be redeemed over time. If we do that they will not really question it.

Please let me know your thoughts on the above. Compensation or management roles, etc. are really secondary in this discussion in my opinion and will come out in discussions surrounding the business plan.

Crown Debt	10.00
Gross Equity	15.00
Pref Shares (inc. arrears)	16.60
Net Equity	(1.60)
Crown share of NAV	40%
New Investment	10.00
Crown share of NAV	57%
MS share of gross equity - pre Crown	-11%
MS share of gross equity - post Crown	-6%

Noah

From: Chris Johnson <chris.johnson@crowncapital.ca>
Sent: September 21, 2019 9:49 AM
To: Noah Murad <nmurad@millstreetco.com>
Subject: Discussion points

Hey Noah - I put together some discussion points. Please review and add as you see fit.

Mill Street & Co.
Valuation

	EBITDA		EBITDA Multiple		Enterprise Value	
Company	Low	High	Low	High	Low	High
GNI	4.50	5.50	5.00	6.00	22.50	33.00
HVAC	1.50	2.00	4.00	4.00	6.00	8.00
Allsource	0.80	1.00	5.00	6.00	4.00	6.00
Lumberman	0.35	0.35	5.00	6.00	1.75	2.10
Fastway	-	0.50	4.00	4.00	-	2.00
Dfendus	-	-	-	-	-	-
Sale Event					0.50	2.00
Toque					0.10	0.50
Total	7.15	9.35			34.85	53.60

Crown Debt	
Gross Equity	
Pref Shares (inc. arrears)	
Net Equity	

	Equity Value			MS Share of Equity Value	
Debt	Low	High	MS Share	Low	High
8.00	14.50	25.00	75%	10.88	18.75
3.60	2.40	4.40	50%	1.20	2.20
3.30	0.70	2.70	100%	0.70	2.70
0.20	1.55	1.90	100%	1.55	1.90
-	-	2.00	100%	-	2.00
-	-	-	100%	-	-
-	0.50	2.00	100%	0.50	2.00
-	0.10	0.50	100%	0.10	0.50
15.10	19.75	38.50		14.93	30.05
				10.00	10.00
				4.93	20.05
				16.60	16.60
				(11.68)	3.45

Crown share of NAV	67%	33%
New Investment	10.00	10.00
Crown share of NAV	80%	50%
MS share of gross equity - pre Crown		17%
MS share of gross equity - post Crown		11%

From: Chris Johnson
To: Jacob Murad
Cc: Josh Axler; Tim Oldfield; Noah Murad
Subject: Re: Follow up to Crown
Date: Tuesday, September 24, 2019 7:16:06 PM
Importance: High

Thanks Jacob. Please see comments below.

Christopher A. Johnson, CFA
President & CEO
Crown Capital Partners Inc.
p. (416) 640-6715
chris.johnson@crowncapital.ca

On Sep 24, 2019, at 5:56 PM, Jacob Murad <jmurad@millstreetco.com> wrote:

All,

Thanks again for meeting with us today, we thought it was very productive and we are very excited on this go-forward plan and new structure.

Our main takeaways for the critical items:

1. an outline of the GP/LP product terms and features which we can use to sell to our preferred shareholders on the new structure I will prepare this once the mini model is complete and we can confirm full splits of economics.
2. Please send Noah and I a list of what is still required for the underwriting of MCW We have plenty of info so it's really up to Tim and Josh to get up to speed. We should get a meeting with the incoming CEO ASAP.
3. A meeting to discuss the integration plan between Mill/Crown Should we target this Friday - maybe coordinate around MCW CEO meeting?

If possible, what would be helpful at this point is an MOU, LOI or new general outline of understanding that we can use with our stakeholders with timelines we can work towards closing. Good idea. I can pencil one up from the discussions points list but will want to see mini model.

There is one point we should discuss as it relates to the bank. As you know, we've been working on a plan with TD Bank for the past few months on a go-forward plan with them. As an update, TD is reviewing the following proposal which they accept in principle but is not yet binding until they get signoff:

1. We move all HVAC companies, GNI, and All source to a new bank by January 31, 2020 with a 30 day extension if required
2. We pay $3million to cover any outstanding debts including Fastway and Dfendus (the total writeoff is $2.5M) by December 15, 2019 with a 30 day extension if

possible – some of this will involve the selling of Thorold which should cover at least $775K and at most $1.2M. Our intent was to pay the remainder with the real estate deal we had discussed in prior meetings.

The bank is currently reviewing this and it was our intent to sign this. If so, given what we have discussed, it would be helpful if we could disclose this new structure to the new banks we are speaking to Agreed (since we would likely have to disclose this after the structure change anyways); and there is some urgency to this point given the timelines of the proposal. Alternatively, perhaps if Crown has a relationship with certain lenders and a preference to go in that route, we can move in that direction as well. I think given the timing we should carry forward with offers you already have. If you have any comments on the TD proposal itself (including if you would like to suggest we don't go forward and comments in that direction), please let us know. I don't see any issues but it would be good if you could summarize all the transactions in a before / after comparison.

We look forward to hearing from you on the main points, and if you'd like us to come back to the office later this week, we can make ourselves available.

Best,

JACOB MURAD, J.D., LL.M.
general counsel

jmurad@millstreetco.com

TEL: 905-764-5465 ext. 223 CELL: 416-879-0227

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Noah Murad
To: Roy Murad; Jacob Murad
Subject: Fwd: Meeting today
Date: Wednesday, October 2, 2019 7:19:06 PM

Noah

Begin forwarded message:

From: Chris Johnson <chris.johnson@crowncapital.ca>
Date: October 2, 2019 at 7:11:49 PM EDT
To: Noah Murad <nmurad@millstreetco.com>
Subject: Re: Meeting today

See responses below:

Christopher A. Johnson, CFA
President & CEO
Crown Capital Partners Inc.
p. (416) 640-6715
chris.johnson@crowncapital.ca

On Oct 2, 2019, at 6:07 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Chris

Thanks for your time again today.

Just as a follow up a few points after thinking about our discussions and some basic solutions for what we were talking about, as again, my inclination to get this done with you to build the business we are both envisioning:

1. Would you consider giving an option to the pref holders to take either the fund units or Crown public stock at market? In my mind, Crown is owning a certain percentage of the portfolio anyway, so other than giving the pref holders a different currency, I don't believe that this will be dilutive. The goal is to create a fund, not for Crown to own it. Second, we can't issues shares that would be dilutive to book value which is currently ~$10.50/share

2. We had two different spreadsheets that we looked at on the value originally. The original one was $35mm. Can we get the entering values up to $40 million which would require a write down of some of the vendor notes or TD debt to justify it? We can have the ratchets

down, but at least this gives my family and I between 15%-20%. If we can do our best here, then that would make a huge difference. I'm open to looking at higher numbers provided we have a ratchet if values don't pan out. Please send over your numbers.

3. On the 20% management fee, I would like to ask that Jake and I receive 15% of this initially. We can revisit this at a later date, but given that we have no commitments from Crown for any future assets being rolled in, and that we will be building the companies initially, the 15% gives us enough upside. 20% profit share is split 50/50 mgmt/shareholders which is engrained in our compensation programs and I changing this is a slippery slope. I can live with giving you guys 100% of the 10% for a defined period of time, but you / me needs to think through how this would play out with the rest of the team.

The three points above, if we can do them, removes the challenges that I was having completely.

4. One of the things that I neglected to ask today is what happens if we want to buy and sell a company. On the buy side, is there a way to provide an incentive to all of us at management to buy the businesses. In the past I have seen models which include a promote on top of the cost of the acquisition (as much as 20% of the cost) so that we can factor in additional costs and fees in the transactions. Compensation for acquisitions is a very poor compensation program.
For example, when we buy MCW, and we roll it into the fund at cost, you are not including the auditing fees, professional fees, etc. that eat into the cost of the deal. This will be dilutive to us. We can tack on a reasonable amount for what's been expended - cost base not a percent of transaction value.
I am suggesting you would add 20% to the cost of the transaction ($4 million) and it would go as a promote in value to the GP. You could also do this by increasing the multiple slightly after we buy it to the credit of a NAV increase.

On the sell side, I would like to suggest that, in the event we exit a business because we get a very high valuation, that the cash from the deal is distributed to the LP and GP. We can have a certain amount that is left in to reinvest, but do not want it that all of our proceeds from something like this is "stuck" in the fund and cannot be taken out. Profit from sales would flow through to the profit sharing program and be paid out. We can and do make special distributions to our LPs all the time if we don't need the additional capital.

Please let me know, as I realize these are details that we need to get to, but some initial thoughts would be helpful.

Lastly, we are moving to Legals on MCW so I will send an email to Tim asking what we need.

Thanks again

Kind regards
NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

-----Original Message-----
From: Chris Johnson <chris.johnson@crowncapital.ca>
Sent: October 2, 2019 11:47 AM
To: Noah Murad <nmurad@millstreetco.com>
Subject: Re: Did you get commitment letter?

Sounds good. Let's meet at Turtle Jacks NE corner of Leslie and 16th.

Christopher A. Johnson, CFA
President & CEO
Crown Capital Partners Inc.
p. (416) 640-6715
chris.johnson@crowncapital.ca

> On Oct 2, 2019, at 10:47 AM, Noah Murad <nmurad@millstreetco.com> wrote:
>
> Ok thanks and I will try my best to get there for 12:30
>
> Noah
>
>> On Oct 2, 2019, at 10:46 AM, Chris Johnson <chris.johnson@crowncapital.ca> wrote:
>>
>> I have to be at a meeting in the area at 1:30 but could probably push that back a bit to 2. I will get there a bit early to give us extra

From: Noah Murad
To: Roy Murad; Jacob Murad
Subject: Fwd: Update
Date: Sunday, October 20, 2019 11:47:37 AM

Try again

Noah

Begin forwarded message:

> **From:** Tim Oldfield <tim.oldfield@crowncapital.ca>
> **Date:** October 20, 2019 at 11:39:28 AM EDT
> **To:** Josh Axler <josh.axler@crowncapital.ca>
> **Cc:** Chris Johnson <chris.johnson@crowncapital.ca>, Noah Murad <nmurad@millstreetco.com>
> **Subject: Re: Update**
>
> I can join in as well.
>
> Tim Oldfield, CPA, CA, CFA
> Chief Investment Officer
> **Crown Capital Partners Inc.**
> Direct 416-640-6798
> tim.oldfield@crowncapital.ca
> www.crowncapital.ca
>
>> On Oct 20, 2019, at 9:07 AM, Josh Axler <josh.axler@crowncapital.ca> wrote:
>>
>> I can be available at 5
>>
>> Josh
>>
>>> On Oct 20, 2019, at 9:01 AM, Chris Johnson <chris.johnson@crowncapital.ca> wrote:
>>>
>>> Noah, given the operational items you are dealing with we need to bring Tim and Josh into the call.
>>>
>>> Tim / Josh - Noah and I had scheduled to speak today at 5pm. Does this work for you?
>>>
>>> Christopher A. Johnson, CFA
>>> President & CEO
>>> Crown Capital Partners Inc.

p. (416) 640-6715
chris.johnson@crowncapital.ca

On Oct 18, 2019, at 6:06 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Chris

Per my last email please let me know if you can have a call Sunday or Monday.

There are several critical items that we need to address within our business, and I am still unclear on whether any closing between us will take place in a time frame that will allow us to address everything.

I don't think that we are totally aligned around the urgency of some of these things. I wanted to send an email to again ask that we do a two step process.

Some of these items you know but I am repeating in one email for us to go through.

The issues are as follows:

1. Al decided to purse arbitration and this yielded a positive result in that the arbitrator ruled that we would each hire business valuators and he would decide on the number for the valuation if we cannot agree. The valuations will take 2 months or so.

This is positive because it clearly sets a process where he can be bought out without further delay. The only other issue that came out of that meeting is that we have to pay the balance of his earn out plus some profits owing in the next week or so which we will do from our cash flow. We have offered $2 million to Al for his shares pending the valuation. Fiera has a committee meeting next week to finalize the deal for GNI which includes a commitment of $2.75 million for the buyout.

2. on November 9 we have to redeem 850,000 of our shares based on the pref

agreements that we have.(This includes an additional $500,000 where notice was provided since I last mentioned the number to you). If we want our shareholders to buy in to our new structure with Crown we can't delay this. We have to keep to our existing agreement. As of now we do not have the funds available for this.

3. we still intend to sign the TD bank agreement which requires 500,000 in cash on closing. We have delayed this as we do not have the funds for this. You should remember that in signing this deal we also needed your approval to sell off the real estate which we have not had any written reply as to final approval (Bear in mind that my fathers company has already advanced 750,000 to Mill and allowed us to use the funds in working capital pending your approval which you said in our last meeting was a non issue)

4. Allsource, Lumbermens ans Lumber Guys need about $750,000-$1 million minimum in working capital to fund their growth and order (Allsource has a new distribution deal with IPL plus a backlog of $350,000 in orders, Lumbermens are signing their deal with Trans Union this month which calls for employment of sales and support staff to deploy this new initiative, and building supply also needs to increase inventory in order to support sales growth).

Finally, we have incurred a large amount of costs in legal, audit and other expenses to move this business plan forward.

In view of the above and in consideration that it will take time (something in short supply right now) to paper any deal to convert to the new contemplated structure and to explain to our investors who we want to be part of the future of Crown.

Waiting for all matters to be tied up in the new structure to advance funds will simply not work for us at this stage. If we are becoming equity partners these are issues that we would need to address as such.

I had suggested that we stage advances under the old structure for the time being until we can get comfortable with the new structure and bring everything on board.

These advances can be 3.0M by months end, 7.0 M two weeks before MCW closing or all 10.0M by October months end. That way we can move on all time lines without delay. In any case the valuation that you are using assumed that your funds would be used to fund Mill's activities. If the funds come after all is already done then the valuation needs to be modified based on what transpired at that point in time.

As I am being offered capital from Canaccord to close MCW and address the above and I cannot make a decision to move on the new structure with you while simultaneously working with them on other deals.

The timing and cost would be prohibitive. To a large degree the capital has to come in when Mill needs it. The way these things are going we will need some amount of capital (3 M) in the business by the end of the month or latest by Nov 7 and some funds (7M) by the 15th of November. To do that either we need the funds from Crown under our existing structure or have to bring those funds in from whatever source and deal with our partnership after I find the solutions or at a later date.

Noah

From: Noah Murad
To: Roy Murad; Jacob Murad
Subject: FW: MCW diligence
Date: Monday, October 7, 2019 4:45:19 PM
Attachments: image001.png

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

MILL STREET & Co.

From: Chris Johnson <chris.johnson@crowncapital.ca>
Sent: October 7, 2019 4:21 PM
To: Noah Murad <nmurad@millstreetco.com>
Subject: Re: MCW diligence

I've been working though that with Tim and Josh. I want to get all the pieces on the board and then figure out a path forward. I'm not opposed to a two step process, but for messaging reasons would prefer a single step.

Christopher A. Johnson, CFA
President & CEO
Crown Capital Partners Inc.
p. (416) 640-6715
chris.johnson@crowncapital.ca

On Oct 7, 2019, at 2:20 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Chris

I hope you had a nice weekend. I know we are working on a bunch of items with Josh on the model, etc.

I never heard back from you on the below email. Please let me know your thoughts when you have a moment.

Noah

On Oct 3, 2019, at 4:06 PM, Noah Murad <nmurad@millstreetco.com> wrote:

I will send you an email with the issues, however:

The pref holders are not that straight forward in the sense that they can be converted in 30 days. They are not familiar with the LP structure and I have never mentioned this as a possibility in the past.

This is why I continue to mention it. I will have to meet with each one and explain how this works for them. In addition, our lawyers are going to have to go through a change of control exercise plus have each one of them sign conversion documents.

In addition our lawyers have to work on the actual wording of our agreement to protect our interests, etc. They are stretched at this point to the limit on the Fiera, MCW and GNI work and if I throw this at them at the same time it will be difficult for them to manage it unless I am missing something (i.e. that you already have this prepared to some degree).

I'm not trying to be negative but why stress everything beyond where they are already stretched? We can sign a memorandum that's binding to protect you if that is the issue, but let us get beyond the closing of MCW, Fiera and GNI and then we close our deal end November.

Chris, I am not wavering on the overall plan we discussed but at the same time, I need to be able to direct all of this and certain things have a life of their own. I am not sure why we would stress this to this point if we understand where we are headed in any case.

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Chris Johnson <chris.johnson@crowncapital.ca>
Sent: October 3, 2019 1:57 PM
To: Noah Murad <nmurad@millstreetco.com>
Subject: Re: MCW diligence

Let's get all the issues on the table and figure out how to best get them done. Other than getting out to the pref share holders, which you said was a relatively straight forward process the rest should be not much time.

Christopher A. Johnson, CFA
President & CEO
Crown Capital Partners Inc.
p. (416) 640-6715
chris.johnson@crowncapital.ca

On Oct 3, 2019, at 1:27 PM, Noah Murad <nmurad@millstreetco.com> wrote:

I simply don't see how we can get all of this done in 30 days. Our lawyers are in the middle of closing MCW, and closing Fiera financing, we have to deal with all the prefs holders and marketing to them, and working out the structure between us. Then our lawyers have to actually finalize all of this.

At the same time we are working on buying out AI, and we can't delay any of these things.

I'm not sure entirely on what you have to work with on your side specifically but I am sure it is considerable.

I don't believe it's in our collective best interest to try to do something that we know from the beginning is likely impossible that will result in constraints on my company that I can't work with.

The only way I think this will work in light of MCW and the other items, is to advance the $10 million as a loan (or some convertible) with a signed MOU of some sort.

I can move just as fast as anyone but in this case just feel there is too much to be done and do not want to lose momentum on getting these things done.

Is there anyway we can work on an alternative solution to this?

Noah

On Oct 3, 2019, at 1:06 PM, Chris Johnson <chris.johnson@crowncapital.ca> wrote:

These will need to be done together. Agreed there's lots to do so we need to get finalized on structure ASAP.

On Oct 3, 2019, at 12:55 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Chris

I know you are traveling today, but I did have a question with respect to the timing of all of this.

The initial investment in order to close MCW, will this come in as a loan? The context is that we have a lot of work to do before we can finalize the GP/LP. I am just trying to understand your thoughts in the interim while we close the deal.

Noah

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: October 3, 2019 8:59 AM
To: Noah Murad <nmurad@millstreetco.com>
Cc: Tim Oldfield <tim.oldfield@crowncapital.ca>; Jacob Murad <jmurad@millstreetco.com>
Subject: Re: MCW diligence

Good morning Noah,

We will review the information you have sent us so far today and get back with further due diligence items.

In the interim are you able to get us the up to date financials and send us a copy of the commitment letter from Fiera?

Thank you,

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Oct 2, 2019, at 7:22 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Tim

We are moving towards legals in this transaction and Chris mentioned to me today that we need to provide you with some more diligence information for your process.

Please let me know items you need at

your convenience
tomorrow.

Kind regards

Noah

From: Noah Murad
To: Roy Murad; Jacob Murad
Subject: Fwd: How about lunch tomorrow near your office at 11:30am?
Date: Thursday, October 24, 2019 6:22:52 PM

Noah

Begin forwarded message:

> **From:** Chris Johnson <chris.johnson@crowncapital.ca>
> **Date:** October 24, 2019 at 6:12:05 PM EDT
> **To:** Noah Murad <nmurad@millstreetco.com>
> **Subject: Re: How about lunch tomorrow near your office at 11:30am?**
>
> I want to talk through everything and make sure we are on same page. I will have fund term sheet as well.
>
> Christopher A. Johnson, CFA
> President & CEO
> Crown Capital Partners Inc.
> p. (416) 640-6715
> chris.johnson@crowncapital.ca
>
>> On Oct 24, 2019, at 6:09 PM, Noah Murad <nmurad@millstreetco.com> wrote:
>>
>> Hi Chris
>>
>> Sure. We can meet at that center street deli place we went to last time you were by my office.
>>
>> 1136 Centre St, Thornhill, ON L4J 3M8
>>
>> Is there anything specific that we are discussing or is this just to touch base on where we are?
>>
>> Noah

-----Original Message-----

From: Chris Johnson <chris.johnson@crowncapital.ca>

Sent: October 24, 2019 5:54 PM

To: Noah Murad <nmurad@millstreetco.com>

Subject: How about lunch tomorrow near your office at 11:30am?

Christopher A. Johnson, CFA

President & CEO

Crown Capital Partners Inc.

p. (416) 640-6715

chris.johnson@crowncapital.ca

This is **Exhibit "M"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 17, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

THIS TAB HAS BEEN INTENTIONALLY LEFT BLANK

This is **Exhibit "N"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

From: Chris Johnson <chris.johnson@crowncapital.ca>
Date: November 7, 2019 at 4:55:07 PM EST
To: Noah Murad <nmurad@millstreetco.com>
Subject: Re: Update

Hi Noah, it's been a tough couple days getting through the quarter and reporting. The board is luke warm with us pursuing something with Mill Street now. I think there's broad acceptance that Crown / Mill Street would be a good fit but a high level concern with us opening up another business activity when we're still managing through the start-up issues in our power and telecom businesses. I would like to keep working towards a combination but I don't see this happening before the 2nd half of next year. Thinking about how to get MCW done now, perhaps we can put a mezz loan directly into MCW pushing back some of the Fiera funding which would add to cash retained and reducing the equity cheque a bit.

I'm totally mentally fried at this point but happy to discuss tomorrow and meet Mon / Tues.

Christopher A. Johnson, CFA
President & CEO
Crown Capital Partners Inc.
p. (416) 640-6715
chris.johnson@crowncapital.ca

On Nov 7, 2019, at 1:45 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Chris

Just as a follow up. I can meet Monday or Tuesday next week.

There's an interest here that we still have to crystallize our thought process and discussions over the last month. If need be we can have both management teams there to get all of their thoughts on the table.

Regards

Noah

> On Nov 5, 2019, at 6:25 PM, Noah Murad <nmurad@millstreetco.com> wrote:

This is **Exhibit "O"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

From: Josh Axler
To: Trevor Harris
Cc: Tim Oldfield; Noah Murad; Allan Kamerman; Jacob Murad
Subject: Re: Info
Date: Thursday, January 9, 2020 3:27:51 PM

Hi Trevor,

A few comments/points to clarify:

1) Can you please include the amortization schedule for the proposed term loan on tab in the worksheet.
2) Based on the e-mail from Jacob the total amount being contemplated from Fiera is $10.25 million to reflect the increase in the GNI purchase price. The model only shows $9.5 million.
3) The model still shows an outstanding capital lease balance, and assumes that capex going forward is still funded through capital leases - is that correct? How did you determine which capital leases would be repaid by the Fiera debt.
4) Can you please provide details on the Revenue and EBITDA forecast - Revenue and EBITDA increasing to $82 million and $9.1 million respectively represents a material increase YoY. Is this all organic growth or through acquisitions? If there are acquisitions contemplated is there a pipeline of potential targets and how will the acquisitions be funded? If this growth is organic, wouldn't the capex requirements increase?
5) The Fiera debt restricts management fees until a FCCR covenant threshold of 1.75x is met. Have you run a scenario that determines the minimum amount of revenue and EBITDA required to meet that threshold? Have you discussed if any services performed by Mill Street would be deemed as expenses not purely management fees? Given Mill Street's dependance on management fee revenue from GNI this is a critical point to ensure that funds are able to flow up to the head office. Is there a step down of this threshold amount as the debt is reduced?
6) The covenants are tested quarterly on a TTM basis, not just at year end. Can you please include the quarterly testing including the EBITDA buffer (how much EBITDA in excess of the test) on the 1.5x FCCR testing and 1.75x distribution test.

Thank you,

Josh Axler, CFA
Investment Manager
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Jan 9, 2020, at 1:09 PM, Trevor Harris <tharris@millstreetco.com> wrote:

Tim/ Josh

Please see attached.

Regards

Trevor Harris CPA CA
Vice President, Finance

<image002.jpg>
7616 Yonge Street
Thornhill, ON L4J 1V9
905-764-5465 Ext 227
www.millstreetco.com

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image003.png>

From: Tim Oldfield <tim.oldfield@crowncapital.ca>
Sent: January 6, 2020 5:30 PM

To: Jacob Murad <jmurad@millstreetco.com>
Cc: Josh Axler <josh.axler@crowncapital.ca>; Noah Murad <nmurad@millstreetco.com>
Subject: Re: Info

Jacob, do you have a budget model for GNI that shows the pro forma debt levels and proposed Fiera covenants? We would like to review as part of consent process and I noted that the FCCR covenant on distributions is quite high and will restrict your ability to pay management fees up to Mill Street. Can you also provide copies of the various valuations of GNI that were prepared for the arbitrator?

Thanks. Tim.

Tim Oldfield, CPA, CA, CFA
Chief Investment Officer
Crown Capital Partners Inc.
Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

On Jan 6, 2020, at 8:53 AM, Jacob Murad <jmurad@millstreetco.com> wrote:

Hi Josh,

Happy New year to you as well. I've attached the commitment letter we had received from Fiera at the end of October. We were working with CIBC for a whole buyout but decided to go with Fiera because CIBC couldn't provide exactly what we required and not within our timeline so we may revisit that in the future. Instead we have Fiera buying out TD as per the attached and CIBC will provide a $2M operating line with an intercreditor with Fiera which we are working towards closing as well in the next 2 weeks.

Regarding the arbitration: the arbitrator ruled on consent of both of sides that we are buying out Al – we each had done a valuation on his 25% shares and the arbitrator chose to value Al's 25% at about 2.5M which Fiera had agreed to set aside in escrow on closing instead of the 1.75M noted in the attached term sheet.

Now I am working with Al's corporate counsel to complete the legal transfer documents to agree on the final versions of these legal documents and there will be another hearing at the end of this month to discuss terms of how the 2.5M should be paid out (ie. in one lump sum or over a period of time) and for legal fees. We will likely come to an agreement with Al's lawyer prior to this hearing so that won't be necessary where there is a final payout of the funds from escrow and full and final releases.

Let me know if you have any further questions

JACOB MURAD, J.D., LL.M.
general counsel

jmurad@millstreetco.com

TEL: 905-764-5465 ext. 221 CELL: 416-879-0227

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: Saturday, January 4, 2020 1:44 PM
To: Jacob Murad <jmurad@millstreetco.com>
Cc: Tim Oldfield <tim.oldfield@crowncapital.ca>; Noah Murad <nmurad@millstreetco.com>
Subject: Re: Info

Good afternoon Jacob,

I hope you're having a good start to the new year. Noah said that you would be sending us an update on the GNI arbitration/value process as well as the details for the Fiera/CIBC details for GNI.

Can you please forward these details so we can review prior to a discussion next week.

Thank you,

Josh Axler, CFA
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Jan 3, 2020, at 11:05 AM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Tim

Ok I will. Please let me know what time you are available.

Kind regards

Noah

On Jan 3, 2020, at 11:03 AM, Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:

Thanks Noah. Please have Jacob reach out to Josh to provide the updates and please also confirm on Monday once the interest payments have been made. I would also like to catch up with you early next week and will reach out to you when I am back in the office.

Sincerely,

Tim.

Tim Oldfield, CPA, CA, CFA
Chief Investment Officer
Crown Capital Partners Inc.
Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

On Jan 2, 2020, at 2:27 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Tim,

We are going to make the interest payments on Monday as planned.

I will have Jacob send the specifics on the Fiera deal as well as what we have with CIBC. In addition, Jacob can provide a timeline on the arbitration from this point as well as the details on where the value is going to end up. He is more familiar with the process so can be more specific on the timing.

Regards

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Tim Oldfield <tim.oldfield@crowncapital.ca>
Sent: January 2, 2020 11:05 AM
To: Noah Murad <nmurad@millstreetco.com>
Cc: Trevor Harris <tharris@millstreetco.com>; Josh Axler <josh.axler@crowncapital.ca>
Subject: Re: Info

Noah,

I didn't hear back from you on my previous email. I am currently out of the office but I would appreciate it if you can update Josh on the Great Nirthern deal as well as the timing of the overdue November interest payment as well as the December payment which is due today.

Thanks. Tim

Tim Oldfield
Chief Investment Officer
Crown Capital Partners Inc.
416.640.6798

> On Dec 20, 2019, at 4:21 PM, Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:
>
> Hi Noah. We should discuss. Are you around on Monday?
>
> Tim Oldfield, CPA, CA, CFA
> Chief Investment Officer
> **Crown Capital Partners Inc.**
> Direct 416-640-6798
> tim.oldfield@crowncapital.ca
> www.crowncapital.ca
>
>> On Dec 18, 2019, at 4:53 PM, Noah Murad <nmurad@millstreetco.com> wrote:
>>
>> Tim
>>
>> As I explained to Josh recently and as you are aware, we have been in a contentious situation with TD. We are in the middle of finalizing our deal with Fiera and CIBC for the new term and working capital lines. We are also in arbitration with Al as you know where we will have a ruling on the 25% value by tomorrow.
>>
>> The money for the buyout has been escrowed and it will be released shortly at which point we will own 100% of GNI. On the 6th of Jan, we will be moving forward with Fiera and CIBC and we can make a double payment to you after that time.
>>
>> Noah
>>
>> On Dec 18, 2019, at 3:47 PM, Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:
>>
>>> Trevor / Noah,
>>>
>>> My finance group confirmed to me that we have not yet received your November interest payment, which was due on December 2nd. This is not the first time that the monthly payment has been late and its not clear to me why timely payment of the interest has been an issue. Based on the correspondence below we were

expecting an update from you on Monday.

I would appreciate a response today confirming that the payment has been made.

Thanks.

Tim.

Tim Oldfield, CPA, CA, CFA
Chief Investment Officer
Crown Capital Partners Inc.
Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

On Dec 16, 2019, at 11:24 AM, Josh Axler <josh.axler@crowncapital.ca> wrote:

Hi Trevor,

Based on my discussion with Noah I understood the amount distributed to the trust was significantly less than $800k, which alone exceeds the permitted distribution amount. Can you please send me the schedule of when all the distributions and amounts were made. My understanding was that there was already money put back into the business, not a plan to put money back into the business.

We had discussed that having Jacob internally does provide some cost savings, but we had not changed the covenant from the $750k total distributions in the credit agreement. Please send the schedule of the distributions and we can discuss further after we have reviewed.

Thank you,

Josh Axler, CFA
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Dec 16, 2019, at 11:07 AM, Trevor Harris <tharris@millstreetco.com> wrote:

Josh
Please see below the answer to your

queries. I am looking into the interest payment.
Regards

Trevor Harris CPA CA
Vice President, Finance

<image001.jpg>
7616 Yonge Street
Thornhill, ON L4J 1V9
905-764-5465 Ext 227
www.millstreetco.com

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: Thursday, December 5, 2019 10:02 AM
To: Trevor Harris <tharris@millstreetco.com>
Cc: Tim Oldfield <tim.oldfield@crowncapital.ca>; Noah Murad <nmurad@millstreetco.com>
Subject: Re: Info

Good morning Trevor,

Just want to clarify and get some further detail on below.

1. Did the $136k in pref shares represent all of Ezio's salary last year? Were any other staff members paid in prefs? Were the pref shares issued at Par or at a discount?

No it did not represent all of Ezio's salary. No other staff members were paid in prefs. The shares were issued at par.

2. Can you please break out in detail the amounts that have been paid to Noah, Jacob and the trust year to date? As you recall from our meeting in August there is a covenant in the loan agreement that

limits permitted distributions to non-arm's length shareholders to $750,000 which includes salaries, bonuses and distributions to the trust. Any amount over and above that needs to be discussed with Crown in advance of the distribution, even if money is going to be loaned back into the business, based on your e-mail below the distribution to the trust alone exceeds that amount.

Please see below. If you recall in the meeting we also discussed if Jacob was not at the company the costs would be significantly higher than his costs.

997322 (Trust)
801,327
Jacob
107,577
Noah
185,520

3) Can you provide details of the reinvestment back in - is this a shareholder loan or equity? Is this coming from the family trust or from Noah? When was the money taken out and put back in and were you planning to redistribute that money later?

We are trying to determine the best way to do that in a tax efficient manner. It may well just be a reduction of the fee.

Thank you,

Josh Axler, CFA

This is **Exhibit "P"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

Rahul Gandotra

From:	Tim Oldfield <tim.oldfield@crowncapital.ca>
Sent:	January-10-20 11:56 AM
To:	Jacob Murad
Cc:	Josh Axler; Noah Murad
Subject:	Re: Info

Thanks Jacob.

We are trying to ascertain the status of the Fiera loan. Please confirm the exact status of the Fiera loan and please provide copies of the relevant documents that have been either drafted / signed post the October 31st committed term sheet.

Thanks. Tim.

Tim Oldfield, CPA, CA, CFA
Chief Investment Officer
Crown Capital Partners Inc.
Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

On Jan 10, 2020, at 9:43 AM, Jacob Murad <jmurad@millstreetco.com> wrote:

See below in red

JACOB MURAD, J.D., LL.M.
general counsel

jmurad@millstreetco.com

TEL: 905-764-5465 ext. 221 CELL: 416-879-0227

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Tim Oldfield <tim.oldfield@crowncapital.ca>
Sent: Tuesday, January 7, 2020 11:18 AM
To: Jacob Murad <jmurad@millstreetco.com>
Cc: Josh Axler <josh.axler@crowncapital.ca>; Noah Murad <nmurad@millstreetco.com>
Subject: Re: Info

Thanks Jacob. I went through the various files and have a few questions / clarifications:

- In your previous email you indicated that you would have to pay $2.5mm for Al's Shares. The Hoare report indicates a value of $2,559,500. I assume that the arbitrator agreed with the Hoare value and that you rounded the $2.559mm to $2.5mm? Please confirm. Confirmed but there will be one more valuation exercise over this month with a hearing end of January where this amount may go up or down so that's why I gave you the approximate number. All the arbitrator ruled was that there should not be a minority discount
- The Hoare report also references $1,000,000 for Class A Special Shares. I assume that you will also have to pay this amount in addition to the $2.559mm? Please confirm Confirmed – the Class A Special Shares is the Earnout
- The Hoare report includes a redundant asset of $2,350,895 relating to shareholder loans in the value conclusion. As per Schedule 1 it shows that Al's company (895639 Ontario Ltd.) owes $328,317 to GNI. Will this amount have to be repaid by 895639 Ontario Ltd. as part of the transaction? Still unclear, will likely be handled in the hearing at end of Jan.
- The Fiera term sheet references $1.75mm for the purchase of the 25% shares. You indicated that this would now change to $2.5mm or $2.559mm. Please confirm confirmed and will be sitting in escrow with our litigator
- The Fiera term sheet also references $1mm for 'Pay earn out'. Is this meant to reference the purchase of the $1mm of Special Shares? Or is the earn out something different? Please confirm this is the same – the earnout is the special shares and is going to be in escrow with our litigator
- In previous emails/discussions I think you had mentioned that you would have to pay Al his 'share of the profits'. We are not clear as to what this means and if this implies further payments to Al in addition to the amounts referenced above. Please confirm confirmed – his share of the profits means 25% of dividends that were distributed to us that he did not want to collect. This amount is yet to be calculated but is estimated to be 500K.
- Essentially we are trying to get a complete picture of the payments that will need to be made to Al and the source of those funds understood – again this excess number will be determined and the terms determined at the next hearing unless we can reach an agreement. We will make those payments either from GNI or from Mill.

Thanks. Tim

Tim Oldfield, CPA, CA, CFA
Chief Investment Officer
Crown Capital Partners Inc.
Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

On Jan 7, 2020, at 9:18 AM, Jacob Murad <jmurad@millstreetco.com> wrote:

Morning Tim,

I will have Trevor send the models.

See attached the valuations that the arbitrator considered in his ruling. Mr. Hoare is Al's valuator, Fazarri is ours and there were two follow up critique reports.

Best,

From: Noah Murad
To: Tim Oldfield
Subject: RE: Info
Date: Friday, January 10, 2020 3:02:35 PM
Attachments: image001.png

Tim,

I by no means mean any disrespect in answering you sporadically on some occasions. As I am sure you can appreciate, I have delegated this to members of my team that have been hired to do a job, and cannot do mine if I have to double check everything they do. I am also of course busy dealing with important issues every day that involve growing the business and removing TD.

I will have the office send the wire confirmation to you as soon as possible to clear this up.

As far as your comment about our relationship, this is a sensitive point for us. We met several times since Nov 2018, where I made it clear that I wanted to grow the business. On more than one occasion we discussed strategy on growth, where it was made fairly clear that we would expand our loan with you in order to support the two larger acquisitions we had. We planned our business last year with the understanding that this support would be there. When it wasn't, we were left to source other funding through other means, delay the transactions and deal with the contraction of our relationship with TD. We also invested money personally to shore up our balance sheet.

Of course we have succeeded in growing GNI and the HVAC company, as well as selling other businesses, exactly as we told you we would do, despite the challenges. We have also reduced or negotiated debt, as well as are arranging the buyout of the 25% of GNI at a less than 2x multiple. These are all activities that have created value for the company over the year.

Notwithstanding this, the point is these working capital and growth issues have been exacerbated by our counting on additional loans coming in from Crown based on the discussions we had. By them not materializing, we were not able to close deals at a critical time which would have helped our business, and of course, have impacted our reputation with the businesses we have approached.

We value your input on our businesses, and obviously I value my relationship with your company and Chris especially. Our relationship is going to last another 8 years. But I do want to make it clear that our expectations as an organization is that there will be appetite on Crown's part to help us grow. Money coming into the organization would be most valuable now, when we are trying to close acquisitions and remove TD Bank as a lender, and not after we finish all of the work.

It is on these decisions that Crown has made (or not made) during this critical time in Mill Street's business life that our partnership will rest and not on basic financial reporting and regularity of interest payments.

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

From: Tim Oldfield <tim.oldfield@crowncapital.ca>
Sent: January 10, 2020 10:25 AM
To: Noah Murad <nmurad@millstreetco.com>
Subject: Re: Info

Noah, I have removed Trevor and Josh from this email as I felt it more appropriate to express my views directly to you.

I am very frustrated with your lack of a clear and timely response with respect to the interest payments. The November payment was a month late and the December payment was due on Monday and has not yet been received and you have not responded to my requests for confirmation as to when this will be paid. I am sure you can appreciate that this is not acceptable and is not productive for our relationship. I would like a response from you today on this.

Tim

Tim Oldfield, CPA, CA, CFA
Chief Investment Officer
Crown Capital Partners Inc.
Direct 416-640-6798

tim.oldfield@crowncapital.ca
www.crowncapital.ca

On Jan 9, 2020, at 8:57 AM, Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:

Good morning Noah.

My finance team confirmed this morning that the payment has not shown up in our account yet.

Please send me the wire transfer confirmation so that we can track this down with our bank.

Thanks. Tim.

Tim Oldfield, CPA, CA, CFA
Chief Investment Officer
Crown Capital Partners Inc.
Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

On Jan 8, 2020, at 4:36 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Tim,

I apologize I did not see your email yesterday. You should have received this payment yesterday and certainly by today. I will follow up with the group right now and then get back to you.

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

This email may contain confidential information, and is intended only for the named recipient and may be privileged. Distribution or copying of this email by anyone other than the named recipient is prohibited. If you are not the named recipient, please notify us immediately and permanently delete this email and destroy all copies of it.

From: Tim Oldfield <tim.oldfield@crowncapital.ca>
Sent: January 8, 2020 4:15 PM
To: Noah Murad <nmurad@millstreetco.com>
Cc: Trevor Harris <tharris@millstreetco.com>; Josh Axler <josh.axler@crowncapital.ca>
Subject: Re: Info

Noah / Trevor,

Please respond to my email regarding payment of the December interest.

Sincerely,

Tim.

Tim Oldfield, CPA, CA, CFA
Chief Investment Officer
Crown Capital Partners Inc.
Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

On Jan 7, 2020, at 11:43 AM, Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:

Noah, my finance group confirmed receipt of the November interest payment of $98,630.14. The December interest payment of $101,917.81 has not yet been received and is overdue. Please confirm that you are planning to send this amount today as well.

Thanks. Tim.

Tim Oldfield, CPA, CA, CFA
Chief Investment Officer
Crown Capital Partners Inc.
Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

On Jan 2, 2020, at 2:27 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Tim,

We are going to make the interest payments on Monday as planned.

I will have Jacob send the specifics on the Fiera deal as well as what we have with CIBC. In addition, Jacob can provide a timeline on the arbitration from this point as well as the details on where the value is going to end up. He is more familiar with the process so can be more specific on the timing.

Regards

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Tim Oldfield <tim.oldfield@crowncapital.ca>
Sent: January 2, 2020 11:05 AM
To: Noah Murad <nmurad@millstreetco.com>
Cc: Trevor Harris <tharris@millstreetco.com>; Josh Axler <josh.axler@crowncapital.ca>
Subject: Re: Info

Noah,

I didn't hear back from you on my previous email. I am currently out of the office but I would appreciate it if you can update Josh on the Great Nirthern deal as well as the timing of the overdue November interest payment as well as the December payment which is due today.

Thanks. Tim

Tim Oldfield
Chief Investment Officer
Crown Capital Partners Inc.
416.640.6798

On Dec 20, 2019, at 4:21 PM, Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:

Hi Noah. We should discuss. Are you around on Monday?

Tim Oldfield, CPA, CA, CFA
Chief Investment Officer
Crown Capital Partners Inc.
Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

On Dec 18, 2019, at 4:53 PM, Noah Murad
<nmurad@millstreetco.com> wrote:

Tim

As I explained to Josh recently and as you are aware, we have been in a contentious situation with TD. We are in the middle of finalizing our deal with Fiera and CIBC for the new term and working capital lines. We are also in arbitration with Al as you know where we will have a ruling on the 25% value by tomorrow.

The money for the buyout has been escrowed and it will be released shortly at which point we will own 100% of GNI. On the 6th of Jan, we will be moving forward with Fiera and CIBC and we can make a double payment to you after that time.

Noah

On Dec 18, 2019, at 3:47 PM, Tim Oldfield
<tim.oldfield@crowncapital.ca> wrote:

Trevor / Noah,

My finance group confirmed to me that we have not yet received your November interest payment, which was due on December 2nd. This is not the first time that the monthly payment has been late and its not clear to me why timely payment of the interest has been an issue. Based on the correspondence below we were expecting an update from you on Monday.

I would appreciate a response today confirming that the payment has been made.

Thanks.

Tim.

Tim Oldfield, CPA, CA, CFA
Chief Investment Officer
Crown Capital Partners Inc.
Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

On Dec 16, 2019, at 11:24 AM, Josh Axler
<josh.axler@crowncapital.ca> wrote:

This is **Exhibit "Q"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 17, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

MILL STREET & Co.
7616 YONGE STREET
THORNHILL, ONTARIO L4J 1V9
905.764.5465

Private and Confidential

January 20, 2020

Crown Capital Partners Inc.
Bay Adelaide Centre
333 Bay Street
Suite 2730
Toronto ON M5H 2R2

Attention: Tim Oldfield

Dear Mr. Oldfield:

Re: Response to Notice of Default letter dated January 17, 2020

I am writing in response to the above-noted letter from Crown Capital Partners Inc. ("**Crown**") alleging Events of Default pursuant to the Credit Agreement (all capitalized terms herein are as defined in your letter), which in our view, is a disingenuous version of events. At all material times, interest payments have been paid in a timely manner, all events both material and immaterial have been disclosed to Crown's officers and substantial time and costs have been incurred by us in providing continuous disclosure to ensure that all covenants and obligations have been maintained.

However, over the past year, Crown and its officers and representatives have made continuous material and negligent misrepresentations to Mill Street to which Mill Street has relied upon to its detriment leading to damages to the company including, but not limited to: the promises of additional capital allocated to the business; the conversion of the Credit Agreement into a differing product with differing terms; and the provision of additional financial assistance to Mill Street on certain conditions of disclosure and strategic conduct to take place on the part of the company. Despite the knowledge of the company's reliance, Crown had breached all of its promises, and, in addition, significantly delayed providing written consent to accommodate Mill Street's actions and strategic plan created in partnership with Crown. This has caused our company to be placed in harmful positions which it was required to cure both for its own interests and to protect the security position for Crown. Mill Street has, to date, mitigated its damages and continued to grow and improve Crown's investment, while at the same time, continued to provide timely disclosures and reasonably timely interest payments to Crown given the circumstances created by Crown's own misconduct.

As stated, your letter and accompanying email fails to acknowledge all of the above events and brazenly alleges Events of Default under the Credit Agreement. Ultimately, prior to entering into the Credit Agreement, Crown Capital has been represented to us as a long-term partner similar to that of an equity partner, but its actions and your letter represent to us that Crown is a short-term lender. If Crown is the former but is unable or

MILL STREET & Co.
7616 YONGE STREET
THORNHILL, ONTARIO L4J 1V9
905.764.5465

unwilling to accommodate the growth of our company, then we will move to an immediate buyout of your position and advocate for a more reasonable prepayment penalty than that in the Credit Agreement to ensure a smooth transition.

If Crown is the latter and by sending your letter is acting as a lender seeking strict technical enforcement measures regardless of its conduct and the larger context, then I assure you, we take the allegations in your letter extremely seriously and at this stage are prepared to escalate this to the proper authorities and jurisdictions until it is confirmed by Crown that no Events of Default are continuing. We expect written confirmation of your position by 5:00PM on Tuesday, January 21, 2020, failing which we will govern ourselves accordingly.

Yours truly,

MILL STREET& CO. INC.

Noah Murad
President

This is **Exhibit "R"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

THIS TAB HAS BEEN INTENTIONALLY LEFT BLANK

This is **Exhibit "S"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

From: Noah Murad
To: Tim Oldfield
Subject: RE: Follow Up
Date: Thursday, February 6, 2020 10:05:13 PM
Attachments: LTV Mill Street.xlsx
image001.png

Tim

In light of your last email and your alluding to a forbearance agreement and using counsel, I will respond as follows.

We have clearly stated previously, that your letter and accompanying email that claims Events of Default fails to acknowledge all of the events that took place and does not take into consideration any current information, including that your current position has improved considerably from the initial investment. I have attached a document that has been represented to me in the past as a material working document that has been used by your team to evaluate the portfolio. The chart on the bottom has been filled out by me with approximations of our trailing twelve month numbers that will be substantiated in our financial reports and by our auditors. The chart on the top was provided to me by your team and as you know contains projections of future results of the group of businesses from the original business plan. You will note that we have included a write off from TD bank on Fastway and other files, but excluded any value being given to any sold businesses.

As noted, your letter alleges Events of Default under the Credit Agreement, and our position is that none exist. We have acted at all times in the best interest of the company and Crown's investment and we will continue to do so.

We are, however, more than willing to work towards a buyout of your position if this is the direction you wish to go. In order to do so, the interested parties require a confirmation in writing that Crown is willing to reduce it's prepayment penalty to allow such a buyout to occur on reasonable terms. At all times we will continue to comply with the requirements under the debenture to make timely interest payments and provide reasonable reporting to Crown as we have always done. We will also continue to make decisions that will grow the value of the businesses we own to the benefit of your loan position.

Once we receive your letter reducing your prepayment penalty, which is the only required amendment to our existing agreements, we will reply with a more formal letter setting reasonable expectations for the buyout of your facility. In the meantime we will not be entering in to any forbearance agreement as this sort of agreement does not properly address the present situation and has certain implications which will be detrimental to our company and in fact counterproductive to you receiving a prompt buyout.

I will await your indicative letter regarding the reduction of the prepayment penalty and once received will follow up promptly with a more fulsome plan.

NOAH MURAD

president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

MILL STREET & Co.

From: Tim Oldfield <tim.oldfield@crowncapital.ca>
Sent: February 4, 2020 1:43 PM
To: Noah Murad <nmurad@millstreetco.com>
Cc: Josh Axler <josh.axler@crowncapital.ca>
Subject: Follow Up

Hi Noah,

I am following up on our call from last Thursday where we spoke about the process whereby you would prepay the Crown loan. On the call you confirmed that you have already started the process of identifying and reaching out to new capital providers and you mentioned that you are putting together a letter to send to me this week that outlines your thoughts on that process. Please send this through to me as soon as you can so that we can review and discuss it with you.

On my end I indicated that we will be looking to put some structure around the prepayment process. This will be in the form of an amendment / forbearance agreement that will set out various milestones for the process and associated timelines, as well as some additional reporting requirements throughout that we may use a monitor to oversee. I plan to speak to our counsel on this to pull together the framework of the document, which we can flush out once we have input from you on the process and timelines for the refinancing.

Sincerely,

Tim.

Tim Oldfield, CPA, CA, CFA
Chief Investment Officer
Crown Capital Partners Inc.
Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

This is **Exhibit "T"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 17, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

From: Noah Murad
To: Roy Murad; Jacob Murad
Subject: Fwd: Follow Up
Date: Friday, February 14, 2020 5:47:32 PM
Attachments: Credit Amending Agreement.pdf
ATT00001.htm

Noah

Begin forwarded message:

From: Tim Oldfield <tim.oldfield@crowncapital.ca>
Date: February 14, 2020 at 4:15:00 PM EST
To: Noah Murad <nmurad@millstreetco.com>
Subject: Re: Follow Up

Noah,

As a follow up to our email exchange below, I have given thought to your request for an amendment to our existing loan agreement to allow for prepayment of the loan at a reduced level of prepayment fee and bonus.

We are in agreement with your request and, as such, I have attached a draft amending agreement that sets out a structure that will allow this. The amendment will allow Mill Street to prepay the entire loan balance now, whereas the current loan agreement does not allow for prepayment until May 17, 2021. The amendment also provides for a reduced prepayment fee and bonus structure for a period of time and provides an incentive to complete the prepayment in the near term.

Once you have a chance to review the document I would be happy to get on a call or meet to discuss.

Sincerely,

Tim

CREDIT AMENDING AGREEMENT
(this "Amending Agreement")

TO: **Mill Street & Co. Inc. (the "Borrower")**

AND TO: **Crown Capital Private Credit Fund, LP, by its general partner, Crown Capital Private Credit Management Inc. (collectively, the "Lender")**

RE: **Credit Agreement dated as of May 16, 2018 between the Borrower and the Lender (the "Agreement")**

WHEREAS the Borrower and the Lender (together with the Borrower, the "**Parties**") are parties to the Agreement, pursuant to which, amongst other things, and subject to the terms and conditions of the Agreement, the Lender agreed to loan to the Borrower in lawful money of Canada the principal amount of $10,000,000 to or for the account of the Borrower (the "**Loan**");

AND WHEREAS the Parties now wish to make certain amendments to the Agreement;

AND WHEREAS the Agreement provides that it may not be modified, altered or amended except by an agreement in writing signed by the Parties;

NOW THEREFORE, in consideration of good and valuable consideration, as further outlined below, each of the parties hereto agrees as follows:

1. except as modified herein, no other change or modification to the terms of the Agreement, the other Loan Documents (as defined in the Agreement) or any other documents delivered in connection therewith is intended or implied, and in all other respects, the terms of the Agreement, the other Loan Documents and all other documents delivered in connection therewith are confirmed, and the terms of the Agreement are incorporated by reference herein;

2. if there is any inconsistency or conflict between the terms of this Amending Agreement and the terms of the Agreement, the other Loan Documents or any other document delivered in connection therewith, the provisions of this Amending Agreement shall prevail to the extent of the inconsistency, but the foregoing shall not apply to limit or restrict in any way the rights and remedies of the Lender in respect of the Loan, the Loan Documents or any other document delivered in connection therewith, other than as may be specifically contemplated herein;

3. terms that are capitalized but otherwise not defined herein shall have the same meaning given to them in the Agreement;

4. each of the Parties hereby acknowledges, confirms and agrees that, regardless of whether a Pending Event of Default or Event of Default is continuing prior to or after giving effect to any payment of the Loan by the Borrower (or anyone on its behalf) to the Lender (including, without limitation, any actual or any contemplated prepayment of the Loan to the Lender):

   (a) the Borrower (or anyone on its behalf) may repay all but not less than all the outstanding Principal Amount prior to the date upon which the then outstanding

Principal Amount becomes due and payable, together with the corresponding Prepayment Fee and Bonus Payment;

(b) regardless of whether there is a prepayment by the Borrower (or anyone on its behalf), both the Prepayment Fee and the Bonus Payment shall immediately be earned by and paid to the Lender on the earliest of (the "**Crystallization Date**"):

(i) the date on which the Borrower (or anyone on its behalf) actually repays the corresponding outstanding Principal Amount to the Lender;

(ii) the Maturity Date; and

(iii) any other date upon which the then outstanding Principal Amount becomes due and payable;

(c) the Prepayment Fee shall be:

(i) if the Crystallization Date occurs on or prior to April 30, 2020, $240,000;

(ii) if the Crystallization Date occurs after April 30, 2020 but on or prior to May 31, 2020, $300,000;

(iii) if the Crystallization Date occurs after May 31, 2020 but on or prior to June 30, 2020, $360,000;

(iv) if the Crystallization Date occurs after June 30, 2020 but on or prior to July 31, 2020, $420,000;

(v) if the Crystallization Date occurs after July 31, 2020 but on or prior to May 16, 2023, $1,200,000;

(vi) if the Crystallization Date occurs after May 16, 2023 but on or prior to May 16, 2026, $600,000; and

(vii) in all other cases, $300,000;

(d) the Bonus Payment shall no longer be based upon the growth of the EVPS of the Borrower or any other metric of the Borrower's financial performance, and the Bonus Payment shall instead be:

(i) if the Crystallization Date occurs on or prior to April 30, 2020, $1,000,000;

(ii) if the Crystallization Date occurs after April 30, 2020 but on or prior to May 31, 2020, $1,250,000;

(iii) if the Crystallization Date occurs after May 31, 2020 but on or prior to June 30, 2020, $1,500,000;

(iv) if the Crystallization Date occurs after June 30, 2020 but on or prior to July 31, 2020, $1,750,000;

(v) if the Crystallization Date occurs after July 31, 2020 but on or prior to May 16, 2023, $5,000,000;

(vi) if the Crystallization Date occurs after May 16, 2023 but on or prior to May 16, 2026, $3,000,000; and

(vii) in all other cases, $1,000,000;

5. without acknowledging whether any Pending Event of Default or Event of Default exists or has existed, each of the Parties hereby acknowledges, confirms and agrees that the Lender has not waived, and is not by this Amending Agreement, waiving, and has no intention of waiving, any Pending Event of Default or Event of Default which may be continuing on the date hereof, or any other Pending Event of Default or Event of Default which may occur after the date hereof (whether the same as or similar to any existing Pending Event of Default or Event of Default or otherwise), and that the Lender reserves the right, in its sole and unfettered discretion, to exercise any or all of its rights or remedies under the Agreement, this Amending Agreement, the other Loan Documents, all other documents delivered in connection therewith and any other applicable law, and neither anything in this Amending Agreement nor any delay on the part of the Lender in exercising any such rights or remedies shall be construed as a waiver of any such rights or remedies;

6. in the event that any provision of this Amending Agreement, the Agreement, the other Loan Documents or any other document delivered in connection therewith would oblige the Borrower to make any payment of interest or any other payment which is construed by a court of competent jurisdiction to be interest in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Lender of interest at a criminal rate (as such term is construed under the *Criminal Code* (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted *nunc pro tunc* to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Lender of interest at a criminal rate;

7. if any payment or collection pursuant to this Amending Agreement, the Agreement, the other Loan Documents or any other document delivered in connection therewith is determined to be contrary to law, such payment or collection shall be deemed to have been made by mutual mistake and such amount shall be refunded;

8. in consideration of the agreements of the Lender contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower, on its behalf and on behalf of its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably releases, remises and forever discharges the Lender and each of its successors and assigns, participants, affiliates, subsidiaries, branches, divisions, predecessors, directors, officers, attorneys, employees, and other representatives and advisors (the Lender and all such other persons being hereinafter referred to collectively as the "**Releasees**"), of and from all demands,

actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defenses, complaints, rights of set-off, demands and liabilities whatsoever of every name and nature, known or unknown, suspected or unsuspected, both arising at law and in equity, which the Borrower, or any of its successors, assigns or other legal representatives, may now own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the date of this Amending Agreement;

9. each of the Parties acknowledges and declares that:

   (a) it has had an adequate opportunity to read and consider this Amending Agreement and to obtain such advice in regard to it as it considers advisable, including, without limitation, independent legal advice;

   (b) it fully understands the nature and effect of this Amending Agreement; and

   (c) this Amending Agreement has been duly executed voluntarily; and

10. this Amending Agreement may be executed and transmitted by electronic means, and any signature received by electronic transmission shall be treated as an original signature.

[THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF the undersigned have executed this Agreement this _____ day of February, 2020.

MILL STREET & CO. INC.

By: ________________________________
Name: Noah Murad
Title: President

I have authority to bind the corporation.

CROWN CAPITAL PRIVATE CREDIT FUND, LP, by its general partner, CROWN CAPITAL PRIVATE CREDIT MANAGEMENT INC.

By: ________________________________
Name: Tim Oldfield
Title: Chief Investment Officer

By: ________________________________
Name:
Title:

We have authority to bind the corporation.

This is **Exhibit "U"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 1~~7~~8, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

Begin forwarded message:

From: Chris Johnson <chris.johnson@crowncapital.ca>
Date: February 6, 2020 at 8:21:03 AM EST
To: Noah Murad <nmurad@millstreetco.com>
Subject: Mosaic

Would you be interested in connecting with them regarding a merger? May be a good opportunity to provide liquidity to your pref shareholders and platform to raise money. They currently have some liquidity for acquisitions.

This is **Exhibit "V"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

CROWNCAPITAL PARTNERS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2019

Crown Capital Partners Inc.
150 9th Avenue SW, Suite 2827
Calgary, Alberta T2P 3H9
www.crowncapital.ca

ORGANIZATION OF THE MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

"Crown", the "Corporation", "we", "us" or "our" refers to Crown Capital Partners Inc. and its consolidated subsidiaries.

Please refer to the Glossary of Terms beginning on page 53 which defines certain performance measures that we use to measure our business and also defines the names used throughout the MD&A in reference to operating companies, limited partnerships, portfolio companies and their respective subsidiaries.

Additional information about the Corporation, including our Annual Information Form, is available on our website at www.crowncapital.ca and on the Canadian Securities Administrators' website at www.sedar.com. Information contained in or otherwise accessible through the websites mentioned does not form part of this report. All references in this report to websites are inactive textual references and are not incorporated by reference.

PART 1 – OUR BUSINESS

BUSINESS OVERVIEW

Crown is a specialty finance company operating in each of the alternative corporate finance, distributed power and telecommunications infrastructure markets. We act as both an asset manager of capital pools invested in alternative asset classes, and as a direct investor, including minority ownership interests in certain of our managed investment funds.

Crown was founded by Crown Life Insurance Company and owned by it until 2002. We completed an initial public offering ("**IPO**") in 2015 and our common shares ("**Common Shares**") trade on the Toronto Stock Exchange under the symbol TSX:CRWN.

Alternative Corporate Financing

In the alternative corporate finance sector, we are focused on providing capital to successful Canadian companies and select U.S. companies seeking alternative financing solutions compared to those provided by traditional capital providers such as banks and private equity funds. Crown originates, structures and provides tailored special situation and long-term financing solutions to a diversified group of private and public mid-market companies in the form of loans, royalties, and other structures with minimal or no ownership dilution. These financing solutions allow business owners to retain the vast majority of the economic rewards associated with the ownership of their respective businesses.

Through its partially owned subsidiary Crown Partners Fund, Crown offers special situations financing solutions to businesses for transitory capital requirements, generally in the form of short- and medium-term senior or subordinated loans ("**Special Situations Financing**"). In addition to investment-related revenues earned by the Corporation in relation to its partial ownership of Crown Partners Fund, Crown also earns fees from non-controlling interests in relation to its management of Crown Partners Fund.

Through its wholly owned subsidiary Crown Private Credit Fund, Crown deploys its capital to clients seeking non-dilutive, long-term capital, generally in the form of traditional interest-bearing loans and royalties ("**Long-Term Financing**").

Collectively, we refer to Special Situations Financing and Long-term Financing as "**Alternative Corporate Financing**".

As at December 31, 2019, our investment portfolio, which relates exclusively to our Alternative Corporate Financing business, was carried at $250.1 million (2018 - $246.9 million) including Special Situations Financing investments totaling $214.9 million (2018 - $206.0 million) and Long-Term Financing investments totaling $35.2 million (2018 - $40.9 million).

Crown's revenue sources from investing activities include interest revenue, transaction fees and realized and unrealized gains on investments made by its consolidated investment funds Crown Partners Fund and Crown Private Credit Fund.

Distributed Power

Crown is also deploying capital through its partially owned subsidiary Crown Power Fund, an investment fund established in June 2018 to invest directly in power generation assets that provide electricity under long-term contracts to mid- to large-scale electricity users ("**Distributed Power**"). In February 2019, Crown Power Fund completed a closing with subscriptions that increased its total committed capital to $57.9 million, including an aggregate capital commitment of $32.9 million by third-party investors, and reduced our ownership of Crown Power Fund, which we hold through wholly owned subsidiary CCFC, from 100.0% to 43.2%.

As at December 31, 2019, Crown Power Fund's aggregate equipment-related investment was carried at $16.6 million (2018 - $12.0 million) including amounts invested in distributed power equipment under development and related deposits ($10.5 million), distributed power equipment ($5.4 million, included in property and equipment) and net investment in leased distributed power equipment ($0.6 million).

In addition to revenues earned by the Corporation in relation to its partial ownership of Crown Power Fund, Crown also earns fees from non-controlling interests in relation to its management of Crown Power Fund which were voluntarily waived in 2019 through this fund's early development phase. Crown also anticipates earning revenue in relation to the partial interests that it holds, both directly and through Crown Power Fund, in multiple operating partners of Crown Power Fund as these operating partners achieve scale and profitability.

Network Services

Through WireIE, a wholly owned subsidiary acquired effective July 12, 2019, Crown owns and operates broadband networks that deliver reliable, scalable and secure network availability to businesses in underserved markets ("**Network Services**"). As at December 31, 2019, Crown had invested a total of $9.4 million in WireIE. Revenue earned by WireIE includes network services revenue, comprised of contractual revenue related to the access and usage of telecommunications infrastructure in addition to revenue from professional services, network support, maintenance and repair services.

Crown's strategy regarding its investment in WireIE involves the planned creation of a capital pool that invests in certain revenue-generating assets of WireIE and, potentially, of other companies operating in its market segment, in which investment commitments from third-party investors will be sought to fund future asset growth, and from which Crown anticipates earning fees in relation to its role as manager of this capital pool.

BASIS OF CONSOLIDATION

We generally invest significant amounts of capital alongside third-party investors in our managed funds, which, in addition to management fees and performance fees, means that we earn meaningful returns as a principal investor in addition to our asset management returns compared to a manager who acts solely as an agent. Contractual arrangements also generally provide us with the irrevocable ability to direct the activities of our managed funds. As a result, in certain cases, we are deemed to control entities in which we hold only a minority economic interest.

All entities that we control are consolidated for financial reporting purposes. As a result, we include 100% of the revenues and expenses of these entities in our Consolidated Statements of Comprehensive Income, even though a substantial portion of their net income is attributable to non-controlling interests. Furthermore, we include all assets and liabilities of these entities in our Consolidated Statements of Financial Position and include the portion of equity held by others as non-controlling interests.

Intercompany revenues and expenses between Crown and its subsidiaries are eliminated in our Consolidated Statements of Comprehensive Income; however, these items affect the attribution of net income between shareholders of the Corporation ("**Shareholders**") and non-controlling interests. For example, management fees paid by Crown Partners Fund and Crown Power Fund are eliminated from consolidated revenues and expenses. However, as the Shareholders are attributed all of the fee revenues while only attributed their proportionate share of the investment funds' expenses, the amount of net income attributable to Shareholders is increased with a corresponding decrease in the net income attributable to non-controlling interests.

Crown holds its interests in Crown Partners Fund, Crown Power Fund and Crown Private Credit Fund through CCFC, a 100%-owned subsidiary.

Crown consolidates 100% of its approximate 38.8% effective interest in Crown Partners Fund (December 31, 2018 – 37.0%), its approximate 43.2% interest in Crown Power Fund (December 31, 2018 – 100%) and its 100% interest in Crown Private Credit Fund and reflects the interests of other investors in these funds, if any, as non-controlling interests.

Crown's 38.8% effective interest in Crown Partners Fund as at December 31, 2019 includes its 37.7% direct interest in Crown Partners Fund in addition to its 19.8% interest in CCF IV Investment LP, whose net assets are comprised solely of a 5.6% interest in Crown Partners Fund. Our effective interest in Crown Partners Fund was 37.0% from October 1, 2018 to December 30, 2019, 37.1% from July 1, 2018 to September 30, 2018 and 36.5% from January 1, 2018 to June 30, 2018.

Crown's 100%-owned subsidiaries CCF III, Crown Partners Fund GP and Crown Power GP are the general partners and managers of NCOF LP, Crown Partners Fund and Crown Power Fund, respectively.

Effective July 12, 2019, Crown acquired a 100% interest in WireIE and its wholly owned subsidiaries, WireIE Canada and WireIE Development Inc.

The financial results of the Corporation as at and for twelve months ended December 31, 2019 discussed in this MD&A include the results of operations of CCF III, CCFC, Crown Partners Fund, Crown Partners Fund GP, Crown Power Fund, Crown Power GP, Crown Private Credit Fund, and, from date of its acquisition on July 12, 2019, WireIE and its wholly owned subsidiaries WireIE Canada and WireIE Development Inc.

PART 2 – REVIEW OF CONSOLIDATED FINANCIAL RESULTS

The following section contains a discussion and analysis of line items presented within our consolidated financial statements.

OVERVIEW

Net income (loss) and comprehensive income (loss) totaled $(0.2) million in 2019 compared with $7.1 million in 2018.

The year-over-year decrease in earnings in 2019 was due primarily to the following factors:

- an $11.1 million realized loss recognized by Crown Partners Fund in relation to its loan investment in Solo;
- the acquisition of WireIE effective July 12, 2019, which had an aggregate net negative impact on earnings before income taxes of $0.4 million as discussed separately below; and
- a $2.5 million provision for bad debt recognized in relation to amounts owing from an operating partner formerly affiliated with Crown Power Fund.

The three factors listed above had an aggregate negative after-tax impact of $5.4 million on the net income attributable to shareholders in 2019, accounting for the majority of the year-over-year variance in income attributable to shareholders. Other lesser contributors to the year-over-year decrease in earnings attributable to shareholders included other net investment gains (i.e., excluding the realized loss on the Solo investment) totaling $0.4 million compared with net investment gains of $2.5 million in 2018, increases in legal and GST/HST expenses that management believes will be non-recurring, and an increase in the provision for credit losses.

The above-noted items were partially offset by an increase in the amount of interest income attributable to Shareholders and reductions in each of share-based compensation expense and performance bonus expense.

The acquisition of WireIE effective July 12, 2019 impacted net income attributable to Shareholders before income taxes for 2019 in the following ways:

- a gain on acquisition of $0.1 million was recognized in connection with the transaction. For details, please refer to *Note 15 – Acquisition of subsidiary* in our consolidated financial statements;
- the pre-existing Long-Term Financing debt arrangement between the Corporation and WireIE was effectively terminated in connection with the acquisition and was deemed to have been settled at fair value, resulting in the recognition of both a realized gain on investment of $0.3 million and a $0.1 million recovery of expected credit loss; and
- for the period from July 12, 2019 to December 31, 2019, WireIE contributed a net loss before income taxes of $0.9 million, inclusive of depreciation expense of $1.9 million.

Adjusted Funds from Operations in 2019 totaled $5.3 million compared with $13.2 million in 2018. Adjusted Funds from Operations decreased in 2019 compared with 2018 due primarily to the recognition of a realized loss related to the Solo investment, the incurrence of a $2.5 million provision for bad debt, a lower level of net unrealized gains attributable to Shareholders and increases in legal and GST/HST expenses that management believes will be non-recurring.

INCOME STATEMENT ANALYSIS

The following table summarizes the financial results of the Corporation for 2019, 2018 and 2017:

FOR THE YEARS ENDED DEC. 31 (THOUSANDS)	2019	2018	2017	Change 2019 vs 2018	Change 2018 vs 2017
Revenues					
Interest revenue	**$ 28,252**	$ 26,592	$ 20,311	$ 1,660	$ 6,281
Fees and other income	**3,621**	3,540	5,634	81	(2,094)
Performance fee distributions	**-**	-	1,044	-	(1,044)
Network services revenue	**4,002**	-	-	4,002	-
Net realized gain (loss) from investments	**(9,866)**	222	3,344	(10,088)	(3,122)
Net change in unrealized gains (losses) of investments	**(802)**	2,312	(1,325)	(3,114)	3,637
Total revenue	**25,207**	32,666	29,008	(7,459)	3,658
Expenses					
Salaries, management fees and benefits	**(4,550)**	(2,690)	(2,391)	(1,860)	(299)
Share-based compensation	**(723)**	(1,555)	(1,683)	832	128
General and administration	**(3,492)**	(1,994)	(1,439)	(1,498)	(555)
Cost of network services revenue	**(1,420)**	-	-	(1,420)	-
Performance bonus recovery (expense)	**583**	(998)	(2,063)	1,581	1,065
Provision for bad debt	**(2,526)**	-	-	(2,526)	-
Depreciation	**(2,046)**	(34)	(6)	(2,012)	(28)
Provision for credit losses	**(610)**	(118)	-	(492)	(118)
Impairment of distributed power equipment	**(326)**	-	-	(326)	-
Finance costs	**(3,933)**	(2,096)	(559)	(1,837)	(1,537)
Total expenses	**(19,043)**	(9,485)	(8,141)	(9,558)	(1,344)
Earnings before other adjustments and income taxes	**6,164**	23,181	20,867	(17,017)	2,314
Gain on acquisition	**85**	-	-	85	-
Non-controlling interests	**(5,977)**	(13,225)	(11,336)	7,248	(1,889)
Income taxes	**(481)**	(2,905)	(2,796)	2,424	(109)
Net income (loss) and comprehensive income (loss)	**(209)**	7,051	6,735	(7,260)	316
Net income (loss) per share attributable to Shareholders - basic	**$ (0.02)**	$ 0.74	$ 0.71	$ (0.76)	$ 0.03
Net income (loss) per share attributable to Shareholders - diluted	**$ (0.02)**	$ 0.73	$ 0.69	$ (0.75)	$ 0.04

1. 2017 results have not been restated to reflect the adoption of IFRS 9 effective January 1, 2018, which was applied on a retrospective basis, and are therefore not comparable to the results of subsequent periods which were restated.

2. 2017 and 2018 results have not been restated to reflect the adoption of IFRS 16 effective January 1, 2019, which was applied on a retrospective basis, and are therefore not comparable to the results of subsequent periods which were restated.

2019 vs. 2018

Interest Revenue

FOR THE YEARS ENDED DEC. 31 (THOUSANDS)	2019	2018	Attributable to Shareholders 2019	Attributable to Shareholders 2018
Interest revenue				
Crown Partners Fund	**$ 22,383**	$ 21,838	$ 8,278	$ 8,041
Crown Private Credit Fund	**5,631**	4,754	5,631	4,754
Crown Power Fund	**238**	-	103	-
Total interest revenue	**$ 28,252**	$ 26,592	$ 14,012	$ 12,795

Interest revenue totaled $28.3 million in 2019 compared with $26.6 million in 2018 and was comprised of:

- interest revenue of $22.4 million earned by Crown Partners Fund (2018 - $21.8 million), with the year-over-year increase due primarily to the inclusion of $3.0 million of interest revenue recognized in relation to the repayments of the BGO, Baylin and Canadian Helicopters loans, which more than offset the impact of a reduction in the average level of interest-yielding investments;

- interest revenue of $5.6 million earned by Crown Private Credit Fund (2018 - $4.8 million), with the year-over-year increase due primarily to the inclusion of interest for only a partial year in 2018 in relation to the Mill Street loan, which was made in May 2018, and to an increase in interest revenue in relation to the PenEquity loan for which interest compounded throughout 2019; and

- interest revenue of $0.2 million recognized by Crown Power Fund (2018 - $nil), comprised mostly of interest capitalized to distributed power equipment under development and related deposits that will be subsequently recovered through receipt of lease payments over the duration of lease contracts in relation to such assets.

In accordance with International Financial Reporting Standard ("**IFRS**") 9, interest revenue on loan investments carried at amortized cost is calculated using the effective interest rate method and includes an amortization component which totaled $4.6 million in 2019 (2018 - $1.9 million).

Of total consolidated interest revenue, $14.0 million was attributable to Shareholders in 2019 compared with $12.8 million in 2018.

Fees and Other Income

FOR THE YEARS ENDED DEC. 31 (THOUSANDS)	2019	2018	Attributable to Shareholders 2019	Attributable to Shareholders 2018
Transaction fees and other income received:				
Crown Partners Fund	**$ 3,480**	$ 4,105	$ 1,287	$ 1,510
Crown Private Credit Fund	**-**	600	-	600
Crown[1]	**740**	1,050	740	1,050
	4,220	5,755	2,027	3,160
Less: Transaction fees deferred in relation to investments carried at amortized cost				
Crown Partners Fund	**(1,440)**	(1,735)	(532)	(638)
Crown Private Credit Fund	**-**	(300)	-	(300)
Crown	**(240)**	(970)	(240)	(970)
Transaction fees and other income recognized	**2,540**	2,750	1,254	1,252
Royalty revenue	**839**	476	310	175
Other interest income[2]	**165**	217	146	217
Management fee revenue[3,4]	**77**	97	77	97
Total fees and other income	**$ 3,621**	$ 3,540	$ 1,787	$ 1,741

1. Includes fees attributable to Crown in its role as an investment manager.
2. Other interest income is comprised of interest earned on cash and cash equivalents and on share purchase loans.
3. Management fee revenue excludes fees charged to Crown Partners Fund and Crown Power Fund, which are eliminated on consolidation.
4. Management fee revenue includes fees from investment management services provided to a third party financial institution.

In 2019, we recognized fees and other income totaling $3.6 million (2018 - $3.5 million) comprised of:

- transaction fees and other income of $2.5 million (2018 - $2.8 million), as discussed separately below;
- royalty revenue of $0.8 million (2018 - $0.5 million) earned in respect of royalty arrangements by Crown Partners Fund which increased compared with 2018 due in part to a full year of contribution in 2019 from the Triple Five royalty that was established in August 2018;
- interest income of $0.2 million (2018 - $0.2 million) earned in relation to cash and share purchase loans; and
- management fees of $0.1 million earned in relation to investment management services provided to a third-party financial institution compared to $0.1 million of management fees earned in 2018 in relation to NCOF LP.

Of total consolidated fees and other income recognized in 2019, $1.8 million was attributable to Shareholders compared to $1.7 million in 2018.

Transaction fees and other income

The Corporation may receive transaction fees and other income when loans are initially made, when loans are repaid prior to maturity and in other instances, for example, for providing amendments, waivers, consents or forbearance agreements. Transaction fees received in relation to loans carried at amortized cost are not recognized as fee income in the periods received and are instead deferred and amortized as a component of interest revenue calculated using the effective interest rate method. The level of aggregate transaction and other fees received may vary from period to period depending on the number and size of investment transactions, loan repayments, loan amendments, etc.

We recognized transaction fees and other income in 2019 totaling $2.5 million compared to $2.8 million in 2018. In 2019, we received additional transaction fees totaling $0.7 million and capitalized an additional $1.0 million of other fees to loan principal value (2018 - $3.0 million in total) in relation to loans carried at amortized cost, which were not recognized as fee income in the periods. In aggregate, we received or capitalized transaction and other fees totaling $4.2 million compared with $5.8 million in 2018.

Net Investment Gains (Losses)

FOR THE YEARS ENDED DEC. 31 (THOUSANDS)			Attributable to Shareholders	
	2019	2018	2019	2018
Net realized gains (losses) on investments				
Crown Partners Fund	**$ (10,132)**	$ 222	$ (3,746)	$ 81
Crown Private Credit Fund	**266**	-	266	-
Total realized gains (losses)	**(9,866)**	222	(3,481)	81
Net unrealized gains (losses) on investments				
Crown Partners Fund	**(1,275)**	1,976	(471)	730
Crown Private Credit Fund	**506**	337	506	337
Crown[1]	**(33)**	(1)	(33)	(1)
Total unrealized gains (losses)	**(802)**	2,312	2	1,066
Total net gains (losses) on investments	**$ (10,668)**	$ 2,534	$ (3,479)	$ 1,147

1. Represents gains(losses) on investments held directly by Crown (i.e., not by a subsidiary investment fund).

In 2019, we recognized a net loss on investments of $10.7 million (2018 – net gain of $2.5 million), including both realized and unrealized gains (losses), of which a net loss of $3.5 million was attributable to Shareholders (2018 – net gain of $1.1 million).

The net realized loss of $9.9 million in 2019 includes a net realized loss of $10.1 million incurred by Crown Partners Fund, comprised of a realized loss of $11.1 million on the Solo investment and a partially offsetting gain of $0.9 million realized on the repayment of the Baylin loan, as well as a realized gain of $0.3 million recognized by Crown Private Credit Fund on the settlement of the pre-existing WireIE loan investment.

The net realized gain of $0.2 million recorded in 2018 was in relation to Crown Partners Fund's investment in Petrowest.

There was a net negative change in unrealized gains (losses) of investments in 2019 of $0.8 million of which the most significant unrealized losses related to a net decrease in the fair value of equity-related securities, including a decrease in the fair value of the RBee common shares, and the reversal of previously-recognized unrealized gains in respect of loan repayments (i.e., upon realization of gains in respect of these repayments), and the most significant unrealized gains related to increases in the fair values of the Touchstone and Triple Five royalties resulting mainly from the extension of their respective terms, a net increase in the aggregate fair value of loans held at fair value through profit and loss ("**FVTPL**"), and unrealized gains recognized in relation to the restructuring of loans measured at amortized cost.

In accordance with IFRS 9, unrealized gains (losses) are not recognized in relation to investments carried at amortized cost unless the estimated timing and/or amount of cash receipts in relation to an investment are revised, in which case the gross carrying value of the investment is revised to equal the net present value of the revised cash flows discounted at the investment's previous effective interest rate. Unrealized gains totaling $2.4 million were recognized in 2019 in relation to the restructuring of the terms of four loans measured at amortized cost.

In 2018, there was a net positive change in unrealized gains (losses) of investments of $2.3 million, of which the most significant contributors were a gain resulting from an extension of the Touchstone royalty, an increase in the fair value of the RBee common shares, and a reversal of a previously recognized unrealized loss upon repayment of the Marquee loan investment.

Network Services Revenue

Through its wholly owned subsidiary WireIE, which was acquired in July 2019, the Corporation earns revenue in relation to the provision of network services. Network services revenue is comprised of contractual revenue related to the access and usage of telecommunications infrastructure in addition to revenue from professional services, network support, maintenance and repair services. The Corporation's 2019 revenues include network services revenue of $4.0 million (2018 - $nil).

The vast majority of network services revenue is contractual revenue in relation to the access and usage of telecommunications infrastructure comprised of both up-front payments related to the installation of network elements by the customer, which are deferred and recognized on a straight line basis over the life of the contract, and monthly recurring revenues relating to the ongoing operation of network services that are recognized as the service is rendered over the term of the arrangement. Upon the acquisition of WireIE in July 2019, the balance of deferred network services revenue was assigned a fair value of $nil by Crown. Accordingly, network services revenue recognized for the period from July 12, 2019 to December 31, 2019 does not include any amount in relation to the amortization of deferred network services revenue received prior to July 12, 2019 that related to network services contracts in effect at the time of the acquisition.

Expenses

Salaries, management fees and benefits expense increased by $1.9 million in 2019 to $4.6 million, including $0.6 million attributable to WireIE compared to $nil in 2018. Other than the increase related to WireIE, which was acquired in July 2019, the increase in salaries, management fees and benefits expense in 2019 was due primarily to an increase in the number of employees to support new business initiatives during the year.

Share-based compensation expense, which is recognized over the expected vesting period of each award, decreased by $0.8 million in 2019 to $0.7 million due mainly to the vesting in July 2018 of transition restricted share units that had been issued in 2015, as well as to a reduction in the number of restricted share units and performance share units outstanding. Additional information about share-based compensation can be found in *Note 7, Share-based compensation* in the Corporation's consolidated financial statements.

General and administration expenses include costs such as legal and audit fees, travel, promotion, occupancy costs, insurance, office administration and other costs. General and administration expenses totaled $3.5 million in 2019 (2018 - $2.0 million) with the $1.5 million increase due primarily to:

- the inclusion in 2019 of $0.5 million of general and administration expenses in relation to WireIE, which was acquired in July 2019 (2018 - $nil);

- a $0.4 million increase in general and administration expenses attributable to Crown Power Fund to $0.7 million (2018 - $0.3 million) that relates primarily to an increase in professional fees that management believes will be non-recurring in nature;

- a $0.6 million increase in general and administration expenses attributable to Crown Partners Fund to $0.8 million (2018 - $0.2 million) that relates primarily to two factors that management believes will be non-recurring in nature, namely legal fees incurred in respect of the Solo recovery process and a GST/HST expense incurred in relation to prior-periods; and

- a $0.2 million increase in corporate-level general and administration expenses to $1.6 million (2018 - $1.4 million) due primarily to an increase in GST/HST expense that relates primarily to an assessment in respect of which Crown has filed a formal notice of objection, partially offset by a reduction in occupancy expense following the adoption of IFRS 16 under which only a portion of payments in respect of office leases are classified as occupancy expense.

Through its wholly owned subsidiary WireIE, which was acquired in July 2019, the Corporation incurs costs directly related to the generation of revenue earned in relation to the provision of network services. For the year ended December 31, 2019, the cost of network services revenue totaled $1.4 million (2018 - $nil), primarily comprised of bandwidth fees of $1.1 million and network equipment maintenance costs of $0.2 million.

The Corporation has asset performance bonus pool ("**APBP**") arrangements for certain individuals, primarily employees ("**APBP Participants**"), whereby a portion of performance fees recognized in consolidated earnings to date in relation to certain investment funds managed by the Corporation will be payable to APBP Participants commencing on the repayment of all of the invested capital and payment of a prescribed preferential return to the limited partners of the related investment funds. In 2019, we recognized a performance bonus recovery of $0.6 million (2018 – expense of $1.0 million) reflecting a change in the level of accrued performance fee relating to Crown Partners Fund that was primarily due to the realized loss recognized in respect of the investment in Solo.

The provision for bad debt of $2.5 million recorded in 2019 (2018 - $nil) represents the gross amount receivable from a former operating partner affiliated with Crown Power Fund. It relates to advances from the Corporation that were used by the former operating partner to fund unauthorized operating expenses. As this provision was incurred directly by the Corporation rather than by its subsidiary Crown Power Fund, it is fully attributable to Shareholders. Since the initial recognition of a $3.0 million provision for bad debt in the three months ended March 31, 2019, an aggregate recovery of $0.5 million has been recognized in relation to this bad debt, including a recovery of $0.05 million in the three months ended December 31, 2019. While the Corporation intends to pursue recovery of this amount, the related provision for bad debt reflects the Corporation's current assessment of the recoverability of this receivable.

Depreciation expense totaled $2.0 million in 2019, an increase of $2.0 million compared with the prior year, and was comprised primarily of:

- depreciation of the right-of-use assets associated with network services equipment and property lease arrangements totaling $0.8 million, an amount that was $nil in 2018 (i.e., prior to the adoption of IFRS 16);
- depreciation of network services equipment totaling $0.6 million that was recognized following the acquisition of WireIE in July 2019; and
- depreciation of $0.6 million in relation to network services contracts recognized as intangible assets with finite useful lives in connection with the WireIE acquisition.

The provision for credit losses totaled $0.6 million in 2019, an increase of $0.5 million compared with the prior year, and was comprised of:

- a provision for credit losses of $0.5 million (2018 - $0.1 million) in relation to debt investments carried at amortized cost which increased compared to 2018 primarily due to an increase in the overall level of default risk for the loan portfolio;
- a provision for credit losses of $0.1 million (2018 - $nil) in relation to the accounts receivable of WireIE; and
- a nominal provision for credit losses established in relation to the net investment in leased distributed power equipment held by Crown Power Fund.

For financial assets, including debt investments, carried at amortized cost, the Corporation determines expected credit losses in accordance with IFRS 9 which, cumulatively, represent an allowance for credit losses that is deducted in determining the net amortized cost, and therefore the carrying value, of such assets. The provision for credit losses primarily reflects changes in the allowance for credit losses resulting from factors such as the addition or repayment of financial assets carried at amortized cost or revisions to the expected credit losses for existing assets carried at amortized cost.

An impairment charge of $0.3 million was recognized in 2019, comprised of:

- a $0.1 million impairment charge recognized upon the transfer of certain assets from distributed power equipment under development and related deposits to the property and equipment classification, at which point we determined that certain capitalized costs would no longer be recoverable. The impairment charge reflects our assessment of the net realizable value of the transferred assets; and

- a $0.2 million impairment charge recognized in relation to network services equipment decommissioned upon termination of related services contracts in the period.

Finance costs totaled $3.9 million in 2019, an increase of $1.8 million compared to the prior year, and were comprised of:

- current period interest accruals, standby fees and the amortization of deferred financing costs related to the Crown Credit Facility totaling $1.2 million (2018 - $1.3 million), with the comparability to the prior year amount due to a comparable average level of debt outstanding in relation to this facility;

- current period interest accruals, standby fees and the amortization of deferred financing costs related to the CCPF Credit Facility of $1.0 million (2018 - $nil), with the year-over-year increase explained by the establishment of this facility in February 2019;

- interest expense in relation to the Convertible Debentures, determined using the effective interest rate method as these debentures are measured at amortized cost, of $1.5 million (2018 - $0.8 million), with the year-over-year increase explained by the timing of the issuance of these debentures in June 2018; and

- interest in relation to right-of-use lease arrangements totaling $0.2 million in 2019 (2018 - $nil), an increase compared with 2018 due to the adoption of IFRS 16 effective January 1, 2019.

Additional information about the credit facilities and Convertible Debentures can be found in *Note 8 – Credit facilities* and *Note 9 – Convertible Debentures* in the Corporation's consolidated financial statements.

Income Taxes

We recorded an aggregate income tax expense of $0.5 million in 2019, compared to a $2.9 million expense in the prior year, including a current tax expense of $0.3 million (2018 - $2.4 million) and a deferred tax expense of $0.2 million (2018 - $0.5 million).

For the year ended December 31, 2019, the net loss attributable to WireIE for the period, the loss on acquisition in relation to WireIE, the depreciation of intangible assets in relation to WireIE and non-cash share-based compensation expense were not deductible for purposes of determining current income tax expense.

The Corporation's consolidated statutory tax rate for 2019 on earnings before income taxes attributable to Shareholders was 26.5%. As an asset manager, many of our operations are held in partially owned "flow through" limited partnerships, and any tax liability is incurred by the investors as opposed to the entity. As a result, while our consolidated earnings include income attributable to non-controlling ownership interests in these entities, our consolidated tax provision includes only income tax on our proportionate share of the income of these entities. In other words, we are consolidating all of the net income, but only our share of the associated tax provision.

The deferred income tax asset at December 31, 2019 of $0.1 million (December 31, 2018 - $0.4 million) and deferred tax expenses for 2019 result primarily from financing costs associated with the IPO, the Crown Credit Facility and the Convertible Debentures which are deductible for tax purposes over a five-year period, the income tax impact of financing fees on debt instruments previously recognized as income under International Accounting Standard 39 that were reversed upon transition to IFRS 9, and performance bonus expenses which are not deductible for tax purposes until they are paid in future periods.

2018 vs. 2017

Revenues

Interest revenue of $26.6 million in 2018 (2017 - $20.3 million) increased by $6.3 million compared with the previous year and was comprised of $21.8 million in relation to the investments of Crown Partners Fund (2018 - $15.2 million) and $4.8 million in relation to the long-term financing investments of Crown Private Credit Fund (2018 - $3.5 million), each of which increased due to an increased average level of interest-yielding investment. No interest revenue was recognized in relation to NCOF II in 2018 (2017 - $1.7 million) following its dissolution in 2017. Interest revenue attributable to Shareholders in 2018 was $12.8 million (2017 - $10.1 million).

Fees and other income totaled $3.5 million in 2018 compared with $5.6 million in 2017, of which $1.7 million and $2.9 million, respectively, were attributable to Shareholders. Fees and other income decreased in 2018 compared with 2017 due primarily to the adoption of IFRS 9, which requires deferring transaction fees in relation to investments carried at amortized cost with such fees amortized into interest income over the terms of related loans using the effective interest rate method. In 2018, we received transaction fees totaling $3.0 million in relation to loans carried at amortized cost which were not recognized as fee income.

In 2017, we recognized a performance fee distribution of $1.0 million in relation to the dissolution of NCOF II Parallel (2018 - $nil), of which $0.8 million was attributable to APBP Participants and was included in performance bonus expense for the period.

In 2018, we recognized a net gain on investments of $2.5 million (2017 - $2.0 million), including both realized and unrealized gains (losses), of which $1.1 million was attributable to Shareholders (2017 - $0.6 million).

A realized gain of $0.2 million was recorded in 2018 in relation to Crown Partners Fund's investment in Petrowest This compares to a net realized gain of $3.3 million in 2017, of which $1.9 million related to two loan repayments within NCOF II and $1.5 million in respect of Crown Partners Fund related to gains arising from three loan repayments and from a disposition of common shares, partially offset by a reduction in the carrying value of Petrowest common shares to $nil.

There was a net positive change in unrealized gains (losses) of investments in 2018 of $2.3 million, of which the most significant contributors were a gain in resulting from an extension of the Touchstone royalty, an increase in the fair value of the RBee common shares, and a reversal of a previously-recognized unrealized loss upon repayment of the Marquee loan investment. The net negative change in unrealized gains (losses) of investments in 2017 of $(1.3) million included aggregate losses of $4.4 million representing the reversal of previously-recognized unrealized gains upon loan repayments, offset by net unrealized gains on other investments of $3.0 million including a gain on the Medicure loan prior to its repayment and a gain recognized upon the receipt of Source common shares.

Expenses

Salaries, management fees and benefits expense increased by $0.3 million in 2018 to $2.7 million due primarily to an increase in the number of employees.

Share-based compensation expense decreased by $0.1 million in 2018 to $1.6 million due mainly to the vesting in July 2018 of transition restricted share units that had been issued in 2015 and to a reduction in the number of restricted share units and performance share units outstanding, partially offset by an increase in the number of director deferred share units outstanding following the introduction of this type of share-based award in 2018.

General and administrative expenses increased by $0.6 million in 2018 to $2.0 million due primarily to start-up costs related to the formation of Crown Power Fund, an increase in occupancy costs relating to a new five-year office lease arrangement and professional fees paid in respect of new investments, partially offset by lower travel expense.

The performance bonus expense decreased by $1.1 million in 2018 to $1.0 million. This decrease was due primarily to the inclusion in 2017 of a performance bonus expense of $0.8 million in relation to NCOF II Parallel that had been recognized in conjunction with a $1.0 million performance fee distribution upon the dissolution of that investment fund.

The provision for credit losses increased from $nil in 2017 to $0.1 million in 2018 following the adoption of IFRS 9 effective January 1, 2018. The provision for credit losses in 2018 was recorded in relation to debt investments carried at amortized cost.

Finance costs totaled $2.1 million in 2018, an increase of $1.5 million compared to the prior year, and were comprised of:

- current period interest accruals, standby fees and the amortization of deferred financing costs related to the Crown Credit Facility totaling $1.3 million (2017 - $0.6 million). No advances in respect of this facility were made until 2018 such that the related expense in 2017 included only standby fees and amortization of deferred financing costs; and

- interest expense in relation to the Convertible Debentures, determined using the effective interest rate method as these debentures are measured at amortized cost, of $0.8 million (2017 - $nil), with the year-over-year increase explained by the timing of the issuance of these debentures in June 2018.

BALANCE SHEET ANALYSIS

The following table summarizes the statement of financial position of the company as at December 31, 2019, 2018 and 2017:

AS AT DEC. 31 (THOUSANDS)	2019	2018	2017	Change 2019 vs 2018	Change 2018 vs 2017
Assets					
Cash and cash equivalents	**$ 8,361**	$ 11,307	$ 41,106	$ (2,946)	$ (29,799)
Accounts receivable and other assets	**11,724**	5,628	6,631	6,096	(1,003)
Investments	**250,137**	246,862	181,302	3,275	65,560
Property and equipment	**14,876**	124	11	14,752	113
Network services contracts	**3,371**	-	-	3,371	-
Net investment in leased distributed power equipment	**644**	-	-	644	-
Distributed power equipment under development and deposits	**10,540**	12,000	-	(1,460)	12,000
Total assets	**$ 299,653**	$ 275,921	$ 229,050	$ 23,732	$ 46,871
Liabilities					
Accounts payable and other liabilities	**7,279**	4,460	3,542	2,819	918
Lease obligations	**4,324**	-	-	4,324	-
Provision for performance bonus	**2,096**	2,679	2,665	(583)	14
Promissory notes payable	**8,512**	-	-	8,512	-
Credit facilities	**38,406**	17,730	-	20,676	17,730
Convertible debentures - liability component	**18,562**	18,222	-	340	18,222
Non-controlling interests	**122,996**	127,938	118,394	(4,942)	9,544
Equity				-	-
Share capital	**95,342**	97,615	96,570	(2,273)	1,045
Convertible debentures - equity component	**483**	483	-	-	483
Contributed surplus	**1,087**	1,397	2,931	(310)	(1,534)
Retained earnings	**566**	5,397	4,948	(4,831)	449
Total equity	**97,478**	104,892	104,449	(7,414)	443
	$ 299,653	$ 275,921	$ 229,050	$ 23,732	$ 46,871
Total non-current financial liabilities[3]	**$ 63,799**	$ 38,896	$ 2,665	$ 24,903	$ 36,231

1. The amounts for the year ended December 31, 2017 have not been restated to reflect the adoption of IFRS 9 effective January 1, 2018, which was applied on a retrospective basis, and are therefore not comparable to amounts as at subsequent dates which were restated.

2. The amounts for the years ended December 31, 2018 and 2017 have not been restated to reflect the adoption of IFRS 16 effective January 1, 2019, which was applied on a retrospective basis, and are therefore not comparable to amounts as at subsequent dates which were restated.

3. Total non-current financial liabilities is comprised of credit facilities, convertible debentures - liability component, provision for performance bonus, the non-current portion of lease obligations, the contingent consideration liability (included in accounts payable in other liabilities) and the deferred compensation liability (included in accounts payable and other liabilities).

2019 vs. 2018

Consolidated assets at December 31, 2019 were $299.7 million, an increase of $23.7 million since December 31, 2018. This increase was due primarily to the July 12, 2019 acquisition of WireIE, which added $16.2 million of assets primarily in the property and equipment, network services contracts and accounts receivable asset classes, effective July 12, 2019, as well as to a $3.3 million net increase in investments and a $4.6 million aggregate net increase in the equipment-related assets of Crown Power Fund.

Assets

Cash and cash equivalents of $8.4 million as at December 31, 2019 decreased by $2.9 million compared to the prior year end. For further information, refer to our Consolidated Statements of Cash Flows and to *Part 4 – Capitalization and Liquidity*.

Accounts receivable and other assets of $11.7 million as at December 31, 2019 (December 31, 2018 - $5.6 million) consists of accounts receivable, income taxes recoverable, prepaid expenses and deposits, share purchase loans and deferred income taxes. The largest component, accounts receivable, is comprised primarily of interest receivable from investments, GST/HST recoverable by Crown Power Fund, amounts receivable in relation to network services contracts and management fees receivable from NCOF LP. Accounts receivable and other assets increased by $6.1 million in 2019 primarily due to an increase in interest receivable in relation to the PenEquity loan to $4.7 million as at December 31, 2019 (2018 - $1.3 million) and to amounts assumed on the acquisition of WireIE, partially offset by a decrease in the balance of share purchase loans outstanding.

Investments of $250.1 million as at December 31, 2019 consist of Canadian debt securities, Canadian equity securities and other investments. The balance increased by $3.3 million in 2019 due primarily to:

- additions to investments, including capitalized interest and net of repayment of debt securities, of $21.7 million; net of

- net investment losses, including a net realized loss and the net change in unrealized gains (losses) in fair value of investments, of $10.7 million;

- the derecognition of the Corporation's loan investment in WireIE on the acquisition of WireIE, which had a net carrying value of $7.2 million at the time of derecognition; and

- an increase in the allowance for credit losses of $0.5 million.

At December 31, 2019, the Corporation held investments in 15 Canadian companies, including loans to 12 companies, carried at an aggregate carrying value of $250.1 million (December 31, 2018 - $246.9 million). In accordance with IFRS 9, the Corporation classifies its investments in debt securities to be carried at either amortized cost or FVTPL. All investments in equity securities are carried at FVTPL.

As at December 31, 2019, the Corporation held debt securities in 9 Canadian companies carried at amortized cost with an aggregate carrying value of $164.7 million, net of an allowance for credit losses of $0.7 million. The fair value of these debt securities as at the reporting date was $166.1 million. As at December 31, 2019, the Corporation held debt securities in 4 Canadian companies carried at FVTPL with an aggregate carrying value of $72.2 million. The carrying value of other investments carried at FVTPL, including equity securities, as at December 31, 2019 was $13.2 million.

As at December 31, 2019, $106.4 million (2018 - $43.2 million) of the $164.7 million (2018 - $165.3 million) carrying value of debt securities carried at amortized cost was classified as Stage Two. The Stage Two classification represents loans for which credit loss has increased significantly since initial recognition, and for which credit loss provisions are determined based on lifetime expected credit losses (i.e., vs. Stage One investments, for which provisions are based on 12 months expected credit losses). In 2019, the percentage of investments at amortized cost classified as Stage Two increased due to a general increase in the credit risk of the loan portfolio that resulted in a migration of loans from Stage One to Stage Two classification. With our secured lending model, we believe that our allowance for credit losses in respect of loan investments is sufficient to provide for currently expected losses in the portfolio.

Additional information about investments can be found in *Note 4, Financial instruments* in the Corporation's consolidated financial statements and in *Part 3 – Review of Operations*.

Property and equipment of $14.9 million is comprised of:

- network services equipment, including right-of-use assets in relation to leased equipment and properties. The balance increased by $8.9 million in 2019 due primarily to the assumption of $10.0 million of related assets on the acquisition of WireIE;

- distributed power equipment representing power generation assets acquired by Crown Power Fund that are not assigned for use in specific projects in development. These assets were transferred in Q4 2019 from distributed power equipment under development and related deposits and were carried at $5.4 million as at December 31, 2019 (December 31, 2019 - $nil), net of an impairment charge of $0.1 million recognized in the fourth quarter of 2019; and

- office and other equipment of $1.0 million.

The network services contracts balance of $3.4 million as at December 31, 2019 (December 31, 2018 - $nil) is an intangible asset representing the fair value of service contracts assumed on the acquisition of WireIE of $4.0 million, net of subsequent amortization. Network services contracts are amortized on a straight-line basis over estimated useful lives ranging between 4-6 years, and the recoverability of the carrying value is assessed at each reporting date.

Net investment in leased distributed power equipment represents power generation assets subject to contractual lease agreements. There was one such lease in effect as at December 31, 2019, which was transferred in Q4 2019 from distributed power equipment under development and related deposits and which was carried at $0.6 million (December 31, 2018 - $nil).

Distributed power equipment under development and related deposits of $10.5 million as at December 31, 2019 consists of power generation assets acquired in relation to projects under development. The balance decreased by $1.5 million in 2019 due primarily to:

- purchases of equipment totaling $7.3 million; net of

- transfers of $5.5 million and $0.6 million to distributed power equipment and net investment in leased distributed power equipment, respectively;

- an impairment charge of $0.1 million; and

- a reclassification of $2.5 million to accounts receivable in respect of which a $2.5 million allowance for credit losses has been recognized (refer to *Note 4(e) – Financial instruments, other receivable* in our consolidated financial statements).

Liabilities

Accounts payable and other liabilities of $7.3 million as at December 31, 2019 consists of accounts payable and accrued liabilities of $4.1 million, distributions payable to non-controlling interests of $2.4 million, deferred network services revenue, a contingent consideration liability, a deferred compensation liability and income taxes payable. The balance increased by $2.8 million in 2019 due primarily to a balance of $2.8 million assumed on the acquisition of WireIE and the addition of deferred network services revenue of $0.3 million, partially offset by $0.3 million decreases in each of income taxes payable and distributions to non-controlling interests.

Lease obligations of $4.3 million is comprised of $4.2 million of lease obligations in relation to network services equipment and properties that were assumed on the acquisition of WireIE in 2019, including the usage of third-party tower space through network co-location arrangements, plus $0.1 million in relation to office leases that had been classified as operating leases prior to the application of IFRS 16 in 2019. Lease obligations are largely offset by right-of-use lease assets included in property, office equipment and network services equipment. As a lessee, the

Corporation recognizes right-of-use assets and lease liabilities for most leases and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The provision for performance bonus of $2.1 million (December 31, 2018 - $2.7 million) reflects the portion of performance fees related to the Crown Partners Fund APBP recognized in consolidated earnings to date that will be payable to APBP Participants commencing on the repayment of all of the invested capital and payment of a prescribed preferential return to the limited partners of Crown Partners Fund. Subject to specified fund diversification and performance hurdles, advances on account of accrued performance fees may be paid to APBP Participants on an annual basis. The provision that has accrued in relation to the performance of Crown Partners Fund decreased in 2019 primarily due to a loss realized in relation to the investment in Solo. To date, no amounts have been accrued in relation to the Crown Power Fund APBP.

Promissory notes of $8.5 million as at December 31, 2019 (December 31, 2018 - $nil) represent amounts payable in respect to the redemption of limited partnership units of Crown Partners Fund effective December 31, 2019. The promissory notes bear interest at 8% per annum and are to be repaid by Crown Partners Fund in four equal quarterly installments at the end of each calendar quarter commencing March 31, 2020. Any proceeds to Crown Partners Fund from the disposition or repayment of investments in excess of $5.0 million must be applied as a prepayment of promissory notes payable.

Credit facilities of $38.4 million as at December 31, 2019 (December 31, 2018 - $17.7 million) was comprised of $13.9 million outstanding under the Crown Credit Facility and $24.5 million outstanding under the CCPF Credit Facility, net of unamortized deferred financing costs of $0.4 million and $0.5 million, respectively. The $20.7 million increase in credit facilities was comprised of a $24.5 million increase in the CCPF Credit Facility, which was established in 2019 and which was used to fund additions to investments of Crown Partners Fund, partially offset by a $3.8 million reduction in the amount outstanding in relation to the Crown Credit Facility.

For further information regarding credit facilities and Convertible Debentures, refer to *Part 4 – Capitalization and Liquidity.*

2018 vs. 2017

Consolidated assets as at December 31, 2018 were $275.9 million, compared to $229.1 million as at December 31, 2017. The year-over-year increase of $46.9 million was primarily due to increased levels of both investments and of distributed power equipment under development and related deposits, net of a decrease in cash and cash equivalents.

Accounts receivable and other assets of $5.6 million as at December 31, 2018 decreased by $1.0 million compared to December 31, 2017 due mainly to a $1.6 million reduction in share purchase loans (to $0.6 million) following the partial refinancing of these loans by employees with a third-party financial institution, reductions in each of prepaid expenses and deferred income taxes, and partially offset by a $1.3 million increase in accounts receivable comprised mainly of an increase in interest receivable in relation to loan investments.

Investments of $246.9 million as at December 31, 2018 increased by $65.6 million in 2018 due mainly to additions to investments, net of repayment of debt securities, of $64.9 million and net investment gains of $2.5 million, net of the establishment of an allowance for credit losses of $0.2 million.

Distributed power equipment under development and related deposits increased from $nil as at December 31, 2017 to $12.0 million as at December 31, 2018 due to the initial investment activity of Crown Power Fund following its inception in 2018.

Credit facilities of $17.7 million as at December 31, 2018, net of unamortized deferred financing costs of $0.3 million, increased from $nil as at December 31, 2017 due to initial advances drawn from the Crown Credit Facility to partially fund net additions to investments and projects under development and related deposits.

The liability component of convertible debentures relates to the issuance of $20.0 million of unsecured convertible debentures in 2018. The $18.2 million balance at December 31, 2018 (December 31, 2017 - $nil) reflects gross proceeds from the issuance net of unamortized issuance costs and the portion of the issuance proceeds deemed to be an equity component. For further information, refer to *Part 4 – Capitalization and Liquidity*.

Accounts payable and other liabilities of $4.5 million as at December 31, 2018 consists of accounts payable and accrued liabilities of $1.1 million, distributions payable to non-controlling interests of $2.8 million, a deferred compensation liability of $0.3 million and income taxes payable of $0.3 million. The balance increased by $0.9 million in 2018 mainly due to a $0.8 million increase in distributions payable to non-controlling interests that related to an increase in the average level of investments held by Crown Partners Fund.

Non-controlling Interests

Non-controlling interests in our consolidated results consist of third-party interests in Crown Partners Fund and Crown Power Fund as follows:

AS AT DEC. 31 (THOUSANDS)	2019	2018	Change
Crown Partners Fund	$ 110,010	$ 127,938	$ (17,928)
Crown Power Fund	12,986	-	12,986
	$ 122,996	$ 127,938	$ (4,942)

Non-controlling interests decreased by $(4.9) million during the twelve-month period, primarily due to:

- $39.3 million of distributions to non-controlling interests, including capital returned by Crown Partners Fund in relation to loan repayments; partially offset by
- net income attributable to non-controlling interests of $6.0 million;
- non-controlling interests' contributions to Crown Partners Fund and Crown Power Fund totaling $36.9 million; and
- the redemption of limited partnership units in Crown Partners Fund by non-controlling interests valued at $8.5 million.

Common Equity

The following table presents the major contributors to the period-over-period variances for common equity:

AS AT AND FOR THE YEARS ENDED DEC. 31 (THOUSANDS)	2019	2018
Equity, beginning of year	$ 104,892	$ 103,561
Changes in period:		
Net income (loss) attributable to Shareholders	(209)	7,051
Dividends declared	(5,723)	(5,733)
Shares repurchased	(1,811)	(1,300)
Share-based compensation	454	1,385
Cash-settled share-based compensation	(125)	(555)
Conversion feature of convertible debentures issued, net of tax effect	-	483
	(7,414)	1,331
Equity, end of year	$ 97,478	$ 104,892

Total equity decreased by $7.4 million during 2019 due to the following:

- a net loss attributable to Shareholders of $0.2 million;
- dividends declared to Shareholders of $5.7 million;
- share repurchases made in relation to the Corporation's normal course issuer bid totaling $1.8 million; and
- share-based compensation, net of cash-settled share-based compensation, of $0.3 million.

As at December 31, 2019 the share capital component of total equity was $95.3 million (December 31, 2018 - $97.6 million). The $2.3 million decrease in share capital in the twelve months ended December 31, 2019 relates to share repurchases, which resulted in a $2.4 million reduction in share capital of which $0.6 million was transferred to retained earnings, and to the issuance of Common Shares valued at $0.1 million to employees and directors as a result of vesting of restricted share units.

The contributed surplus component of total equity as at December 31, 2019 was $1.1 million, $0.3 million lower than $1.4 million as at December 31, 2018. This decrease reflects an addition of $0.5 million in relation to share-based compensation expense recorded for share units and stock options outstanding during the period less $0.1 million transferred to share capital for share units vested, $0.1 million for cash-settled share-based compensation and $0.5 million transferred to retained earnings in relation to the cancelation of stock options.

The dividends declared by the Corporation on outstanding Common Shares during the past three years have totaled $0.60 per Common Share in 2019, $0.60 per Common Share in 2018 and $0.50 per Common Share in 2017.

SUMMARY OF QUARTERLY RESULTS

A range of factors impact quarterly variances. The main factors affecting quarterly variances in interest revenue are completion of new investment transactions and loan repayments in a quarter. Major factors affecting quarterly variances in fees and other income include new investment transactions, amendments to investment agreements, and loan prepayments completed in a quarter. Factors affecting net gains (losses) on investments, including both realized and unrealized gains (losses), include changes in the fair value of loan investments carried at FVTPL caused by variations in benchmark interest rates and/or the credit status of portfolio companies as well as variations in market prices for publicly traded equity securities and estimated fair value of other equity securities held in the portfolio. Changes in Crown's percentage ownership interest in a fund due to additional subscriptions from Crown and/or additional subscriptions or redemptions from non-controlling interests impact total comprehensive income, net of non-controlling interests.

The following table provides selected quarterly information about the Corporation's financial condition and performance for the most recent eight quarters.

	2019				2018			
FOR THE PERIODS ENDED (THOUSANDS, EXCEPT PER SHARE AMOUNTS)	**Q4**	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue:								
Interest revenue	**$ 7,030**	$ 7,545	$ 5,714	$ 7,963	$ 7,585	$ 7,170	$ 6,274	$ 5,563
Fees and other income	**711**	528	806	1,576	1,497	208	1,636	199
Net gain (loss) on investments	**395**	(1,990)	4,436	(13,509)	1,326	542	1,124	(458)
Network services revenue	**2,117**	1,885	-	-	-	-	-	-
Total revenue	**10,253**	7,968	10,956	(3,970)	10,408	7,920	9,034	5,304
Net income (loss) atttributable to Shareholders	**1,065**	460	2,254	(3,988)	2,373	1,808	1,970	900
Adjusted Funds from Operations[2]	**3,390**	**(536)**	**1,766**	**681**	**3,908**	**3,154**	**3,619**	**2,517**
Total assets	**299,653**	276,519	265,709	263,607	275,921	288,176	277,115	225,159
Total equity	**97,478**	98,158	99,987	99,301	104,892	103,896	104,314	103,166
Per share:								
- Net income (loss) to Shareholders - diluted	**0.11**	$ 0.05	$ 0.23	$ (0.41)	$ 0.24	$ 0.19	$ 0.20	$ 0.09
- Net income (loss) to Shareholders - basic	**0.11**	0.05	0.23	(0.41)	0.25	0.19	0.21	0.09
- Total equity per share - basic	**10.38**	10.38	10.43	10.33	10.91	10.79	11.03	10.88

1. The amounts for periods prior to Q1 2019 have not been restated to reflect the adoption of IFRS 16 effective January 1, 2019, which was applied on a retrospective basis, and are therefore not comparable to amounts for Q1 2019 and subsequent periods which were restated.
2. For a reconciliation of earnings before income taxes to Adjusted Funds from Operations, refer to *Glossary of Terms - Non-IFRS Measures*.

Review of Q4 2019 Results

In the fourth quarter of 2019, net income attributable to Shareholders totaled $1.1 million compared with $0.5 million in Q3 2019 and $2.4 million in Q4 2018. Key factors that influenced our Q4 2019 results include the following:

- Interest revenue of $7.0 million decreased by $0.5 million compared with the prior period primarily due to the inclusion in Q3 2019 of $1.3 million of bonus interest in relation to the Canadian Helicopters loan prepayment, which was partially offset by an increase in the average level of interest-yielding investments following additional advances made to Rokstad Power in the quarter.

- Fees and other income increased compared with Q3 2019 mainly due to the inclusion of fees recognized in relation to new investment in loan investments carried at FVTPL.

- The net gain on investments of $0.4 million was comprised of a $1.4 million unrealized gain recognized in relation to the restructuring of a loan measured at amortized cost, an aggregate net unrealized loss of $2.4 million recognized in relation to equity-related investments and an aggregate net unrealized gain of $1.4 million recognized in relation to other investments carried at FVTPL.

- Network services revenue of $2.1 million increased by $0.2 million compared with Q3 2019 due to a full quarter of contribution following the acquisition of WireIE in the prior quarter.

- Net income in Q4 2019 includes a net loss of $0.3 million in relation to the operations of WireIE, including related depreciation expense of $0.7 million.

- Salary expense increased compared with recent quarters to $1.7 million due to a larger accrual in respect of annual staff bonuses.

- The increase in the provision for credit losses to $0.5 million compared with an aggregate of $0.1 million over the previous three quarters relates primarily to an increase in credit risk within the investment portfolio, and also includes an amount in relation to the accounts receivable of WireIE.

- An aggregate impairment charge of $0.3 million was recognized in relation to certain distributed power and network assets, and a revision to the gain recognized upon the acquisition of WireIE resulted in a gain of $0.3 million recognized in the fourth quarter.

- The increase in total assets compared with the prior quarter is due primarily to an increase in the size of the Rokstad loan investment, and the decrease in total equity is primarily the result of dividends declared in the period.

Review of Prior Quarterly Results

Over the previous seven completed quarters, the factors discussed below caused variations in revenues and net income (loss) attributable to Shareholders on a quarterly basis:

- In the third quarter of 2019, the acquisition of WireIE effective July 12, 2019 introduced network services revenue to our total revenue and resulted in a $(1.0) million net operating loss before income taxes, inclusive of depreciation expense of $1.2 million, as well as a loss on acquisition of $(0.2) million, a realized gain of $0.3 million and a $0.1 million recovery of expected credit loss in relation to our investment in the pre-existing loan to WireIE. Repayment of the Canadian Helicopters loan resulted in an unrealized gain reversal of $(1.2) million that was more than offset by related interest income recognition of $1.3 million plus additional fee income. Net of this $1.3 million item, interest revenue was negatively impacted by a lower average level of interest-yielding investments held by Crown Partners Fund.

- In the second quarter of 2019, interest revenue was negatively impacted by a lower average level of interest-yielding investments held by Crown Partners Fund following multiple loan repayments in the first quarter of 2019. Net investment gains were relatively high including both a $4.0 million unrealized loss reversal in relation to recoveries achieved in respect of the Solo investment and a $1.3 million unrealized gain recognized in anticipation of the Canadian Helicopters loan prepayment. General and administrative expenses were higher than usual due to legal fees related to the Solo recovery process and to an increase in GST/HST expense related to an assessment in respect of which we filed a formal notice of objection.

- In the first quarter of 2019 we recognized a $15.6 million unrealized loss in respect of the Solo loan investment, which was partially offset by an aggregate unrealized gain of $1.0 million recognized in relation to the restructuring of three loans carried at amortized cost. The early repayment of the BGO and Baylin loan investments contributed to above-average levels of interest revenue and fees and other income.

- In the fourth quarter of 2018, revenues, benefited from the early repayment of the Marquee loan investment, which generated prepayment fees and resulted in a reversal of a related unrealized loss. The net investment gain in the quarter also included an unrealized gain recognized in relation to Crown Partners Fund's equity investment in RBee, which was partially offset by a net unrealized loss recognized in relation to other equity-related investments.

- In the third quarter of 2018, interest revenue increased compared to the prior quarter due to a higher average level of interest-yielding investments following a significant level of new loan origination in the second quarter. Finance costs increased compared with the second quarter due mainly to the introduction of costs in relation to the Convertible Debenture issuance in June 2018.

- In the second quarter of 2018, new investments were made in Data Communications, Persta, WireIE and Mill Street, resulting in sizeable increases in both total assets and fees and other income. Repayment of the Petrowest loan also contributed to fees and other income in the quarter.

- In the first quarter of 2018, interest revenue increased year-over-year due to a higher average level of interest-yielding investments held by consolidated investment funds. Fee and other income was relatively low, as fees earned in relation to the Baylin loan origination in the quarter were deferred in accordance with IFRS 9. A net unrealized loss of $(0.5) million negatively impacted earnings attributable to Shareholders.

RELATED PARTY TRANSACTIONS

The Corporation earns investment management fees pursuant to management agreements. The base annual management fee for Crown Partners Fund is equal to 1.75% of invested capital, as defined in the limited partnership agreement for this fund, less any capital distributions and realized losses. The base annual management fee for Crown Power Fund is equal to 1.0% of total capital, as defined in the limited partnership agreement for this fund, which includes the sum of invested capital net of capital distributions and realized losses plus funded debt that has been invested into qualifying investments, also as defined in the limited partnership agreement. Crown provides certain limited partners with management fee discounts and Crown may voluntarily reduce its management fees such that the effective annualized management fee rates earned by Crown from these two funds are lower than the base rates specified above.

On consolidation, 100% of management fees earned from Crown Partners Fund and Crown Power Fund are eliminated against the management fees expensed by these funds.

The non-controlling interests of Crown Partners Fund incur approximately 63.0% of the management fees while Crown effectively pays itself for the remaining 37.0% as a result of its ownership interests.

Crown has voluntarily waived management fees in respect of Crown Power Fund through its early development phase and charged no management fees to this fund in 2019.

Pursuant to a limited partnership agreement, Crown, for services provided, is also entitled to earn management fees from NCOF LP. Effective October 31, 2018, the Corporation elected to stop accruing for incremental management fees from NCOF LP and as a result recognized management fees in relation to NCOF LP of $nil in 2019 (2018 - $0.1 million). As at December 31, 2019, accounts receivable included $0.5 million due from NCOF LP in respect of accrued management fees (2018 - $0.5 million).

These transactions between Crown and its managed investment funds are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties.

As at December 31, 2019, there was an amount payable to Crown Power Fund by Crown of $1.4 million that relates to a reimbursement of advances made by Crown Power Fund to a formerly affiliated operating partner that were subsequently determined to be unrecoverable.

The table below provides additional details of the transaction fees, management fees and performance fees included in net income and comprehensive income attributable to Shareholders arising from non-controlling interests as a result of Crown's roles as a fund manager and as a general partner and the financial statement captions through which these fees are reflected in net income and comprehensive income attributable to Shareholders.

FOR THE YEARS ENDED DEC. 31 (THOUSANDS)	2019	2018
Management fees to Crown by non-controlling interests in Crown Partners Fund[1,2]	$ 1,636	$ 1,687
Management fees to Crown by non-controlling interests in Crown Partners Fund - finance fees[2,3]	435	613
Management fees to Crown by non-controlling interests in Crown Power Fund[1,2]	-	-
Performance fee accrual to Crown by non-controlling interests in Crown Partners Fund[2,4]	(735)	1,260
Management fees charged to NCOF LP[5]	-	97
	$ 1,336	$ 3,657

1. Monthly management fees charged by Crown to its managed funds in its role as investment manager represent a revenue to Crown and an expense to each of Crown Partners Fund and Crown Power Fund on a non-consolidated basis and are eliminated upon consolidation. The amounts shown here represent the portion of such management fees attributable to Shareholders (i.e., excluding the amount of such fees that Crown, as an investor in these funds, is effectively paying itself as manager).

2. While fees earned by Crown in relation to its consolidated investment funds are eliminated upon consolidation and are therefore not included in revenue recognized by Crown, these amounts attributable to Shareholders are included, on an after-tax basis, in net income and comprehensive income attributable to Shareholders. This is achieved through the allocation of net income attributable to each of Shareholders and non-controlling interests.

3. In addition to monthly fees, in its role as investment manager Crown is entitled to half of transaction fees received by Crown Partners Fund in respect of new investment to a maximum of 1% of the investment value.

4. Crown Partners Fund, on a non-consolidated basis, maintains an accrual in relation to performance fees attributable to Crown in its role as general partner of the fund. These fees are eliminated upon consolidation. The amounts shown here represent the portion of such performance fees attributable to Shareholders (i.e., excluding the amount of such fees that Crown, as an investor in this fund, is effectively paying itself as general partner).

5. Management fees charged to NCOF LP are recognized in revenue as a component of fees and other income.

Share Purchase Loans

The Corporation has an Executive Share Purchase Plan ("**Share Purchase Plan**") whereby the Board can approve loans to senior management ("**Share Purchase Plan Participants**") for the purpose of purchasing the Corporation's Common Shares in the open market. Loans in relation to Share Purchase Plan are advanced by both a third-party financial institution and the Corporation (collectively the "**Lenders**"). The following must be paid directly to the Lenders on behalf of the Share Purchase Plan Participants in repayment of interest and principal on these loans: all dividend distributions on the Common Shares, all annual performance incentive plan payments to Share Purchase Plan Participants in excess of target bonus payouts, and all proceeds from the sale of the Common Shares.

As at December 31, 2019, $0.2 million of these loans were outstanding to the Corporation (December 31, 2018 – $0.6 million), including accrued interest. The loans under the Share Purchase Plan bear interest at Prime (3.95% as at December 31, 2019), are repayable in full within 90 days following the date on which the Share Purchase Plan Participant ceases to be employed by the Corporation and are personally guaranteed by Share Purchase Plan Participants.

The Corporation has guaranteed the repayment of loans advanced to Share Purchase Plan Participants by a third-party financial institution pursuant to the Share Purchase Plan which totaled $2.5 million as at December 31, 2019, and which are secured by Common Shares owned by Share Purchase Plan Participants with a value of $3.0 million as at December 31, 2019.

PART 3 – REVIEW OF OPERATIONS

The following section contains a review of our operations, including separate discussions for each of the three distinct markets in which we operate: alternative corporate finance, distributed power and telecommunications infrastructure (which we refer to as Network Services).

For financial reporting purposes, our operations are organized into two reportable segments:

- ***Specialty Finance***, involving the origination and management of, and investment in, capital pools comprised of Special Situations Financing, Long-term Financing and Distributed Power investments. In addition to reflecting revenues, expenses and net assets in relation to Crown's investment activity in these markets, the specialty finance reportable segment also includes revenues earned by Crown in its capacity as investment manager, which are eliminated on consolidation, and all corporate-level expenses other than those incurred by the Network Services segment.

- ***Network Services***, involving the provision of network services by WireIE in relation to the deployment and management of carrier-grade data networks.

For the year ended December 31, 2019, total consolidated revenues of the Corporation of $25.2 million were comprised of $21.2 million of revenue attributable to the Specialty Finance segment (net of $0.5 million of inter-segment revenues) and $4.0 million to the Network Services segment. Of total consolidated revenues, network services revenue relates exclusively to the Network Services segment and all other revenues relate exclusively to the Specialty Finance segment. For a discussion of revenues by type, refer to *Part 2 – Review of Consolidated Financial Results*. For more information regarding the performance of our reportable segments, refer to *Note 16 – Segment information* in our consolidated financial statements.

In the review below, we discuss our operations in each of the Alternative Corporate Financing (i.e., comprised of both Special Situations Financing and Long-term Financing) and Distributed Power markets separately, noting that these are both components of our Specialty Finance reportable segment and are not themselves distinct reportable segments. Although our strategy with respect to each of these markets is similar, involving the management of and co-investment alongside third-party non-controlling interests in capital pools, the type of assets and stage of development of the related investment funds are different enough to warrant separate discussion, in the opinion of management.

ALTERNATIVE CORPORATE FINANCING

2019 Operating Highlights

- In February 2019, Crown Partners Fund entered into an agreement for a $25.0 million senior secured revolving credit facility with ATB Financial that matures on May 31, 2022 and is subject to extension annually. In December 2019, the size of this credit facility was increased to $50 million and the maturity date was extended to May 31, 2023. The establishment of this credit facility provided Crown Partners Fund with additional capital availability, provided it with the opportunity to enhance returns through the introduction of financial leverage, and improved liquidity, enabling it to reduce the frequency of capital contributions and distributions involving its limited partner investors.

- In March 2019, Crown Partners Fund advanced an additional $5 million to Triple Five, increasing the size of this loan to $20 million, and extended the term of this investment by six months.

- In March 2019, we announced the full repayment by BGO of its special situations loan to Crown Partners Fund, including the loan principal value of $15 million plus interest, a prepayment fee and other related payments.

- In March 2019, Crown Partners Fund and two of its institutional limited partners received the full repayment of their $33 million special situations loan to Baylin (Crown Partners Fund share: $30 million), including principal, interest and a prepayment fee.

- In March 2019, Crown Partners Fund recognized an unrealized loss of $15.6 million in relation to its investment in Solo, of which a partial recovery was subsequently achieved through a receivership process, resulting in the recognition of a realized loss of $11.1 million in the third quarter of 2019. Subsequent to December 31, 2019, Crown Partners Fund received an additional $0.3 million in respect of the Solo investment that will be included in revenues in the first quarter of 2020.

- In April 2019, Crown Partners Fund provided a $25 million, 60-month term loan to Rokstad Power featuring a fixed interest rate and an equity participation right based on the growth in Rokstad Power's equity value, of which $5.0 million was advanced in April 2019, $10.5 million was advanced in May 2019 and $9.5 million was advanced in July 2019. In November 2019, the size of this term loan was increased to $50 million, of which $5 million was syndicated to two limited partners of Crown Partners Fund and for which the start date of its 60-month term was reset. The bonus feature associated with this loan was also revised through the grant of phantom equity in Rokstad Power in replacement of the previously issued equity participation right. Crown Partners Fund also provided a $10 million, six-month bridge loan to Rokstad Power in August 2019 of which $5 million was repaid in November 2019 coincident with the increase in the size of the term loan.

- In July 2019, Canadian Helicopters repaid its special situations loan to Crown Partners Fund, including the loan principal value of $8 million plus interest, a prepayment fee and other related payments.

- In August 2019, Crown Partners Fund announced a $7 million increase to its loan facility to Data Communications, bringing its total investment in Data Communications to $19 million.

- In October 2019, Crown Partners Fund advanced an additional $5.0 million to Touchstone, representing an increase in the size of its existing term loan to Touchstone to $20.0 million, and amended its royalty agreement to provide Crown Partners Fund with a 1.33% pro rata share of Touchtone's gross revenue from production (vs. 1.0% previously).

- In October 2019, Crown Partners Fund advanced an additional $7.0 million to Triple Five, representing an increase in the size of its existing term loan to Triple Five to $27.0 million, and amended its royalty agreement to provide Crown Partners Fund with a 6.0% pro rata share of gross revenue from the production of future Triple Five wells (vs. 3.0% with respect to production from existing wells).

- Subsequent to December 31, 2019, VIQ Solutions drew the final $6.9 million available to it in respect of its term loan facility established in 2018, bringing aggregate advances in respect of this facility to $15.0 million.

Outlook

Management continues to place a high priority on new originations of Special Situations Financing investments and on securing additional third-party funding commitments to help finance additional investment.

We intend to continue focusing our corporate investment activity primarily in the form of co-investment in managed funds from which we also receive fees in our role as manager, and/or in providing seed capital to new capital pools that we intend to develop into managed funds inclusive of capital contributions from non-controlling interests. Accordingly, we are currently placing less emphasis on sourcing new Long-term Financing investments and expect that any new investments of this type will be made by managed funds that are at least partially capitalized by non-controlling interests.

Market conditions for deploying capital in Crown's Special Situations Financing market segment remained softer than usual in 2019 due to a heightened level of competition from traditional finance providers, which has resulted in a contraction in the pipeline of potential transactions compared with previous years. Compared with previous quarters in 2019, the aggressive credit cycle appeared to show a weakening trend in the fourth quarter of 2019. We believe the market instability caused by the COVID-19 pandemic will result in a further weakening of the credit cycle resulting in a net increase in investment opportunities in Special Situations Financing transactions, and management expects continued improvement and incremental net investment in the first half of 2020.

We are actively monitoring the impact of the COVID-19 pandemic and the related economic impacts on the health of our portfolio companies. In addition, there is increased volatility in global oil markets, however Crown's energy clients have substantial natural gas exposure and this is expected to provide stability to these companies. It is not clear at this time the extent to which our diversified portfolio companies will be impacted by the economic volatility, but management presently believes that the impacts will not materially impair their ability to make payments on their debt obligations.

Investment Portfolio

At December 31, 2019, Crown held ownership interests in 13 loans.

Borrower	Loan Principal Amount Outstanding at December 31, 2018(1)	Loan Principal Amount Outstanding at December 31, 2019(1)	Attributable at December 31, 2019 to: Shareholders	Non-controlling interests	Status
Special Situations Financing transactions					
BGO	$15,000,000	N/A	N/A	N/A	N/A
Touchstone[2]	$15,000,000	$20,000,000	$7,753,056	$12,246,944	Current
Source[3]	$12,428,000	$12,428,000	$4,817,749	$7,610,251	Current
Solo[3]	$15,000,000	N/A	N/A	N/A	N/A
Ferus[2]	$25,000,000	$25,000,000	$9,691,320	$15,308,680	Current
RBee[2, 4]	$17,414,343	$17,414,343	$6,750,719	$10,663,624	Current
Active[3]	$7,000,000	$7,000,000	$2,713,570	$4,286,430	Current
Canadian Helicopters	$8,000,000	N/A	N/A	N/A	N/A
Baylin[5]	$30,000,000	N/A	N/A	N/A	N/A
Data Communications[2]	$12,000,000	$19,000,000	$7,365,403	$11,634,597	Current
Persta[2, 6]	$20,000,000	$23,578,601	$9,140,311	$14,438,290	Current[9]
Triple Five[2]	$15,000,000	$27,000,000	$10,466,626	$16,533,374	Current
VIQ Solutions[2]	$8,935,000	$8,935,000	$3,463,678	$5,471,322	Current
Rokstad Power[3, 7]	N/A	$45,000,000	$17,444,376	$27,555,624	Current
Rokstad Power - Bridge[2]	N/A	$5,000,000	$1,938,264	$3,061,736	Current
Long-Term Financing transactions					
PenEquity[2]	$25,000,000	$25,000,000	$25,000,000	Nil	Arrears[10]
Mill Street[3]	$10,000,000	$10,000,000	$10,000,000	Nil	Current
WireIE[8]	$6,492,758	N/A	N/A	N/A	N/A

Notes: (1) Loan principal amounts represent the Corporation's interest in the par value of each loan. For all loans, only the amounts attributable to Shareholders and non-controlling interests are included in the Corporation's December 31, 2019 consolidated year-end financial statements. The pro rata portions held by co-investors, if any, are excluded. (2) As at December 31, 2019, the loan component of this investment is carried at amortized cost. (3) As at December 31, 2019, the loan component of this investment is carried at FVTPL. (4) The total size of the RBee loan as at December 31, 2019 was $18.8 million, of which $1.4 million was held by a third party. (5) The total size of the Baylin loan was $33 million of which $3 million was syndicated in equal parts to two third parties. (6) Loan principal outstanding in respect to the Persta loan includes capitalized fees and interest totaling $3.6 million as at December 31, 2019. (7) The total size of the Rokstad Power term loan as at December 31, 2019 was $50.0 million, of which $5.0 million was effectively held by third parties. (8) The loan to WireIE was effectively terminated when the Corporation acquired WireIE on July 12, 2019. (9) In accordance with loan amendments agreed to by Crown Partners Fund, as at December 31, 2019 all or a portion of interest payments in relation to this investment are being added to loan principal as they accrue. (10) As at December 31, 2019, accrued interest receivable of $4.7 million in relation to this loan was included in accounts receivable.

In accordance with IFRS 9, the Corporation measures some of its debt investments at amortized cost and others at FVTPL. Crown's business model generally involves holding debt investments with the objective of collecting contractual cash flows to maturity rather than holding to sell. The Corporation is therefore required to assess the contractual terms of the cash flows to determine appropriate classification and measurement of its debt investments. Debt investments that give rise to cash flows that are solely payments of principal and interest are carried at amortized cost. Debt investments that give rise to cash flows that are other than solely payments of principal and interest (e.g., debt investments with contractual bonus interest payments) are carried at FVTPL. The current classification of each debt investment in the Corporation's investment portfolio is indicated in the above table.

In addition to the above loans, at December 31, 2019, Crown Partners Fund held ownership interests in 450,000 Medicure common share purchase warrants, 116,059 Source common shares, 4,400,000 Prairie Provident common shares, 53,192 VIQ Solutions common shares, 450,000 VIQ Solutions common share purchase warrants, 620,456 Baylin common share purchase warrants, 1,510,000 Data Communications common share purchase warrants, 8,000,000 Persta common share purchase warrants, warrants to acquire common shares of Ferus at nominal cost, a 46.3% common equity stake in RBee, a royalty agreement with a maturity date of November 23, 2023 entitling it to payment of 1.33% of Touchstone's gross revenue from production, and a royalty agreement with a maturity date of March 12, 2022 entitling it to payment of 6.0% of Triple Five's gross revenue from production in relation to wells drilled after October 31, 2019 and of 3% in relation to gross revenue from its other production. In addition to these investments owned by Crown Partners Fund, the Corporation also owned 53,191 VIQ Solutions common shares.

Loan Risk Rating

Crown monitors the performance and health of each borrower as well as the overall performance and health of the portfolio. As part of this process, Crown utilizes a proprietary credit evaluation model to ascribe a risk rating to each loan Crown manages. As outlined in the table below, the credit evaluation model reviews five primary categories (i.e. financial, business, industry, security and marketability) and over fifty sub-categories (e.g. profitability, leverage, liquidity, management, customers, operations, employees, suppliers, competitors, business cycle, asset coverage, condition of assets, etc.). A point value and weighting is assigned to each sub-category and an overall point score is determined. A risk rating of 1.0 is the best possible rating and a 5.0 is the worst possible rating. The risk rating is determined during the initial underwriting process and is updated quarterly.

Financial	Business	Industry	Security	Marketability
Profitability • EBITDA ($) • EBITDA (%) • EBITDA Growth (%) • Gross Margin (%) • Return on Capital (%) **Leverage** • Debt/EBITDA • Debt/Capital • Debt/EV **Liquidity** • Current Ratio • DSCR (EBITDA/P+I) • EBITDA interest coverage • Average Days A/P • Average Days A/R • Cash Coverage **Size** • Sales ($) • Sales Growth (%) • Tangible Assets ($) • Enterprise Value ($)	**Management** • Experience in industry • Competence • Investment **Customers** • Concentration • Reputation/Financial Strength • Stability • Dependence **Operations** • Plant Quality • Process Flow • Scalability • Capacity **Employees** • Turnover • Relations • Wage Level • Pool of Labour **Suppliers** • Diversification • Pricing Power • Reliability **Shareholders** • Alignment of Interests • Financial Capability • Stability	**Competitors** **Business Cycle** **History of Profitability** **International Trade** **Regulatory Restrictions**	**% of Security Coverage** **Assets** • Condition • Obsolescence • Specialization **Dependence on Unsecured Creditors**	**Business** **Investment**

The risk rating assesses the overall risk of a loan. Risk encompasses both the potential incidence of default as well as the potential severity of loss relative to the amount invested if a default were to occur. An increasing risk rating implies that one or both of incidence and severity are increasing. A decreasing risk rating implies that one or both of incidence and severity are decreasing. There may also be situations where a risk rating is stable but incidence and severity are moving in different directions.

Similar to a financial ratio, the risk rating provides both a point-specific indication of the risk level of a loan as well as the trend of the risk level over a period of time. Crown's strategy is to provide loans to successful, cash flow-generating businesses. At the time of making a new loan investment, Crown generally expects the risk rating of the loan to improve over time as the borrower increases in value and pays down debt.

The following table sets forth the risk ratings assigned to each loan comprising the current loan portfolio as at the end of each quarter for the past eight quarters:

Loan Risk Ratings	December 31 2019	September 30 2019	June 30 2019	March 31 2019	December 31 2018	September 30 2018	June 30 2018	March 31 2018
Special Situations Financing:								
Touchstone	1.92	2.03	2.03	2.07	2.07	2.09	2.28	2.61
Source	2.54	2.48	2.36	2.26	2.24	2.14	2.14	2.22
Ferus	3.27	3.27	3.02	2.96	2.93	2.86	2.92	2.86
RBee	3.05	2.82	2.69	2.59	2.69	2.79	2.68	2.68
Active	2.35	2.36	2.44	2.44	2.39	2.39	2.36	2.47
Data Communications	3.45	3.30	3.12	3.08	3.07	3.01	3.07	n/a
Persta	3.38	3.38	3.58	3.58	3.25	2.91	2.87	n/a
Triple Five	2.48	2.52	2.69	2.63	2.66	2.47	2.47	n/a
VIQ Solutions	2.52	2.52	2.47	2.42	2.27	n/a	n/a	n/a
Rokstad Power	2.69	2.69	2.74	n/a	n/a	n/a	n/a	n/a
Long-Term Financing:								
PenEquity	2.98	2.98	2.98	2.97	2.88	2.77	2.53	2.54
Mill Street	2.82	2.82	2.82	2.82	2.61	2.61	2.51	n/a

Note: A risk rating of 1.0 is the best possible rating and a 5.0 is the worst possible rating.

Portfolio Company Updates

The following tables set forth certain summary information in respect of loans held by Crown as at December 31, 2019. The information contained in the rows entitled "Business Description" has been developed from information provided by the applicable borrower. See "Forward-Looking Statements", "Market and Industry Data" and "Risk Factors".

Special Situations Financing

Touchstone Exploration Inc. (TSX: TXP)			
Business Description:	Headquartered in Calgary, Alberta, Touchstone is engaged in the exploration, development, and production of petroleum and natural gas. Touchstone's primary focus is onshore oil production in the Republic of Trinidad and Tobago, where it has interests in approximately 90,000 gross acres of exploration and development rights.		
Industry:	Oil and Gas	**Term:**	84 months (extended from 60)
Investment Date:	November 23, 2016	**Interest Rate:**	8%
Current Capital Invested:	$20 million (original investment $15 million)	**Bonus/Participation:**	Royalty of 1.33% of gross revenue from production until November 23, 2023
Principal Repayment:	$1.1 million per quarter commencing January 1, 2021; residual is payable at maturity		

Source Energy Services Canada (TSX: SHLE)			
Business Description:	Headquartered in Calgary, Alberta, Source is the leading provider of frac sand to the Western Canadian Sedimentary Basin. Source is vertically integrated with operations spanning the entire production and logistics chain, including the mining and processing of Northern White sand in Wisconsin, bulk rail and storage involving multiple transload terminals in Canada and the United States, and "last mile" logistic solutions including material handling services at the wellsite.		
Industry:	Energy Services	**Term:**	60 months
Investment Date:	December 8, 2016	**Interest Rate:**	10.5%
Current Capital Invested:	$12.4 million of Senior Secured First Lien Notes (original investment $15 million)	**Bonus/Participation:**	116,059 common shares
Principal Repayment:	Single payment at maturity		

Ferus Inc.			
Business Description:	Headquartered in Calgary, Alberta, Ferus is the leading provider of industrial gases to the energy sector in the Western Canadian Sedimentary Basin. As an integrated supplier of nitrogen and carbon dioxide for the energized fracturing industry, Ferus owns and operates numerous production plants, tractor-trailer units, and fixed and portable storage units. Ferus' logistics fleet is designed to meet the demanding off-road requirements of the oil and gas industry. Energized hydraulic fracturing involves the use of cryogenic products to increase energy content and reduce water use in well fracturing, resulting in superior hydrocarbon recovery, reduced chemical and water requirements and decreased water disposal costs.		
Industry:	Energy Services	**Term:**	60 months
Investment Date:	June 27, 2017	**Interest Rate:**	Not disclosed
Current Capital Invested:	$25 million	**Bonus/Participation:**	Nominal cost share purchase warrants
Principal Repayment:	Single payment at maturity		

RBee Aggregate Consulting Ltd.			
Business Description:	Headquartered in Gibbons, Alberta, RBee has one of the largest mobile crushing fleets in Western Canada. With over 35 years of experience, previously operating as RBee Crushing, RBee offers its expertise to municipal and provincial governments, independent gravel pit owners and both private and public companies. RBee is 50%-owned by each of the management of RBee and a lending syndicate comprised of Crown Partners Fund (approximate interest in RBee of 46.3%) and a syndicate partner (approximate interest in RBee of 3.7%).		
Industry:	Industrial Services	**Term:**	Payable on demand
Investment Date:	November 1, 2017	**Interest Rate:**	Not disclosed
Current Capital Invested:	$17.4 million	**Bonus/Participation:**	46.3% common equity interest
Principal Repayment:	Payable on demand		

Active Exhaust Corp.			
Business Description:	Headquartered in Toronto, Ontario, Active is a manufacturer of complete exhaust systems and components for major global original equipment manufacturers ("OEMs") operating in the off-road equipment sector. Active has a 180,000 square foot manufacturing facility in Toronto as well as manufacturing operations in China and India through majority-owned joint ventures. For over 50 years, Active has designed and manufactured industry leading exhaust systems, ranging from standard mufflers to custom-engineered exhaust and emission solutions to meet environmental demands. Active sells its products to leading OEMs in four primary categories: agriculture, commercial turf care, construction, and ATV/utility vehicles.		
Industry:	Manufacturing	**Term:**	66 months
Investment Date:	December 21, 2017	**Interest Rate:**	Not disclosed
Current Capital Invested:	$7 million	**Bonus/Participation:**	Share of increase in enterprise value from date of loan to repayment
Principal Repayment:	Single payment at maturity		

Data Communications Management Corporation (TSX: DCM)			
Business Description:	Headquartered in Brampton, Ontario, Data Communications is the largest integrated business communications solutions provider in Canada, with clients in key verticals such as financial services, retail, healthcare, lottery and gaming, not-for-profit, and energy. Data Communications' core service offering includes commercial print services, labels and asset tracking, event tickets and gift cards, logistics and fulfillment, direct marketing, content and workflow management, data management and analytics, and regulatory communications.		
Industry:	Business Services	**Term:**	60 months
Investment Date:	May 8, 2018	**Interest Rate:**	10%
Current Capital Invested:	$19 million (original investment $12 million)	**Bonus/Participation:**	1,510,000 warrants
Principal Repayment:	Single payment at maturity		
Persta Resources Inc. (HKEX: stock code 3395)			
Business Description:	Persta is a Calgary, Alberta-based oil and gas exploration and development company focused on liquids-rich gas and light crude oil in Western Canada. Its three core areas comprise Alberta Foothills liquids-rich natural gas properties, Deep Basin Devonian natural gas properties and Peace River light oil properties. Persta was founded in 2005 and was one of the first oil and gas companies to target the Spirit River/Wilrich zones in the Alberta foothills.		
Industry:	Oil and Gas	**Term:**	60 months
Investment Date:	May 15, 2018	**Interest Rate:**	12%
Current Capital Invested:	$20 million plus $3.6 million of capitalized fees and interest	**Bonus/Participation:**	8,000,000 warrants
Principal Repayment:	Single payment at maturity		
Triple Five Intercontinental Group Ltd.			
Business Description:	Headquartered in Calgary, Alberta, Triple Five is engaged in acquiring interests in petroleum and natural gas rights, and the exploration, development, production and sale of petroleum and natural gas. Triple Five's core operation is located in Alberta's Sunchild First Nation Reserve within the Deep Basin fairway in west central Alberta, where the Company has a 100% working interest in 20 contiguous sections of land (approximately 12,800 net acres). All of its production is from the Spirit River zone (Falher A and B). The area surrounding the Sunchild First Nation is controlled by several high profile oil and gas companies including Bellatrix, Cenovus, TAQA, Peyto, Westbrick and Vermillion.		
Industry:	Oil and Gas	**Term:**	Approximately 42 months
Investment Date:	August 31, 2018	**Interest Rate:**	10.5%
Current Capital Invested:	$27 million (original investment $15 million)	**Bonus/Participation:**	Royalty of 3% of gross revenue from production (6% on wells drilled after October 31, 2019) until March 12, 2022
Principal Repayment:	$0.725 million per month commencing September 1, 2020; residual is payable at maturity		
VIQ Solutions Inc. (TSXV: VQS)			
Business Description:	Headquartered in Mississauga, Ontario, VIQ Solutions is engaged in the transcription services industry with a leading global technology platform offering ultra-secure digital media capture, workflow management and analytics to customers in its key verticals of transcription, insurance, judicial, hearings, legal, healthcare and public safety. Its purpose-built solutions are used in over 25 countries with tens of thousands of users in government and private agencies.		
Industry:	Business Services	**Term:**	60 months
Investment Date:	November 28, 2018	**Interest Rate:**	10%
Current Capital Invested:	$8.9 million (total commitment: $15 million)	**Bonus/Participation:**	106,383 common shares and 450,000 warrants
Principal Repayment:	Single payment at maturity		

Rokstad Holdings Corporation			
Business Description:	Headquartered in Coquitlam, British Columbia, Rokstad is a privately held company that provides power line construction and maintenance services to customers across North America. Founded in 2008, Rokstad offers a full suite of power line services, including emergency and storm response, transmission and distribution line construction and maintenance and underground cable services. Rokstad is also a specialist in live line construction methods for distribution and transmission line projects. With operations throughout Canada and the United States, Rokstad has successfully grown from a mid-size contractor to one of the largest power line contractors in North America. The company's largest markets are British Columbia, California and Arizona.		
Industry:	Industrial Services	**Term:**	Term loan: Approximately 66 months Bridge loan: 6 months
Investment Date:	Term loan: April 26, 2019 Bridge loan: August 7, 2019	**Interest Rate:**	Not disclosed
Current Capital Invested:	Term loan: $45 million Bridge loan: $5 million	**Bonus/Participation:**	Phantom equity payout equal to a specified percentage of equity value upon exercise
Principal Repayment:	$0.75 million per month commencing December 1, 2021; residual is payable at maturity		

Long-Term Financing

PenEquity Realty Corporation			
Business Description:	Headquartered in Toronto, Ontario, PenEquity is a privately-owned property management and real estate development company, operating primarily in the retail sector with a focus on grocery-anchored retail plazas. Since its inception in 1984, PenEquity has completed over 20 development projects. PenEquity has established strong relationships with partners and key tenants and has been successful in attracting large, high-quality, financially-stable tenants. PenEquity currently has a portfolio of six development projects in its pipeline, which are primarily grocery-anchored community retail plazas. Two of the projects are in Barrie, with the others in Stoney Creek, Brampton, London and Kanata. PenEquity expects to develop and realize on these projects over the next five years.		
Industry:	Real Estate Development	**Term:**	120 months
Investment Date:	December 15, 2015	**Interest Rate:**	Not disclosed
Current Capital Invested:	$25 million plus $4.7 milion of accrued interest	**Bonus/Participation:**	None
Principal Repayment:	$2.5 million per year commencing December 31, 2021; residual is payable at maturity		
Mill Street & Co. Inc.			
Business Description:	Headquartered in Thornhill, Ontario, Mill Street is a diversified investment company that has majority ownership stakes in nine operating companies across three industry platforms: construction, commercial & home services, building supply, sales & distribution and financial services. Mill Street's core value proposition to an entrepreneur is to provide them with both a succession plan and liquidity by acquiring up to 100% of their business. Mill Street seeks to acquire controlling interests in operating companies and typically structures transactions that result in vendors retaining equity positions of approximately 20%, which serves to keep them engaged in their businesses post-acquisition and promotes successful transitions.		
Industry:	Diversified	**Term:**	120 months
Investment Date:	May 16, 2018	**Interest Rate:**	5-year Govt. of Canada yield plus 10% (12% minimum)
Current Capital Invested:	$10 million	**Bonus/Participation:**	Share of increase in equity value from date of loan to repayment
Principal Repayment:	$0.1 million per month commencing May 1, 2023; residual is payable at maturity		

DISTRIBUTED POWER

2019 Operating Highlights

- In February 2019, Crown Power Fund completed a subsequent closing with subscriptions for an additional approximately 57,900 Units at $1,000 per Unit, increasing the total capital committed to Crown Power Fund to approximately $57.9 million. Crown, through its wholly-owned subsidiary CCFC, participated in this closing, resulting in CCFC holding a total of 25,000 Units representing a total capital commitment of $25.0 million and an approximate 43.2% interest in Crown Power Fund (December 31, 2018 – 100%). Following this subscription, non-controlling interests held an aggregate interest in Crown Power Fund of approximately 56.8% and representing a total capital commitment of $32.9 million, of which $13.3 million was contributed at the subscription date.

- In the first quarter of 2019, Crown recorded a $3.0 million bad debt expense in relation amounts owing from a former operating partner affiliated with Crown Power Fund, representing the gross amount of this receivable. This amount related to advances made by the Corporation that were used by the former operating partner to fund unauthorized operating expenses in the period prior to the subscription of limited partnership units by third-party investors in February 2019 (i.e., when Crown Power Fund was wholly owned by the Corporation.) Accordingly, this provision was incurred directly by the Corporation rather than by Crown Power Fund and was fully attributable to Shareholders. Of the $3.0 million originally recognized as a bad debt expense, an aggregate recovery of $0.5 million had been achieved as at December 31, 2019.

- During 2019, we established relationships with, and partial ownership interests in, three additional third-party operating partners engaged exclusively in sourcing, designing, constructing and operating distributed power projects on behalf of Crown Power Fund ("**Operating Partners**"). The arrangements with each Operating Partner involve the granting of non-controlling ownership interests in the Operating Partner to each of Crown and Crown Power Fund for nominal consideration. Through these minority ownership interests, we are entitled to our proportionate share of profits of the Operating Partners. We carry these equity investments at FVTPL at a value of $nil as at December 31, 2019 (2018 - $nil).

- During 2019, Crown Power Fund commenced construction on four new distributed power projects, increasing the total number of projects in development or in operation to nine, including one in operation, as at December 31, 2019 (2018 – five).

- In the fourth quarter of 2019, the first distributed power project developed by Crown Power Fund became operational and subject to a long-term lease carried at $0.6 million as at December 31, 2019.

Outlook

We remain focused on building out assets in Crown Power Fund and on securing additional third-party funding commitments to help finance additional investment. Management expects that 2020 will be a year of accelerated growth for Crown Power Fund. The pipeline of potential transactions in the Distributed Power market, including prospective projects already in the planning stage by Crown Power Fund, is vibrant and growing.

Management believes that the market opportunity continues to become more compelling for onsite power generation in each of Ontario and Alberta, our current geographic regions of focus. Crown Power Fund is also currently prospecting opportunities in Eastern Canada, where electricity prices are among the highest in Canada but where natural gas supply is relatively limited, and is investigating potential expansion into select U.S. markets.

We do not presently see any material financial impacts of the COVID-19 pandemic on the financial performance of our power generation assets or pipeline opportunities.

NETWORK SERVICES

Crown participates in the Network Services market through its wholly owned subsidiary, WireIE.

Acquisition of WireIE

On July 12, 2019, Crown acquired 100% of the common shares, voting interests and debt in WireIE, an Ontario-based broadband network operator specializing in the deployment and management of carrier-grade data networks across Canada and internationally to underserved communities. Prior to the acquisition, Crown and WireIE were parties to a long-term debt security contract under which Crown had invested $7.6 million in accordance with an income-streaming funding structure.

In exchange for the common shares, voting interests and debt in WireIE, Crown transferred $0.2 million in cash consideration and agreed to pay the selling debtholders additional consideration on an annual basis as a predefined percentage of cumulative EBITDA in relation to WireIE, in accordance with prescribed dollar thresholds starting in 2020 for a five-year period, and not to exceed a $5.0 million aggregate amount. In respect of this additional consideration, Crown recognized $0.3 million in contingent consideration, which represents its fair value at the date of acquisition, and which Crown has determined remains appropriate as at December 31, 2019.

At the date of acquisition, Crown recognized $8.1 million of identifiable net assets measured at fair value, primarily related to network services contracts and network services equipment. As this was greater than the total consideration paid of $8.0 million, we recognized a gain on acquisition of $0.1 million.

The pre-existing long-term loan that Crown had made to WireIE was effectively terminated in connection with the acquisition and was deemed to have been settled at fair value, resulting in the recognition of both a realized gain on investment of $0.3 million and a $0.1 million recovery of expected credit loss.

For additional details, refer to *Note 15 – Acquisition of subsidiary* in the Corporation's consolidated financial statements.

Outlook

Crown's strategy with regards to its investment in WireIE involves the creation of a capital pool that invests in high-quality, recurring network services revenue of WireIE and, potentially, of other network services companies. As the capital pool grows, Crown will seek to raise additional capital commitments from third-party investors to fund future asset growth. In addition to investment income earned from Crown's network services investments, we anticipate that we will earn fees in relation to our role as manager of this capital pool.

We do not presently see any material financial impacts of the COVID-19 pandemic on the financial performance of our network assets or pipeline opportunities.

PART 4 – CAPITALIZATION AND LIQUIDITY

CAPITALIZATION

We review the components of our capitalization in the following sections.

Corporate Capitalization – reflects our issued and outstanding Convertible Debentures and Common Shares and the amount of debt held by the Corporation excluding amounts in relation to its Crown Partners Fund, Crown Power Fund and WireIE subsidiaries. Corporate debt includes amounts drawn upon the Crown Credit Facility. At December 31, 2019, our corporate capitalization was $132.6 million (December 31, 2018 - $142.5 million).

Consolidated Capitalization – reflects the full capitalization of wholly owned and partially owned entities that we consolidate in our financial statements and is equal to total liabilities plus total equity in our consolidated statement of financial position. At December 31, 2019, consolidated capitalization increased compared with the prior year largely due to an increase in the borrowings of Crown Partners Fund following the establishment of the CCPF Credit Facility in February 2019, the issuance of promissory notes by Crown Partners Fund effective December 31, 2019 and the addition of liabilities, including lease obligations, in relation to the acquisition of WireIE effective July 12, 2019.

Our Share of Capitalization[1] – reflects our proportionate exposure of debt and equity balances in consolidated entities.

The following table presents our capitalization on a consolidated, corporate and our share basis:

AS AT DEC. 31 (THOUSANDS)	Ref.	Corporate 2019	Corporate 2018	Consolidated 2019	Consolidated 2018	Our Share 2019	Our Share 2018
Corporate borrowings	i	**$ 13,875**	$ 17,730	**$ 13,875**	$ 17,730	**$ 13,875**	$ 17,730
Subsidiary borrowings	ii	**-**	-	**24,531**	-	**9,509**	-
		13,875	17,730	**38,406**	17,730	**23,385**	17,730
Accounts payable and other liabilities		**2,329**	1,618	**9,375**	7,139	**6,214**	3,661
Lease obligations		**403**	-	**4,324**	-	**4,324**	-
Promissory notes payable		**-**	-	**8,512**	-	**3,300**	-
Convertible debentures - liability component	iii	**18,562**	18,222	**18,562**	18,222	**18,562**	18,222
Non-controlling interests		**-**	-	**122,996**	127,938	**-**	-
Equity							
Share capital		**95,342**	97,615	**95,342**	97,615	**95,342**	97,615
Convertible debentures - equity component	iii	**483**	483	**483**	483	**483**	483
Contributed surplus		**1,087**	1,397	**1,087**	1,397	**1,087**	1,397
Retained earnings		**566**	5,397	**566**	5,397	**566**	5,397
Total equity	iv	**97,478**	104,892	**97,478**	104,892	**97,478**	104,892
Total capitalization		**$132,647**	$142,463	**$299,653**	$275,921	**$153,263**	$144,506

i. Corporate Credit Facility

On December 30, 2016, Crown entered into an agreement for a $35.0 million, 36-month, renewable senior secured revolving credit facility with ATB Financial and Business Development Bank of Canada which is intended to be used primarily to fund the Corporation's capital commitments to each of Crown Partners Fund, CCF IV Investment LP and Crown Power Fund and to fund investment in Long-Term Financings, including WireIE (the "**Crown Credit Facility**"). Effective February 5, 2019, the Corporation extended the maturity of the Crown Credit Facility to May

[1] See definition in Glossary of Terms beginning on page 53.

31, 2021. The balance outstanding on the Crown Credit Facility at December 31, 2019 of $13.9 million is comprised of gross advances of $14.3 million net of unamortized deferred financing costs of $0.4 million.

ii. Subsidiary Credit Facility

On February 5, 2019, Crown Partners Fund entered into an agreement for a $25.0 million senior, secured, syndicated credit facility with ATB Financial as agent and a maturity date of May 31, 2022 that is subject to extension annually, and that is intended to be used primarily to fund investments in mid-market corporations (the "**CCPF Credit Facility**"). Effective December 17, 2019, the size of the CCPF Credit facility was increased to $50 million and the maturity date was extended to May 31, 2023. The balance outstanding on the CCPF Credit Facility at December 31, 2019 of $24.5 million is comprised of gross advances of $25.0 million net of unamortized deferred financing costs of $0.5 million.

We provide additional detail regarding our credit facilities in *Note 8 – Credit facilities* of the consolidated financial statements.

iii. Convertible Debentures

On July 13, 2018, Crown issued $20.0 million of convertible unsecured debentures that bear interest at a rate of 6.0% per annum, payable semi-annually in arrears on June 30 and December 31 of each year, with a maturity date of June 30, 2023 and a conversion price of $13.70 per Common Share (the "**Convertible Debentures**"). The Convertible Debentures are direct, subordinated unsecured obligations of the Corporation, subordinated to the Credit Facility. Net of issuance costs, the Corporation received net proceeds of $18.7 million from the issuance of the Convertible Debentures. We provide additional detail regarding the Convertible Debentures in *Note 9 – Convertible Debentures* of the consolidated financial statements.

iv. Equity

We provide a continuity of each component of equity in the consolidated statements of changes of equity included in our consolidated financial statements.

Issued and Outstanding Shares

Changes in the number of issued and outstanding Common Shares during the periods are as follows:

AS AT AND FOR THE PERIODS ENDED DEC. 31 (THOUSANDS)	**2019**	2018
Outstanding at beginning of period	**9,617**	9,510
Issued (repurchased)		
Repurchases	**(236)**	(130)
Share-based compensation	**13**	237
Outstanding at end of period	**9,393**	9,617
Unexercised options and other share-based plans[1]	**115**	138
Total diluted shares at end of period	**9,508**	9,755

1. Includes restricted share units, performance share units and in-the-money share options

In the twelve months ended December 31, 2019, the Corporation repurchased 236,372 Common Shares pursuant to our normal course issuer bid ("**NCIB**") and issued 13,059 Common Shares to employees and directors as a result of vesting of restricted share units.

On April 10, 2018, the Corporation commenced an NCIB to purchase for cancellation during the next 12 months up to 300,000 Common Shares representing approximately 5.5% of the public float of Common Shares and approximately 3.2% of the issued and outstanding Common Shares. Under this NCIB program, which subsequently expired on April 9, 2019, Crown repurchased and cancelled 102,583 Common Shares at an average cost of $10.06 per Common Share.

On April 10, 2019, the Corporation commenced an NCIB to purchase for cancellation during the next 12 months up to 300,000 Common Shares representing approximately 5.3% of the public float of Common Shares and approximately 3.1% of the issued and outstanding Common Shares. Under this NCIB program, Crown repurchased and cancelled 214,111 Common Shares in the twelve months ended December 31, 2019 at an average cost of $7.42 per Common Share.

The total number of Common Shares outstanding at December 31, 2019 was 9,393,242 (December 31, 2018 – 9,616,555; March 12, 2020 – 9,430,712).

LIQUIDITY

Liquidity and Capital Resources

Considering the Corporation's working capital of $4.4 million, the $82.2 million of committed capital available to Crown Partners Fund and Crown Power Fund from parties other than Crown, and the undrawn balances of the credit facilities of each of Crown and Crown Partners Fund totaling $45.7 million, at December 31, 2019, the Corporation had access to up to approximately $132.3 million to fund additional investments.

The undrawn balance of the CCPF Credit Facility and the balance of uncalled committed capital available to Crown Partners Fund may only be used to support the financing requirements of Crown Partners Fund, and the uncalled committed capital available to Crown Power Fund may only be used to support the financing requirements of Crown Power Fund.

The Corporation defines working capital as the sum of cash and cash equivalents, accounts receivable, income taxes recoverable and prepaid expenses and deposits less the sum of accounts payable and accrued liabilities, distributions payable to non-controlling interests, income taxes payable, promissory notes payable and the portions of deferred network services revenue, the deferred compensation liability, the provision for performance bonus, bank debt and lease obligations that are payable within one year of the reporting date.

Working capital at December 31, 2019 was $4.4 million compared with $(5.7) million as at December 31, 2018, with the increase during the period related primarily to a $6.5 million increase in accounts receivable and a reclassification of $17.7 of bank debt as a non-current liability in the non-consolidated financial statements of the Corporation effective February 5, 2019, partially offset by a $3.1 million increase in accounts payable and accrued liabilities, the addition of promissory notes payable of $8.5 million and the inclusion of $0.3 million in current lease obligations following the implementation of IFRS 16 and the acquisition of WireIE.

The Corporation, on a non-consolidated basis, retains sufficient capital to ensure it meets the minimum excess working capital requirement of $100,000 under applicable securities law.

At December 31, 2019, $112.6 million (64%) of the $175.3 million committed to Crown Partners Fund to that date by limited partners other than Crown had been drawn by Crown Partners Fund, leaving $62.6 million of committed capital available to Crown Partners Fund from parties other than Crown. As at December 31, 2019, Crown Partners Fund had total committed capital of $286.4 million, including commitments by Crown, and a maximum size of $500.0 million.

At December 31, 2019, $13.3 million (40%) of the $32.9 million committed to Crown Power Fund to that date by limited partners other than Crown had been drawn by Crown Power Fund, leaving $19.6 million of committed capital available to Crown Power Fund from parties other than Crown. As at December 31, 2019, Crown Power Fund had total committed capital of $57.9 million including commitments by Crown.

The Corporation also has the ability to raise additional liquidity through the issuance of securities and sale of holdings of investments and other holdings, although we are generally able to finance our operations and capital requirements through other means.

The carrying value of financial liabilities broken down by contractual maturity is as follows:

AS AT DEC. 31 (THOUSANDS)	2019	2018
Contractual maturity:		
On demand	$ -	$ -
0 - 12 months	**15,126**	4,195
1 - 3 years	**40,336**	17,730
3 - 5 years	**21,083**	18,222
5 years or more	**2,634**	2,944
Total carying value of financial liabilities	**$ 79,179**	$ 43,091

Off-Balance Sheet Arrangements and Unfunded Commitments

Uncalled Commitments to Managed Investment Funds

The Corporation, through its wholly owned subsidiary CCFC, has subscribed for limited partnership units in several investment funds managed by the Corporation, namely Crown Partners Fund, CCF IV Investment LP and Crown Power Fund. Through its ownership of these limited partnership units, the Corporation has made contractual commitments to contribute funds to each of these entities up to a prescribed maximum value per unit, as called by the respective general partners of these investment funds. The table below summarizes the total capital commitment of the Corporation to each investment fund, as well as the uncalled portion of such capital commitments as at each of December 31, 2019 and December 31, 2018.

AS AT DEC. 31 (THOUSANDS, EXCEPT UNITS)	2019			2018
	Units Subscribed by CCFC	Capital Commitment	Uncalled Capital Commitment	Uncalled Capital Commitment
Crown Partners Fund	107,840	$ 107,840	$ 38,543	$ 35,824
CCF IV Investment LP	3,270	3,270	1,171	1,057
Crown Power Fund	25,000	25,000	14,909	-
Total			$ 54,623	$ 36,881

As the manager of each of Crown Partners Fund, CCF IV Investment LP and Crown Power Fund, Crown controls the timing and level of funding requirements in relation to its capital commitments to these funds.

Other Unfunded Commitments

As at December 31, 2019, Crown Power Fund had committed to contracts valued at $21.6 million in relation to the construction of power generation assets, of which $10.3 million had been advanced to suppliers and contractors, resulting in an unfunded commitment of approximately $11.2 million, of which $6.4 million was attributable to non-controlling interests.

Of Crown Partners Fund's $15 million funding commitment to VIQ Solutions, $8.9 million had been advanced as at December 31, 2019, resulting in an unfunded commitment of $6.1 million as at that date, of which $3.7 million was attributable to non-controlling interests.

Through WireIE, the Corporation had $3.1 million in backhaul commitments relating to its use of broadband network infrastructure as at December 31, 2019.

The Corporation has guaranteed the repayment of loans advanced to executives by a third-party financial institution pursuant to the Corporation's executive share purchase plan which totaled $2.5 million as at December 31, 2019, and which are secured by Common Shares owned by participants in the executive share purchase plan Share with a value of $3.0 million as at December 31, 2019.

Crown has no other material off-balance sheet arrangements.

REVIEW OF THE CONSOLIDATED STATEMENTS OF CASH FLOWS

The following table summarizes the consolidated statements of cash flows within our consolidated financial statements:

FOR THE YEARS ENDED DEC. 31 (THOUSANDS)	**2019**	2018
Operating activities	**$ 13,662**	$ 18,070
Investing activities	**(25,927)**	(75,415)
Financing activities	**9,319**	27,546
Decrease in cash and cash equivalents	**$ (2,946)**	$ (29,799)

Operating Activities

Cash provided by operations totaled $13.7 million in the twelve months ended December 31, 2019, a $4.4 million decrease compared with $18.1 million in 2018 due primarily to a $5.7 million year-over-year increase in the amount of non-cash interest income recognized.

Investing Activities

Cash used in investing activities totaled $25.9 million in the twelve months ended December 31, 2019 compared with $75.4 million in 2018. The decrease was due primarily to a $32.9 million increase in proceeds from loan repayments, a $13.8 million reduction in additions to investments, and a $5.0 million reduction in the purchase of distributed power equipment under development and related deposits. Loan repayments in the twelve months ended December 31, 2019 included proceeds in relation to the BGO, Baylin and Canadian Helicopters loans and from the partial repayment of the Solo investment. Additions to investments in the twelve months ended December 2019 included amounts advanced to each of Triple Five, Rokstad Power, Data Communications and Touchstone.

Financing Activities

Cash provided by financing activities totaled $9.3 million in the twelve months ended December 31, 2019 compared with $27.5 million in 2018. The decrease was due mainly to the issuance of convertible debentures in 2018, which provided $18.7 million of cash to the Corporation, net of issuance costs. The primary financing-related sources of cash in the twelve months ended December 31, 2019 were non-controlling interest contributions to each of Crown Partners Fund and Crown Power Fund and advances, net of repayments, in relation to credit facilities. The primary financing-related uses of cash in the twelve months ended December 31, 2019 included distributions paid by Crown Partners Fund to non-controlling interests and dividend paid to Shareholders of the Corporation.

On March 12, 2020, the Corporation declared a quarterly dividend of $0.15 per Common Share. The dividend will be paid on March 27, 2020 to Shareholders of record on March 13, 2020.

PART 5 – ACCOUNTING POLICIES AND INTERNAL CONTROLS

ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

Overview

This MD&A of the consolidated operating and financial performance of the Corporation for the year ended December 31, 2019 is prepared as of March 12, 2020. This discussion is the responsibility of management and should be read in conjunction with the Corporation's December 31, 2019 audited consolidated financial statements and the notes thereto, prepared in accordance with IFRS, and other public filings available on SEDAR at www.sedar.com. The board of directors has approved this MD&A. All amounts therein are expressed in Canadian dollars unless otherwise indicated.

We present our consolidated balance sheets on a non-classified basis, meaning that we do not distinguish between current and long-term assets or liabilities. We believe this classification is appropriate given the nature of our business strategy.

Critical Estimates and Accounting Policies

The preparation of the consolidated year-end financial statements in accordance with the financial reporting framework requires management to make judgments, estimates and assumptions that affect the application of the Corporation's accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosures of contingent assets and liabilities at the reporting date. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Information about judgments, assumptions and estimation uncertainties that have the most significant effect on the amounts recognized in the audited consolidated financial statements for the year ended December 31, 2019 are included in the following notes in those financial statements:

- Note 3 – Significant accounting policies;
- Note 4 – Financial instruments;
- Note 7 – Share-based compensation;
- Note 15 – Acquisition of subsidiary;
- Note 17 – Property and equipment; and
- Note 18 – Network services contracts.

Additional information about critical estimates and accounting policies can be found in the Corporation's 2019 audited consolidated financial statements and notes thereto and other public filings available on SEDAR at www.sedar.com.

Current Period Changes in Accounting Policies

IFRS 16 "Leases" ("IFRS 16"):

Effective January 1, 2019 the Corporation adopted IFRS 16, replacing IAS 17 "*Leases*". IFRS 16 introduced a single, on-balance sheet accounting model for leases. As a result, the Corporation, as a lessee, has recognized a right-of-use asset in respect of its office lease representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Previously, the Corporation classified its office lease as an operating lease under IAS 17. At transition, the lease liability was measured at the present value of the remaining lease payments, discounted at the Corporation's incremental borrowing rate as at January 1, 2019. When measuring the lease liability, the Corporation discounted lease payments using its incremental borrowing rate as at January 1, 2019. The weighted-average rate applied is 7.0%.

The right-of-use asset is measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Corporation has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at January 1, 2019, with no restatement of comparative information.

As a result of initially applying IFRS 16, the Corporation recognized a right-of-use asset in the amount of $0.5 million and a lease liability in the amount of $0.5 million, with a nil difference in retained earnings. Upon the acquisition of WireIE on July 12, 2019, the Corporation assumed additional right-of-use assets in the amount of $5.1 million and a related lease liability in the amount of $5.3 million.

Accounting Policies Adopted in the Current Period:

As a result of the acquisition of WireIE on July 12, 2019, certain new accounting policies have been adopted, which are as follows:

Network services revenue recognition

Network services revenues are comprised of the following types of revenue:

- *Professional services revenue*

  Revenue from professional services, network support, maintenance and repair services is recognized as the related service is rendered.

- *Contractual network services revenue*

  Contractual network services revenue relates to the access to and usage of telecommunications infrastructure. There are two types of contractual network services revenue: (i) non-recurring revenues related to the upfront installation of network elements are invoiced at the time of installation and are deferred and recognized on a straight-line basis over the term of the customer life, which is generally three to five years in duration; and (ii) monthly recurring revenues relating to the ongoing operation of network services that are recognized as the service is rendered over the term of the arrangement.

  Network services revenue is recognized to the extent the performance obligations to the customer have been satisfied.

  The contracts with customers do not have a significant financing component. Payments are typically due 30-60 days from the billing date and are typically rendered on a monthly basis.

  Costs of contract acquisition, namely commissions expense, are capitalized and subsequently recognized as an expense over the customer life.

Network services equipment

Network services equipment is depreciated on a straight-line basis over its estimated useful life, which ranges between 6-15 years, depending on the nature of the equipment. Depreciation includes the amortization of right-of-use assets under finance leases where the Corporation is the lessee. The total cost of network equipment situated at customers' premises, associated installation costs and costs of contract acquisition are capitalized as incurred.

The Corporation leases network services equipment and properties, including the usage of third-party tower space through network co-location arrangements. As a lessee, the Corporation recognizes right-of-use assets and lease liabilities for most leases and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Corporation has elected not to recognize right-of-use assets and lease liabilities for some leases of low-value assets.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Network services contracts

Intangible assets in respect of the WireIE acquisition relate to customer contracts acquired.

Intangible assets with finite lives are amortized on a straight-line basis over their estimated useful lives, which are reviewed at least annually and adjusted as appropriate.

Network services contracts are subject to amortization on a straight-line basis as the Corporation believes that this method reflects the consumption of resources related to the economic lifespan of these assets better than a diminishing basis and is more representative of the economic substance of the underlying use of the assets. The estimated useful life for a network services contract ranges between 4-6 years and the intangible assets related to such contracts are depreciated on a straight-line basis over 4-6 years, with consideration for the average remaining useful life of the contracts. Indicators of impairment such as competitive pressures and technological obsolescence are considered when determining whether the carrying value of an asset is recoverable. An impairment loss would be recorded to the extent the carrying value of an asset was not considered to be recoverable.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as those terms are defined in National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings. The CEO and CFO have designed, or caused to be designed under their direct supervision, Crown's DC&P to provide reasonable assurance that:

- material information relating to Crown, including its consolidated subsidiaries, is made known to them by others within those entities, particularly during the period in which the annual filings are being prepared; and
- information required to be disclosed in the annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported on a timely basis.

Management has limited the scope of design of its disclosure controls and procedures and its ICFR to exclude the controls, policies and procedures of WireIE, of which Crown acquired a 100% interest on July 12, 2019. The total aggregate assets acquired and total aggregate liabilities assumed at closing, before deducting amounts attributable to non-controlling interests, represented approximately 5.4% and 4.0% of total consolidated assets and total consolidated liabilities, respectively, as at December 31, 2019. The impact of the acquisition on consolidated net income attributable to Shareholders for the year ended December 31, 2019, excluding the $0.1 million realized gain recognized in relation to the acquisition transaction and both a $0.3 million realized gain and a $0.1 million recovery of expected credit loss that were recognized in relation to the effective termination of the Corporation's loan to WireIE, which had been measured at amortized cost, was a net loss of $(0.9) million which includes depreciation expense of $1.9 million. Management is committed to removing this limitation within the timeframe permitted by regulation.

The CEO and CFO have also designed, or caused to be designed under their direct supervision, Crown's ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The ICFR have been designed using the control framework established in Internal Control – Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013.

The CEO and CFO have evaluated the design and operating effectiveness of Crown's DC&P and ICFR and concluded that Crown's DC&P and ICFR were effective as at December 31, 2019. While Crown's CEO and CFO believe that the Corporation's internal controls and procedures provide a reasonable level of assurance that such controls and procedures are reliable, an internal control system cannot prevent all errors and fraud. It is management's belief that any control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

There were no changes in Crown's ICFR during the year ended December 31, 2019 that have materially affected, or are reasonably likely to materially affect, Crown's ICFR.

PART 6 – RISKS AND FORWARD-LOOKING STATEMENTS

RISK FACTORS

Crown operates in a dynamic environment that involves various risks, many of which are beyond Crown's control and which could have an effect on Crown's business, revenues, operating results and financial condition.

In the short term, a significant risk to the Corporation is that all financing clients repay their loans and replacement loans are not completed such that interest, fees and other income and the capital base for determination of management fee revenues drop significantly. In the longer term, an inability to raise and place additional capital on which to charge interest and management fees would be a significant risk.

A risk that is common among Crown Partners Fund, Crown Private Credit Fund, Crown Power Fund and WireIE is credit risk, as discussed in *Financial Instruments and Associated Risks*. Although Crown intends to offer financing solutions, long-term power supply contracts and network services contracts only to clients with a history of profitability, there can be no assurance that its financing clients, long-term power supply counterparties or network services counterparties will not default and that Crown will not sustain a loss as a result.

The primary risk factor for Crown Partners Fund is credit risk, being the potential inability of one or more of the 10 portfolio companies to meet their debt obligations to Crown Partners Fund.

Through its ownership of equity and equity-related securities, Crown Partners Fund is exposed to market price risk. As at December 31, 2019, Crown Partners Fund held Source common shares which were valued at $0.03 million, Prairie Provident common shares which were valued at $0.2 million, Medicure common share purchase warrants which were valued at $0.1 million, Baylin common share purchase warrants which were valued at $0.2 million, Data Communications common share purchase warrants valued at $0.1 million, Persta warrants valued at $0.02 million, VIQ Solutions common shares which were valued at $0.1 million and VIQ Solutions common share purchase warrants which were valued at $0.3 million. As at December 31, 2019, Crown held additional VIQ Solutions common shares which were valued at $0.1 million. A reduction in the value of these warrants or shares would reduce the value of Crown's Investments.

The primary risk factor for Crown Private Credit Fund is credit risk, being the potential inability of PenEquity or Mill Street to meet their obligations to Crown Private Credit Fund.

The primary risk factor for Crown Power Fund is credit risk, being the potential inability of counterparties to long-term power supply contracts to meet their obligations to Crown Power Fund. Crown Power Fund is also exposed to the risk that project development advances provided to Operating Partners might not be appropriately applied to project development costs and that any resultant amounts owing to Crown Power Fund might not be recoverable.

The primary risk factor for WireIE is contract cancelation risk, being the risk that an above-normal level of existing term contracts is not renewed and extended at maturity and that existing month-to-month contracts are canceled at an above-normal pace. To the extent that the level of network services revenue added through the establishment of new customer contracts does not sufficiently offset the impact of contract cancelations on network services revenue, the resulting reduction of operating leverage could negatively impact WireIE's contribution to the consolidated net income of the Corporation. A related risk factor for WireIE is customer concentration risk, being the risk associated with WireIE's reliance on the renewal of network services contracts with a significant customer, which comprise the majority of its accounts receivable and network services revenues to date.

See *Note 5 – Financial risk management* in the Corporation's December 31, 2019 audited consolidated financial statements.

A more extensive discussion of the risks faced by the Corporation can be found in the Corporation's Annual Information Form ("**AIF**") available on SEDAR at www.sedar.com.

FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

The Corporation's financial instruments include cash and cash equivalents, accounts receivable, share purchase loans, accounts payable and accrued liabilities, distributions payable to non-controlling interests, credit facilities and convertible debentures – liability component. The fair values of share purchase loans and credit facilities approximate their respective carrying values due to the variable rate of interest applicable to these instruments. The carrying value of the convertible debenture – liability component approximates fair value due to the market interest rate as at December 31, 2019 which was consistent with that used to record the convertible debenture – liability component upon initial recognition at fair value on June 13, 2018. The fair values of other financial instruments approximate carrying value due to the short term to maturity of the instruments. The provision for deferred compensation is measured based on the market value of the Corporation's share price with the impact of any resultant change included in share-based compensation expense in the period.

The Corporation, through its subsidiaries CCFC, Crown Partners Fund and Crown Private Credit Fund, also holds investments in debt securities which are measured at amortized cost and at FVTPL and equity securities which are measured at FVTPL.

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Corporation's Canadian equity securities include Crown Partners Fund's interest in Source common shares, Prairie Provident common shares and VIQ Solutions common shares plus additional VIQ Solutions common shares held by Crown. The Corporation's Canadian warrants include Crown Partners Fund's interest in common share purchase warrants of VIQ Solutions, Medicure, Baylin, Data Communications and Persta. Source, Prairie Provident, VIQ Solutions, Medicure, Baylin, Data Communications and Persta are publicly-traded companies. The primary risk to the FVTPL of these equity securities is market risk.

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Corporation's investments in debt securities. Most of the debt instruments held by the Corporation are unrated and all are relatively illiquid. Repayments are dependent on the ability of the underlying businesses to generate sufficient cash flow from operations, refinancings or the sale of assets or equity. For loans carried at fair value through profit and loss, the terms of the individual debt instruments and the risks of the underlying businesses are reflected in the fair values at the reporting date. The Corporation actively reviews collateral of the underlying businesses, including fixed assets, inventory and receivables. The Corporation monitors financial results and collateral values of the underlying businesses regularly against the underlying business plans and industry trends. The carrying value of loans at amortized cost is net of an allowance for credit losses that reflects management's estimation of expected credit loss for each loan carried at amortized cost.

The Corporation's Canadian debt securities include Crown Partners Fund's loans to Touchstone, Source, Ferus, RBee, Active, Data Communications, Persta, Triple Five, VIQ Solutions and Rokstad Power, and Crown Private Credit Fund's loans to PenEquity and Mill Street. The primary risk to the carrying value of these debt securities is credit risk. Other than the PenEquity and Mill Street loans, which bear floating interest rates, these debt securities bear fixed interest rates which impacts interest rate risk.

The Corporation's investments are denominated in Canadian currency so there is no currency risk associated with the above investments except to the extent of investees' underlying operations which in some cases are dependent on revenues and are exposed to costs denominated in foreign currencies.

Additional information about financial instruments and associated risks can be found in the Corporation's 2019 audited consolidated financial statements and notes thereto and other public filings available on SEDAR at www.sedar.com.

FORWARD-LOOKING STATEMENTS

Statements that are not reported financial results or other historical information are forward-looking statements within the meaning of applicable Canadian securities laws (collectively, "**forward-looking statements**"). This MD&A includes forward-looking statements regarding Crown and the industries in which it operates, including statements about, among other things, expectations, beliefs, plans, future loans and origination, business and acquisition strategies, opportunities, objectives, prospects, assumptions, including those related to trends and prospects and future events and performance. Sentences and phrases containing or modified by words such as "anticipate", "plan", "continue", "estimate", "intend", "expect", "may", "will", "project", "predict", "potential", "targets", "projects", "is designed to", "strategy", "should", "believe", "contemplate" and similar expressions, and the negative of such expressions, are not historical facts and are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Forward-looking statements should not be read as guarantees of future events, future performance or results, and will not necessarily be accurate indicators of the times at, or by which, such events, performance or results will be achieved, if achieved at all. Forward-looking statements are based on information available at the time and/or management's expectations with respect to future events that involve a number of risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. The factors described under the heading "Risk Factors" in this MD&A and in the AIF, as well as any other cautionary language in this MD&A, provide examples of risks, uncertainties and events that may cause Crown's actual results to differ materially from the expectations it describes in its forward-looking statements. Readers should be aware that the occurrence of the events described in these risk factors and elsewhere in this MD&A could have an adverse effect on, among other things, Crown's business, prospects, operations, results of operations and financial condition.

Specific forward-looking statements contained in this MD&A include, among others, statements, management's beliefs, expectations or intentions regarding the following:

- the Corporation's intentions for the use of its cash and cash equivalents and the timing thereof, including additional capital contributions to Crown Partners Fund, Crown Private Credit Fund and Crown Power Fund;
- the future capitalization of Crown Partners Fund, Crown Private Credit Fund, Crown Power Fund and Crown and future closings in relation thereto;
- the sourcing of deals from Crown's established network and its potential pipeline of projects;
- the investments of Crown Partners Fund in Special Situations Financing transactions and the potential structuring of such transactions;
- the investments of Crown Private Credit Fund in Long-Term Financing transactions and the potential structuring of such transactions;
- the alternative financial market and the general economy;
- the performance of financing clients;
- the effect of delays between the repayment of loans and the redeployment of capital on Crown's financial condition;
- the determination of recovery levels and values realized on liquidation of security held, when necessary, for Crown's loans going forward;
- the effect of the early repayment of loans on anticipated interest income;

- the ability of Crown to direct the activities of its managed funds and to determine the timing and level of funding requirements in relation to its capital commitment to these funds;
- the future profitability of operating partners affiliated with Crown Power Fund and the expected recoverability of amounts owed to the Corporation by such operating partners;
- the distributed power market in general, and in our current geographic regions of focus in particular, and the ability of Crown Power Fund to source additional projects in which to invest going forward;
- the recoverability of costs incurred in the development of distributed power assets through the subsequent receipt of lease payments over the duration of the lease contracts in relation to such assets;
- the Corporation's intention to create a capital pool that invests in certain assets of WireIE, to seek funding commitments to this capital pool by third-party investors, and to generate management fee revenue in relation to managing this capital pool;
- the estimated useful life and recoverability of carrying values in respect of intangible assets representing the fair value of service contracts assumed on the acquisition of WireIE;
- the Corporation's business plans and strategy;
- the Corporation's future cash flow and shareholder value;
- the non-recurring nature of certain expenses;
- the future recoverability of accounts receivable;
- Crown's future entitlement to base management and performance fees;
- the future accounting policies of the Corporation;
- the ability of Crown Partners Fund to achieve enhanced returns through the use of debt financing to achieve financial leverage;
- the Corporation's ability to secure debt financing on terms acceptable to the Corporation (or obtaining debt financing); and
- the vesting of Share Units and Options.

Readers are cautioned that the foregoing list of forward-looking statements should not be construed as being exhaustive.

In making the forward-looking statements in this MD&A, the Corporation has made assumptions regarding general economic conditions, reliance on debt financing, interest rates, continued lack of regulation in the business of lending from sources other than commercial banks or equity transactions, continued operation of key systems, debt service, future capital needs, retention of key employees, adequate management of conflicts of interests, continued performance of the Crown funds and solvency of financing clients, competition, limited loan prepayment, demand for Distributed Power Solutions, demand for Network Services solutions, effective use of leverage, strength of existing client relationships, regulatory oversight and such other risks or factors described in this MD&A, the AIF and from time to time in public disclosure documents of Crown that are filed with securities regulatory authorities.

The forward-looking statements included in this MD&A are expressly qualified by this cautionary statement and are made as at the date of this MD&A. The Corporation does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. If the Corporation does update one or more forward-looking statements, it is not obligated to, and no inference should be drawn that it will, make additional updates with respect thereto or with respect to other forward-looking statements.

Readers are further cautioned that the preparation of financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues, and expenses. These estimates may change, having either a positive or negative effect on net income, as further information becomes available and as the economic environment changes.

NON-IFRS MEASURES

We disclose a number of financial measures in this MD&A that are calculated and presented using methodologies other than in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). We utilize these measures in managing the business, including for performance measurement, capital allocation and valuation purposes and believe that providing these performance measures on a supplemental basis to our IFRS results is helpful to investors in assessing the overall performance of our businesses. These financial measures should not be considered as the sole measure of our performance and should not be considered in isolation from, or as a substitute for, similar financial measures calculated in accordance with IFRS. We caution readers that these non-IFRS measures or other financial metrics may differ from the calculations disclosed by other businesses and, as a result, may not be comparable to similar measures presented by other issuers and entities. Reconciliations of these non-IFRS financial measures to the most directly comparable financial measures calculated and presented in accordance with IFRS, where applicable, are included within this MD&A. Please refer to our *Glossary of Terms* beginning on page 53 for all non-IFRS measures.

MARKET AND INDUSTRY DATA

Certain market and industry data contained in this MD&A is based upon information from government or other third-party publications, reports and websites or based on estimates derived from such publications, reports and websites. Government and other third-party publications and reports do not guarantee the accuracy or completeness of their information. While management believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data-gathering process and other limitations and uncertainties inherent in any statistical survey. Crown has not independently verified any of the data from government or other third-party sources referred to in this MD&A or ascertained the underlying assumptions relied upon by such sources.

TRADEMARKS, TRADE NAMES AND SERVICE MARKS

All trademarks used in this MD&A are the property of their respective owners and may not appear with the ® symbol.

GLOSSARY OF TERMS

The below summarizes certain terms relating to our business that are made throughout the MD&A and it defines non-IFRS performance measures that we use to analyze and discuss our results.

References

"Crown", the "Corporation", "we, "us" or "our" refers to Crown Capital Partners Inc. and its consolidated subsidiaries. We refer to investors in the Corporation as "shareholders" and we refer to investors in our managed limited partnerships as "investors".

Throughout the MD&A, the following operating companies, limited partnerships, portfolio companies and their respective subsidiaries will be referenced as follows:

- "**Active**" – Active Exhaust Corp.
- "**Baylin**" – Baylin Technologies Inc.
- "**BGO**" – Bill Gosling Outsourcing Holding Corp.
- "**Canadian Helicopters**" – Canadian Helicopters Limited
- "**CCF III**" Crown Capital Fund III Management Inc.
- "**CCF IV Investment LP**" – Crown Capital Fund IV Investment, LP
- "**CCFC**" – Crown Capital Funding Corporation
- "**Crown Partners Fund**" – Crown Capital Partner Funding, LP
- "**Crown Partners Fund GP**" – Crown Capital LP Partner Funding Inc.
- "**Crown Power Fund**" – Crown Capital Power Limited Partnership
- "**Crown Power GP**" – 10824356 Canada Inc.
- "**Crown Private Credit Fund**" – Crown Capital Private Credit Fund, LP
- "**Data Communications**" – Data Communications Management Corporation
- "**Ferus**" – Ferus Inc.
- "**Marquee**" – Marquee Energy Ltd.
- "**Medicure**" – Medicure Inc.
- "**Mill Street**" – Mill Street & Co. Inc.
- "**NCOF II**" – Norrep Credit Opportunities Fund II, LP
- "**NCOF II Parallel**" – Norrep Credit Opportunities Fund II (Parallel), LP
- "**NCOF LP**" – Norrep Credit Opportunities Fund, LP
- "**PenEquity**" – PenEquity Realty Corporation
- "**Persta**" – Persta Resources Inc.
- "**Petrowest**" – Petrowest Corporation
- "**Prairie Provident**" – Prairie Provident Resources Inc.
- "**RBee**" – RBee Aggregate Consulting Inc.
- "**Rokstad Power**" – Rokstad Holdings Corporation
- "**Solo**" – Solo Liquor Holdings Limited
- "**Source**" – Source Energy Services Canada
- "**Touchstone**" – Touchstone Exploration Inc.
- "**Triple Five**" – Triple Five Intercontinental Group Ltd.
- "**VIQ Solutions**" – VIQ Solutions Inc.
- "**WireIE**" – WireIE Holdings International Inc.
- "**WireIE Canada**" – WireIE (Canada) Inc.

Non-IFRS Measures

Capitalization at "our share" is a non-IFRS measure and presents our share of debt and other obligations based on our ownership percentage of the related subsidiaries. We use this measure to provide insight into the extent to which our capital is leveraged in each investment, which is an important component of enhancing shareholder returns. This may differ from our consolidated leverage because of the varying levels of ownership that we have in consolidated investments that, in turn, have different degrees of leverage. We also use capitalization at our share to make financial risk management decisions at the Corporation.

A reconciliation of consolidated liabilities and equity to capitalization at our share is provided below:

AS AT DEC. 31 (THOUSANDS)	2019	2018
Total consolidated liabilities and equity	**299,653**	275,921
Less: non-controlling interests' share of liabilities		
Accounts payable and accrued liabilities	**(387)**	(47)
Distributions payable to non-controlling interests	**(1,490)**	(1,742)
Promissory note payable	**(5,212)**	-
Provision for performance bonus	**(1,283)**	(1,688)
Credit facilities	**(15,021)**	-
Non-controlling interests	**(122,996)**	(127,938)
Total capitalization at our share	**153,263**	144,506

Adjusted Funds from Operations

Crown defines Adjusted Funds from Operations as earnings attributable Shareholders before finance costs, income taxes and depreciation and amortization expense (net of payments made in respect of right-of-use lease assets) and before amounts attributable to Shareholders in respect of the following items:

- non-cash, share-based compensation;
- non-recurring, non-cash items including impairment of distributed power equipment and loss on acquisition;
- unrealized gains / (losses) on investments;
- provision for expected credit losses;
- the amortization component of interest revenue recognized on loans carried at amortized cost;
- financing fees that were received in relation to investments measured at amortized cost but not recognized in revenue of the period;
- the amortization component of network services revenue;
- network services fees that were received in the period but not recognized in revenue of the period.

Compared with our prior period disclosures, we have revised our calculation of Adjusted Funds from Operations to add back the portion of the provision for credit losses attributable to Shareholders. This is consistent with our treatment of unrealized gains (losses) on investments, another non-cash item that relates to changes in the carrying value of investments, and we note that any gains or losses realized upon the disposition of an investment are included in Adjusted Funds from Operations at the time of disposition.

We believe that Adjusted Funds from Operations is a useful supplemental measure in the context of Crown's specialty finance focus to assist investors in assessing the cash anticipated to be generated by Crown's business, including cash received in relation to its various revenue streams, that is attributable to Shareholders.

Adjusted Funds from Operations in 2019 totaled $5.3 million compared with $13.2 million in 2018.

A reconciliation of earnings before income taxes to Adjusted Funds from Operations for the years ended December 31, 2019 and December 31, 2018 is shown in the following table:

FOR THE PERIODS ENDED DEC. 31 (THOUSANDS)	2019	2018
Earnings before income taxes attributable to Shareholders	$ **272**	$ 9,956
Adjustments for amounts attributable to Shareholders in relation to:[1]		
Finance costs	**3,362**	2,096
Depreciation expense, net of lease payments on right-of-use assets	**1,151**	34
Subtotal - Earnings atttributable to Shareholders before income, finance costs and depreciation expense, net of lease payments on right-of-use assets	**4,785**	**12,087**
Adjustments for amounts attributable to Shareholders in relation to:[1]		
Non-cash share-based compensation	**565**	1,000
Asset impairment expense	**325**	-
Gain on acquisition	**(85)**	-
Net unrealized investment losses	**(2)**	(1,066)
Provision for credit losses	**292**	-
Finance fees received in investments carried at amortized cost but not included in fees and other income	**772**	1,909
Amortization component of interest revenue on loans carried at amortized cost	**(1,736)**	(730)
Network services fees received on customer contracts but not included in contractual network services revenue	**362**	-
Amortization component of network services revenue	**22**	-
Adjusted Funds from Operations	$ **5,301**	$ 13,199

1. Adjustments exclude any amounts attributable to non-controlling interests.

Adjusted Funds from Operations decreased in 2019 compared with 2018 due primarily to the recognition of a realized loss related to the Solo investment, the incurrence of a $2.5 million provision for bad debt, a lower level of net unrealized gains attributable to Shareholders and increases in legal and GST/HST expenses that management believes will be non-recurring.

The following table provides a quarterly reconciliation of earnings before income taxes to Adjusted Funds from Operations for the period from January 1, 2018 to December 31, 2019.

FOR THE PERIODS ENDED DEC. 31 (THOUSANDS)	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1
Earnings (loss) before income taxes attributable to Shareholders	**$ 1,631**	$ 1,031	$ 3,092	$ (5,482)	$ 3,311	$ 2,421	$ 2,806	$ 1,417
Adjustments for amounts attributable to Shareholders in relation to:[2]								
Finance costs	**1,024**	863	630	845	849	768	344	135
Depreciation expense, net of lease payments on right-of-use assets	**298**	849	2	2	15	15	3	1
Subtotal - Earnings (loss) attributable to Shareholders before income taxes, finance costs and depreciation expense, net of lease payments on right-of-use assets	**2,953**	2,743	3,724	(4,634)	4,175	3,204	3,153	1,553
Adjustments for amounts attributable to Shareholders in relation to:[2]								
Non-cash share-based compensation	**304**	163	72	26	226	(104)	420	458
Asset impairment expense	**325**	-	-	-	-	-	-	-
(Gain) loss on acquisition	**(280)**	195	-	-	-	-	-	-
Net unrealized investment (gains) losses	**(228)**	(3,312)	(1,727)	5,266	(570)	(281)	(383)	167
Provision for credit losses	**246**	(65)	35	75	-	-	-	-
Finance fees received in investments carried at amortized cost but not included in fees and other	**214**	96	-	462	391	506	560	452
Amortization component of interest revenue on loans carried at amortized	**(468)**	(415)	(339)	(514)	(314)	(171)	(131)	(114)
Network services fees received on customer contracts but not included in contractual network services revenue	**133**	229	-	-	-	-	-	-
Amortization component of network services revenue	**191**	(169)	-	-	-	-	-	-
Adjusted Funds from Operations	**$ 3,390**	$ (536)	$ 1,766	$ 681	$ 3,908	$ 3,154	$ 3,619	$ 2,517

1. The Corporation is not subject to income taxation on net income attributable to non-controlling interests.
2. Adjustments exclude any amounts attributable to non-controlling interests.

This is **Exhibit "W"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

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Market Summary > Crown Capital Partners Inc
TSE: CRWN

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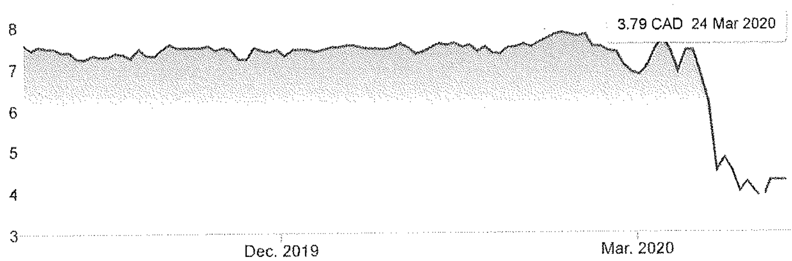
1 day 5 days 1 month **6 months** YTD 1 year 5 years Max



Open	4.24	Div yield	14.12%
High	4.25	Prev close	4.25
Low	4.19	52-wk high	10.48
Mkt cap	39.92M	52-wk low	3.79
P/E ratio	-		

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Crown Capital Partners

Corporate investment management company

Headquarters: Calgary

Founded: 1999

Subsidiaries: Crown Capital Pri Credit Fund, LP, CCPC LP, Crov Capital Partners Inc., Investment Banking Arm

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View detailed **stock** price information for **Crown Capital Partners** Inc. [CRWN] from TMXmoney including charting and last 25 trades.

crowncapital.ca › investor-relations › overview

Overview - Crown Capital Partners Inc.

Crown Capital (TSX: CRWN). **Stock** Price ($CDN)TSE:CRWN$6.88Change0.00% Change0.00%. **Crown** (TSX: CRWN) is a specialty finance company focused ...

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Crown Capital Partners Inc (CRWN-T) Quote - The Globe and ...

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CROWN CAPITAL PARTNERS INC (CRWN.TO) Stock Price ...

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CRWN | Complete **Crown Capital Partners** Inc. **stock** news by MarketWatch. View real-time **stock** prices and **stock** quotes for a full financial overview.

www.bloomberg.com › quote › CRWN:CN ▾

CRWN:Toronto Stock Quote - Crown Capital Partners Inc ...

Stock analysis for **Crown Capital Partners** Inc (CRWN:Toronto) including **stock** price, **stock** chart, company news, key statistics, fundamentals and company ...

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Crown Capital Partners Inc. CRWN Stock Quotes and Insider ...

("**Crown**" or the "Corporation") (TSX: CRWN), a **capital partner** to entrepreneurs and growth businesses, today announced its financial results for the fourth quarter ...

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Stock | CROWN CAPITAL PARTNERS Stock Price Today ...

Crown Capital Partners, Inc. engages in the provision of capital to middle-market companies. Its financing solutions include subordinate term and bridge loans, ...

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Crown Capital Partners Announces Q3 2019 Financial Results

Nov 7, 2019 - CNW/ - **Crown Capital Partners** Inc. ("Crown" or the "Corporation") (TSX: CRWN), a capital ... ($ in 000s, except per **share** and number of **shares**).

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This is **Exhibit "X"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

From: Noah Murad
To: Chris Johnson
Subject: FW: Mill Street & Co and Crown Capital Credit Agreement
Date: Monday, March 23, 2020 2:58:46 PM
Attachments: Credit Amending Agreement (Gowlings Comments on Crown Version 1).docx
WS Compare Credit Amending Agreement (Crown Version 1) - Credit Amending Agreement (Gowlings Comments on Crown Version 1).pdf
image001.png

Chris,

Please see attached comments and below.

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

MILL STREET & Co.

From: Segal, Lorne <Lorne.Segal@gowlingwlg.com>
Sent: March 23, 2020 2:49 PM
To: Noah Murad <nmurad@millstreetco.com>
Cc: Jacob Murad <jmurad@millstreetco.com>
Subject: Mill Street & Co and Crown Capital Credit Agreement

Noah,

I have reviewed the form of Amending Agreement provided to you by Crown Capital, and have reviewed the related documents you and Jacob provided to me including the Credit Agreement and your correspondence with Crown Capital.

I have attached a clean and blacklined copy of the Amending Agreement. The higher level changes we recommend, and have made to the attached, reflect the following:

1. While you have not conceded that there were Borrower Defaults or Events of Defaults in connection with the December 2019 and January 2020 payments, we understand that Mill Street has paid and Crown has accepted payment of these amounts. As such any alleged defaults have been remedied and ought to be put behind you, particularly given Mill Street'

intention to refinance the Crown loan. Mill Street needs to be able to go to market without this allegation hanging over it, particularly in the current environment. This is in all parties' best interest;

2. In accordance with our discussion, we have amended the commercial terms applicable to the Prepayment Fee and Bonus Payment; and

3. We have deleted the release language and instead have added a more general reservation of rights applicable to all parties.

My apologies for the delay in getting this back to you. It has been a busy and challenging time for all.

Hope you and your family are all well,

Lorne

Lorne Segal
Partner
T +1 613 786 0141
M +1 613 558 0047
lorne.segal@gowlingwlg.com

My Assistant: Funmilayo Ilori
T +1 613 233 1781 , 57485
funmilayo.ilori@gowlingwlg.com

Gowling WLG (Canada) LLP
Suite 2600, 160 Elgin Street
Ottawa ON K1P 1C3
Canada

gowlingwlg.com

This is **Exhibit "Y"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

From:
To:
Subject: FW: Updated Amending Agreement
Date: Wednesday, March 25, 2020 2:51:08 PM
Attachments: image001.png

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

MILL STREET & Co.

From: Chris Johnson <chris.johnson@crowncapital.ca>
Sent: March 25, 2020 2:49 PM
To: Noah Murad <nmurad@millstreetco.com>
Cc: Tim Oldfield <tim.oldfield@crowncapital.ca>
Subject: Re: Updated Amending Agreement

We will review your lawyer's materials and proceed accordingly.

Christopher A. Johnson, CFA
President & CEO
Crown Capital Partners Inc.
p. (416) 640-6715
chris.johnson@crowncapital.ca

> On Mar 25, 2020, at 2:43 PM, Noah Murad <nmurad@millstreetco.com> wrote:
>
> Chris
>
> Your lawyer will receive a letter from our litigator noting that he is on this file and that all follow up should go through him with respect to your claims. It should be noted once again that we are not in default and any attempt to proceed with this disingenuous plan to push your agenda on to us will be rigorously defended.

We also disagree with your comment that you have no confidence in the avenues that we are pursuing with respect to securing equity for our business. Any delays in securing the solutions that we are seeking was related to the structural changes that we made in buying our minority partner, finalizing our year end financial statements, securing a top level management team and other changes that you are well aware of. Both the debt solutions and Canaccord, along with all the other avenues that we are speaking to (including the call today with Mosaic) are vey much in play and will succeed in providing a solution if we are left alone to complete these transactions. We have identified strategic partners for the sale of GNI that we are presently pursuing and even those would not have been able to be addressed without the changes that we made.

Your idea of what is credible when you have alternate objectives and priorities is not relevant. We will determine what is best for us and our shareholders. If you will be patient and reasonable, and stay out of the process, we will complete a transaction that is acceptable to all parties and keep you informed along the way as we have always done. This can be done within the timelines that you want. If on the other hand you wish to continue with the demand (which will only delay the process, and have our companies spending time and energy where it is not needed) then this should be left to the lawyers.

What I suggest is that you remove the demand and lets agree to the end September timeline for your buyout with the reduced penalty as you indicated in your emailed amendment agreement of yesterday and leave us alone without the interference of a third party to complete our discussions. This is the least disruptive solution to your market positioning and will get you paid back faster than any court action.

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Chris Johnson <chris.johnson@crowncapital.ca>
Sent: March 25, 2020 1:08 PM

To: Noah Murad <nmurad@millstreetco.com>
Cc: Tim Oldfield <tim.oldfield@crowncapital.ca>
Subject: Re: Updated Amending Agreement

Noah - as discussed on the phone last night we are still open to finding a mutually agreeable solution. Other than obviously agreeing on the form of amendment, the key is getting alignment on how / when liquidity will be achieved. We don't have a high confidence that either a debt refinancing or the Canaccord process will work, therefore we will need to agree on a credible path to sell GNI that can operate in parallel with the other initiatives.

Christopher A. Johnson, CFA
President & CEO
Crown Capital Partners Inc.
p. (416) 640-6715
chris.johnson@crowncapital.ca

> On Mar 25, 2020, at 12:07 PM, Noah Murad <nmurad@millstreetco.com> wrote:
>
> We have received a demand this morning from your lawyer. We had intended to respond and finalize the below mentioned amendment.
>
> Is this no longer being offered as a solution to move forward amicably?
>
> Noah
>
>> On Mar 24, 2020, at 9:12 PM, Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:
>>
>> Noah,
>>
>> Chris asked me to send you a copy of the latest Amending Agreement...please see attached.
>>
>> For reference, I have also attached a comparison to the version you send back with the Mill Street / Gowlings comments.
>>
>> Sincerely,
>>
>> Tim.
>
> <Credit Amending Agreement_V3_clean.docx>

<Credit Amending Agreement_V3_Compare.docx>

Tim Oldfield, CPA, CA, CFA
Chief Investment Officer
Crown Capital Partners Inc.
Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

This is **Exhibit "Z"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

Chris Johnson

President & CEO at Crown Capital Partners Inc.

TODAY

Chris Johnson • 10:10 am

Hey Ezio, not sure if you've heard but we demanded our loan this week. Let me know if you want to discuss as a range of scenarios now exist. I've always regarded you as a straight up guy.

Chris Johnson • 10:31 am

Let me know if you want to chat...

Will do | I will | Sure

This is **Exhibit "AA"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 17, 2020

A Commissioner for taking affidavits

Rahul Gandotra #70296U

From: Noah Murad
To: Josh Axler
Cc: Tim Oldfield; Vinod Takrani
Subject: RE: Insurance company and Outdoor Decking company
Date: Thursday, July 26, 2018 4:28:17 PM
Attachments: Q1 Operations report for Crown Capital.pdf
Mill Street & Co - Consolidated Statement of Operations - 2018-04.pdf
Mill Street & Co - Statement of Operations - 2018-04.pdf
Mill Street & Co - Balance Sheet - 2018-04.pdf
Mill Street & Co - Consolidated Balance Sheet - 2018-04.pdf
image001.png

Hi Josh and Tim,

Please see information attached. Please let me know if you have any questions.

As well, I am assuming that the group was tied up this week as we never ended up arranging the phone call to discuss the opportunities.

I am available tomorrow in the afternoon, otherwise please let me know a good time to touch base on this. We have a call with Gracious living tomorrow morning so it would also be good to provide an update on this.

Kind regards

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: July 25, 2018 3:51 PM
To: Noah Murad <nmurad@millstreetco.com>
Cc: Tim Oldfield <tim.oldfield@crowncapital.ca>; Vinod Takrani <VTakrani@millstreetco.com>
Subject: Re: Insurance company and Outdoor Decking company

Hi Noah,

Yes please send what you have, and then the finalized when they are ready.

Thank you,

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Jul 25, 2018, at 3:48 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh,

Not a problem. The only issue we are waiting for with respect to anything internal is to finalize any adjusting entries from the accountants.

At the end of the day, there are no material changes to the statements you were already sent, but we just wanted to make sure that everything you get flows from the audit. As long as you are ok with this then we can send.

Kind regards

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: July 25, 2018 3:45 PM
To: Noah Murad <nmurad@millstreetco.com>
Cc: Tim Oldfield <tim.oldfield@crowncapital.ca>; Vinod Takrani <VTakrani@millstreetco.com>
Subject: Re: Insurance company and Outdoor Decking company

Thanks Noah,

If the Q1 report is available could you please send that, we are trying to update some of our reports as well so that would be useful.

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Jul 25, 2018, at 1:42 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh,

Yes, again, I am supposed to get a draft of the consolidated by today, and then I have a Q1 report which includes the financials.

On top of this, we will send May's financials, and June's should be ready shortly thereafter.

I apologize for the delays, and if there is anything else you need in the meantime please let me know.

Regards,

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: July 25, 2018 1:18 PM
To: Noah Murad <nmurad@millstreetco.com>
Cc: Tim Oldfield <tim.oldfield@crowncapital.ca>; Vinod Takrani <VTakrani@millstreetco.com>
Subject: Re: Insurance company and Outdoor Decking company

Hi Noah,

Do you have the Q1 financials available with the year end package you are putting together?

Thanks,

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Jul 22, 2018, at 11:53 AM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Tim

Thanks for the update. (Just trying to find stuff to do with the kids today.)

Yes we have though things slowed a bit because the owners went on vacation. There is a call that is supposed to be confirmed for this week.

I think with respect to the All Source portion, it has a few elements that need to be resolved. We were already (irrespective) making a partnership with all Source and gracious living to develop new moulds for products to sell to the document destruction industry. This is to counteract the problems we have been having in getting consistent supply. Gracious Living agreed to finance the moulds for us.

I think that the owners know that if they buy all Source for a premium plus pay for the new moulds, that they will be paying a higher multiple. They definitely want to buy it but for us we need to ensure the proper exit. (An all Source company with consistent supply can significantly increase EBITDA).

That said, they have expressed interest in taking Mill Shares or a combination of Mill shares and all Source so we have to go down that road.

Also bear in mind that we have funding alternatives for the insurance company but we will probably be diluted.

The only thing I have scheduled is Tuesday is a brief call in the afternoon at 2 but besides that am completely open.

As an aside I will finally have the draft/final audited statements this week and am putting a comprehensive report together for you to be sent this week with an update on all of the companies plus covenant tests, etc.

Kind regards,

Noah

On Jul 22, 2018, at 10:46 AM, Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:

> Hi Noah,
>
> Hope you're having a good weekend. I'm taking advantage of a rainy day to get caught up on a few things.
>
> Have you made any further progress on Gracious living? Wondering if you've settled on whether All Source will be part of the deal. Based on the way you've laid out the opportunities below it seems that this has a significant impact on the capital availability to pursue both opportunities.
>
> We need to spend a bit more time on the insurance model. Chris and I are travelling this week but could have an update call on Tuesday or Friday. Let me know what would work for you and I'll try and coordinate schedules.
>
> Tim.

Tim Oldfield, CPA, CA, CFA, CBV
Chief Investment Officer
Crown Capital Partners Inc.
Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

On Jul 5, 2018, at 12:10 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Tim

Thanks for the update. I will send over the info as I get it.

Enjoy your vacations

Kind regards

Noah

On Jul 5, 2018, at 5:33 PM, Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:

Noah, thanks again for the detailed email. Sounds like you have made some good progress. Both Chris and Josh are off on vacation this week, so apologies for not responding sooner. I plan to discuss this with them when they are back in the office next week and then reach out to discuss the opportunities with you. In the meantime, if you pull together any further info on Gracious Living please send it through (financial model, LOI).

Tim.

Tim Oldfield, CPA, CA, CFA, CBV

From:
To:
Subject: Fwd: Pricing Models
Date: Thursday, August 23, 2018 8:59:27 AM
Attachments: Crown Power Fund - Aircon.xlsx
ATT00001.htm
Project Pricing Template.xlsx
ATT00002.htm

Noah

Begin forwarded message:

From: <ryan.lawrence@crowncapital.ca>
Date: August 23, 2018 at 8:48:49 AM EDT
To: <nmurad@millstreetco.com>, <eric.laval@trinityenergy.ca>
Cc: 'Chris Johnson' <chris.johnson@crowncapital.ca>, 'Josh Axler' <josh.axler@crowncapital.ca>, 'Tim Oldfield' <tim.oldfield@crowncapital.ca>
Subject: Pricing Models

Noah/Eric,
Great meeting you both yesterday.

I've attached the model that we briefly went over yesterday. I've also attached a simplified pricing model to show a bit more detail on how we get to the project-level economics, and pre-tax unlevered IRR. It's for the fictitious 'Noah's Bakery' starting from 1-year of electricity bills to start the analysis, and then spec out what would be the appropriate installation.

We're off to our team golf trip today, so I wont be as quick to answer emails, but I'll do my best to answer any questions. I'm happy to go over this in much more detail at your convenience early next week.

Thanks,
Ryan Lawrence
Investment Associate
Crown Capital Partners Inc.
M: 416-930-8944
ryan.lawrence@crowncapital.ca
www.crowncapital.ca

This is **Exhibit "BB"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 17, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

From: Noah Murad
To: Josh Axler
Subject: Q2 Reporting
Date: Friday, September 14, 2018 5:20:26 PM
Attachments: image001.png

Hi Josh

Sorry for the delay with this. You should receive it this evening. Vin is about to send me the final draft for approval and I will send it off to you as it is completed.

Kind regards

NOAH MURAD

president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

From:	Noah Murad
To:	Josh Axler
Cc:	Vinod Takrani
Subject:	Q2 reports
Date:	Monday, September 17, 2018 10:56:00 AM
Attachments:	Mill Street & Co - Consolidated Statement of Operations - 2018-07.pdf Mill Street & Co. - Crown Capital Financial Covenant - 2018-07.pdf Mill Street & Co - Consolidated Balance Sheet - 2018-07.pdf Mill Street & Co. Inc. - Consolidated Forecast - 2019 v18-2018-09-14.xlsx image002.png Q2 Operations report for Crown Capital.pdf

Josh,

Please see attached.

We included the consolidated forecast as well since you had asked for this last time.

Kind regards

NOAH MURAD

president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

From: Tim Oldfield
To: Noah Murad
Cc: Josh Axler; Jacob Murad
Subject: Re: Saleevent.com Marketing Sale
Date: Wednesday, October 31, 2018 2:12:45 PM
Importance: High

Thanks Noah. I will provide you with a consent letter…but don't let that hold you up.

I also had an email from Josh regarding Defendus…what is the timing of that deal? And do you have an LOI or draft SPA available?

Tim.

Tim Oldfield, CPA, CA, CFA, CBV
Chief Investment Officer
Crown Capital Partners Inc.
Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

> On Oct 31, 2018, at 2:03 PM, Noah Murad <nmurad@millstreetco.com> wrote:
>
> Hi Tim,
>
> I hope you are well. Please see attached. I know that Josh is away and I thought I would send this to you as well.
>
> Again, the business deal is not any different that what was already described to Josh prior.
>
> Kind regards
>
> **NOAH MURAD**
> **president**
>
> TEL: 905-764-5465 ext. 222 CELL: 647-221-7550
>
> 7616 Yonge Street, Thornhill, Ontario L4J 1V9
>
> <image001.png>
>
>

From: Jacob Murad
Sent: October 31, 2018 1:53 PM
To: Josh Axler <josh.axler@crowncapital.ca>
Cc: Noah Murad <nmurad@millstreetco.com>
Subject: Re: Saleevent.com Marketing Sale
Importance: High

Hi Josh,

As promised see attached the substantially final SPA for the sale of Saleevent.com Marketing Inc. There are a few more legal items to clean up in some of the clauses but this is substantially the business deal. Please let me know if you have any questions or concerns but we are closing either today or early tomorrow. Thanks.

JACOB MURAD, J.D., LL.M.
general counsel

jmurad@millstreetco.com

TEL: 905-764-5465 ext. 223 CELL: 416-879-0227

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

<SPA - SaleEvent.com Marketing Inc. v3.DOCX>

This is **Exhibit "CC"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

Micheal Simaan

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: April-12-19 7:12 PM
To: Noah Murad
Cc: Jacob Murad
Subject: Re: Mill Street - Q4 Reporting

Hi Noah,

Firstly Mazel Tov, Jacob told me both Amanda and the baby are doing well!

Yes as I mentioned to Jacob I have had to devote my attention to the other file. I do recognize your needs and will be working through what I have from you over the weekend. I will be able to provide you a better update on Monday.

Have a great weekend with the family before back to work on Monday.

Regards,

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Apr 12, 2019, at 3:41 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh,

I am getting back to the office next week and Jacob gave me a brief update on where you are on our term sheet.

I know you are working on this and have your hands full with your other file but I need to express to you a greater sense of urgency in getting this moved along as well as how little we understand of where we are today in your process.

Maybe internally you all feel comfortable and that is why you are not concerned, but as it stands today we have no idea when to expect even a term sheet, let alone what would be on the term sheet. This creates a lot of uncertainty for us which considering our large growth plan for this year makes things extremely difficult for us.

All we are looking for at this stage is a realistic date of the timing of a term sheet and the basic outline of what we are working towards.

Bear in mind that we met back in November and outlined our plans to you and the team, it was committed to us we would see this term sheet (at least as a draft) at that time. As a result of that meeting we set our financing plans for the year. The feedback from you on what the deal will look like cannot wait anymore as we expect to close these two deals in the next two months.

If there is anything we need to discuss in more detail then I would request an urgent meeting next week to go through it. If on the other hand this is simply an underwriting and logistical issue then Vin or myself are available to sit with you to get you the information you need without further delay.

If you could please get back to me as soon as possible that would be great.

Thanks again Josh

Kind regards
Noah

On Apr 4, 2019, at 9:15 PM, Josh Axler <josh.axler@crowncapital.ca> wrote:

> Hi Noah,
>
> I apologize for the delayed response today - I've been slammed on something that came up with one of our portfolio companies.
>
> I will call you tomorrow morning,
>
> Josh Axler
> Investment Associate
> **Crown Capital Partners Inc.**
> 416-640-4159
> josh.axler@crowncapital.ca
> www.crowncapital.ca
>
> On Apr 4, 2019, at 2:54 PM, Noah Murad <nmurad@millstreetco.com> wrote:
>
> Hi Josh,
>
> I Just wanted to get an update on where you are in the process.
>
> I'm not sure if I told you but my wife and I are having our third kid next week (on Monday) and I just wanted to try to get a better idea of both of those two things I had asked about (timing and amount of financing). At the very least, it would be very helpful to remove the uncertainty around when we can even get an answer to this so I can work with this as it relates to the closing dates.
>
> Any update you can provide would be great.
>
> Kind regards

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: April 2, 2019 4:16 PM
To: Noah Murad <nmurad@millstreetco.com>
Cc: Vinod Takrani <VTakrani@millstreetco.com>
Subject: Re: Mill Street - Q4 Reporting

Received

Yes will let you know.

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Apr 2, 2019, at 4:09 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh,

Can you please confirm receipt and let me know if you need anything else.

Regards

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Vinod Takrani <VTakrani@millstreetco.com>
Sent: April 2, 2019 2:35 PM
To: Josh Axler <josh.axler@crowncapital.ca>
Cc: Noah Murad <nmurad@millstreetco.com>
Subject: RE: Mill Street - Q4 Reporting

Hi Josh,

Attached are the stand alone Mill Street financials and the updated version of the model.

Regards,

Vin Takrani
senior accountant

<image002.jpg>
7616 Yonge Street
Thornhill, ON L4J 1V9
905-764-5465 ext. 227
www.millstreetco.com

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: April 2, 2019 1:34 PM
To: Vinod Takrani <VTakrani@millstreetco.com>
Cc: Noah Murad <nmurad@millstreetco.com>
Subject: Re: Mill Street - Q4 Reporting

Thanks Vin,

Can you also send the financial statements for Mill Street Holdco and the updated version of our spreadsheet/model

Thanks,

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Apr 2, 2019, at 10:28 AM, Vinod Takrani <VTakrani@millstreetco.com> wrote:

Hi Josh,

Please find attached the following reporting for Q4:

- Mill Street Consolidated Balance sheet as at January 31, 2019
- Mill Street Consolidated Statement of Operations from February 1, 2018 to January 31, 2019
- Mill Street Crown Capital Financial Covenant as at January 31, 2019

I am also send you an updated EBIDTA table showing the breakdown by company compared to last year.

Regards,

Vin Takrani
senior accountant

<image001.jpg>
7616 Yonge Street
Thornhill, ON L4J 1V9
905-764-5465 ext. 227
www.millstreetco.com
<Mill Street & Co - Consolidated Balance Sheet - 2019-01.pdf><Mill Street & Co - Consolidated Statement of Operations - 2019-01.pdf><Mill Street & Co. - Crown Capital Financial Covenant - 2019-01.xlsx><Mill Street & Co Inc - EBITDA Table - 2019 v3.xlsx>

Micheal Simaan

From: Noah Murad
Sent: April-16-19 11:27 AM
To: Josh Axler
Cc: Jacob Murad
Subject: RE: Mill Street - Q4 Reporting

Hi Josh,

We will get on this right away but as I explained in my earlier email I need to understand what exactly is ultimately being proposed here from your side. All of the questions below lead me to believe that you are not as far along in the process as we need to be, which is fine so long as I understand what we are working towards at the end of the day.

What are you thinking you will be going to the board with at this stage?

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

MILL STREET & Co.

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: April 16, 2019 11:11 AM
To: Noah Murad <nmurad@millstreetco.com>
Cc: Jacob Murad <jmurad@millstreetco.com>
Subject: Re: Mill Street - Q4 Reporting

Good morning Noah,

That is great recognition, and good to hear about Tuque.

Firstly I want to apologize for the delay, as you well know there can often be situations in a portfolio that require extra attention. With that being said I am still working on a more full-some list as juggle a few things but a few to get started on:

Mill Street

1) What is the status of the audit? Will you have individual statements for all the companies that have to produce statements for the senior lenders?
2) How are the portfolio companies performing to the 2020 budget? Are the companies on track for Q1?

3) Has TD finalized the GNI/Fastway debt?
4) Is Thorold progressing?
5) How is Fastway developing under GNI, will the company still operate at a loss in Q1?
6) Once the brokerage business of Tuque is sold will the technology business continue (and the costs associated with the business)?
7) Has Dfendus had any issues with the senior lenders?
8) Can you have Vin update the Crown model that he uses to send the quarterly information to include MR and MCW as well as the 2020 budget for the portfolio companies.

Mapleridge

1) What is the status with Roynat?
2) Are there any outstanding diligence items?
3) Did you ever get the report from Roynat?
4) Based on the budget and senior covenants what do you expect the management fees to MS to be?
5) Do you have a timing update from the Vendor on their share structure?

MCW

1) Update on senior lenders, what type of terms have you been discussing?
2) Can you send the answers to the diligence questions you sent to the vendors/broker?
3) What is the status on the compensation arrangements?
4) Outstanding diligence items?
5) In a previous e-mail you mentioned that they will guarantee FCF of $6.5 million, from the LOI I can see that is only if EBITDA falls below $2 million is that correct?
6) Have you determined the compensation and equity arrangement with Bill?
7) What are your expectations of cashflow up to Mill Street?

I will send you some more as I get through it,

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Apr 16, 2019, at 9:06 AM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh

Can we expect these questions this morning? Or do you feel you have everything you need?

We are finalizing the APA for Tuque and will send it over today.

Noah

Rahul Gandotra

From:	Noah Murad
Sent:	February-04-19 4:09 PM
To:	Chris Johnson
Cc:	Tim Oldfield; Josh Axler; Jacob Murad
Subject:	Mill Street: Follow up to last meeting
Attachments:	Mapleridge Term Sheet Roynat.pdf; Discussion Paper OpLine - Mill Street.pdf

Hi Chris, Tim and Josh,

I am sorry to have missed the dinner the other night, I heard from Jacob and Ezio that it was a great time and I will definitely be there next time. Thank you for the award, it looks great and we are displaying it in the boardroom. We also have set up a meeting with Rob from WireIE in the next week or so.

If you recall, after our last meeting, we had discussed, among other things, that you would be sending us a term sheet for additional financing.

I wanted to send a follow up note to the last meeting we had and just to mention a couple of things that we are doing that are relevant in the near term.

1. Mapleridge Acquisition: I have attached the discussion paper we received from BNS/Roynat for the Mapleridge acquisition. I am going to negotiate this further, but they are willing to provide us with a $7 million 10-year term loan for the acquisition. We are going to see what TD will do in terms of matching the offer.

All of the due diligence materials we have received have been consistent so far. If you have any questions or would like to look at anything we have seen please let me know. Of interest is we were contacted by a competitor of Mapleridge's that has revenues of about $10 million that would like to sell, and this could be an interesting tuck in after we close.

2. Share Structure: Since the new year began, Jacob and I have been going back and forth on our current shareholder mix and what the best structure is going forward for the long term, and wanted to propose the following to you, which we would like you to support.

Currently we have approx. $16 million of pref shareholders.

In evaluating this, we find that we have basically investors that fit into 3 buckets.

i) People who want their 8% coupon
ii) People who bought in at a low valuation and want their future upside through a liquidity event
iii) People who haven't decided yet and don't want to decide.

In my view, those who only want an 8% yield, should not also receive the potential upside, or should get the 8% somewhere else. Those who want the upside, should be willing to forego receiving the 8% yield, because they understand that there is an opportunity cost to paying out this dividend.

So what we would like to offer our pref investors is one of the following options:

1. If they want the yield, they can convert their current shares to a new class D preferred that pays the same 8% yield.
2. If they want the upside, they can keep their shares, but agree in principle that we will be accruing all of their preferred dividends.

3. If they want neither, that we can, on a one-time basis, make available up to 25% (or $4 million) to redeem preferred shareholders who want their money back. (We have no obligation to do so, but again, there is significant upside for us in terms of equity since we are buying the equity at a discount).

We have had preliminary discussions with our shareholders over the last couple of months and I believe that about half will move to the new class, about half will stay, and we will likely have about $3.5 million of redemptions.

In the near term, I believe we will save about $600,000 worth of cash on annual basis. Over the long term this maneuver, between the $3.5 million in redemptions and those who convert, we (meaning my family) will earn back about 15% of the common shares in the event of a liquidity event.

I was hoping to get a clearer picture on the new term sheet preferably soon so that we can finalize prior to our next quarter end. This way we can move forward with the plan above while taking into account the timeline of the various issues above.

Please contact me with any questions or comments on the above.

Kind regards

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

MILL STREET & Co.

Rahul Gandotra

From: Noah Murad
Sent: May-15-19 6:09 PM
To: Josh Axler
Subject: Re: MCW

Hi Josh

Thanks for the update. Yes I am let me know what time works for you.

Kind regards

Noah

On May 15, 2019, at 5:32 PM, Josh Axler <josh.axler@crowncapital.ca> wrote:

> Hi Noah,
>
> Thanks for sending that. I will go through it in detail.
>
> Just a quick update on the term sheet - I did go through with Tim and 90% done just need to clarify a few things with Chris and our CFO with some of the implications on moving the loan from our balance sheet to the fund.
>
> Are you around tomorrow afternoon to chat?
>
> Josh Axler
> Investment Associate
> **Crown Capital Partners Inc.**
> 416-640-4159
> josh.axler@crowncapital.ca
> www.crowncapital.ca
>
> > On May 15, 2019, at 10:47 AM, Noah Murad <nmurad@millstreetco.com> wrote:
> >
> > Good Morning Josh
> >
> > Just as a note, I sent you the report yesterday as a word document so that we are able to go back and forth on it. I am expecting a few items from the vendors on this as well including a verification from the accountants on the add-backs to the earnings (i.e. salaries and bonuses) as well as updated YTD financials.

I will also have an update on the senior debt today. I have one offer from RBC and a meeting with TD to see what their appetite is.

Please give me a call or let me know if you need anything else on your end.

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Noah Murad
Sent: May 14, 2019 5:57 PM
To: Josh Axler <josh.axler@crowncapital.ca>
Subject: RE: MCW

Josh

Further to my email I have attached the MCW write-up we have done. I have also attached the financial model that we refer to. This is currently being updated with YTD numbers. In addition, please refer to the data room for the RFP samples and other large files because I couldn't send them due to the file size.

If you have further questions let me know and we can go through them.

Looking forward to your comments and a further update on the term sheet.

Kind regards

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

than the named recipient is prohibited. If you are not the named recipient, please notify us immediately and permanently delete this email and destroy all copies of it.

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: May 13, 2019 9:29 PM
To: Noah Murad <nmurad@millstreetco.com>
Subject: Re: Checking In

Hi Noah,

Sorry another crazy few days here, just catching up on my e-mails before I head home. Tim and I were working through the components on Friday and I put together a draft term sheet over the weekend, which Tim and I will go through tomorrow.

How is the MCW report coming along?

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On May 13, 2019, at 5:04 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh

Just following up on the below.

Kind regards

Noah

On May 9, 2019, at 10:11 AM, Josh Axler <josh.axler@crowncapital.ca> wrote:

Good morning Noah,

Working on it today - won't be able to discuss with everyone until tomorrow so not certain about tomorrow. I will update you tomorrow.

Regards,

Josh Axler
Investment Associate
Crown Capital Partners Inc.

416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On May 8, 2019, at 10:40 AM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh

Just wanted to check in with respect to our discussions. I will send MCW materials to you early next week. Are you still ok time-wise for the term sheet on Friday?

Kind regards

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

Rahul Gandotra

From:	Noah Murad
Sent:	May-21-19 5:31 PM
To:	Josh Axler; Chris Johnson; Tim Oldfield
Cc:	Jacob Murad
Subject:	Crown Funding and Partnership
Importance:	High

Chris, Tim, Josh

I just had an profoundly unacceptable conversation with Josh with respect to the promised term sheet that we were to get weeks ago. I am now being told that "we are too leveraged with the acquisition of MCW" and that you cannot support the acquisition.

We have from the onset of our relationship followed and delivered on all aspects of our relationship. Chris, in our last meeting you told us to look at our partnership with you as "rented equity" and we developed our business plans based on our confidence that you would be there to support our plans. We were very explicit in saying that our plan was to finish the year with a run rate of $200 million in revenue and an EBITDA of $20 million. At all times in the past 6 months since our meeting we were assured that Crown would give us another tranche of funding between 10-15 Million particularly based on an acquisition target that we identified. We were at first assuming that we would receive a draft term sheet after the meeting but then we were told that we needed to find the acquisition first.

A few months later, we uncovered the MCW opportunity through leveraging a relationship that I have cultivated for a long time.

I was then told that we needed to continue to supply financial information and updates through many variations in order to bring you up to speed on our activities within Mill Street. (Activities that I might add followed a plan that you recommended where we consolidate our businesses and sell off what could not or would not fit in the bigger plan. All of which we did with great success). To be specific, my issue is not with reporting, it is that I was being told that the term sheet hinged on our being able to supply more reports to backfill the reports already provided.

We were then told to provide a full analysis on the due diligence for MCW because Crown could not commit the time to constructing the underwriting for issues that were outside of our relationship as partners. We completed this report and sent it last week. We did this because we were working with you to provide a solution to what I thought were simply short term demands on your time.

Throughout this time and even all the way up until Wednesday last week (noted in the email I have forwarded below), I had been told that the term sheet for this acquisition was being completed. AT NO TIME over the last 6 months were we told that Crown would not support us.

Now, I am being told that we are too dependent on debt. I am also being told that there is concern with our overall business and you want to see that we can improve the results. This is the first time I am hearing this despite the many hours we spent explaining and reporting all of these issues in real time.

The idea that we are buying the companies with all debt, in particular, is completely incorrect. We could have taken any number of dilutive equity deals that we were offered in the past year. We continued to hold off looking to set up the new acquisitions which would allow us to garner a higher valuation in doing the equity transactions. This is a strategy that you encouraged based on our meeting. It is completely unacceptable that you leave us now after all this time without a solution from Crown.

I am asking you to deliver the promised term sheet as expected. If you cannot do the 12 million that was last assured to us in our conversations with Josh then come to the table with something that we can justify all the efforts that we put in to our relationship and the hurdles that you made us go over. It is one thing to tell me that you cannot do anything and to fund alternatives months ago but to wait until we are virtually near the end of the due diligence on both deals, until we have told everyone including our bank and acquisitions targets that we have support on the equity side and until after I have patiently agreed to every request is simply not acceptable.

Please indicate what you are prepared to do to support our request.

Please let me know if we can have a call today or tomorrow with all three of you to discuss matters (or at least with you Chris).

I was hoping to hear back from Josh today on some further conversations. Failing any update on your part I am available for an urgent call.

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

MILL STREET & Co.

From: Josh Axler <josh.axler@crowncapital.ca
Sent: May 15, 2019 5:32 PM
To: Noah Murad <nmurad@millstreetco.com>
Subject: Re: MCW

Hi Noah,

Thanks for sending that. I will go through it in detail.

Just a quick update on the term sheet - I did go through with Tim and 90% done just need to clarify a few things with Chris and our CFO with some of the implications on moving the loan from our balance sheet to the fund.

Are you around tomorrow afternoon to chat?

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca

www.crowncapital.ca

On May 15, 2019, at 10:47 AM, Noah Murad <nmurad@millstreetco.com> wrote:

Good Morning Josh

Just as a note, I sent you the report yesterday as a word document so that we are able to go back and forth on it. I am expecting a few items from the vendors on this as well including a verification from the accountants on the add-backs to the earnings (i.e. salaries and bonuses) as well as updated YTD financials.

I will also have an update on the senior debt today. I have one offer from RBC and a meeting with TD to see what their appetite is.

Please give me a call or let me know if you need anything else on your end.

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Noah Murad
Sent: May 14, 2019 5:57 PM
To: Josh Axler <josh.axler@crowncapital.ca>
Subject: RE: MCW

Josh

Further to my email I have attached the MCW write-up we have done. I have also attached the financial model that we refer to. This is currently being updated with YTD numbers. In addition, please refer to the data room for the RFP samples and other large files because I couldn't send them due to the file size.

If you have further questions let me know and we can go through them.

Looking forward to your comments and a further update on the term sheet.

Kind regards

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: May 13, 2019 9:29 PM
To: Noah Murad <nmurad@millstreetco.com>
Subject: Re: Checking In

Hi Noah,

Sorry another crazy few days here, just catching up on my e-mails before I head home. Tim and I were working through the components on Friday and I put together a draft term sheet over the weekend, which Tim and I will go through tomorrow.

How is the MCW report coming along?

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On May 13, 2019, at 5:04 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh

Just following up on the below.

Kind regards

Noah

On May 9, 2019, at 10:11 AM, Josh Axler <josh.axler@crowncapital.ca> wrote:

Good morning Noah,

Working on it today - won't be able to discuss with everyone until tomorrow so not certain about tomorrow. I will update you tomorrow.

Regards,

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On May 8, 2019, at 10:40 AM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh

Just wanted to check in with respect to our discussions. I will send MCW materials to you early next week. Are you still ok time-wise for the term sheet on Friday?

Kind regards

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

Rahul Gandotra

From: Jacob Murad
Sent: April-08-19 2:37 PM
To: Noah Murad; josh.axler@crowncapital.ca
Subject: Re: Mill Street - Q4 Reporting

Hi Josh,

Further to the email discussion below with Noah, just wanted to follow up with you to see if there was anything specific you need and if you had any further updates. Please let me know.

Best,

JACOB MURAD, J.D., LL.M.
general counsel

jmurad@millstreetco.com

TEL: 905-764-5465 CELL: 416-879-0227

7616 Yonge Street, Thornhill, Ontario L4J 1V9

From: Noah Murad <nmurad@millstreetco.com>
Sent: April 5, 2019 7:14 PM
To: Josh Axler <josh.axler@crowncapital.ca>
Subject: Re: Mill Street - Q4 Reporting

Thanks for the email and the wishes Josh, I am getting ready for the exhaustion.

Do you have an idea on when you will be completed the work and when you can provide direction?

I will be available as best I can but you can definitely loop Jake and Vin in.

Thanks again

Noah

On Apr 5, 2019, at 7:08 PM, Josh Axler <josh.axler@crowncapital.ca> wrote:

Hi Noah,

I apologize again for the delay. It has been a crazy week and looks like it will be a crazy weekend.

I haven't been able to work on your file this week, so I am not able to give you a meaningful update. Given the amazing event you have coming up on Monday I will connect with Jake/Vin if there is any specific information I need.

All the best on Monday,

Josh Axler

Investment Associate

Crown Capital Partners Inc.

416-640-4159

josh.axler@crowncapital.ca

www.crowncapital.ca

On Apr 5, 2019, at 12:27 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh

I realize your busy, if you wouldn't mind just giving me an update by email that would be great.

I am not sure I will be available this afternoon by phone unless there is something specific you would like to ask.

Kind regards

Noah

On Apr 4, 2019, at 9:15 PM, Josh Axler <josh.axler@crowncapital.ca> wrote:

> Hi Noah,
>
> I apologize for the delayed response today - I've been slammed on something that came up with one of our portfolio companies.
>
> I will call you tomorrow morning,
>
> Josh Axler
>
> Investment Associate
>
> **Crown Capital Partners Inc.**
>
> 416-640-4159
>
> josh.axler@crowncapital.ca
>
> www.crowncapital.ca

On Apr 4, 2019, at 2:54 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh,

I Just wanted to get an update on where you are in the process.

I'm not sure if I told you but my wife and I are having our third kid next week (on Monday) and I just wanted to try to get a better idea of both of those two things I had asked about (timing and amount of financing). At the very least, it would be very helpful to remove the uncertainty around when we can even get an answer to this so I can work with this as it relates to the closing dates.

Any update you can provide would be great.

Kind regards

NOAH MURAD

president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

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From: Josh Axler <josh.axler@crowncapital.ca>
Sent: April 2, 2019 4:16 PM
To: Noah Murad <nmurad@millstreetco.com>
Cc: Vinod Takrani <VTakrani@millstreetco.com>
Subject: Re: Mill Street - Q4 Reporting

Received

Yes will let you know.

Josh Axler

Investment Associate

This is **Exhibit "DD"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

Rahul Gandotra

From:
Sent:
To:
Subject:

Noah

Begin forwarded message:

From: Josh Axler <josh.axler@crowncapital.ca>
Date: May 27, 2019 at 7:50:41 PM EDT
To: Noah Murad <nmurad@millstreetco.com>
Subject: Re: MCW

Hi Noah,

Yes, sorry had to leave before I was able to call you. I will call you first thing tomorrow morning.

Josh

On May 27, 2019, at 5:07 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh,

Did you get an update from the group in the end?

Thanks

Noah

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: May 27, 2019 12:39 PM
To: Noah Murad <nmurad@millstreetco.com>
Subject: Re: MCW

Hi Noah,

Just go out of an all morning meeting, will discuss in greater detail with everyone this afternoon.

Just want to clarify. Is your mentality that none of the cash on hand would be available for MCW? Just trying to understand how we build up to the $12MM required.

With out going into too much detail are the other smaller acquisitions tuck-ins into your existing businesses?

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On May 27, 2019, at 11:16 AM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh,

Let me know of you had any feedback on the below and if you wanted to speak later today. Based on our last discussion you were to speak to Tim and/or Chris and get their take as well.

Kind regards

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Noah Murad <nmurad@millstreetco.com>
Sent: May 24, 2019 5:11 PM
To: Josh Axler <josh.axler@crowncapital.ca>
Subject: Re: MCW

Hi Josh

Per our call I have looked through the spreadsheet. In essence I think this comes down to two main points where the disconnect is in our discussions.

Firstly, GNI we have already discussed is deserving of a higher multiple. We know we can sell it for 5x and in fact we would likely get over 6 so we are still conservative at 5.

The EBITDA will be over $5.5 million this year conservatively. As you know we are shooting for $7 million. We have already done $1 million in the first quarter which is twice last year's total. Ottawa is finally starting to add to the run rate and we are in discussions with locations in Kingston and Belleville to purchase them. So what is being shortchanged here is where the business actually is today. The 4th quarter of last year has been blown out of proportion to where we are in reality.

The second is HVAC. Again, we are up over last year and based on the jobs in the pipeline we are going to be closer to $2.8 million in EBITDA. This is not including acquisitions that we can make. With respect to the multiple, there should be an understanding that we could sell this business for the same multiple that we paid. I know we could sell it for more (even to brian) however at the very least we would want the same 4x.

If you factor in these things and where we will be in 6 months, you get an equity value of nearly $23 million. This doesn't take anything else into account, but in essence, it's understanding the work that we've done on our core companies and how we are not perpetually in a "push" state.

With respect to MCW, overtime, the overall deleveraging will be several million per year in just debt reduction. I can leave that to you as far as how to extrapolate it.

If you take even a 40%-45% LTV on these assumptions, you will get to around $7 million.

I hope that this is helpful in terms of building a case for the discussions. The above actually helps us close MCW.

Let me know what you think.

As I explained on the phone, if you can't get there, then what that does for us in a practical sense is it flips our business plan around.

We would likely not be able to close MCW in Q2 because I will have to spend the next 4 or 5 months raising the entire equity amount. So, during this fiscal we would then proceed with smaller acquisitions that we have put on hold in favour of making the larger acquisition.

As I mentioned, we would then bring those up earlier and act aggressively in which case we could deploy the smaller amounts of $3-$4m that we discussed today. MCW would then be a Q4 event and the other businesses would come in sooner.

Please let me know your thoughts on Monday.

Have a nice weekend.

Noah

On May 16, 2019, at 10:04 AM, Josh Axler
<josh.axler@crowncapital.ca> wrote:

> Ill call you then.
>
> Josh Axler
> Investment Associate
> **Crown Capital Partners Inc.**
> 416-640-4159
> josh.axler@crowncapital.ca
> www.crowncapital.ca
>
> > On May 16, 2019, at 9:48 AM, Noah
> > Murad <nmurad@millstreetco.com>
> > wrote:
> >
> > How about 2:30?
> >
> > Noah
> >
> > On May 16, 2019, at 9:27 AM, Josh
> > Axler <josh.axler@crowncapital.ca>
> > wrote:
> >
> > > 2:00 work for you?
> > >
> > > Josh Axler
> > > Investment Associate
> > > **Crown Capital Partners**
> > > **Inc.**
> > > 416-640-4159
> > > josh.axler@crowncapit
> > > al.ca
> > > www.crowncapital.ca

Rahul Gandotra

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: June-07-19 3:54 PM
To: Noah Murad
Subject: Re: MCW

Hi Noah,

I am still waiting on the Q1 info from Vin, which we want to review.

The basic funding formula we discussed which we will work towards:

Advances of CCP debt to finance acquisitions at a ratio of 40:60 CCP Debt to Equity.

Equity can be comprised of cash raised from common equity/preferred shares at the MS level, MS common equity/preferred shares issued to the vendor and/or fully subordinated vendor debt at the operating company.

For example on a $6mm acquisition if you were able to to secure $3mm of senior debt and the transaction required $3mm of cash from MS, the formula would provide $1.2mm (40%) to the $1.8mm of equity (60%).

When do you think Vin will be able to send the info?

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Jun 7, 2019, at 3:14 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh

Further to our conversation Can we expect something today?

Noah

On Jun 5, 2019, at 11:26 AM, Josh Axler <josh.axler@crowncapital.ca> wrote:

Just tried you,

Give me a call when you are free.

Josh Axler

Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Jun 5, 2019, at 9:32 AM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh

Ok give me a call after your call at 10. Thanks very much.

Noah

On Jun 5, 2019, at 9:18 AM, Josh Axler <josh.axler@crowncapital.ca> wrote:

Good morning Noah,

Are you around this morning? I have a call at 10, but can call you after. Otherwise I am available all afternoon.

Thanks,

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Jun 3, 2019, at 4:30 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Ok thanks very much for the update.

Noah

On Jun 3, 2019, at 4:29 PM, Josh

Axler <josh.axler@crowncapital.ca>
wrote:

Thanks Noah,

Still working on it. I will send to you as soon as I have something. Continuing on what we were discussing last week, looking at a base line debt to equity funding ratio. I am just looking at the some of the deals you have sent to see how that impacts it.

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Jun 3, 2019, at 2:22 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Josh,

Vin has told me he

This is **Exhibit "EE"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

From: Josh Axler
To: Noah Murad
Cc: Trevor Harris; Ezio D"Onofrio
Subject: Re: Introduction
Date: Monday, July 22, 2019 2:55:42 PM

Thanks Noah,

Trevor great to meet you. If you could please provide me with an update on the information we are looking for today that would be great. I am available for a call tomorrow morning to discuss and get acquainted.

Thank you,

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Jul 22, 2019, at 2:40 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh

I hope you had a nice weekend.

I wanted to introduce you to Trevor, who as you know took over from Vin as Finance VP for the group. Trevor is up to speed for the most part on all of the requirements for Crown, but I also wanted to introduce you two so that you can ask reporting related questions to him.

Trevor, Josh has been asking some specific questions related to the audited financials, EBITDA table as well as the quarterly internals as you know. To the extent that you can provide what he needs, please do so, and if there is anything you need from me to help please let me know.

Regards

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

This is **Exhibit "FF"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

Rahul Gandotra

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: October-28-19 5:43 PM
To: Noah Murad
Cc: Trevor Harris; Ezio D'Onofrio
Subject: Re: Fazzari update

Thanks Noah,

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Oct 28, 2019, at 5:37 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Josh,

Just to add to Trevor's email.

He and I are going to ensure that all of this info gets out this week.

It is an absolute priority for us, and both Fazzari and the rest of the company's know this.

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: October 28, 2019 1:53 PM
To: Trevor Harris <tharris@millstreetco.com>

Cc: Noah Murad <nmurad@millstreetco.com>
Subject: Re: Fazzari update

Hi Trevor,

Do you have an update on the Fazzari reports and the internal information?

Thank you,

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Oct 23, 2019, at 1:51 PM, Josh Axler <josh.axler@crowncapital.ca> wrote:

Yes we have reporting obligations that are coming due - we report to our investors based on lagged information to allow for delays, but at this point we only have fragmented information from July 31. We had discussed getting the information by September 30, so we do need this information.

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Oct 23, 2019, at 1:48 PM, Trevor Harris <tharris@millstreetco.com> wrote:

Josh
Anything is possible. Its difficult at the moment. If you need it I will do it. If you can do without it, it will help. Its your decision.

Regards

Trevor Harris CPA CA
Vice President, Finance

<image001.jpg>
7616 Yonge Street
Thornhill, ON L4J 1V9
905-764-5465 Ext 227
www.millstreetco.com

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: Wednesday, October 23, 2019 12:39 PM
To: Trevor Harris <tharris@millstreetco.com>
Subject: Re: Fazzari update

Hi Trevor,

For the purposes of forecasting and the fund discussion we are, but for the purposes of reporting and reports to our board and investors I need the actual information (these will all be included in the Fazzari reports)

The reason we have always gotten the individual company reports in addition to the consolidation is due the various non-controlling interests at the sub level - hence that combined model that I had showed you when we first met. I know we don't have time to update that version so I was wondering about the other version.

Thank you,

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Oct 23, 2019, at 12:33 PM, Trevor Harris <tharris@millstreetco.com> wrote:

Josh
I can if needs be but I thought we were only focusing on the active companies. How important is the non active companies?

Regards

Trevor Harris CPA CA
Vice President, Finance

<image001.jpg>

7616 Yonge Street
Thornhill, ON L4J 1V9
905-764-5465 Ext 227
www.millstreetco.com

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: Wednesday, October 23, 2019 12:28 PM
To: Trevor Harris <tharris@millstreetco.com>
Subject: Re: Fazzari update

Thanks Trevor,

If they are doing the consolidation with the trial balances have you put together the individual company statements for Q2?

This is the format I had seen in the past.

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

Rahul Gandotra

From:	Eric Barrett <E.barrett@fazzaripartners.com>
Sent:	August-26-19 12:59 PM
To:	Josh Axler; tim.oldfield@crowncapital.ca
Cc:	Noah Murad; Rose Femia; Carlo Viola; Roy Murad
Subject:	RE: Discussion with Josh Axler
Attachments:	Mill Street Org Chart.pdf; 2(a) Investments.xlsx; 2(b) Due from related party.xlsx; 2(c) Due to related corporations.xlsx; 2(e) Capital stock.xlsx

Hi Josh,

Please see the attached documents and comments below in red in response to Tim's questions.

Thank you,

FAZZARI+PARTNERS LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

A member of
mgiworldwide

Eric Barrett, CPA, CA
Supervisor
T: 905 738.5758 ext 259 e.barrett@fazzaripartners.com

Fazzari + Partners LLP
Chartered Professional Accountants
Licensed Public Accountants

3300 Highway 7, Suite 901, Vaughan, Ontario L4K 4M3
F: 905 660.7228 fazzaripartners.com

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Confidentiality Disclaimer

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: August 26, 2019 12:24 PM
To: Tim Oldfield <tim.oldfield@crowncapital.ca>
Cc: Eric Barrett <E.barrett@fazzaripartners.com>; Noah Murad <nmurad@millstreetco.com>; Rose Femia <r.femia@fazzaripartners.com>; Trevor Harris <tharris@millstreetco.com>
Subject: Re: Discussion with Josh Axler

Good morning Eric,

Just following up on Tim's list from below. Can you please provide us with an update as to when you will be able to send us this information?

Thank you,

Josh Axler
Investment Associate
Crown Capital Partners Inc.

416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Aug 21, 2019, at 8:16 AM, Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:

Thank you for the information Eric. Josh is travelling today so I thought I would follow up with a few initial requests based on the information you sent yesterday.

Can you and/or Mill Street please provide us with the following:

1. Corporate Organization chart reflecting the ownership structure of the group of companies at year-end – Attached most recent version we have on record
2. Mill Street & Co. Inc. financials
    a. Continuity schedule of the detail behind the 'Investments' of $8.679mm – Attached with notes in blue
    b. Continuity schedule of the 'Due from related party' of $18.540mm. – Breakdown is attached
    c. Due to related corporation of $360k - please identify the parties to which this amount is owed – Breakdown is attached
    d. Long-term debt of $10.443mm - please identify the parties to which this amount is owed and the respective balances owing…I recognize that the majority is owed to Crown. – $10mm to Crown, $443,489 promissory note to 536971 Ontario Ltd.
    e. Capital stock - please provide a continuity schedule to detail the increase in the capital stock during the year (class of shares / amounts / number of shares) – Attached breakdown of preferred shares that changed in the year – investor personal information removed
    f. Dividend - please provide detail on the dividends paid (who, how much, what class of shares) – See response to 2(e)
    g. Consulting fees - please provide the detail showing who this was paid to – The general ledger provided by Mill Street shows $450,000 was paid to Crown, $385,000 to various professional fees (RSI, CM2 Media, Yakobson, Neves, etc.). The remaining $139,000 was paid to Noah Murad, Jacob Murad or 997322.
    h. Please provide an explanation of the impairment of the related party loan of $785k – Balance was receivable from Mere Investments relating to the issuance of $765,000 of Class A Preferred shares in 2017. From discussions with Mill Street, balance was uncollectable and written off
    i. Subcontractor - please provide the detail showing who this was paid to
    j. Summary outlining the detail of the Sales line item of $4.7mm (source, nature and amount). It would be helpful to also have this for FY18 so that we can see the year-over-year change. – Entire amount is management fees charged to subsidiaries, largest amounts being charged from GNI Group and HVAC Group

I would appreciate your prompt attention to this matter.

Sincerely,

Tim.

Tim Oldfield, CPA, CA, CFA
Chief Investment Officer
Crown Capital Partners Inc.
Direct 416-640-6798

tim.oldfield@crowncapital.ca
www.crowncapital.ca

On Aug 20, 2019, at 8:40 PM, Josh Axler <josh.axler@crowncapital.ca> wrote:

Josh

Begin forwarded message:

From: Eric Barrett <E.barrett@fazzaripartners.com>
Date: August 20, 2019 at 8:32:10 AM CDT
To: Josh Axler <josh.axler@crowncapital.ca>
Cc: Noah Murad <nmurad@millstreetco.com>, Rose Femia <r.femia@fazzaripartners.com>
Subject: RE: Discussion with Josh Axler

Hi Josh,

Please see the attached financial statements we prepared (excluding ones already provided)

- Individual companies within the HVAC Group
- Consolidated review of the Nottawasaga Group (part of HVAC Group)
- Individual companies within the GNI Group
- Individual companies within the All Source Group
- Individual companies within the Fastway Group
- Individual companies within the Saleevent.com Group
- Individual companies within the Dfendus Group
- Lumbermens Credit
- Tuque
- 2455432 Ontario Inc
- Mill Street & Co (unconsolidated)

Please let us know if any statements are missing.

Thank you,

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<image003.jpg>

<image005.png>

<image007.png>

This is **Exhibit "GG"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

Rahul Gandotra

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: December-10-18 2:43 PM
To: Noah Murad
Cc: Jacob Murad
Subject: Re: Follow Up

Hi Noah,

Ok thank you. Yes Jacob please send the documents.

Please let me know how the TD discussion goes.

Thank you,

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Dec 10, 2018, at 2:41 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh,

Ok I figured, no problem at all.

Yes, we closed Sauve late on Friday afternoon. I have copied Jacob just in case you would like any specific closing documents.

I am scheduling a meeting with TD bank this week to go over the plans with respect to All Source that I discussed with you on the phone. This meeting is important because the sale of Thorold needs an agreement from TD so I will keep you posted as I get an idea and things become clearer.

Kind regards

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: December 10, 2018 2:37 PM
To: Noah Murad <nmurad@millstreetco.com>
Subject: Re: Follow Up

Hi Noah,

Thanks for following up. We have to organize a few things on our end before we can work through the process with you. I don't expect it to happen before the new year.

Any updates on either of the Fastway sales?

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Dec 10, 2018, at 10:30 AM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh,

Just wanted to follow up on the below. Is this something you guys wanted to make time for before the holidays?

Let me know what you all think is best.

Kind regards,

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: November 30, 2018 12:31 PM
To: Noah Murad <nmurad@millstreetco.com>
Subject: Re: Follow Up

Hi Noah,

Of course. Chris is out of the office today but I will speak with him and Tim Monday about next steps.

Have a good weekend,

Josh Axler
Investment Associate
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Nov 30, 2018, at 12:29 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Josh,

Just as a follow up to our discussion yesterday with respect to moving our partnership into your fund.

I have thought about it further and am interested as I said. I do have some questions about specifics of the new terms and how this would work so am wondering what the next steps are with you and the team on how to move it forward.

Please let me know what you think is the best way to move forward.

Kind regards

NOAH MURAD
president

TEL: 905-764-5465 ext. 222 CELL: 647-221-7550

7616 Yonge Street, Thornhill, Ontario L4J 1V9

<image001.png>

This is **Exhibit "HH"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

Rahul Gandotra

From:	Shane Melanson <shane.melanson@crowncapital.ca>
Sent:	August-22-19 10:00 AM
To:	Tim Oldfield
Cc:	Noah Murad; Josh Axler
Subject:	Re: July Interest Payment

Confirming, wire was received last night.

Thanks,

--

Shane Melanson, CPA, CA
Controller
Crown Capital Partners Inc.
Tel: 306-535-6545
shane.melanson@crowncapital.ca
www.crowncapital.ca

On Wed, Aug 21, 2019 at 11:35 AM Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:

Noah, Josh forwarded the attached wire payment info that you had provided yesterday. We have not seen the funds hit our account yet and this caused us to look at your wire info more carefully. We noticed that you had entered an errant '8' in the account number. Can you please check in on this and resend the wire using the attached account information. Please confirm

Thanks. Tim.

Tim Oldfield, CPA, CA, CFA
Chief Investment Officer
Crown Capital Partners Inc.
Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

--

Shane Melanson, CPA, CA
Controller
Crown Capital Partners Inc.
Tel: 306-535-6545
shane.melanson@crowncapital.ca
www.crowncapital.ca

This is **Exhibit "II"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 17, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

Rahul Gandotra

From: Allan Kamerman
Sent: February-28-20 3:13 PM
To: Josh Axler
Subject: Mill Street Reporting

Hi Josh

I wanted to let you know that I will be working through the reporting for Mill Street over the weekend and hope to have it out to you early next week if not on Monday.

The interest payment will be going out Monday.

Have a great weekend.

Regards

Allan Kamerman
Chief Financial Officer

MILL STREET & Co.
7616 Yonge Street
Thornhill, ON L4J 1V9
416 903-2077
www.millstreetco.com

From: Allan Kamerman
To: Josh Axler
Cc: Trevor Harris
Subject: RE: January 31, 2020 Covenant Reporting

Still working through that

Allan Kamerman
Chief Financial Officer

7616 Yonge Street
Thornhill, ON L4J 1V9
416 903-2077
www.millstreetco.com

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: March 12, 2020 5:04 PM
To: Allan Kamerman <akamerman@millstreetco.com>
Cc: Trevor Harris <tharris@millstreetco.com>
Subject: Re: January 31, 2020 Covenant Reporting

Thank you,

And the amounts put back into the operating companies?

Josh Axler, CFA
Investment Manager
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Mar 12, 2020, at 5:02 PM, Allan Kamerman <akamerman@millstreetco.com> wrote:

HI Josh

Thanks for the reminder. Got side tracked with other matters.

2315354 Ontario is Ezio

2617947 Ontario is Vin
Stillwater Management Group is Liz Zelko – Manager of Finance

<image003.png>

Regards

Allan Kamerman
Chief Financial Officer

<image001.jpg>
7616 Yonge Street
Thornhill, ON L4J 1V9
416 903-2077
www.millstreetco.com

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: March 12, 2020 4:53 PM
To: Allan Kamerman <akamerman@millstreetco.com>
Cc: Trevor Harris <tharris@millstreetco.com>
Subject: Re: January 31, 2020 Covenant Reporting

Hi Allan,

Just following up on my e-mail below.

Thanks,

Josh Axler, CFA
Investment Manager
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Mar 9, 2020, at 1:11 PM, Josh Axler <josh.axler@crowncapital.ca> wrote:

Thanks Allan,

Still going through the details but I have a few quick follow up questions/comments:

1) Thank you for the detail on the $3,789,419.20 in loan/investment repayments. The second part of my question is how much money was put into the operating companies and to which companies. I have calculated approximately $850k based on the opening and closing balances for the investment and due from related accounts on the Mill Street Holdco balance sheet. Can you please confirm? The covenant calculation should reflect any investments into the operating companies either through a reduction of the $3.8 million or as unfunded capex.
2) Can you provide addition details on some of the consulting fees? I don't have any records of who owns 2315354 Ontario Inc, 2617947 Ontario Inc and Stillwater Management Group?
3) The Covenant Summary is missing EBITDA concentration calculation.

Thank you,

Josh Axler, CFA
Investment Manager
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

> On Mar 6, 2020, at 5:27 PM, Allan Kamerman <akamerman@millstreetco.com> wrote:
>
> Hi Josh
>
> I have added a couple of tabs to the document which should answer your questions. Let me know if I have missed anything.
>
> Regards
>
> Allan Kamerman
> Chief Financial Officer

<image001.jpg>
7616 Yonge Street
Thornhill, ON L4J 1V9
416 903-2077
www.millstreetco.com

From: Josh Axler <josh.axler@crowncapital.ca>
Sent: March 6, 2020 10:41 AM
To: Allan Kamerman <akamerman@millstreetco.com>
Cc: Trevor Harris <tharris@millstreetco.com>
Subject: Re: January 31, 2020 Covenant Reporting

Hi Allan,

Can you please provide the detail of the $3,789,419.2 booked to the loan account vs. management fees? Is this number net of any money put back into any of the companies? Can you also provide detail on which companies paid management fees up to the MS holdco.

Can you also provide detail on the consulting expense on the MS P&L.

Thank you,

Josh Axler, CFA
Investment Manager
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Mar 5, 2020, at 4:52 PM, Josh Axler <josh.axler@crowncapital.ca> wrote:

Thank you Allan,

I will review and get back to you with any questions or comments. Is Fazzari still on track with the audit for April?

Thank you,

Josh Axler, CFA
Investment Manager
Crown Capital Partners Inc.
416-640-4159
josh.axler@crowncapital.ca
www.crowncapital.ca

On Mar 5, 2020, at 4:02 PM, Allan Kamerman <akamerman@millstreetco.com> wrote:

Hi Josh

Sorry for the delay in getting this over. It took longer than I thought to get through it as there are lots of moving parts.

I have tried to match up the reporting sent through last quarter.

Let me know if there is any additional information you need on this.

Regards

Allan Kamerman
Chief Financial Officer

<image001.jpg>

7616 Yonge Street
Thornhill, ON L4J 1V9
416 903-2077
www.millstreetco.com

<Mill Street Co - Crown Capital Financial Covenant - 2020-1-31.xlsx><Mill Street Co - Combined Financial Statements - 2020-01-31 (V2).xlsx>

<Mill Street Co - Crown Capital Financial Covenant - 2020-1-31 (V2 March 6, 2020).xlsx>

This is **Exhibit "JJ"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

MILL STREET & Co.

DRIVING GROWTH THROUGH SMART CAPITAL

Annual Operations Report for Crown Capital

To the Management of Crown Capital Partners:

This report will be organized as follows:

1. A general review of the consolidated financials for the fiscal year
2. An overview of what management regards as material events that have occurred within each company for the completed fiscal year as well as for the first two months of fiscal 2021.
3. An update on the status of Mill Street's capital raise with Canaccord Genuity.

Year End Consolidated revenues and adjusted EBITDA for the group was $91,562,105 and $9,664,280 before head office expenses. Our Share of adjusted EBITDA was $8,629,361 before head office expenses. These figures include both a non-recurring gain from the sale of Tuque, non-recurring losses, from Fastway and Dfendus, and does not include any gains from debt-forgiveness on the write-off of TD debt (more details below). Excluding these figures, our share of adjusted EBITDA was $8,521,198 for the fiscal year before head office expenses. These figures are still subject to the final audit, but we do not believe that there will be any material adjustments to these figures.

We have already supplied our internal numbers and further financial information will be provided with the audited statements. Any supplemental information can be provided after your review upon request as usual.

Fiscal 2020 Results and Subsequent Events

Overall, excluding non-recurring gains, our share of earnings increased by 78% over the prior year, largely due to our growth within Great Northern Insulation, and our purchase of the balance of the minority interest of the causing 100% of the earnings to be attributable to Mill Street on a go forward basis.

Outside of the above purchase, of what management regards as material events that have occurred within each company for the completed fiscal year as well as for the first two months of fiscal 2021.

- **TD Bank:** We reached an agreement to write-off substantially all of their investment in Fastway and Dfendus, as well as other smaller lines of credit and visa loan balances. The agreement is attached to this report. Based on the current agreement, the write-off is for approximately $4,500,000 up from the negotiated write-off of $2,500,000 we had discussed in the fall with reasonable payments as a result of COVID.
- **HVAC Group:** With respect to Aircon Mechanical, Nottawasaga Mechanical, Trinity Energy, and Clarksburg Contractors, TD Bank has acknowledged the current discussions between Mill Street and its partners, the Laval family to sell the business, or receive a buyout offer from the Lavals. We anticipate that we will exit this investment this fiscal year.
- **Great Northern:** Great Northern had its most profitable year, as noted above, and we believe that this trend will continue through both organic and acquisition opportunities. To that end, we made a small acquisition of the assets of a Niagara based company in early April.
- Because of the extensive growth opportunity we see within Great Northern and its market, our current strategic focus is to expand our building services and construction group under the **Great Northern Group** banner. This will be a key focus for Mill Street's management team for fiscal 2021
- As you are aware, in the first quarter if the year, we sold Tuque Inc. for over $1.5 million, completing another successful exit of one of our original investments
- **Lumbermens**: we signed our exclusive agreement with Transunion, and have increased profitability significantly, particularly when taking the trailing twelve months into account. The Transunion contract has given Lumbermens a strategic partner and access to its consumer data to create new product offerings that have already been successful.
- **All Source**: We have agreed with TD to allow an informal monitor into All Source in order for the bank to have its own internal report done in light of the overall relationship with TD Bank deteriorating. We anticipate that the bank may also take a write-off of this debt if they, similar to the other files, do not allow us the time to refinance or sell the business to repay them. We will provide an update on this matter in the ordinary course.
- We have reduced overhead at All Source by terminating ineffective personnel and closing our

largest warehouse in the U.S. This has lowered fixed costs by over $500,000 annually. We also finalized our distribution agreement with IPL, our key supplier.

- While we see the potential of growing All Source further, we made the decision to market the company for sale. This process began at the end of March and we anticipate that the sale will be completed within the next two quarters, should the price be suitable
- **Covid-19:** As of the end of March 2020, none of our businesses have been materially affected by the coronavirus, however, we believe we will feel effects, specifically some revenue declines, throughout April and into early May. We have no way of knowing currently the total financial impact, however, we have taken several measures to ensure that the impact is reduced. These include, laying off staff members, aggressively collecting bills, increasing credit lines where we can and eliminating capital expenditures.

Financial Reporting

Per your letter dated, March 18th 2020, Crown has alleged that we made unpermitted distributions of $1.1 million and, secondly, that the FCCR covenant was not in compliance.

On the first point, we note that the $1.1 million has never been substantiated to us by Crown. We do note however that most of this amount is based on a number of $852,279 that was provided by Crown. This was a net difference noted as 'reinvestment into companies' by Crown. We dispute the claim that management has withdrawn this money as a discretionary claim, and further, this amount has been noted by Crown as a reinvestment into our own subsidiaries. Therefore, this amount would be reduced from the total $1.1 million that is being alleged. We cannot comment further as we cannot reconcile the amount that was provided.

On the second point, we note that our management fees were reduced by the same $852,279 in your covenant calculation. The inclusion if these one-time investments should not be used to reduce the management fees in the absence of including one-time gains, in this case, the proceeds from the sale of Tuque. The inclusion of both provides the accurate picture of our financial numbers.

The below is the updated FCCR Schedule with both of these items included. We show an FCCR of 1.67.

Mill Street & Co.		
Holding Company - Covenant Summary		
		Jan-31-20
Revenue		
Management fees - set		$ 5,551.5
Reduction provision for reinvestment		$ (852.0)
Other revenue - Tuque Sale		$ 1,125.0
		$ 5,824.5
Expenses		
Salaries		$ 2,251.5
Occupancy		$ 252.7
Other		$ 322.4
		$ 2,826.5
EBITDA		$ 2,998.0
less: Interest		$ (1,124.0)
EBIT		$ 1,874.0
less: cash taxes @	26%	$ -
NIAT		$ 1,874.0
less: preferred share return	8%	
Cash flow - Excess / (deficit)		$ 1,874.0
Covenant Summary:		
i) Fixed Charge Coverage Ratio		
EBITDA		$ 2,998.0
less:		
Cash taxes		$ -
Unfunded capex		
Distributions to common s/h		$ -
		$ 2,998.0
Fixed charges		
Interest		$ 1,124.0
Principal payments		$ -
Preferred share return		$ 673.9
Preferred share redemptions		$ -
		$ 1,797.9
FCCR		**1.67**

Update on Capital Raise

As you are aware, we are currently running a process with Great Northern Insulation. We have marketed the company as Great Northern Group, which will be the banner name under which we acquire building services and construction companies.

Canaccord Genuity has supplied a letter attached to this report which provides an update on the status and timing of the process.

This is **Exhibit "KK"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

From: Allan Kamerman
To: Josh Axler
Cc: Trevor Harris
Subject: January 31, 2020 Covenant Reporting
Attachments: Mill Street Co - Crown Capital Financial Covenant - 2020-1-31.xlsx
Mill Street Co - Combined Financial Statements - 2020-01-31 (V2).xlsx

Hi Josh

Sorry for the delay in getting this over. It took longer than I thought to get through it as there are lots of moving parts.

I have tried to match up the reporting sent through last quarter.

Let me know if there is any additional information you need on this.

Regards

Allan Kamerman
Chief Financial Officer

7616 Yonge Street
Thornhill, ON L4J 1V9
416 903-2077
www.millstreetco.com

This is **Exhibit "LL"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

Micheal Simaan

From: Noah Murad
Sent: May-13-18 8:12 AM
To: Tim Oldfield
Subject: Re: Update

Hi Tim

Thank you for the email below.

Yes you are correct on the first point. I will update you all on this structure as we go so you are aware of what is happening as we go and can approve it.

On number 2–ok that is fine with me. I think testing annually on that covenant makes more sense but doing so on a rolling basis accomplishes the same thing.

Thanks again and looking forward to receiving the document on Monday.

Regards

Noah

On May 12, 2018, at 10:46 AM, Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:

> Noah, just a coupe of things on the credit agreement from your last mark-up that we need to address. I will summarize them in this email and we can discuss further whenever you'd like.
>
> 1. Change of control threshold - we had set this at 50% as we want to see you continue to control the voting on at least 50% of the shares. In the mark-up you revised the threshold to 35%, which I think is to reflect the fact that Jacob has an option to acquire 15% of the shares that you own. In our conversations I also understood that you are to control the family trust once it is set up. If this is the case I assume that you will then control your 35% plus the 35% that would be owned by the trust (assuming Jacob exercises his option on 15% of the shares owned by your holding company and 15% owned by your father's holding company / family trust). So, you are to control 70% of the votes going forward. If I am understanding this correctly, then the 50% threshold should not be an issue.
>
> 2. EBITDA Concentration covenant - we had initially proposed to this covenant with a 50% threshold with quarterly testing. In the mark-up you revised the threshold to 70% tested annually. We would like to revert back to our original proposal. Our thinking is that the covenant would be tested quarterly using the trailing twelve month EBITDA, not the discrete quarter, so any seasonality etc. would be smoothed out in the TTM figures. Based on the 50% threshold, and the current mix of portfolio EBITDA, all the companies could decline by 30% before GNI would get over 50%. This seemed reasonable to me. If we revised the threshold to 70%, all of the other companies could decline by 70% before GNI would get to 50%. This seems a bit extreme.

Let me know your thoughts on the above. MLT should be able to get a revised draft of the credit agreement on Monday and I think we should be in a position to settle that document by end of day Monday so that we can be in a position to fund on Wednesday.

Sincerely,

Tim.

Tim Oldfield, CPA, CA, CFA, CBV
Chief Investment Officer
Crown Capital Partners Inc.
Direct 416-640-6798
tim.oldfield@crowncapital.ca
www.crowncapital.ca

On May 11, 2018, at 5:37 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Tim

Ok great. Thanks for the update.

Have a nice weekend.

Noah

On May 11, 2018, at 5:05 PM, Tim Oldfield <tim.oldfield@crowncapital.ca> wrote:

Thanks Noah. I just received another draft from counsel. There may be a couple of things regarding some of the markups in the draft you provided to us.

Once I review the latest draft I will reach out to follow up.

I think we are quite close and are advancing well towards the 16th.

Tim

Tim Oldfield
Chief Investment Officer
Crown Capital Partners Inc.
416.640.6798

On May 11, 2018, at 1:15 PM, Noah Murad <nmurad@millstreetco.com> wrote:

Hi Tim

Ari has told me that Aaron informed him we needed to speak potentially on two minor items as it relates to the credit agreement?

In any event I am available as always if you needed to discuss anything.

Kind regards

Noah

This is **Exhibit "MM"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

FARBER

150 York Street,
Suite 1600, Toronto
ON, M5H 3S5, Canada
Office: 416.497.0150
Fax: 416.496.3839

PRIVATE & CONFIDENTIAL

August 14, 2019

Mill Street & Co.
7616 Yonge Street
Thornhill, Ontario, Canada
L4J 1V9

Attention: Noah Murad, President

Dear Noah,

Re: Strategy Refresh

Farber Group ("FARBER") appreciates the opportunity to provide this proposal outlining how we can be of assistance to Mill Street & Co. ("Mill Street" or "the Company").

This Engagement Letter ("Engagement") summarizes the terms upon which FARBER will provide management consulting services ("Services").

Our understanding is that Mill Street is looking to create a cohesive, overriding vision for the future of Mill Street and its associated portfolio of businesses. This will enable these companies and the executives to grow and build a future with a shared view about how each part relates to the whole. This will create alignment and buy-in for the overall objectives and create a system that supports ongoing dialog about performance against strategic objectives.

Our Recommended Approach

Phase 1: Strategic objective setting – Mill Street
FARBER proposes Mill Street achieve its goals through an approach to strategic planning that begins with setting the organization's high-level objectives and targets and mapping out performance metrics that relate to each business. Each business will then have an opportunity to develop a strategic plan that describes how they will achieve these objectives, with all businesses ultimately working towards a shared vision.

The objectives and targets to be set in Phase 1 include the Mill Street mission and vision, mode of engagement between each division and the core, current situation in the three pillars in which Mill Street operates, and the goals both for the overall group and each division. This will be accomplished over three half-day strategy sessions with Mill Street's management and the leadership of each business. Preparation for the strategy session will include interviewing key stakeholders and gathering available information from each business.

[redacted]

(currently out of scope) Phase 2: Strategic objective setting – Divisions
Working with the leadership team of each division/business (up to four different businesses) we will take the mission and vision as created by the central team, along with the objectives for the business, and help each business unit/division create a strategy and set of objectives for their business. We will do this through half-day workshops with the executives of each business. We have budgeted for four of these workshops but could scale this up or down as required.

(currently out of scope) Phase 3: Performance management framework
Using the information gathered in Phases 1 and 2, FARBER will build a performance management framework that identifies the operations of each business unit within the context of the strategic plan. The framework will start with a bottom up understanding of the business drivers in up to five business and will integrate to be displayed as a dashboard for the use of executives of each business and management of Mill Street. We have experience in constructing them, so they are user friendly both to each division to load in data and to the corporate team to access it. We have budgeted for five different dashboards but could scale this up or down as required.

The FARBER Team and Fees

Delivery of the services contemplated in this agreement will be led by Adam Silver, Managing Director in the Performance Improvement practice, supported by Rohan Kumar a Consultant in the Performance Improvement practice. Adam's biography is included in Appendix B. Ian Brenner, a Partner of Farber, will provide overarching oversight for the project.

Item	Who	Total
Phase 1: Setting the Mill Street Mission, Vision and Values and generating the objectives for each business	Adam	$15,525
(out of scope) Phase 2: Facilitation of half-day strategy sessions with leadership of each division	*Adam, Rohan*	*Est. $31,050*
(out of scope) Phase 3: Development of a bottom-up performance management framework to cover five business units	*Adam, Rohan*	*Est. $64,975*
Est. Total		***$111,550***

We expect the delivery of these three phases to require ~50 person-days of the team's time over 10-12 weeks. Total fees for all phases are estimated at $111,550 plus applicable HST. This engagement letter covers phase 1 of this project, and the total fees, $15,525 are billable upon receipt of this letter.

[redacted]

We anticipate these fees will be sufficient for the scope of the work as outlined above. However, if we uncover complexity that goes beyond our expected scope of work either in depth or breadth, we will discuss these issues with you and jointly determine whether to pursue these issues with additional resources or to keep to the scope as understood. In addition, any issues that fall outside the current scope and budget will be discussed with management of the Company and confirmed in writing prior to incurring any additional fees.

FARBER will invoice for expenses incurred in the performance of its duties arising from this agreement. Any single expense more than $500 must be approved by the Company. Expenses may include, but are not limited to, supplies, parking, software licenses, and travel (mileage, flights, accommodations, meals and entertainment, and related items). Mileage to off-site and office locations will be billed at a rate of $0.52 cents per kilometer. Expenses will be invoiced monthly.

If payments are not received within 30 business days of the date invoiced, a late fee shall be charged on overdue accounts, at the rate of prime plus 2.0% percent annually, commencing with the date payment was due, unless otherwise agreed to in writing by both parties.

Unless explicitly set forth herein, all fees are non-cancellable and non-refundable.

All pricing is in Canadian dollars (CAD). Payments should be sent to the address listed on this Engagement or designated by FARBER at time of invoice or made by wire payment to banking information provided by FARBER.

The engagement is cancellable by either party with 15 days' notice, at which time any unpaid fees and expenses will become due and payable. Should this occur, the amount of fees due to that point will be billed based on actual time incurred by FARBER relative to the agreed fee. A cancellation by either party will terminate the legal relationship between the Company and FARBER.

Kindly refer Appendix A for additional standard terms and conditions, which are considered an integral part of this letter.

If this letter correctly sets out the terms of our engagement, please sign in the space provided and return it to us for our files. If this letter is not in accordance with your understanding of the mandate, or if you have any questions in connection with this matter, please contact us immediately.

We look forward to working with you on this Engagement, and to adding value to Mill Street.

[redacted]

Yours sincerely,

FARBER BUSINESS ADVISORY SERVICES INC.
a member of The Farber Group
operating as Farber Performance Improvement

Per:		Per:	
Date:	August 14, 2019	Date:	August 14, 2019
Name:	Ian Brenner	Name:	Adam Silver
Title:	Partner	Title:	Managing Director, Performance Improvement
Direct:	416.496.3666	Direct:	416.496.3734
Email:	ibrenner@farbergroup.com	Email:	asilver@farbergroup.com

I have the authority to bind this corporation.

Encl./
Appendix A: Farber Standard Terms and Conditions
Appendix B: Farber Group
Appendix C: Team Bios

This letter correctly sets out the agreement between us.

Mill Street & Co.

Per: ______________________ Date: ______________________

Name: ______________________ Title: ______________________

I have authority to bind this corporation.

[redacted]

Appendix A: Farber Standard Terms and Conditions

Communications, Reporting & Standards of Excellence

FARBER defines success by client satisfaction. We strive to ensure our engagements are managed properly such that the outcome benefits all stakeholders. Below is a list of the standards we set for ourselves as we approach an engagement:

- Regular "check-ins" with the designated client contact to ensure we are on-track
- Designated point of contact – Adam Silver is your primary contact on this engagement. However, during the various stages of the Engagement, there will be direct communication with other team members, such that an efficient, seamless, team-based approach will be in place
- Return calls and emails within 24 hours

Confidentiality

We recognize that our professional reputation is built on maintaining absolute confidentiality and discretion. If required, FARBER will commit to a non-disclosure agreement in a form acceptable to you and FARBER.

Indemnification

By accepting the terms outlined herein, the Company agrees to indemnify and hold harmless FARBER and its agents and employees from and against all claims, damages, losses and liabilities (including, without limitation, reasonable legal fees and expenses) suffered or incurred by any such person which arise out of or are based upon (i) any misstatement or omission or alleged misstatement or omission in any material or information, supplied or approved by you, or (ii) any other matter related to or arising out of this engagement; except that the Company shall not be liable under this indemnity for any claims, damages, losses and liabilities which are finally determined to have resulted from FARBER's breach of this Engagement letter in respect of any actions or matters arising from negligent acts or willful misconduct by FARBER.

Notwithstanding the above, FARBER's liability shall be limited to the amount of fees received, and its fees shall be paid without set-off or deduction unless and until FARBER's liability has been finally determined by a court of competent jurisdiction.

In the event representatives of FARBER appear as witnesses in any action or other proceeding in defence of and at the request of the Company, the Company agrees to reimburse FARBER for all expenses incurred by it in connection with its representatives appearing as witnesses (including reasonable fees of its own counsel) and to compensate FARBER in an amount to be mutually agreed upon.

[redacted]

Each of the Company and FARBER agrees to notify the other promptly of the assertion against it or any other person of any claim or the commencement of any action or proceeding relating to any transaction contemplated by this agreement.

Your indemnity obligation shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Company and FARBER and the other Indemnified Parties. FARBER hereby declares that it holds the benefits and rights conferred hereunder in trust for the other Indemnified Parties and you acknowledge and agree that the other Indemnified Parties are so entitled to such rights and benefits and that such rights and benefits may be enforced by FARBER on behalf of the other Indemnified Parties.

No party shall be entitled to assign its rights or obligations, or to subcontract its obligations, under this letter agreement without the prior written consent of the other party.

Other General Terms & Governing Law

During our engagement, we will be acting as the Company's advisor. We will assume no decision-making responsibilities, nor will we have any management capacity.

The services are to be performed at the direction of, and in accordance with, the terms of this engagement letter exclusively for the Company's sole benefit and use. Any work product, schedules, reports or documents that FARBER may produce are not intended for general circulation or publication, nor should they be reproduced, relied upon by any party or used for any purpose, without our prior written consent.

FARBER will perform the Services as indicated, but it is understood and agreed that full access to information and the collaboration of the Company's internal resources will be essential in successfully meeting the mandate.

The Company shall retain full ownership rights in and to all templates, programs and other materials developed by FARBER as a part of performing its obligations hereunder.

FARBER accepts no duty, obligation, liability or responsibility to any party, other than the Company, with respect to the services provided. FARBER makes no representation regarding the sufficiency of the services for any purpose.

The Company will evaluate submitted deliverables, to be rejected or confirmed, at the Company's sole discretion, within three (3) business days of receipt.

This Engagement shall be interpreted and construed in accordance with and governed by the laws of the Province of Ontario, in the country of Canada.

[redacted]

Appendix B: Farber Group

Farber is an independent business advisory firm that provides practical solutions to complex financial and operating problems. We have a reputation for responsiveness and a track record of helping our clients achieve their objectives and overcome challenges.

We successfully partner and work with the leadership of North American companies, their advisors, lenders and other professionals. Our diverse team of business-savvy professionals operates seamlessly to provide services across the areas of restructuring, financial, human capital, and consulting.

With offices in Toronto, across Ontario, Calgary and Vancouver, Farber is positioned to advise businesses across Canada. Our global alliance extends our reach and provides opportunities in North America, Europe, Asia, Africa, and beyond, reflecting the increasingly global nature of business. Established in 1979, Farber continues to grow by fostering an unparalleled collaborative approach and by actively aligning interests with our clients.

Making business work better, together.™

Performance Improvement Practice

The Performance Improvement practice helps executives and boards overcome operational and strategic challenges using rigorous processes to uncover potential and unleash performance.

Working under tight timelines, our team of experienced business leaders helps companies crystalize their strategy, enhance operational performance, improve leadership and clarify a vision for the future - one designed to deliver sustained profitability over time.

No matter what industry you operate in, we get up-to-speed quickly to develop workable recommendations that revitalize under performing companies.

Business performance often suffers due to the persistence of wasteful practices that exist because "that's how we've always done it." Using targeted performance measures, we can provide the data-driven insights that will eliminate waste, improve performance, and help you do what you do better.

That's what we deliver.

Appendix C: Team Bios

Adam W. Silver M.A. Econ
Managing Director | Performance Improvement

Adam W. Silver is the Managing Director of the Performance Improvement practice. The Performance Improvement practice helps executives and boards overcome operational and strategic challenges to uncover potential and unleash performance.

With over two decades of management consulting experience, Adam has helped global and national clients improve their operations to deliver increased value. He has led teams with deep functional and industry expertise across Canada and the US in:

- developing the strategy and organizational model to successfully invest $750 million per year in exploration capital for an upstream petroleum company
- preparing a detailed analysis of manufacturing processes, supplier base, and customer demand for a power sports manufacturer, leading to their successful IPO
- spearheading a six-week diagnostic engagement in a call centre that generated $15 million of savings ideas, with more than $2 million captured the following year

His management consulting expertise has been enhanced by the two years he spent working for a leading executive search firm. This experience enables Adam to evaluate and identify leadership qualities, team effectiveness, and the human dynamics required to effectively execute strategy.

This is **Exhibit "NN"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

From: Ezio D"Onofrio
To: Jacob Murad
Subject: FW: Summary of year end planning meeting
Date: Friday, April 10, 2020 2:07:27 PM
Attachments: Mill Street 2019 Planning.pptx
Mill Street Business Overview.docx
image001.png

Farber email.

From: Ezio D'Onofrio <EDonofrio@millstreetco.com>
Date: Wednesday, August 14, 2019 at 09:05
To: "srosen@farbergroup.com" <srosen@farbergroup.com>, Adam W Silver <asilver@farbergroup.com>
Subject: FW: Summary of year end planning meeting

Attached is our 2019 plan. This can give you an indication of our goals and objectives. I'll be following up with the 2018 plan.

EZIO D'ONOFRIO
chief operating officer

TEL: 905-764-5465 ext. 225 CELL: 647-705-3252

7616 Yonge Street, Thornhill, Ontario L4J 1V9

This is **Exhibit "OO"**

referred to in the affidavit of

NOAH MURAD, affirmed before me this

day of April 18, 2020

A Commissioner for taking affidavits
Rahul Gandotra #70296U

Canaccord Genuity Capital Markets

Canaccord Genuity Corp.
P.O. Box 516
161 Bay Street, Suite 3000
Toronto, ON
Canada M5J 2S1

T1: 416.869.7368
TF 800.382.9280
cgf.com

April 17, 2020

Attention: Chris Johnson

Crown Capital Partners Inc.
333 Bay Street, Suite 2730
Toronto, ON M5H 2R2

Cc: Noah Murad
Mill Street and Co.
7616 Yonge Street
Thornhill ON L4J 1V9

I am writing to inform you that as per the engagement contract between Canaccord and Mill Street, Canaccord has, since January 2020, been soliciting offers from a variety of interested parties. Today, we have 46 interested parties in both Canada and the US, 14 of which, as of today, have executed a non-disclosure agreement. Potential investors include those in the private equity market as well as strategic buyers specifically for Mill Street's construction division. Despite the outbreak of COVID-19 and relative uncertainty in the market, this initial feedback and the continuing feedback we are receiving is extremely positive. We anticipate and are working towards receiving term sheets over the next 30-60 days with a closing to occur within 180 days of this letter which is to be used for acquisitions, working capital, and the refinance and/or buy out Crown Capital's position in Mill Street

Sincerely,

Chris Blackwell
Managing Director

CROWN CAPITAL PRIVATE CREDIT FUND, LP. et al - and - MILL STREET & CO. INC.
Applicant Respondent

Court File No: CV-20-00639312-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

RESPONDING APPLICATION RECORD

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M5H 1T1

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Lawyers for the Respondent