Condensed Consolidated Interim Financial Statements of

CROWN CAPITAL PARTNERS INC.

Three and nine months ended September 30, 2021 and 2020

CROWN CAPITAL PARTNERS INC.

Condensed Consolidated Interim Statements of Financial Position (unaudited)

(expressed in thousands of Canadian dollars)

As at		September 30, 2021		December 31, 2020
Assets				
Cash and cash equivalents	$	16,136	$	19,150
Accounts receivable		6,442		8,460
Income taxes recoverable		2,026		2,970
Prepaid expenses and deposits		1,842		735
Inventory		854		811
Lease earn-out note receivable (Notes 4 and 13)		4,447		-
Investments (Note 4)		2,557		246,063
Investment in Crown Partners Fund (Notes 3 and 5)		52,802		-
Network services contracts (Note 17)		5,270		6,186
Credit reporting customer contracts (Note 13)		953		-
Property and equipment (Note 16)		15,389		15,951
Net investment in leased distributed power equipment (Note 4)		9,648		9,166
Property and equipment under development and related deposits (Notes 3, 13, 14 and 18)		32,379		16,038
Goodwill (Note 13)		293		293
	$	**151,038**	**$**	**325,823**
Liabilities and Shareholders' Equity				
Accounts payable and accrued liabilities	$	9,315	$	7,509
Distributions payable to non-controlling interests		-		2,385
Vendor Promissory Notes payable (Note 4)		-		581
Contingent consideration (Note 4)		4,144		3,920
Network Services Vendor Note payable (Note 4)		749		1,321
Lease obligations		2,277		3,280
Deferred compensation (Note 7)		857		633
Mortgages payable (Notes 4, 13 and 14)		12,450		-
Provision for performance bonus (Note 10)		3,990		3,239
Credit facilities (Note 8)		(368)		62,911
Convertible debentures - liability component (Note 9)		19,229		18,932
Deferred income taxes		471		432
Non-controlling interests (Note 11)		18,935		139,506
Total Liabilities		72,049		244,649
Equity				
Share capital (Note 6)		72,105		77,470
Convertible debentures - equity component (Note 9)		483		483
Contributed surplus		15,177		15,716
Deficit		(8,776)		(12,495)
Total Equity		78,989		81,174
	$	**151,038**	**$**	**325,823**
Commitments and contingencies (Note 19)				

See accompanying notes to consolidated financial statements.

CROWN CAPITAL PARTNERS INC.

Condensed Consolidated Interim Statements of Comprehensive Income (Loss) (unaudited)

(expressed in thousands of Canadian dollars, except earnings per share and weighted average number of shares)

	For the three months ended September 30, 2021	For the three months ended September 30, 2020	For the nine months ended September 30, 2021	For the nine months ended September 30, 2020
Revenues				
Network services revenue	$ 7,445	$ 2,526	$ 20,674	$ 6,377
Interest revenue	278	6,878	13,235	21,435
Share of earnings of Crown Partners Fund (Note 5)	1,959	-	1,959	-
Fees and other income	151	304	1,342	1,420
Net gain (loss) on investments				
Net realized gain from investments	-	-	86	1,233
Net change in unrealized gain (loss) of investments	-	2,884	(322)	1,801
	9,833	12,592	36,974	32,266
Expenses				
Salaries and benefits	2,790	1,269	6,444	3,601
Share-based compensation (Note 7)	(46)	394	593	594
Performance bonus expense	172	562	751	820
General and administration	710	1,231	2,480	2,680
Cost of network services revenue	3,209	1,159	9,480	2,638
Depreciation	1,026	1,034	2,886	4,037
Provision for bad debt	-	-	81	-
Provision for credit losses	19	11,153	2,380	15,399
Impairment of property and equipment (Note 16)	166	24	237	47
Impairment of distributed power equipment under development and related deposits (Note 18)	-	357	-	1,057
Finance costs (Notes 8 and 9)	669	1,561	3,510	4,819
	8,715	18,744	28,842	35,692
Income (loss) before other adjustments and income taxes	1,118	(6,152)	8,132	(3,426)
Gain on acquisition (Note 13)	-	-	73	-
Gain on derecognition of subsidiary (Note 5)	1,588	-	1,588	-
Remeasurement of financial instruments (Notes 4(g) and 4(j))	(2,046)	-	(2,046)	-
Non-controlling interests (Note 11)	(131)	(4,723)	(6,247)	(10,453)
Income (loss) before income taxes	529	(10,875)	1,500	(13,879)
Income taxes				
Current tax expense (recovery)	(178)	(2,261)	406	(2,462)
Deferred tax (recovery)	(137)	(431)	(716)	(390)
	(315)	(2,692)	(310)	(2,852)
Net income (loss) and comprehensive income (loss)	$ 844	$ (8,183)	$ 1,810	$ (11,027)
Earnings (loss) per share attributable to shareholders:				
Basic	$ 0.10	$ (0.88)	$ 0.20	$ (1.18)
Diluted	$ 0.10	$ (0.87)	$ 0.20	$ (1.17)
Weighted average number of shares, basic	8,593,542	9,293,730	8,883,945	9,374,701
Weighted average number of shares, diluted	8,593,542	9,352,607	8,883,945	9,432,773

See accompanying notes to consolidated financial statements.

CROWN CAPITAL PARTNERS INC.

Condensed Consolidated Interim Statements of Changes in Equity (unaudited)

For the nine months ended September 30, 2021 and 2020

(expressed in thousands of Canadian dollars, except number of shares)

	Number of shares		Share capital		Convertible debentures - equity component		Contributed surplus		Retained earnings (deficit)		Total Equity
Balance as at January 1, 2020	9,393,242	$	95,342	$	483	$	1,087	$	566	$	97,478
Net loss and comprehensive loss attributable to shareholders of the Corporation	-		-		-		-		(11,027)		(11,027)
Share-based compensation (Note 7)	-		-		-		173		-		173
Cash-settled share-based compensation (Note 7)	-		-		-		(180)		43		(137)
Issuance of common shares (Note 6)	39,024		384		-		(384)		-		-
Shares repurchased (Note 6)	(193,098)		(1,693)		-		-		973		(720)
Dividends declared (Note 6)	-		-		-		-		(1,414)		(1,414)
Reduction of share capital (Note 6)	-		(15,000)		-		15,000		-		-
Balance as at September 30, 2020	9,239,168	$	79,033	$	483	$	15,696	$	(10,859)	$	84,353
Balance as at January 1, 2021	9,056,468	$	77,470	$	483	$	15,716	$	(12,386)	$	81,283
Retrospective adjustment (Note 13)	-		-		-		-		(109)		(109)
Restated balance as at January 1, 2021	9,056,468	$	77,470	$	483	$	15,716	$	(12,495)	$	81,174
Net income and comprehensive income attributable to shareholders of the Corporation	-		-		-		-		1,810		1,810
Share-based compensation (Note 7)	-		-		-		(257)		-		(257)
Cash-settled share-based compensation (Note 7)	-		-		-		(98)		47		(51)
Issuance of common shares (Note 6)	18,951		184		-		(184)		-		-
Shares repurchased (Note 6)	(648,584)		(5,549)		-		-		1,862		(3,687)
Balance as at September 30, 2021	8,426,835	$	72,105	$	483	$	15,177	$	(8,776)	$	78,989

See accompanying notes to consolidated financial statements.

CROWN CAPITAL PARTNERS INC.

Condensed Consolidated Interim Statements of Cash Flows (unaudited)

(expressed in thousands of Canadian dollars)

For the nine months ended September 30,	**2021**	**2020**
Cash provided by (used in) operating activities		
Net income (loss)	$ 1,810	$ (11,027)
Non-controlling interests (Note 11)	6,247	10,453
Adjustments for:		
Net realized gain from investments	(86)	(1,233)
Net change in unrealized (gain) loss in fair value of investments	322	(1,801)
Gain on derecognition of subsidiary (Note 5)	(1,588)	-
Share of earnings of Crown Partners Fund (Note 5)	(1,959)	-
Finance fees received on loans carried at amortized cost, net of non-cash finance fees	-	828
Interest income	(13,235)	(21,435)
Interest income received in the period	11,310	15,723
Provision for expected credit loss	2,380	15,399
Non-cash finance costs (Note 9)	617	705
Depreciation	2,886	4,037
Current income tax	406	(2,462)
Income taxes paid, net of refunds received	538	(208)
Deferred income tax	(716)	(390)
Share-based compensation, net of cash settlements	(547)	457
Provision for performance bonus	751	820
Provision for bad debt	81	-
Impairment of property and equipment (Note 16)	237	47
Impairment of distributed power equipment under development and related deposits (Note 18)	-	1,057
Remeasurement of financial instruments (Notes 4(g) and 4(j))	2,046	-
Gain on acquisition (Note 13)	(73)	-
Net change in non-cash working capital (Note 12)	3,305	(1,723)
	14,732	9,247
Cash provided by (used in) investing activities		
Proceeds from repayment of debt securities	10,732	36,758
Proceeds from sale of equity securities	1,927	-
Addition of investments	(827)	(40,133)
Sale of Crown Partners Fund LP units to non-controlling interests	20,697	-
Distributions received from Crown Partners Fund	10,779	-
Purchase of property and equipment	(1,247)	(1,536)
Acquisition of subsidiaries, net of cash acquired (Note 13)	(288)	(504)
Lease payments received on distributed power equipment	364	4
Proceeds from sale of, net of additions to, property and equipment under development and related deposits	3,926	(12,561)
	46,063	(17,972)

CROWN CAPITAL PARTNERS INC.

Condensed Consolidated Interim Statements of Cash Flows (unaudited) (continued)

(expressed in thousands of Canadian dollars)

For the nine months ended September 30,	**2021**	**2020**
Cash provided by (used in) financing activities		
Non-controlling interests contributions to Crown Partners Fund (Note 11)	$ -	$ 11,880
Non-controlling interests contributions to Crown Power Fund (Note 11)	-	7,105
Distributions paid by Crown Partners Fund to non-controlling interests	(4,765)	(13,241)
Distributions paid by Crown Power Fund to non-controlling interests	(5,630)	-
Repayment of Crown Partners Fund Promissory Notes (Note 4)	-	(8,512)
Payments of lease obligations	(1,002)	(1,158)
Repayment of Vendor Promissory Notes payable	(581)	-
Repayment of Galaxy debt assumed on acquisition (Note 13)	-	(370)
Repayment of Network Services Vendor Note payable (Note 4)	(572)	-
Credit facility advances, net of repayments (Note 8)	(38,900)	24,900
Shares repurchased (Note 6)	(3,687)	(720)
Dividends (Note 6)	-	(1,414)
Deferred financing costs (Note 8)	(483)	(171)
	(55,620)	18,299
Increase in cash and cash equivalents	5,175	9,574
Cash and cash equivalents, beginning of period	19,150	8,361
Derecognition of cash and cash equivalents of subsidiary (Note 5)	(8,189)	-
Cash and cash equivalents, end of period	$ 16,136	$ 17,935
Supplemental cash flow information:		
Interest paid in the period	$ 2,894	$ 4,114

See accompanying notes to consolidated financial statements.

1. Reporting entity:

Crown Capital Partners Inc. (the "Corporation") was incorporated under the Canada Business Corporations Act on September 8, 1999 and commenced operations effective October 1, 2000. The Corporation makes strategic investments, provides investment management services and co-invests in certain of its managed funds. The Corporation's registered office is 700 2nd Street S.W., Suite 19-131, Calgary, Alberta. These condensed consolidated interim financial statements as at and for the three and nine months ended September 30, 2021 and 2020 comprise the Corporation and its subsidiaries, which include:

- A 100% interest (September 30, 2020 – 100%) in Crown Capital Funding Corporation ("CCFC");
- Through CCFC, a 100% interest (September 30, 2020 – 100%) in Crown Capital Private Credit Fund, LP ("Crown Private Credit Fund");
- A 100% interest (September 30, 2020 – 100%) in Crown Capital Private Credit Management Inc. ("CCPC MI"), the general partner of Crown Private Credit Fund;
- A 100% interest (September 30, 2020 – 100%) in Crown Capital LP Partner Funding Inc. ("CCPF MI"), the general partner of Crown Partners Fund and Crown Capital Fund IV Investment, LP ("CCF IV Investment");
- A 100% interest (September 30, 2020 – 100%) in Crown Capital Fund III Management Inc. ("CCF III"), the general partner and manager of Norrep Credit Opportunities Fund, LP ("NCOF LP");
- A 100% interest (September 30, 2020 – 100%) in 10824356 Canada Inc. ("Crown Power Fund GP"), the general partner of Crown Capital Power Limited Partnership ("Crown Power Fund");
- Through CCFC, an interest of 43.2% (June 30, 2020 – 43.2%) in Crown Power Fund;
- A 100% interest (September 30, 2020 – 100%) in WireIE Holdings International Inc., WireIE (Canada) Inc. and WireIE (Development) Inc. (hereinafter collectively referred to as "WireIE");
- An effective interest of 85.8% (September 30, 2020 – 85.8%) in Onsite Power Partners Ltd. ("Onsite Power"), including a direct 75% interest in addition to a 25% interest held through Crown Power Fund;
- Effective September 10, 2020, a 100% interest in WireIE Inc. ("WireIE Inc.");
- Effective September 15, 2020, a 100% interest in Galaxy Broadband Communications Inc. ("Galaxy");
- Effective September 28, 2020, a 100% interest in PenEquity Development GP Inc., the general partner of PenEquity Development Limited Partnership ("PDLP");
- Effective September 30, 2020, through Crown Private Credit Fund, a 100% interest in PDLP;
- Effective March 1, 2021, through PDLP, a 100% interest in PRC Stoney Creek Corp. ("PSCC");
- Effective April 15, 2021, through PDLP, a 100% interest in PRC Barrie Corp. ("PBC");
- Effective May 6, 2021, through Crown Private Credit Fund, a 100% interest in Lumbermens Credit Group Ltd. ("Lumbermens");

1. Reporting entity (continued):

- Effective July 13, 2021, an effective interest of 28.0% in Crown Partners Fund as an investment in associate (see Note 5). Prior to July 13, 2021, through CCFC, an effective interest of 36.5% (January 1, 2020 to June 30, 2020 – 38.8%) in Crown Capital Partner Funding, LP ("Crown Partners Fund") as a subsidiary; and
- Effective July 13, 2021, a 12.5% interest in Crown Private Credit Partners Inc. ("CPCP") as an investment carried at FVTPL (see Note 4). Prior to July 13, 2021, a 100% interest from April 8, 2021 to July 12, 2021 as a subsidiary.

2. Basis of preparation:

(a) Statement of compliance:

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 *Interim Financial Reporting*. They do not include all the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Corporation's financial position and results of operations since the last annual consolidated financial statements as at and for the year ended December 31, 2020. These condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements as at and for the year ended December 31, 2020.

These condensed consolidated interim financial statements were authorized for issue by the Corporation's Board of Directors on November 9, 2021.

(b) Basis of measurement:

The condensed consolidated interim financial statements have been prepared on the historical cost basis, other than investments and certain share-based awards carried at fair value through profit or loss ("FVTPL").

(c) Functional and presentation currency:

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

2. Basis of preparation (continued):

(d) Use of estimates and judgments:

The preparation of the condensed consolidated interim 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.

The significant judgments made by management in applying the Corporation's accounting policies and key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended December 31, 2020, except for significant judgements made in the determination of significant influence over the financial and operating policies of Crown Partners Fund (see Note 5).

In March 2020, the World Health Organization declared the novel coronavirus ("COVID-19") a global pandemic. Emergency measures enacted globally have caused material disruption to businesses resulting in an economic slowdown. Although health measures have eased and vaccination programs are well underway, the timing of a full economic recovery remains uncertain, and as such, it is not possible to forecast with certainty the duration and full financial effect of the COVID-19 pandemic. The situation remains fluid and there is significant uncertainty surrounding the potential impact it may have on the Corporation's assets, liabilities, revenues, expenses and cash flows.

In the preparation of the condensed consolidated interim financial statements, the Corporation has incorporated the potential impact of COVID-19 into its estimates and assumptions that affect the carrying amounts of its assets and liabilities, and the reported amount of its results using the best available information as of September 30, 2021. Significant sources of estimation uncertainty include the fair value measurement of investments and the determination of expected credit losses on financial assets.

The Corporation actively monitors developments related to COVID-19, including existing and potential economic impacts on the underlying businesses associated with the Corporation's financial assets, and the ability of such businesses to meet their financial obligations to the Corporation's investment subsidiaries and associate on a timely basis. The Corporation also reviews collateral values and monitors financial results of the underlying businesses on an ongoing basis.

(e) Reclassification of prior period presentation:

Certain comparative figures have been reclassified to conform with the current year's presentation.

3. Significant accounting policies:

The accounting policies applied to these condensed consolidated interim financial statements are the same as those applied in the consolidated financial statements as at and for the year ended December 31, 2020, except for the policies detailed below.

Significant accounting policies adopted in the period:

(a) As a result of the acquisition of PSCC on March 1, 2021 and the subsequent acquisition of PBC on April 15, 2021, the following accounting policy has been adopted:

Property and equipment under development and related deposits

Property and equipment under development and related deposits includes (i) property under development comprising the carrying value of property owned by the Corporation that is in the course of development; and (ii) distributed power equipment under development and related deposits comprising the carrying value of distributed power assets owned by Crown Power Fund that are in the course of construction. See Note 3(h) in the consolidated financial statements as at and for the year ended December 31, 2020 for accounting policy details in respect of distributed power equipment under development and related deposits.

Property under development is recorded at the cost of the land plus all expenditures incurred to date that are necessary to bring the asset to working condition for its intended use, less any accumulated impairment losses. At each reporting date, the carrying amount of property under development is reviewed to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGUs"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated cash flows on the property, discounted to its present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

The property is not subject to depreciation until completion of its development phase, at which point it is reclassified as part of property and equipment and measured at cost less any accumulated impairment losses.

3. Significant accounting policies (continued):

(b) Effective July 13, 2021 (the "Transaction Date"), the Corporation reduced its ownership interest in CPCP from 100% to 12.5% through a sale of shares and reduced its effective interest in Crown Partners Fund from 36.5% to 28.0% through a sale of limited partnership units to CPCP, while CPCP concurrently assumed from the Corporation its investment management contracts in respect of its alternative lending business (the "Transaction").

As a result of the Transaction, the Corporation has concluded that it ceased to have control over Crown Partners Fund, which had previously been consolidated as a subsidiary, effective as at the Transaction Date. The Corporation's 12.5% interest in CPCP is recognized as an investment carried at FVTPL, with a carrying value of $25 as at September 30, 2021.

The Corporation has concluded that it has significant influence over the financial and operating policies of Crown Partners Fund on account of its retained limited partnership and general partnership interests in Crown Partners Fund. Effective as at the Transaction Date, the assets and liabilities of Crown Partners Fund and any related non-controlling interests were derecognized, and consolidation of its financial performance was discontinued. The Corporation has recognized the retained interest in Crown Partners Fund as an investment in associate (see Note 5).

The following accounting policies have been adopted:

Loss of control

When the Corporation loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is remeasured at fair value as at the date at which control is lost.

Investment in associate

An associate is an entity in which the Corporation has significant influence, but not control or joint control, over the financial and operating policies. Investment in associate is accounted for using the equity method. It is initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Corporation's share of the profit or loss until the date on which significant influence ceases.

When the Corporation's share of losses exceeds its interest in an associate, the Corporation's carrying amount is reduced to nil and recognition of further losses is discontinued, except to the extent that the Corporation has incurred legal or constructive obligations, or made payments on behalf of an associate. If the associate subsequently reports profits, the Corporation resumes recognizing its share of those profits only after its share of profits equals the share of accumulated losses not recognized. The Corporation assesses at each reporting period whether there is any objective evidence that its investment in associate is impaired in accordance with IAS 36, *Impairment of Assets*. Impairment losses are reversed in subsequent periods if the recoverable amount of the investment subsequently increases and the increase can be related objectively to an event occurring after the impairment was recognized.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

4. Financial instruments:

(a) Investments

As at	September 30, 2021	December 31, 2020
Investments at FVTPL:		
Canadian debt securities at FVTPL	$ 500	$ 65,344
Canadian equity securities	25	3,993
Other investments	-	8,671
Total Investments at FVTPL	525	78,008
Canadian debt securities at amortized cost	17,803	184,117
Allowance for credit losses	(15,771)	(16,062)
Total Investments at amortized cost, net of allowance for credit losses	2,032	168,055
Total Investments	**$ 2,557**	**$ 246,063**

(b) Canadian debt securities

The gross carrying value of Canadian debt securities broken down by contractual maturity is as follows:

Contractual maturity	September 30, 2021	December 31, 2020
On demand	$ 18,303	$ 53,766
0 – 12 months	-	3,163
1 – 3 years	-	131,960
3 – 5 years	-	60,572
Total debt securities	**$ 18,303**	**$ 249,461**

As at September 30, 2021, investments held in the form of Canadian debt securities had coupon interest rates ranging from 12.0% to 14.0% (December 31, 2020 – 10.0% to 16.0%) per annum.

Interest revenue calculated using the effective interest rate method for debt securities carried at amortized cost totaled $nil and $8,443 for the three and nine months ended September 30, 2021 (for the three and nine months ended September 30, 2020 - $4,792 and $14,901). The effective interest rate as at September 30, 2021 was 0.0% (September 30, 2020 – 10.0% to 14.3%).

Finance fees recognized in revenue in relation to the repayment of debt securities carried at amortized cost totaled $nil and $15 for the three and nine months ended September 30, 2021 (for the three and nine months ended September 30, 2020 - $10 and $269).

4. Financial instruments (continued):

(c) Canadian equities

As at September 30, 2021, the investment in equity security represents common shares of CPCP. As at December 31, 2020, investments in equity securities included common shares of Canadian public companies, warrants in Canadian public companies, common shares of a Canadian private company and warrants in a Canadian private company.

(d) Other investments

As at December 31, 2020, other investments included royalty arrangements and other investment structures that are neither debt securities nor equity-linked.

(e) Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks and are used by the Corporation in the management of short-term commitments.

(f) Network services contract receivables

Included in accounts receivable are amounts owing from parties with which the Corporation has entered into network services contracts.

(g) Lease earn-out note receivable

The lease earn-out note receivable represents entitlements to future cash flows in respect of PSCC's sale of its interest in a grocery-anchored community retail plaza located in Hamilton, Ontario. The entitlements to future cash flows are based on leases secured by PSCC in respect of a prescribed area of available density as at September 30, 2021, are valued using the discounted present value of expected cash flows arising from expected future earnings in respect of those leases secured (see Note 13), and the receivable is classified as a Level 3 financial instrument (see Note 4(j) for a description of the three-tier hierarchy framework for disclosing fair value). If the discount rate increased or decreased by 100 bps, the fair value of the lease earn-out note receivable as at September 30, 2021 would not change significantly. In the three months ended September 30, 2021, the fair value of the lease earn-out note receivable declined by $1,821 to $4,447 (December 31, 2020 – $nil) due to a revised estimate of the related future cash flows, with the decrease in fair value recognized in net income for the period as a remeasurement of financial instruments.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

4. Financial instruments (continued):

(h) Net investment in leased distributed power equipment

The Corporation entered into no finance lease contracts in the three months ended September 30, 2021 and one finance lease contract in the nine months ended September 30, 2021 (September 30, 2020 – nil and nil) upon completion of the development of the related distributed power assets. There was no resultant gain or loss on reclassification of the distributed power equipment under development to net investment in leased distributed power equipment. For the three and nine months ended September 30, 2021, the Corporation recognized interest income in relation to its net investment in leased distributed power equipment of $194 and $589 (for the three and nine months ended September 30, 2020 - $13 and $39).

The following table sets out a maturity analysis of its net investment in leased distributed power equipment, showing the undiscounted lease payments to be received as at the reporting date.

	September 30, 2021	December 31, 2020
Less than one year	$ 1,302	$ 1,225
One to two years	1,302	1,231
Two to three years	1,302	1,231
Three to four years	1,302	1,231
Four to five years	1,302	1,231
Greater than five years	7,392	7,284
Total undiscounted lease payments	13,902	13,433
Unearned finance income	(5,469)	(5,281)
Undiscounted unguaranteed residual value	1,312	1,105
Net investment in leased distributed power equipment, before allowance for credit loss	9,745	9,257
Allowance for credit loss	(97)	(91)
Net investment in leased distributed power equipment	**$ 9,648**	**$ 9,166**

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

4. Financial instruments (continued):

(i) Allowance for credit losses

The changes to the Corporation's allowance for credit losses under IFRS 9, as at and for the nine months ended September 30, 2021 and September 30, 2020, are shown in the following tables.

September 30, 2021				
Allowance for credit losses	**Debt securities**	**Net investment in leased distributed power equipment**	**Network services receivables**	**Total**
Opening balance	$ 16,062	$ 91	$ 432	$ 16,585
Additions	-	8	30	38
Repayment	(37)	(2)	(15)	(54)
Net remeasurement of loss allowance	2,525	-	-	2,525
Settlement upon acquisition	(130)	-	-	(130)
Derecognition of subsidiary[1]	(2,649)	-	-	(2,649)
Ending balance	**$ 15,771**	**$ 97**	**$ 447**	**$ 16,315**

1 As a result of the Transaction, the assets and liabilities of Crown Partners Fund, and any related non-controlling interests, were derecognized by the Corporation effective July 13, 2021 (see Note 5).

There were no transfers from Stage One, Stage Two, or Stage Three in the nine months ended September 30, 2021.

September 30, 2020				
Allowance for credit losses	**Debt securities**	**Net investment in leased distributed power equipment**	**Network services receivables**	**Total**
Opening balance	$ 744	$ 6	$ 81	$ 831
Additions	11	-	185	196
Repayment	(2)	-	-	(2)
Net remeasurement of loss allowance	15,103	-	102	15,205
Transfer to (from) Stage One[1]	(7)	-	-	(7)
Transfer to (from) Stage Two[1]	(79)	-	-	(79)
Transfer to (from) Stage Three[1]	86	-	-	86
Ending balance	$15,856	$ 6	$ 368	$ 16,230

1 Excludes net remeasurement of loss allowance in respect of loans transferred between stages.

As at and for the nine months ended September 30, 2020, the transfer to Stage Two is in relation to a transfer from Stage One, and the transfer to Stage Three is in relation to a transfer from Stage Two.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

4. Financial instruments (continued):

(i) Allowance for credit losses (continued)

The total gross carrying values of Canadian debt securities at amortized cost, net investment in leased distributed power equipment and receivables from network services classified as Stage One, Stage Two and Stage Three and the associated allowance for credit losses, as at September 30, 2021 and December 31, 2020, are shown in the following tables:

	September 30, 2021			
	Stage One	**Stage Two**	**Stage Three**	**Total**
Canadian debt securities:				
Gross carrying value at amortized cost	$ -	$ -	$ 17,803	$ 17,803
Allowance for credit losses	-	-	(15,771)	(15,771)
Net carrying value at amortized cost, net of allowance for credit losses	$ -	$ -	$ 2,032	$ 2,032
Net investment in leased distributed power equipment:				
Gross carrying value at amortized cost	-	9,745	-	9,745
Allowance for credit losses[1]	-	(97)	-	(97)
Net carrying value at amortized cost, net of allowance for credit losses	$ -	$ 9,648	$ -	$ 9,648
Receivables from network services:				
Gross carrying value at amortized cost	-	3,498	-	3,498
Allowance for credit losses[1]	-	(447)	-	(447)
Net carrying value at amortized cost, net of allowance for credit losses	$ -	$ 3,051	$ -	$ 3,051
Total allowance for credit losses	**$ -**	**$ (544)**	**$ (15,771)**	**$ (16,315)**

1 The Corporation elects to classify the gross carrying values of net investment in leased distributed power equipment and receivables from network services as Stage Two and the associated allowance for credit losses is measured at an amount equal to lifetime expected credit losses under a simplified approach that does not require the Corporation to track changes in credit risk.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

4. Financial instruments (continued):

(i) Allowance for credit losses (continued):

	December 31, 2020			
	Stage One	**Stage Two**	**Stage Three**	**Total**
Canadian debt securities:				
Gross carrying value at amortized cost	$ 40,700	$ 110,623	$ 32,794	$ 184,117
Allowance for credit losses	(31)	(846)	(15,185)	(16,062)
Net carrying value at amortized cost, net of allowance for credit losses	$ 40,669	$ 109,777	$ 17,609	$ 168,055
Net investment in leased distributed power equipment:				
Gross carrying value at amortized cost	-	9,257	-	9,257
Allowance for credit losses[1]	-	(91)	-	(91)
Net carrying value at amortized cost, net of allowance for credit losses	$ -	$ 9,166	$ -	$ 9,166
Receivables from network services:				
Gross carrying value at amortized cost	-	3,067	-	3,067
Allowance for credit losses[1]	-	(432)	-	(432)
Net carrying value at amortized cost, net of allowance for credit losses	$ -	$ 2,635	$ -	$ 2,635
Total allowance for credit losses	**$ (31)**	**$ (1,369)**	**$ (15,185)**	**$ (16,585)**

1 The Corporation elects to classify the gross carrying values of net investment in leased distributed power equipment and receivables from network services as Stage Two and the associated allowance for credit losses is measured at an amount equal to lifetime expected credit losses under a simplified approach that does not require the Corporation to track changes in credit risk.

4. Financial instruments (continued):

(j) Fair values:

The fair values of financial assets and financial liabilities that are traded on active markets are based on closing quoted market prices at the reporting date. For all other financial instruments, the Corporation determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Fair values of investments without quoted market prices are determined by management on the basis of the expected realizable value of the investments as at the date of the statement of financial position if they were disposed of in an orderly manner over a reasonable period of time, discounted at a discount rate which is considered by management to be appropriate at the date of the financial statement for the specific investment. There is no active secondary market for many investments which are not publicly-traded, and there is considerable uncertainty and a potentially broad range of outcomes with respect to the future cash flows from these investments. Valuations of such investments are subject to a number of assumptions and uncertainties that may cause actual values realized on disposal to differ materially from the fair value estimated at any particular time.

A three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Corporation’s investments. The hierarchy of inputs is summarized below:

- Level 1: Inputs that are quoted prices (unadjusted) in active markets for identical instruments;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for instruments, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques in which all significant inputs are directly or indirectly observable from market data; and
- Level 3: This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument’s valuation. This category includes instruments that are valued based on the quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

4. Financial instruments (continued):

(j) Fair values (continued):

The tables below analyze the fair value of investments at September 30, 2021 and December 31, 2020 by the level in the fair value hierarchy into which the fair value measurement is categorized. For investments carried at FVTPL, the amounts are based on the values recognized in the statement of financial position. There were no transfers between levels during the period.

September 30, 2021	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value	Carrying value
Canadian debt securities at FVTPL	$ -	$ -	$ 500	$ 500	$ 500
Canadian equity securities	-	-	25	25	25
Total Investments at FVTPL	-	-	525	525	525
Canadian debt securities at amortized cost	-	-	2,032	2,032	2,032
Total Investments	**$ -**	**$ -**	**$ 2,557**	**$ 2,557**	**$ 2,557**

December 31, 2020	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value	Carrying value
Canadian debt securities at FVTPL	$ -	$ -	$ 65,344	$ 65,344	$ 65,344
Canadian equity securities	1,144	2,849	-	3,993	3,993
Other investments	-	-	8,671	8,671	8,671
Total Investments at FVTPL	1,144	2,849	74,015	78,008	78,008
Canadian debt securities at amortized cost	-	-	168,674	168,674	168,055
Total Investments	**$ 1,144**	**$ 2,849**	**$ 242,689**	**$ 246,682**	**$ 246,063**

4. Financial instruments (continued):

(j) Fair values (continued):

Canadian debt securities are valued using the discounted present value of expected cash flows arising from these debt instruments.

Observable inputs used in the development of an appropriate discount rate include Government of Canada benchmark interest rate for the term of the individual loan and the BBB-rated corporate interest rate spread for the term of the individual loan. Significant unobservable inputs include an illiquidity spread as well as a credit spread, both of which increase the discount rate. These rates are set initially at a level such that the loan valuation equals the initial purchase cost of the loan and are subsequently adjusted at each valuation date to reflect management's current assessment of market conditions as well as of loan-specific credit and illiquidity risk.

Discount rates are subject to adjustment based on both management's current assessment of market conditions and the economic performance of individual investments. At September 30, 2021, no discount rates were used in determining the carrying value of the Canadian debt security, which was valued based on its estimated recoverable amount. At December 31, 2020, which preceded the derecognition of Crown Partners Fund effective as at the Transaction Date, the Corporation held multiple Canadian debt securities, for which discount rates ranging from 10.7% to 18.9% were used in determining the carrying values.

The most significant input into the calculation of fair value of Level 3 debt investments for the comparative periods is the discount rate applied to expected future cash flows. If the discount rate increased or decreased by 100 bps, the fair value of Level 3 investments at September 30, 2021 would decrease by $nil (December 31, 2020 – $3,562) or increase by $nil (December 31, 2020 – $3,694), respectively.

The Canadian equity security as at September 30, 2021 is valued based on recent transaction price. The Canadian equity securities at December 31, 2020 included warrants classified as Level 3 that were valued based on a net asset value-based estimate of the underlying equity value, and common shares in a Canadian private company classified as Level 3 that were valued using an enterprise value multiple approach. As at December 31, 2020, the other investments classified as Level 3 were either valued using the discounted present value of expected cash flows arising from these investments with discount rates ranging from 14.6% to 17.5% or were valued using both this discounted cash flow approach and an enterprise value approach.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

4. Financial instruments (continued):

(j) Fair values (continued):

The following tables reconcile opening balances to closing balances for fair value measurements of investments carried at FVTPL in Level 3 of the fair value hierarchy as at and for the nine months ended September 30, 2021 and September 30, 2020:

For the nine months ended	**September 30, 2021**	**September 30, 2020**
Level 3 securities at FVTPL		
Opening balance	$ 74,015	$ 84,235
Additions	25	-
Repayments	-	(7,000)
Derecognition of subsidiary[1]	(72,037)	-
Net change in unrealized gains	(1,478)	(1,414)
Ending balance	**$ 525**	**$ 75,821**

1 As a result of the Transaction, the assets and liabilities of Crown Partners Fund, and any related non-controlling interests, were derecognized by the Corporation effective July 13, 2021 (see Note 5).

The carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, distributions payable to non-controlling interests and promissory notes payable approximate their fair values due to their short term to maturity. The carrying values of the credit facilities, net investment in leased distributed power equipment and share purchase loans approximate their fair values due to the market interest rates on the loans.

The lease earn-out note receivable representing entitlements to future cash flows in respect of PSCC's sale of a commercial property interest is valued using the discounted present value of expected cash flows arising from future earnings on leasing activity.

The deferred compensation liability 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.

Contingent consideration in relation to the Galaxy acquisition is valued using the discounted present value of aggregate expected cash flows in excess of prescribed percentages of cumulative earnings and revenues arising from the Corporation's investment in Galaxy (see Note 13). In the three months ended September 30, 2021, the fair value of the contingent consideration liability increased by $225 to $4,144 (December 31, 2020 – $3,920), with the change in fair value recognized in net income for the period as a remeasurement of financial instruments.

4. Financial instruments (continued):

(j) Fair values (continued):

The fair value of the Corporation's convertible debentures – liability component is measured at $19,700 at September 30, 2021 (December 31, 2020 - $17,000). The Corporation's convertible debentures – liability component is classified as Level 1 because they are actively traded on the TSX and the fair value is based on the quoted market prices.

(k) Promissory notes payable

(i) Crown Partners Fund Promissory Notes payable

Upon the redemption of 13,600 limited partnership units effective December 31, 2019 in Crown Partners Fund, the general partner elected to settle the redemption price, equal to the net asset value of the limited partnership units so redeemed calculated on December 31, 2019, by way of secured promissory notes ("Crown Partners Fund Promissory Notes"). The Crown Partners Fund Promissory Notes bore interest at 8.0% per annum, which was compounded semi-annually and payable quarterly in arrears. Principal amounts were to be repaid in four equal quarterly installments, payable on the last day of each calendar quarter, commencing on the last day of the first full calendar quarter ending after December 31, 2019. The Corporation had the ability to prepay all or any portion of the Crown Partners Fund Promissory Notes at any time without penalty. Any proceeds in excess of $5,000 received by the Corporation in relation to the disposition or prepayment of investments were to be applied as a prepayment of Crown Partners Fund Promissory Notes payable.

The Crown Partners Fund Promissory Notes were repaid in full in the year ended December 31, 2020, including repayment totaling $nil and $8,512 in the three and nine months ended September 30, 2020, respectively, and the balance outstanding as at September 30, 2021 is $nil (2020 - $nil). Interest expense in relation to Crown Partners Fund Promissory Notes payable for the three and nine months ended September 30, 2021 was $nil and $nil, respectively (for the three and nine months ended September 30, 2020 - $nil and $276, respectively).

(ii) Vendor Promissory Notes payable

On September 15, 2020, as partial consideration for the equity acquired from the previous shareholders of Galaxy, the Corporation agreed to pay to selling shareholders additional consideration in the form of unsecured promissory notes ("Vendor Promissory Notes"). The Vendor Promissory Notes payable were repaid in full during the quarter ended September 30, 2021 such that the balance outstanding as at September 30, 2021 was $nil (December 31, 2020 - $581). Interest expense in relation to Vendor Promissory Notes payable for the three and nine months ended September 30, 2021 was $5 and $28 (for the three and nine months ended September 30, 2020 - $nil and $nil, respectively). The Vendor Promissory Notes bore interest at 5.0% per annum.

4. Financial instruments (continued):

(l) Network Services Vendor Note payable

The Corporation carries an unsecured, interest-bearing vendor note payable ("Network Services Vendor Note payable") with one of Galaxy's primary network services vendors. The Network Services Vendor Note payable bears interest at 8% per annum, calculated and payable annually, and matures on February 1, 2023. Principal amounts are to be repaid in monthly instalments, payable on the first day of each month. At September 30, 2021, the balance of the Network Services Vendor Note payable is $749 (December 31, 2020 - $1,321). In the three and nine months ended September 30, 2021 payments of $210 and $640 were made in respect of the repayment of the Network Services Vendor Note payable, respectively, including interest expense in relation to the Network Services Vendor Note payable of $16 and $68, respectively (September 30, 2020 - $nil and $nil, respectively).

(m) Mortgages payable

Upon acquisition of PSCC on March 1, 2021, Crown assumed a mortgage payable of $3,300 (see Note 13), secured by the value of property under development, that is due on August 26, 2022. The mortgage payable bears interest at 8.5% per annum, calculated and payable monthly on the first day of each month. The Corporation has the option to prepay all of the mortgage payable outstanding after September 1, 2021 on payment of a penalty equal to one months' interest on the outstanding indebtedness.

Upon acquisition of PBC on April 15, 2021, Crown assumed a mortgage payable of $9,150, secured by the value of property under development, and due on January 1, 2022 (see Note 14). The mortgage payable is comprised of two tranches with balances outstanding of $3,750 and $5,400, which bear interest at 13.5% per annum and a variable interest rate based on Prime Rate plus 655 bps (with a floor of 9.00%) per annum, respectively, calculated and payable monthly on the first day of each month.

In the nine months ended September 30, 2021, $556 of interest was accrued in respect of mortgages payable which was capitalized to property and equipment under development and related deposits.

5. Investment in Crown Partners Fund:

Effective as of the Transaction Date, primarily resulting from the assignment of its investment management contracts in respect of its alternative lending business, the Corporation concluded that it ceased to have control over Crown Partners Fund and that, as of that date, it had significant influence over the financial and operating policies of Crown Partners Fund on account of its retained limited partnership and general partnership interests in Crown Partners Fund. Crown Partners Fund is a limited partnership registered and domiciled in Canada. The principal activity of Crown Partners Fund is investment in loans to mid-market Canadian corporations. Crown Partners Fund is not publicly listed.

Whereas the Corporation had previously consolidated Crown Partners Fund as a subsidiary, effective as of the Transaction Date, the assets and liabilities of Crown Partners Fund and any related non-controlling interests were derecognized and the consolidation of its financial performance was discontinued with the Corporation's retained interest in Crown Partners Fund subsequently recognized as an investment in associate accounted for using the equity method. At the Transaction Date, a gain of $1,218 was recognized in relation to the remeasurement of the Corporation's retained interest in Crown Partners Fund to fair value upon derecognition of Crown Partners Fund as a subsidiary. This gain, in addition to a gain of $370 realized upon the sale of a partial interest in Crown Partners Fund on the Transaction Date, are recognized in net income for the three months ended September 30, 2021 as a gain on derecognition of subsidiary. The fair value of the retained interest in Crown Partners Fund recognized as an investment in associate at the Transaction Date is representative of the deemed cost of the investment at initial recognition.

As of the Transaction Date, the Corporation has an effective interest of 28.0% in the limited partnership units of Crown Partners Fund and, through its 100% interest in CCPF MI, it remains the general partner of Crown Partners Fund. The investment in Crown Partners Fund is comprised of the sum of the carrying values of the Corporation's limited partnership and general partnership interests.

As the general partner, the Corporation is entitled to receive a performance fee distribution equal to 20% of cumulative investment returns in excess of an annual rate of return of 8% earned by Crown Partners Fund, subject to the terms of the limited partnership agreement of Crown Partners Fund. The accrued value of this performance fee as at September 30, 2021 of $7,980 represents the carrying value of the Corporation's general partnership interest. As at September 30, 2021, the Corporation had accrued a provision for performance bonus of $3,990 in respect of the asset performance bonus pool of Crown Partners Fund, which represents the portion of the accrued value of the performance fee that would not be retained by the Corporation upon receipt (see Note 10).

The fair value of the investment in Crown Partners Fund of $52.4 million as at September 30, 2021 is measured based on the net asset value of Crown Partners Fund as determined by the investment manager of Crown Partners Fund. As at September 30, 2021, the Corporation's maximum exposure to loss is the carrying value of the investment in Crown Partners Fund of $52.8 million. The underlying investment portfolio of Crown Partners Fund is comprised of Canadian debt securities measured at amortized cost and investments measured at FVTPL including Canadian debt securities, Canadian equity securities and other investments such as royalty arrangements. As at September 30, 2021, investments held by Crown Partners Fund in the form of Canadian debt securities had coupon interest rates ranging from 10.0% to 16.0% per annum and effective interest rates ranging from 10.0% to 14.2% for debt securities carried at amortized cost.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

5. Investment in Crown Partners Fund (continued):

The following table shows the movement in the carrying value of the investment in Crown Partners Fund for the period:

	September 30, 2021		
Crown Partners Fund	Limited partnership interest	General partnership interest	Total
Balance, January 1, 2021	$ -	$ -	$ -
Fair value at Transaction Date	53,593	7,637	61,230
Share of earnings since Transaction Date	1,616	343	1,959
Distributions since Transaction Date	(10,387)	-	(10,387)
Balance, September 30, 2021	**$ 44,822**	**$ 7,980**	**$ 52,802**

The following table shows the summarized financial information for Crown Partners Fund prepared in accordance with IFRS:

As at and for the nine months ended September 30,	**2021**
Crown Partners Fund – Summary Balance Sheet Information	
Investments	$ 164,768
Other assets	5,125
Total liabilities	(4,160)
Net assets	165,733
Net assets attributable to limited partners	157,753
Net assets attributable to general partner	7,980
Crown Partners Fund – Summary Income Statement Information	
Interest revenue	$ 17,563
Other revenue	3,868
Total operating expenses	(5,162)
Total increase in net assets	16,269
Increase in net assets attributable to limited partners	14,768
Increase in net assets attributable to general partner	1,501

6. Share capital:

The authorized share capital of the Corporation consists of an unlimited number of common shares, each carrying the right to one vote per common share at all meetings of shareholders of the Corporation and fully participating as to dividends of the Corporation.

On April 13, 2020, the Corporation renewed its normal course issuer bid ("NCIB") to purchase up to 550,000 common shares, which represented approximately 5.8% of its issued and outstanding common shares as at March 31, 2020, over the next twelve months, or until such time as the bid was completed or terminated at the Corporation's option. Shares purchased under this bid were purchased on the open market at the prevailing market price at the time of the transaction. Common shares acquired under this bid were cancelled. Total shares purchased and cancelled under this NCIB was 393,930.

On April 13, 2021, the Corporation renewed its NCIB to purchase up to 600,000 of its common shares, representing approximately 6.6% of its issued and outstanding shares as at March 31, 2021, over the next twelve months, or until such time as the bid is completed or terminated at the Corporation's option. Any shares purchased under this bid are purchased on the open market at the prevailing market price at the time of the transaction. Common shares acquired under this bid are cancelled. Total shares purchased and cancelled under the current NCIB up to September 30, 2021 was 49,200.

On June 16, 2021 the Corporation announced a substantial issuer bid (the "Offer"), pursuant to which the Corporation offered to purchase for cancellation up to 1,800,000 of its outstanding common shares at a purchase price of $5.50 per common share in cash for an aggregate purchase price not to exceed $9,900. On July 27, 2021, the Corporation purchased and subsequently cancelled 559,854 of common shares pursuant to the Offer for total consideration of $3,079, excluding fees and expenses relating to the Offer totaling $162.

During the three and nine months ended September 30, 2021, the Corporation purchased and cancelled a total of 572,654 and 648,584 shares (September 30, 2020 – 154,400 and 193,098 shares) for total consideration of $3,317 and $3,687 (September 30, 2020 - $545 and $720). The difference between the total consideration paid in respect of these purchases and the average carrying value of cancelled shares was $1,862, net of fees and expenses relating to the purchases, and was recognized as a reduction to deficit.

During the three and nine months ended September 30, 2021, the Corporation issued nil and 18,951 shares as vested share-based compensation (September 30, 2020 – nil and 39,024 shares) (see Note 7).

On May 5, 2020, the Corporation's shareholders approved a special resolution authorizing the reduction of the stated capital of the common shares of the Corporation by $15,000 pursuant to Section 38(1) of the Canada Business Corporations Act. Effective May 5, 2020, share capital was reduced by $15,000 and $15,000 was added to contributed surplus with no net impact on total equity.

During the nine months ended September 30, 2021, the Corporation declared and paid dividends of $nil per share (September 30, 2020 - $0.15 per share) for a total payment of $nil (September 30, 2020 - $1,414).

7. Share-based compensation:

Effective December 20, 2019, the Corporation revised its compensation program for employees and introduced a Medium-Term Performance Unit ("MTPU") Plan under which it issued MTPUs to employees. MTPUs vested when certain performance objectives were achieved. Vested MTPUs were settled in cash or Employee Deferred Share Units ("EDSUs") on the date of vesting. Effective with the Transaction on July 13, 2021, the MTPU Plan was terminated, at which time 176,878 MTPUs were settled in cash and 336,387 MTPUs were cancelled without vesting. There are no MTPUs outstanding as at September 30, 2021 and the Corporation does not expect to issue MTPUs to employees in the future.

The Corporation issued additional MTPUs to employees in lieu of dividends on outstanding MTPUs which vested on the same terms as the respective units for which they were awarded. The number of MTPUs issued in lieu of dividends was based on the weighted average trading price of the common shares for a ten-day period ending at the dividend payment date.

EDSUs may be issued to employees, subject to their prior election, in lieu of cash payments in full or partial satisfaction of any settlements in respect of annual incentive awards, performance fee allocations in respect of asset performance bonus pool arrangements and, prior to July 13, 2021, the vesting of MTPUs. EDSUs vest immediately upon grant and are redeemable no earlier than the date on which an employee ceases to be an employee, and no later than 367 days following such date. Upon redemption, EDSUs are settled by cash payments based on the market value of the EDSUs being redeemed, net of applicable tax withholdings. The Corporation's liability related to its EDSU settlement obligation is measured based on the market value of the Corporation's share price and is recorded in provision for deferred compensation, with the impact of any resulting changes in carrying value included in share-based compensation expense in the period. As at September 30, 2021, there are no EDSUs outstanding and $nil liability related to the EDSU settlement obligation.

Effective May 8, 2018, the Corporation revised its compensation program for directors and introduced a Director Deferred Share Unit ("DDSU") Plan under which it issues DDSUs to directors. DDSUs vest immediately upon grant and are redeemable no earlier than the date at which a director ceases to be a director, and no later than December 14 in the calendar year following such date. Upon redemption, DDSUs are settled by cash payments based on the market value of the DDSUs being redeemed, net of applicable tax withholdings. The Corporation's liability related to its DDSU settlement obligation is measured based on the market value of the Corporation's share price and is recorded in provision for deferred compensation, with the impact of any resulting changes in carrying value included in share-based compensation expense in the period. At September 30, 2021, the deferred compensation liability was $857 (December 31, 2020 - $633).

The Corporation issues additional DDSUs to directors and additional EDSUs to employees in lieu of dividends on outstanding DDSUs and EDSUs. These DDSUs and EDSUs vest on the same terms as the respective units for which they were awarded. The number of DDSUs and EDSUs issued in lieu of dividends is based on the weighted average trading price of the common shares for a ten-day period ending at the dividend payment date.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

7. Share-based compensation (continued):

Prior to December 20, 2019, the Corporation issued performance share units ("PSUs") and restricted share units ("RSUs") to employees. Prior to May 8, 2018, the Corporation issued RSUs to directors. PSUs and RSUs are collectively referred to as "Share Units". On the vesting date, each Share Unit was exchanged for one common share of the Corporation, except that the holder could elect to be compensated in cash based on the fair value of such common shares to the extent necessary to pay any tax withholdings related to the vesting of the Share Units. The PSUs vested when certain performance objectives were achieved. RSUs issued to directors vested over a three-year period from the issue date provided the holder remained a director of the Corporation. In the nine months ended September 30, 2021, the balance of PSUs outstanding expired without vesting and the remaining RSUs issued to employees vested. There are no PSUs or RSUs outstanding as at September 30, 2021, and the Corporation does not expect to issue PSUs or RSUs in the future.

The Corporation issued additional Share Units to employees and directors in lieu of dividends on outstanding Share Units. These Share Units vested on the same date as the respective Share Units for which they were awarded. The number of Share Units issued in lieu of dividends was based on the weighted average trading price of the common shares in the five days preceding payment of a dividend.

Stock options granted are valued using a Black-Scholes formula and the expense is recognized over the vesting period. The stock options vest over a three-year period, have a term of seven years and an exercise price of $10.00. During the nine months ended September 30, 2021, no stock options were granted, 73,478 stock options that had vested were cancelled and 125,742 stock options that had not vested were cancelled, with all such cancellations in relation to employees no longer with the Corporation. During the nine months ended September 30, 2020, 534,024 stock options were granted and nil stock options were cancelled.

Assumptions used to determine the fair value of stock options granted by the Corporation as at the dates on which they were granted are as follows:

Risk-free interest rate	0.8%
Dividend yield	8.8%
Expected life	7 years
Grant date price	$6.80
Exercise price	$10.00
Volatility	25.0%

The expense is recognized over the vesting period. The fair value of the options granted in 2020 was $0.13 per option. As at September 30, 2021, 94,307 (December 31, 2020 – 10,606) stock options had vested but had not been exercised, and an additional 188,614 (December 31, 2020 – 471,535) stock options which had not vested were outstanding.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

7. Share-based compensation (continued):

The tables below detail the share-based compensation expense recognized in the nine months ended September 30, 2021 and 2020. Share-based compensation expense is recognized over the expected vesting period of each award.

For nine months ended September 30, 2021						
	Number outstanding at January 1, 2021	**Issued in the period**	**Vested or exercised**	**Cancelled or forfeited[2]**	**Number outstanding at September 30, 2021**	**Expensed in the period**
PSUs	29,411	-	-	(29,411)	-	$ (249)
RSUs	29,466	-	(29,466)	-	-	-
MTPUs [1]	286,832	237,731	(176,878)	(347,685)	-	407
DDSUs [1]	128,413	28,094	(23,587)	-	132,920	442
Total units	474,122	265,825	(229,931)	(377,096)	132,920	600
Stock options	482,141	-	-	(199,220)	282,921	(7)
Total	**956,263**	**265,825**	**(229,931)**	**(576,316)**	**415,841**	**$ 593**

[1] The MTPUs and DDSUs issued in the period were new awards.

[2] The balance of PSUs outstanding expired without vesting and the balance of MTPUs were cancelled without vesting.

For the nine months ended September 30, 2020						
	Number outstanding at January 1, 2020	**Issued in the period**	**Vested or exercised**	**Cancelled or forfeited**	**Number outstanding at September 30, 2020**	**Expensed in the period**
PSUs [1]	55,982	1,028	(27,599)	-	29,411	$ 60
RSUs [1]	59,257	1,148	(29,835)	(1,104)	29,466	76
MTPUs [2]	124,588	204,843	-	-	329,431	347
DDSUs [2]	50,916	42,398	-	-	93,314	74
Total units	290,743	249,417	(57,434)	(1,104)	481,622	557
Stock options	31,818	534,024	-	-	565,842	37
Total	322,561	783,441	(57,434)	(1,104)	1,047,464	$ 594

[1] The PSUs and RSUs issued in the period were issued in lieu of dividends on the underlying securities.

[2] The DDSUs and MTPUs issued in the period were new awards and units issued in lieu of dividends on the underlying securities.

8. Credit facilities:

Prior to May 7, 2021, the Corporation had a $35,000 senior secured revolving credit facility to fund the Corporation's capital commitments to each of its controlled investment funds and its investments in WireIE and Galaxy (the "Preceding Crown Credit Facility"). This facility provided financing at a variable interest rate based on Prime Rate plus 275 bps to 325 bps or on Bankers Acceptance rate plus 375 to 425 bps, had a customary set of covenants, and matured on May 31, 2021.

Effective May 7, 2021, the Corporation entered into a new senior secured corporate credit facility (the "Crown Credit Facility" and, together with the Preceding Crown Credit Facility, the "Crown Credit Facilities") that was used to fund a full repayment and cancellation of lender commitments in respect of the Preceding Crown Credit Facility. The Crown Credit Facility originally included a total lender commitment of $41,500 including a $30,000 revolving credit facility that declined to $20,000 in July 2021 upon repayment to an outstanding balance below $20,000, a $8,000 term facility that expired unused in August 2021, and a $3,500 dedicated-purpose letter of credit facility. As at September 30, 2021, the Crown Credit Facility is comprised of a $20,000 revolving credit facility to be used to fund the Corporation's capital commitments to existing investments, including its uncalled capital commitments to each of Crown Partners Fund and Crown Power Fund, potential acquisitions and for general corporate purposes, in addition to a $3,500 dedicated-purpose letter of credit facility. The revolving credit facility provides financing at a variable interest rate based on Prime Rate plus 275 to 350 bps, has a customary set of covenants, and has a maturity date of May 7, 2024, which is subject to annual extension by one or more years at the request of the Corporation.

As of September 30, 2021, $nil (December 31, 2020 - $29,100) has been drawn on the Crown Credit Facilities, and $3,173 of the dedicated-purpose letter of credit facility has been utilized. The Crown Credit Facility is secured by the Corporation's ownership interest in its subsidiaries, in its affiliate, Crown Partners Fund, and in certain other investments held by the Corporation and its subsidiaries. The carrying value of assets pledged as at September 30, 2021 was $105,850 (December 31, 2020 - $149,987).

During the three and nine months ended September 30, 2021, $181 and $1,198 (September 30, 2020 - $496 and $1,498) was expensed as finance costs relating to the Crown Credit Facilities including amortization of deferred financing costs of $26 and $234, interest of $129 and $918, standby fees of $26 and $46 (September 30, 2020 - $43 and $129, $433 and $1,309 and $20 and $60, respectively). The balance of unamortized deferred financing costs relating to the Crown Credit Facilities as at September 30, 2021 was $368 (December 31, 2020 - $149).

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

8. Credit facilities (continued):

On February 5, 2019, Crown Partners Fund entered into an agreement for a $25,000 senior secured revolving credit facility ("CCPF Credit Facility") to fund investments in mid-market corporations. On December 17, 2019, the size of the CCPF Credit Facility was increased to $50,000, on January 26, 2021, the size was reduced to $35,000, and on May 31, 2021 the size was further reduced to $25,000. The CCPF Credit Facility provided financing at a variable interest rate based on Prime Rate plus 225 bps to 325 bps or on Bankers Acceptance rate plus 325 to 425 bps and had a customary set of covenants.

Prior to July 13, 2021, Crown Partners Fund was consolidated as a subsidiary and the Corporation's credit facilities included the Crown Credit Facility and the CCPF Credit Facility. As a result of the Transaction, the assets and liabilities of Crown Partners Fund, including the CCPF Credit Facility, and any related non-controlling interests were derecognized by the Corporation effective July 13, 2021 (see Note 5).

During the three and nine months ended September 30, 2021, $nil and $817 (September 30, 2020 - $496 and $1,498) was expensed as finance costs relating to the CCPF Credit Facility including amortization of deferred financing costs of $nil and $86, interest of $nil and $722 and standby fees of $nil and $9 (September 30, 2020 - $43 and $129, $433 and $1,309 and $20 and $60, respectively). The balance of unamortized deferred financing costs relating to the CCPF Credit Facility as at September 30, 2021 was $nil (December 31, 2020 - $340).

The following table reconciles opening balances to closing balances for the Crown Credit Facility and CCPF Credit Facility as at September 30, 2021 and September 30, 2020:

As at	September 30, 2021			
	Preceding Crown Facility	Crown Credit Facility	CCPF Credit Facility	Total
Balance drawn				
Balance, January 1, 2021	$ 29,100	$ -	$ 34,300	$ 63,400
Net advances (repayments)	(29,100)	-	(9,800)	(38,900)
Derecognition of subsidiary[1]	-	-	(24,500)	(34,300)
Balance, September 30, 2021	$ -	$ -	$ -	$ -
Deferred finance costs				
Balance, January 1, 2021	$ (149)	$ -	$ (340)	$ (489)
Amortization	190	44	86	320
Additions	(41)	(412)	(30)	(483)
Derecognition of subsidiary[1]	-	-	284	284
Balance, September 30, 2021	$ -	$ (368)	$ -	$ (368)
Carrying value – September 30, 2021	**$ -**	**$ (368)**	**$ -**	**$ (368)**

1 As a result of the Transaction, the assets and liabilities of Crown Partners Fund, and any related non-controlling interests, were derecognized by the Corporation effective July 13, 2021 (see Note 5).

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

8. Credit facilities (continued):

As at	September 30, 2020		
	Preceding Crown Credit Facility	CCPF Credit Facility	Total
Balance drawn			
Balance, January 1, 2020	$ 14,300	$ 25,000	$ 39,300
Net advances	15,300	9,600	24,900
Balance, September 30, 2020	**$ 29,600**	**$ 34,600**	**$ 64,200**
Deferred finance costs			
Balance, January 1, 2020	$ (425)	$ (469)	$ (894)
Amortization	302	129	431
Additions	(128)	(43)	(171)
Balance, September 30, 2020	**$ (251)**	**$ (383)**	**$ (634)**
Carrying value – September 30, 2020	**$ 29,349**	**$ 34,217**	**$ 63,566**

9. Convertible Debentures:

On June 13, 2018 the Corporation issued $20,000 of 6.0% convertible unsecured subordinated debentures (the "Convertible Debentures") for net proceeds of $18,703 with maturity date of June 30, 2023 (the "Debenture Maturity Date"). Interest on the Convertible Debentures is payable semi-annually in arrears on June 30 and December 31 of each year, commencing on December 31, 2018. The Convertible Debentures are direct, subordinated unsecured obligations of the Corporation, subordinated to the Crown Credit Facility.

Each $1 principal amount of Convertible Debenture is convertible at the option of the holder into approximately 72.99 common shares of the Corporation (representing a conversion price of $13.70 per share). The Convertible Debentures are not redeemable on or before June 30, 2021, except in limited circumstances following a Change of Control (as defined in the Trust Indenture). After June 30, 2021, but prior to June 30, 2022, the Convertible Debentures may be redeemed in whole or in part from time to time at the Corporation's option, on not more than 60 days and not less than 30 days prior written notice, at a price equal to the aggregate principal amount plus accrued and unpaid interest, provided that the weighted average price of the common shares during the 20 consecutive trading days ending on the fifth day preceding the date on which the notice of redemption is given is not less than 125% of the conversion price. On or after June 30, 2022 and prior to the Debenture Maturity Date, the Convertible Debentures may be redeemed in whole or in part from time to time at the Corporation's option at a price equal to their aggregate principal amount plus accrued and unpaid interest.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

9. Convertible Debentures (continued):

On a Redemption Date (as defined in the Trust Indenture) or on the Debenture Maturity Date, as applicable, the Corporation may, at its option, elect to satisfy its obligation to pay the aggregate principal amount of and premiums on (if any) the Convertible Debentures by issuing common shares. Payment for such Convertible Debentures, subject to the election, would be satisfied by delivering that number of common shares obtained by dividing the aggregate principal amount of the outstanding Convertible Debentures which are to be redeemed, or which will mature, by 95% of the Weighted Average Price of the Common Shares for the 20 consecutive trading days ending five trading days prior to the date fixed for redemption or the Maturity Date, as the case may be. Any accrued and unpaid interest will be paid in cash.

As at	**September 30, 2021**				
			Liability Component		**Equity Component**
Balance, January 1, 2021		$	18,932	$	483
Effective interest on Convertible Debentures			297		-
Balance, September 30, 2021		**$**	**19,229**	**$**	**483**

As at	**September 30, 2020**				
			Liability Component		**Equity Component**
Balance, January 1, 2020		$	18,562	$	483
Effective interest on Convertible Debentures			274		-
Balance, September 30, 2020		**$**	**18,836**	**$**	**483**

During the three and nine months ended September 30, 2021, $405 and $1,195 (September 30, 2020 - $396 and $1,174) was expensed as finance costs relating to the Convertible Debentures including amortization of deferred financing costs of $102 and $297 and interest of $303 and $898 (September 30, 2020 - $94 and $274 and $302 and $900, respectively).

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

9. Convertible Debentures (continued):

The following table reconciles total finance costs to costs recognized in relation to the Crown Credit Facility, the CCPF Credit Facility, the Convertible Debentures, promissory notes payable and the Corporation's lease obligations, including its office leases, vehicle leases and network co-location arrangements for the nine months ended September 30, 2021 and September 30, 2020:

For the nine months ended	September 30, 2021					
	Crown Credit Facilities	CCPF Credit Facility	Convertible Debentures	Promissory Notes	Lease and other Obligations	Total
Interest	$ 918	$ 722	$ 898	$ 28	$ 272	$ 2,838
Standby and other lending fees	46	9	-	-	-	55
Amortization of deferred finance costs	234	86	297	-	-	617
Total Finance Costs	**$ 1,198**	**$ 817**	**$ 1,195**	**$ 28**	**$ 272**	**$ 3,510**

For the nine months ended	September 30, 2020					
	Preceding Crown Credit Facility	CCPF Credit Facility	Convertible Debentures	Promissory Notes	Lease Obligations	Total
Interest	$ 1,134	$1,309	$ 900	$ 276	$ 298	$ 3,917
Standby and other lending fees	137	60	-	-	-	197
Amortization of deferred finance costs	302	129	274	-	-	705
Total Finance Costs	**$ 1,573**	**$1,498**	**$ 1,174**	**$ 276**	**$ 298**	**$ 4,819**

10. Provision for performance bonus:

The Corporation has asset performance bonus pool ("APBP") arrangements for certain individuals, primarily employees ("APBP Participants"). For certain investment funds of which the Corporation is the general partner, 20% of investment returns in excess of an annual rate of return of 8% earned by the fund accrue to the Corporation as performance fee distributions. The Corporation's current compensation policy provides that 50% of such performance fees will be distributed to APBP Participants with the other 50% retained by the Corporation.

Allocation of the units of the APBP relating to Crown Partners Fund commenced in 2015, with a final allocation occurring on the Transaction Date. Of performance fees recognized by Crown Partners Fund, 50% is allocated to employees.

Allocation of the units of the APBP relating to Crown Power Fund commenced in 2019 and will continue until the expiration of the investment fund's term in 2026, subject to annual one-year extensions, with 50% of performance fees recognized by Crown Power Fund allocated to employees.

Performance bonus amounts will be paid to APBP Participants in accordance with the Limited Partnership Agreement of the investment fund, upon declaration by the General Partner of the investment fund.

As at September 30, 2021, the Corporation had accrued a provision for performance bonus payable of $3,990 (see Note 5) relating to the APBP of Crown Partners Fund (December 31, 2020 - $3,239).

As at September 30, 2021, no amounts have been accrued in relation to the APBP of Crown Power Fund.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

11. Non-controlling interests (NCI):

As at	September 30, 2021		
	Crown Partners Fund	Crown Power Fund	Total
NCI percentage	0.0%[1]	56.8%	
Beginning balance, January 1, 2021	$ 115,603	$ 23,903	$ 139,506
Allocation of net income (loss)	5,585	662	6,247
Distributions	(4,845)	(5,630)	(10,475)
Acquisition of units[2]	4,381	-	4,381
Derecognition of Crown Partners Fund[3]	(120,724)	-	(120,724)
Balance, September 30, 2021	**$ -**	**$ 18,935**	**$ 18,935**

1 NCI percentage in Crown Partners Fund increased from 61.2% to 63.5% effective March 31, 2021 and decreased to 0.0% as at July 13, 2021.

2 Relates to the sale by the Corporation of units to non-controlling interests effective March 31, 2021.

3 As a result of the Transaction, the assets and liabilities of Crown Partners Fund, and any related non-controlling interests, were derecognized by the Corporation effective July 13, 2021 (see Note 5).

As at	September 30, 2020		
	Crown Partners Fund	Crown Power Fund	Total
NCI percentage	61.2%[1]	56.8%	
Beginning balance, January 1, 2020	$ 110,010	$ 12,986	$ 122,996
Allocation of net income (loss)	10,685	(232)	10,453
Contributions	11,880	7,105	18,985
Distributions	(13,282)	-	(13,282)
Redemption of units[2]	(4)	-	(4)
Balance, September 30, 2020	**$ 119,289**	**$ 19,859**	**$ 139,148**

1 NCI percentage in Crown Partners Fund decreased from 63.0% to 61.2% effective January 1, 2020.

2 Relates to a redemption of units by non-controlling interests effective December 31, 2019.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

12. Net change in non-cash working capital:

Nine months ended September 30,		2021		2020
Accounts receivable	$	3,275	$	(1,490)
Prepaid expenses		824		(122)
Accounts payable and accrued liabilities		(422)		(92)
Inventory		(43)		(19)
Lease earn-out note receivable		(329)		-
Total	**$**	**3,305**	**$**	**(1,723)**
Net change attributable to operating activities	**$**	**3,305**	**$**	**(1,723)**

13. Acquisition of subsidiaries:

(a) Acquisition of Lumbermens:

(i) Consideration transferred:

On May 6, 2021, the Corporation acquired 100% of the common shares and voting interests of Lumbermens, an Ontario-based construction credit reporting company, whose assets primarily include property and equipment and credit reporting customer contracts.

For the period from May 6, 2021 to September 30, 2021, Lumbermens contributed revenue of $308 and loss before income taxes of $(57) to the Corporation's results. If the acquisition had occurred on January 1, 2021, management estimates that consolidated revenue and consolidated net income (loss) for the nine months ended September 30, 2021 would have been $37,103 and $1,348, respectively. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on January 1, 2021.

The following table summarizes the acquisition date fair value of each major class of consideration transferred:

		May 6, 2021
Cash	$	320
Fair value of investment in a Canadian debt security[1]		-
Total consideration transferred	**$**	**320**

1 As partial consideration for the acquisition of Lumbermens, the Corporation agreed to the partial settlement of a Canadian debt security outstanding to the parent company of Lumbermens, with whom the Corporation had a previous lending relationship, and whose fair value had previously been written down to $nil by the Corporation.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

13. Acquisition of subsidiaries (continued):

(a) Acquisition of Lumbermens (continued):

(ii) Acquisition-related costs:

The Corporation incurred legal fees of $174 in relation to this acquisition. These costs have been included in general and administration expenses.

(iii) Identifiable assets acquired and liabilities assumed:

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition.

		May 6, 2021
Cash and cash equivalents	$	-
Accounts receivable		156
Prepaid expenses and deposits		6
Property and equipment		347
Credit reporting customer contracts[1]		1,003
Long-term debt		(160)
Accounts payable and accrued liabilities		(832)
Deferred income tax liability		(127)
Total identifiable net assets acquired	**$**	**393**

1 For the three and nine months ended September 30, 2021, $50 and $50, respectively, was recorded as depreciation expense. The balance at September 30, 2021 is $953.

13. Acquisition of subsidiaries (continued):

(a) Acquisition of Lumbermens (continued):

(iii) Identifiable assets acquired and liabilities assumed (continued):

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Accounts receivable	*Income technique:* The fair value of accounts receivable is equal to the gross contractual amounts receivable and reflects the best estimates as at the acquisition date of the contractual cash flows expected to be collected.
Property and equipment	*Estimated depreciated replacement cost:* The fair value of property and equipment considers the original cost and depreciated over estimated economic life.
Credit reporting customer contracts	*Multi-period excess earnings method:* The fair value of credit reporting customer contracts considers the present value of net cash flows in respect of credit reporting customer contracts and employs the following key assumptions: (i) future cash flows on existing contracts; (ii) expected contract durations and renewals; (iii) a risk-adjusted discount rate; and (iv) cash flows related to contributory assets (e.g. equipment, working capital and an assembled work force).

Accounts receivable comprise gross contractual amounts due of $158, of which $2 was expected to be uncollectable as at the date of acquisition.

The fair values of consideration transferred, accounts receivable, prepaid expenses and deposits, property and equipment, credit reporting customer contracts and the deferred tax liability assumed have been measured on a provisional basis, pending completion of the related valuations.

If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

(iv) Gain on acquisition:

		May 6, 2021
Fair value of identifiable net assets	$	393
Consideration transferred		(320)
Gain on acquisition	**$**	**73**

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

13. Acquisition of subsidiaries (continued):

(b) Acquisition of PSCC:

(i) Consideration transferred:

On March 1, 2021, the Corporation acquired 100% of the common shares and voting interests of PSCC, whose assets include entitlements to future cash flows in relation to the sale of its interest in a grocery-anchored community retail plaza located in Hamilton, Ontario, plus adjacent land, in exchange for consideration of the extinguishment of a portion of investments in Canadian debt securities.

For the period from March 1, 2021 to September 30, 2021, PSCC contributed revenue of $nil and earnings before income taxes of $nil to the Corporation's results. If the acquisition had occurred on January 1, 2021, management estimates that consolidated revenue and consolidated net income (loss) for the nine months ended September 30, 2021 would have been $36,974 and $1,810, respectively. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on January 1, 2021.

The following table summarizes the acquisition date fair value of each major class of consideration transferred:

		March 1, 2021
Fair value of investment in a Canadian debt security[1]	$	9,766
Fair value of pre-existing investment in a Canadian debt security – PSCC[2]		625
Total consideration transferred	**$**	**10,391**

1 As partial consideration for the acquisition of PSCC, the Corporation agreed to the partial settlement of a Canadian debt security outstanding to the parent company of PSCC, with whom the Corporation had a previous lending relationship.

2 The Corporation and PSCC were parties to a promissory note contract under which the Corporation advanced amounts to satisfy PSCC's working capital requirements at the Corporation's discretion. This pre-existing relationship was effectively terminated when the Corporation acquired PSCC (see Note 13(b)(iv)).

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

13. Acquisition of subsidiaries (continued):

(b) Acquisition of PSCC (continued):

(ii) Acquisition-related costs:

The Corporation incurred legal fees of $27 in relation to this acquisition. These costs have been included in general and administration expenses.

(iii) Identifiable assets acquired and liabilities assumed:

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition.

	March 1, 2021
Cash and cash equivalents	$ 3
Accounts receivable	293
Prepaid expenses and deposits	1,120
Property and equipment under development and related deposits	8,300
Lease earn-out note receivable	5,940
Mortgage payable	(3,300)
Accounts payable and accrued liabilities	(1,337)
Deferred income tax liability	(628)
Total identifiable net assets acquired	**$ 10,391**

13. Acquisition of subsidiaries (continued):

(b) Acquisition of PSCC (continued):

(iii) Identifiable assets acquired and liabilities assumed (continued):

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Accounts receivable	*Income technique:* The fair value of accounts receivable is equal to the gross contractual amounts receivable and reflects the best estimates as at the acquisition date of the contractual cash flows expected to be collected.
Property and equipment under development and related deposits	*Market comparison technique:* The fair value of property under development considers prices and other relevant information generated by market transactions involving comparable assets to estimate fair value.
Lease earn-out note receivable	*Discounted cash flows:* The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.

Accounts receivable comprise gross contractual amounts due of $293, of which $nil was expected to be uncollectable as at the date of acquisition.

The fair values of consideration transferred, accounts receivable, prepaid expenses and deposits, property under development, lease earn-out note receivable and the deferred tax liability assumed have been measured on a provisional basis, pending completion of the related valuations.

If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

(iv) Settlement of pre-existing relationship:

The Corporation and PSCC were parties to a promissory note contract under which the Corporation advanced amounts to satisfy PSCC's working capital requirements at the Corporation's discretion. This pre-existing relationship was effectively terminated when the Corporation acquired PSCC. The fair value of the loan at the date of acquisition was $625. The settlement of the promissory note contract resulted in a realized loss on investment of $130, which was offset by a reduction in the allowance for credit losses of $130.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

13. Acquisition of subsidiaries (continued):

(b) Acquisition of PSCC (continued):

(v) Goodwill:

		March 1, 2021
Fair value of identifiable net assets	$	10,391
Consideration transferred		(10,391)
Goodwill	**$**	**-**

There is $nil goodwill arising from the acquisition of PSCC.

(c) Acquisition of Galaxy:

(i) Consideration transferred:

On September 15, 2020, the Corporation acquired 100% of the common shares and voting interests of Galaxy, an Ontario-based network services company that provides connectivity to remote and underserviced enterprise customers across Canada. The assumptions for acquisition have been revised as follows and recorded retrospectively in these condensed consolidated interim financial statements. The impact on opening deficit was an increase of $109, relating to incremental depreciation in respect of a retrospective adjustment made to network services contracts, partially offset by a deferred income tax recovery in respect of the incremental depreciation of network services contracts.

The following table summarizes the acquisition date fair value of each major class of consideration transferred:

		September 15, 2020
Cash	$	543
Vendor Promissory Note payable		581
Contingent consideration		3,920
Total consideration transferred	**$**	**5,044**

As partial consideration for the debt acquired from the previous shareholders, the Corporation has agreed to pay additional consideration on an annual basis at a predefined percentage of cumulative revenue and earnings of Galaxy, in accordance with prescribed dollar thresholds starting in 2021 for a four-year period, and not to exceed a $4,250 aggregate amount. As a result of new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition, the Corporation has revised the fair value of contingent consideration as at the acquisition date.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

13. Acquisition of subsidiaries (continued):

(c) Acquisition of Galaxy (continued):

(ii) Identifiable assets acquired and liabilities assumed:

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition.

		September 15, 2020
Cash and cash equivalents	$	39
Accounts receivable		1,658
Inventory		628
Network services contracts		5,614
Prepaid expenses and deposits		109
Property and equipment		2,044
Debt		(370)
Accounts payable and accrued liabilities		(2,189)
Network Services Vendor Note payable		(1,444)
Lease obligations		(458)
Deferred tax liability		(880)
Total identifiable net assets acquired	**$**	**4,751**

13. Acquisition of subsidiaries (continued):

(c) Acquisition of Galaxy (continued):

(ii) Identifiable assets acquired and liabilities assumed (continued):

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Accounts receivable	*Income technique:* The fair value of accounts receivable is equal to the gross contractual amounts receivable and reflects the best estimates as at the acquisition date of the contractual cash flows expected to be collected.
Network services contracts	*Multi-period excess earnings method:* The fair value of network services contracts considers the present value of net cash flows in respect of network services contracts and employs the following key assumptions: (i) future cash flows on existing contracts; (ii) expected contract durations and renewals; (iii) a risk-adjusted discount rate; and (iv) cash flows related to contributory assets (e.g. network services equipment, working capital and an assembled work force).
Property and equipment	*Cost technique:* The fair value of property, office equipment and network services equipment considers depreciated replacement cost, which reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Inventory	*Market comparison technique:* The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventory.

Accounts receivable comprise gross contractual amounts due of $1,685, of which $27 was expected to be uncollectable as at the date of acquisition.

As a result of new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition, adjustments were made in relation to the acquisition date fair value of network services contracts and the measurement of the related deferred tax liability.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

13. Acquisition of subsidiaries (continued):

(c) Acquisition of Galaxy (continued):

(iii) Goodwill:

Goodwill arising from the acquisition has been recognized as follows:

		September 15, 2021
Fair value of identifiable net assets	$	4,751
Consideration transferred		(5,044)
Goodwill	**$**	**293**

As a result of new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition, adjustments were made in relation to the valuation of goodwill. The goodwill is attributable mainly to the technical skills of Galaxy's work force and the synergies expected to be achieved from integrating the company into the Corporation's existing network services operations. None of the goodwill recognized is expected to be deductible for tax purposes.

14. Acquisition of PBC assets:

(a) Consideration transferred:

Effective April 15, 2021, the Corporation acquired the net assets of PBC, mostly comprised of land located in Barrie, Ontario, and 100% of the common shares and voting rights of PBC. The following table summarizes the acquisition date fair value of each major class of consideration transferred:

		April 15, 2021
Fair value of investment in a Canadian debt security[1]	$	2,677
Fair value of pre-existing investment in a Canadian debt security – PBC[2]		2,594
Total consideration transferred	**$**	**5,271**

1 As partial consideration for the acquisition of PBC assets, the Corporation agreed to the partial settlement of a Canadian debt security outstanding to the parent company of PBC, with whom the Corporation had a previous lending relationship.

2 The Corporation and PBC were parties to a promissory note contract under which the Corporation advanced amounts to satisfy PBC's working capital requirements at the Corporation's discretion. This pre-existing relationship was effectively terminated when the Corporation acquired PBC.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

14. Acquisition of PBC assets (continued):

(b) Identifiable assets acquired and liabilities assumed:

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition.

		April 15, 2021
Cash and cash equivalents	$	29
Accounts receivable		637
Prepaid expenses and deposits		805
Property and equipment under development and related deposits		13,567
Mortgage payable		(9,150)
Accounts payable and accrued liabilities		(617)
Total identifiable net assets acquired	**$**	**5,271**

The Corporation accounts for this transaction as an asset acquisition on account of the application of a concentration test permitting the simplified assessment as to whether an acquired set of activities and assets is a business. The optional concentration test was met as substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset, being property and equipment under development and related deposits.

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	**Valuation technique**
Accounts receivable	*Income technique:* The fair value of accounts receivable is equal to the gross contractual amounts receivable and reflects the best estimates as at the acquisition date of the contractual cash flows expected to be collected.
Property and equipment under development and related deposits	*Market comparison technique:* The fair value of property under development considers prices and other relevant information generated by market transactions involving comparable assets to estimate fair value.

Accounts receivable comprise gross contractual amounts due of $637, of which $nil was expected to be uncollectable as at the date of acquisition.

15. Segment information:

Operating segments are components of an entity that engage in business activities from which they earn revenues and incur expenses. The Corporation has five reportable segments. These reportable segments offer different services and are managed separately because they invest in different asset classes, serve different customer types, require different operational strategies and involve different regulatory treatment. During the quarter ended September 30, 2021, the Corporation revised its reportable segments to better characterize its strategic divisions and the prior period comparative information has been restated to conform to the current period's presentation. These changes have no impact to prior period earnings and no impact to the consolidated statements of financial position.

The following summary describes the operations of each reportable segment:

Reportable segments	**Operations**
Specialty finance	Investments in Crown Partners Fund and in corporate debt and equity securities. Prior to July 13, 2021, included the origination and management of alternative lending investment funds.
Network services	Provision of network services segment in relation to the deployment and management of carrier-grade data networks.
Distributed Power	Origination and management of, and investment in distributed power investments.
Real estate	Investment in, and development of, real estate development assets.
Corporate and other	Includes our credit reporting subsidiary, in addition to assets, liabilities, revenues and expenses that do not pertain directly to other reportable segments.

Information presented in respect of reportable segments for the nine months ended September 30, 2021 and September 30, 2020 is presented in the tables below. Segment income (loss) before income taxes is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

15. Segment information (continued):

For the nine months ended	September 30, 2021					
Reportable segments	**Specialty finance**	**Network services**	**Distributed power**	**Real estate**	**Corporate and other**	**Total**
External revenues[1]	$ 14,551	$ 20,674	$ 1,548	$ -	$ 437	$ 37,210
Net realized gain (loss) on investment	197	-	-	(130)	19	86
Net change in unrealized loss of investments	(322)	-	-	-	-	(322)
Revenues	**14,426**	**20,674**	**1,548**	**(130)**	**456**	**36,974**
Segment income (loss) before income taxes[2]	**4,799**	**3,707**	**459**	**(1,821)**	**(5,644)**	**1,500**
Cost of network services	-	9,480	-	-	-	9,480
Financing costs	817	260	-	-	2,433	3,510
Depreciation	-	2,716	-	-	170	2,886
Income taxes (recovery) – current	-	626	-	-	(220)	406
Income taxes (recovery) – deferred	-	146	(13)	-	(849)	(716)
Other material non-cash items:						
Provision for expected credit loss	2,488	16	6	(130)	-	2,380
Performance bonus expense	751	-	-	-	-	751
Remeasurement of financial instruments	-	225	-	1,821	-	2,046
Gain on derecognition of subsidiary	1,588	-	-	-	-	1,588

1 External revenues of the "specialty finance" segment include interest revenue of $11,776, share of earnings of Crown Partners Fund of $1,959 and fees and other income of $816. Revenues from three customers of the Corporation's "network services" segment represented approximately $8,642 of the Corporation's total revenues.

2 Total segment income (loss) before income taxes represents the Corporation's consolidated income (loss) before income taxes. Management fee revenue earned from certain consolidated entities is eliminated on consolidation from segment income (loss) before income taxes attributable to the "corporate and other" segment. The related management fee expense is eliminated on consolidation from segment income (loss) before income taxes attributable to the "specialty finance" and "distributed power" segments.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

15. Segment information (continued):

For the nine months ended	September 30, 2020					
Reportable segments	**Specialty finance**	**Network services**	**Distributed power**	**Real estate**	**Corporate and other**	**Total**
External revenues[1]	$ 21,943	$ 6,377	$ 818	$ -	$ 94	$ 29,232
Net realized gain on investment	1,233	-	-	-	-	1,233
Net change in unrealized gain (loss) of investments	1,708	-	-	-	93	1,801
Revenues	**24,884**	**6,377**	**818**	**-**	**187**	**32,266**
Segment income (loss) before income taxes[2]	**(6,386)**	**(2,447)**	**(253)**	**-**	**(4,793)**	**(13,879)**
Cost of network services	-	2,638	-	-	-	2,638
Financing costs	1,773	280	-	-	2,766	4,819
Depreciation	-	3,935	-	-	102	4,037
Income taxes (recovery) – current	-	-	-	-	(2,462)	(2,462)
Income taxes (recovery) – deferred	-	17	(23)	-	(384)	(390)
Other material non-cash items:						
Provision for expected credit loss	15,113	286	-	-	-	15,399
Performance bonus expense	820	-	-	-	-	820

1 External revenues of the "specialty finance" segment include interest revenue of $20,651 and $1,292 fees and other income. Revenues from two customers of the Corporation's "network services" segment represented approximately $3,879 of the Corporation's total revenues.

2 Total segment income (loss) before income taxes represents the Corporation's consolidated income (loss) before income taxes. Management fee revenue earned from certain consolidated entities is eliminated on consolidation from segment income (loss) before income taxes attributable to the "corporate and other" segment. The related management fee expense is eliminated on consolidation from segment income (loss) before income taxes attributable to the "specialty finance" and "distributed power" segments. Interest revenue earned on certain intercompany debt amounts is eliminated on consolidation from segment income (loss) before income taxes attributable to the "specialty finance" segment. The related interest expense is eliminated on consolidation from segment income (loss) before income taxes attributable to the "network services" segment.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

15. Segment information (continued):

As at	September 30, 2021					
Reportable segments	**Specialty finance**	**Network services**	**Distributed power**	**Real estate**	**Corporate and other**	**Total**
Segment assets[1,2]	$ 55,334	$ 19,191	$ 32,569	$ 28,180	$ 15,764	$ 151,038
Segment liabilities[1,2]	3,990	9,329	19,109	13,660	25,961	72,049
Additions to property and equipment	-	1,140	120	-	37	1,297

1 Total segment assets and total segment liabilities represent the consolidated assets and liabilities of the Corporation, respectively.

2 Intercompany debt amounts are eliminated on consolidation from segment assets and segment liabilities presented above.

As at	December 31, 2020					
Reportable segments	**Specialty finance**	**Network services**	**Distributed power**	**Real estate**	**Corporate and other**	**Total**
Segment assets[1,2]	$ 252,923	$ 18,638	$ 41,642	$ -	$ 12,620	$ 325,823
Segment liabilities[1,2]	163,909	9,699	24,378	-	46,663	244,649
Additions to property and equipment	-	2,509	141	-	24	2,674

1 Total segment assets and total segment liabilities represent the consolidated assets and liabilities of the Corporation, respectively.

2 Intercompany debt amounts are eliminated on consolidation from segment assets and segment liabilities presented above.

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

16. Property and equipment:

As at	September 30, 2021				
	Network Co-location	Network Service Equipment	Office and Other Equipment	Distributed Power Equipment	**Total**
Cost					
Beginning balance, January 1, 2021	$ 4,096	$ 10,444	$ 1,446	$ 6,901	$ 22,887
Additions (disposals)	-	1,114	13	120	1,247
Additions through acquisition	-	-	347	-	347
Balance, September 30, 2021	$ 4,096	$ 11,558	$ 1,806	$ 7,021	$ 24,481
Accumulated depreciation and impairment of equipment					
Beginning balance, January 1, 2021	$ (1,805)	$ (4,326)	$ (668)	$ (137)	$ (6,936)
Depreciation	(694)	(964)	(261)	-	(1,919)
Impairment of equipment	-	(237)	-	-	(237)
Balance, September 30, 2021	$ (2,499)	$ (5,527)	$ (929)	$ (137)	$ (9,092)
Carrying value – September 30, 2021	**$ 1,597**	**$ 6,031**	**$ 877**	**$ 6,884**	**$ 15,389**

As at	September 30, 2020				
	Network Co-location	Network Service Equipment	Office and Other Equipment	Distributed Power Equipment	**Total**
Cost					
Beginning balance, January 1, 2020	$ 4,307	$ 6,113	$ 935	$ 5,551	$ 16,906
Additions (disposals)	(211)	1,869	-	124	1,782
Additions through acquisition	-	1,374	443	-	1,817
Balance, September 30, 2020	**$ 4,096**	**$ 9,356**	**$ 1,378**	**$ 5,675**	**$ 20,505**
Accumulated depreciation and impairment of equipment					
Beginning balance, January 1, 2020	$ (654)	$ (833)	$ (406)	$ (137)	$ (2,030)
Depreciation	(879)	(2,048)	(118)	-	(3,045)
Impairment of equipment	-	(47)	-	-	(47)
Balance, September 30, 2020	**$ (1,533)**	**$ (2,928)**	**$ (524)**	**$ (137)**	**$ (5,122)**
Carrying value – September 30, 2020	**$ 2,563**	**$ 6,428**	**$ 854**	**$ 5,538**	**$ 15,383**

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

17. Network services contracts:

As at	September 30, 2021		
Carrying amount			
Balance, January 1, 2021		$	5,367
Retrospective adjustment (Note 13)[1]			4,127
Restated balance, January 1, 2021			9,494
Additions (disposals)			-
Balance, September 30, 2021		$	9,494
Accumulated depreciation and impairment of equipment			
Beginning balance, January 1, 2021		$	(3,135)
Retrospective adjustment (Note 13)[1]			(172)
Restated balance, January 1, 2021			(3,307)
Depreciation			(917)
Balance, September 30, 2021		$	(4,224)
Carrying value – September 30, 2021		**$**	**5,270**

1 As a result of new information obtained within one year of the date of acquisition of Galaxy about facts and circumstances that existed at the date of acquisition, a retrospective adjustment has been made in respect of network services contracts acquired and in respect of changes in depreciation that arose as a result of the retrospective adjustment (see Note 13).

As at	September 30, 2020		
Carrying amount			
Balance, January 1, 2020		$	3,972
Additions (disposals)			5,614
Balance, September 30, 2020		$	9,586
Accumulated depreciation and impairment of equipment			
Beginning balance, January 1, 2020		$	(601)
Depreciation			(993)
Balance, September 30, 2020		$	(1,594)
Carrying value – September 30, 2020		**$**	**7,992**

(expressed in thousands of Canadian dollars except number of shares and where otherwise indicated)

18. Property and equipment under development and related deposits:

Reconciliation of carrying amount:

As at	**September 30, 2021**		
	Property under development	Distributed power equipment under development and related deposits	**Total**
Carrying amount			
Balance, January 1, 2021	$ -	$ 16,038	$ 16,038
Additions	580	4,704	5,284
Additions through acquisition	21,867	-	21,867
Reclassification to net investment in leased distributed power equipment	-	(853)	(853)
Disposition	-	(9,957)	(9,957)
Balance, September 30, 2021	**$ 22,447**	**$ 9,932**	**$ 32,379**

As at	**September 30, 2020**		
	Property under development	Distributed power equipment under development and related deposits	**Total**
Carrying amount			
Balance, January 1, 2020	$ -	$ 10,540	$ 10,540
Additions	-	12,561	12,561
Impairment	-	(1,057)	(1,057)
Balance, September 30, 2020	**$ -**	**$ 22,044**	**$ 22,044**

Additions to distributed power equipment under development and related deposits includes capitalized interest of $870 for the nine months ended September 30, 2021 (September 30, 2020 - $744).

19. Commitments and contingencies:

The following is a summary of the Corporation's financial commitments as at September 30, 2021:

As at September 30, 2021 the Corporation, through Crown Power Fund, had committed to contracts valued at $12,606 in relation to the construction of power generation assets, of which $9,697 was funded and included in property and equipment under development and related deposits, and $2,909 was unfunded, of which $1,653 was attributable to non-controlling interests.

The Corporation, through CCFC, has an aggregate commitment to provide funding to Crown Partners Fund and CCF IV Investment of $21,135 as at September 30, 2021.

The Corporation, through CCFC, has an aggregate commitment to provide funding to Crown Power Fund of $10,195 as at September 30, 2021.

The Corporation, through WireIE, has an aggregate commitment with respect to its use of broadband network infrastructure of $677 as at September 30, 2021.

The Corporation, through Galaxy has an aggregate commitment with respect to its use of broadband network infrastructure of $3,260 as at September 30, 2021.

The Corporation has provided a guarantee of the financial obligations of Go Direct America Inc. in respect of the lease of a logistics facility in Groveport, Ohio. This lease has a 63-month term, is expected to commence in February 2022, and represents an aggregate commitment over its term of US$6,700 in respect of base rent payments. This guarantee has been provided in relation to a commitment of the Corporation to acquire an equity interest in the parent company of Go Direct America Inc. in the three months ended December 31, 2021.

The Corporation has guaranteed repayment of loans advanced to participants in the Corporation's executive share purchase plan (the "Share Purchase Plan") by a third-party financial institution pursuant to the Share Purchase Plan which totaled $1,724 as at September 30, 2021 (December 31, 2020 - $2,244), and which are secured by common shares of the Corporation owned by such participants with a value of $2,562 as at September 30, 2021 (December 31, 2020 - $1,958).

From time to time, the Corporation is party to legal proceedings. Based on current knowledge, the Corporation does not expect the outcome of such proceedings to have a material effect on the consolidated statement of financial position or consolidated statement of comprehensive income (loss).