

WORKING OPPORTUNITY FUND (EVCC) LTD.

Venture Series:

Balanced Shares (series 1 & 2)

Commercialization Series:

Commercialization Shares (series 2) (the “05 Commercialization Shares”)

2020 Annual Financial Statements

For the year ended December 31, 2020
(expressed in Canadian dollars)

MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Working Opportunity Fund (EVCC) Ltd. (the “Fund”) are the responsibility of management. They have been prepared in accordance with International Financial Reporting Standards.

PenderFund Capital Management Ltd. (the “Manager”) has developed and maintains a system of internal controls to provide reasonable assurance that all assets are safeguarded and to produce relevant, reliable and timely financial information, including the accompanying financial statements.

The Board of Directors of the Fund is responsible for reviewing and approving the financial statements and for overseeing the Manager’s performance of its financial reporting responsibilities. The Board of Directors has approved the accompanying financial statements of the Fund.

These financial statements have been audited by KPMG LLP, Chartered Professional Accountants, on behalf of the unitholders. The auditors’ report outlines the scope of their audit and their opinion on the financial statements.

“Dave Barr”

David Barr
President, CEO
PenderFund Capital Management Ltd.

“Gina Jones”

Gina Jones
Chief Financial Officer
PenderFund Capital Management Ltd.

March 31, 2021

Annual Financial Statements of

**WORKING OPPORTUNITY FUND
(EVCC) LTD.**

And Independent Auditors' Report thereon

Year ended December 31, 2020



KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Working Opportunity Fund (EVCC) Ltd.

Opinion

We have audited the financial statements of Working Opportunity Fund (EVCC) Ltd. (the Fund), which comprise:

- the statements of financial position as at December 31, 2020 and December 31, 2019
- the statements of comprehensive income for the years then ended
- the statements of changes in net assets for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2020 and December 31, 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditors’ Responsibilities for the Audit of the Financial Statements***” section of our auditors’ report.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in the Management Report of Fund Performance filed with the relevant Canadian Securities Commissions.



Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in the Management Report of Fund Performance filed with the relevant Canadian Securities Commissions as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
March 31, 2021

WORKING OPPORTUNITY FUND (EVCC) LTD.

Statements of Financial Position
Venture Series - Balanced Shares (series 1 & 2)
(Expressed in Canadian Dollars)

December 31, 2020 and 2019

	Notes	2020	2019
Assets			
Cash		\$ 1,121,976	\$ 2,442,742
Accounts receivable		279,637	194,597
Accrued interest receivable		110	3,841
Venture investments	4, 6, 14	59,006,365	60,722,707
		60,408,088	63,363,887
Liabilities			
Other accounts payable and accrued liabilities		485,442	534,689
		485,442	534,689
Net assets , attributable to holders of Balanced Shares		\$ 59,922,646	\$ 62,829,198
Net assets attributable to holders of Balanced Shares per series:			
Balanced Shares (Series 1)		\$ 16,609,460	\$ 17,382,393
Balanced Shares (Series 2)		43,313,186	45,446,805
		\$ 59,922,646	\$ 62,829,198
Balanced Shares outstanding per series:			
Balanced Shares (Series 1)	8	4,013,041	4,013,041
Balanced Shares (Series 2)		12,421,473	12,421,473
Net assets attributable to holders of Balanced Shares per share:			
Balanced Shares (Series 1)		\$ 4.14	\$ 4.33
Balanced Shares (Series 2)		3.49	3.66

The accompanying notes are an integral part of these financial statements.

Approved for issue on behalf of the Board and signed on March 31, 2021:

"Nikolas O. Worhaug" Director

"Cindy Oliver" Director

WORKING OPPORTUNITY FUND (EVCC) LTD.

Statements of Comprehensive Income
 Venture Series - Balanced Shares (series 1 & 2)
 (Expressed in Canadian Dollars)

Years ended December 31, 2020 and 2019

	Notes	2020	2019
Revenue:			
Investment income:			
Interest - venture investments		\$ -	\$ 1,458
Interest - bonds, deposits and other investments		9,864	57,009
Net realized gain (loss) from the sale of:			
Venture investments		659,256	(8,836)
Bonds, deposits and other investments		-	(8,698)
Net change in unrealized appreciation (depreciation) of investments:			
Venture investments		(1,650,598)	(20,539,215)
Bonds, deposits and other investments		-	13,499
Total revenue		(981,478)	(20,484,783)
Expenses:			
Management and administration fees	11	961,560	1,622,293
Custody and recordkeeping fees		401,596	534,558
Professional fees		268,816	363,199
Operating expenses		250,689	320,974
Directors' fees		30,690	32,834
Independent review committee costs		10,583	4,234
Other expenses		1,140	1,178
Total expenses		1,925,074	2,879,270
Net increase (decrease) in net assets attributable to holders of Balanced Shares			
		\$ (2,906,552)	\$ (23,364,053)
Net increase (decrease) in net assets attributable to holders of Balanced Shares per series:			
Balanced Shares (series 1)		\$ (772,933)	\$ (5,784,008)
Balanced Shares (series 2)		(2,133,619)	(17,580,045)
Weighted average Balanced Shares outstanding during the period:			
Balanced Shares (series 1)		4,013,041	4,013,041
Balanced Shares (series 2)		12,421,473	12,421,473
Increase (decrease) in net assets attributable to holders of Balanced Shares per share:			
Balanced Shares (series 1)		\$ (0.19)	\$ (1.44)
Balanced Shares (series 2)		(0.17)	(1.42)

The accompanying notes are an integral part of these financial statements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Statements of Changes in Net Assets
 Attributable to Venture Series - Balanced Shares (series 1 & 2)
 (Expressed in Canadian Dollars)

Years ended December 31, 2020 and 2019

	Balance Shares (series 1)		Balance Shares (series 2)		Balance Shares (series 1 and 2)	
	Year ended December 31,		Year ended December 31,		Year ended December 31,	
	2020	2019	2020	2019	2020	2019
Net assets attributable to holders of Balanced Shares, beginning of year	\$ 17,382,393	\$ 23,166,401	\$ 45,446,805	\$ 63,026,850	\$ 62,829,198	\$ 86,193,251
Net increase (decrease) in net assets attributable to holders of Balanced Shares	(772,933)	(5,784,008)	(2,133,619)	(17,580,045)	(2,906,552)	(23,364,053)
Net assets attributable to holders of Balanced Shares, end of year	\$ 16,609,460	\$ 17,382,393	\$ 43,313,186	\$ 45,446,805	\$ 59,922,646	\$ 62,829,198

The accompanying notes are an integral part of these financial statements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Statements of Cash Flows
 Venture Series - Balanced Shares (series 1 & 2)
 (Expressed in Canadian Dollars)

Years ended December 31, 2020 and 2019

	2020	2019
Cash provided by (used in):		
Operating:		
Net increase (decrease) in net assets attributable to holders of Balanced Shares	\$ (2,906,552)	\$ (23,364,053)
Adjustments for:		
Interest - venture investments	-	(1,458)
Interest - bonds, deposits and other investments	(9,864)	(57,009)
Net realized (gain) loss from the sale of venture investments	(659,256)	8,836
Net realized (gain) loss from the sale of bonds, deposits and other investments	-	8,698
Net change in unrealized (appreciation) depreciation of venture investments	1,650,598	20,539,215
Net change in unrealized (appreciation) depreciation of bonds, deposits and other investments	-	(13,499)
Accounts receivable	(85,040)	14,324
Accrued service fees payable	-	(105,162)
Other accounts payable and accrued liabilities	(49,247)	105,465
	(2,059,361)	(2,864,643)
Proceeds on disposal of investments		
Venture investments	725,000	570,388
Bonds, deposits and other investments	-	4,015,901
Interest received	13,595	235,620
Cash flows provided by (used in) operating activities	(1,320,766)	1,957,266
Net increase (decrease) in cash for the year	(1,320,766)	1,957,266
Cash, beginning of year	2,442,742	485,476
Cash, end of year	\$ 1,121,976	\$ 2,442,742

The accompanying notes are an integral part of these financial statements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Schedule of Investment Portfolio
 Venture Series - Balanced Shares (series 1 & 2)
 (Expressed in Canadian Dollars)

December 31, 2020

VENTURE INVESTMENTS			
Investee Companies	Number of shares	Cost \$	Percentage of net assets %
Information technology			
Seed stage:			
Bootup Labs (VCC) Inc., Class C Common Shares	20,000	\$ 200,000	
Highline, Canada AcceleratorCo Inc., Class GL-1 Special Shares	26,690	81,446	
Highline, Canada AcceleratorCo Inc., Common Shares	26,690	-	
Early Stage			
Copperleaf Technologies Inc., Class B-2 Preferred Shares	7,406,124	1,934,284	
DWSI Holdings Inc., Class A Common Shares	107,417	1,002,647	
DWSI Holdings Inc., Class A-1 Preferred Shares	1,125,478	6,361,655	
4300092 Canada Inc., Class A-1 Preferred Shares	3,418,803	4,000,914	
4300092 Canada Inc., Class A-2 Preferred Shares	1,611,135	2,256,514	
1150818 B.C. Ltd., Common Shares	33,746,116	4,425,949	
Later Stage			
BuildDirect.com Technologies Inc., Class AA-1 Preferred Shares	52,268	3,563,281	
Teradici Corp., Class A-1 Preferred Shares	2,750,000	3,418,193	
Teradici Corp., Class A-2 Preferred Shares	1,527,777	2,060,544	
Teradici Corp., Class A-3 Preferred Shares	1,780,803	3,146,679	
Teradici Corp., Class A-4 Preferred Shares	1,747,377	4,144,172	
Teradici Corp., Class A-5 Preferred Shares	587,666	1,749,606	
		38,345,884	63.99%
Cleantech			
Early Stage			
Arborgen Inc, 5% Common Share Warrant	1	-	
Cooledge Lighting Inc., Class A-1 Preferred Shares	394,256	365,149	
Cooledge Lighting Inc., Class A-2 Preferred Shares	1,716,405	1,451,545	
General Fusion Inc., Class A Preferred Shares	4,770,992	2,792,750	
General Fusion Inc., Class B Preferred Shares	2,173,610	1,754,670	
General Fusion Inc., Class D Preferred Shares	383,847	500,000	
General Fusion Inc., Common Shares	300,000	150,000	
Redlen Technologies Inc., Common Shares	3,862,870	5,780,859	
Switch Materials Inc., Class A-1 Preferred Shares	250,000	250,000	
Switch Materials Inc., Class A-2 Preferred Shares	625,000	750,000	
Switch Materials Inc., Class B-1 Preferred Shares	1,000,000	1,500,000	
Switch Materials Inc., Class C-1 Preferred Shares	514,285	503,861	
Switch Materials Inc., Class C-2 Preferred Shares	359,900	899,999	
Switch Materials Inc., Class A-2 Warrants			
Strike price \$1.20, expiry date December 20, 2022	300,000	-	
		16,698,833	27.87%

The accompanying notes are an integral part of these financial statements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Schedule of Investment Portfolio
 Venture Series - Balanced Shares (series 1 & 2)
 (Expressed in Canadian Dollars)

December 31, 2020

VENTURE INVESTMENTS			
Investee Companies	Number of shares	Cost \$	Percentage of net assets %
Life Sciences			
Pre-clinical			
Boreal Genomics, Class B Preferred Shares	1,058,242	517,815	
Clinical			
Methylation Sciences Inc., Class A Preferred Shares	1,436,498	1,268,029	
Methylation Sciences Inc., Common Shares	1,500,000	1,500,731	
		3,286,575	5.48%
Total Venture Investments, Venture Series, at cost		58,331,292	97.34%
Unrealized appreciation (depreciation) of venture investments		675,073	1.13%
Venture Investments, Venture Series, at fair value		\$ 59,006,365	98.47%

Sector	Number of holdings	Cost	% of Venture Investments at cost	Fair value	% of Venture Investments at fair value
Information Technology	8	\$ 38,345,884	65.74%	\$ 46,862,672	79.42%
Cleantech	5	16,698,833	28.63%	12,016,443	20.36%
Life Sciences	2	3,286,575	5.63%	127,250	0.22%
	15	\$ 58,331,292	100.00%	\$ 59,006,365	100.00%

Public vs. Private	Number of holdings	Cost	% of Venture Investments at cost	Fair value	% of Venture Investments at fair value
Private	15	\$ 58,331,292	100.00%	\$ 59,006,365	100.00%

The accompanying notes are an integral part of these financial statements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Statements of Financial Position
Commercialization Series - 05 Series
(Expressed in Canadian Dollars)

December 31, 2020 and 2019

	Notes	2020	2019
Assets			
Cash		\$ 1,324,405	\$ 8,369,592
Accounts receivable		1,689	2,979
Accrued interest receivable		355	15,753
Venture investments	4, 6, 14	506,506	1,573,585
		<u>1,832,955</u>	<u>9,961,909</u>
Liabilities			
Accrued service fees payable		-	15,959
Other accounts payable and accrued liabilities		131,194	77,964
Accrued contingent incentive participation dividend	8, 11	322,849	497,448
		<u>454,043</u>	<u>591,371</u>
Net assets , attributable to holders of			
Commercialization Series Shares		\$ 1,378,912	\$ 9,370,538
Commercialization Series Shares outstanding per series			
Commercialization Series Shares outstanding per series	8	1,002,555	1,423,581
Net assets attributable to holders of Commercialization Series Shares per share			
Net assets attributable to holders of Commercialization Series Shares per share	12	\$ 1.38	\$ 6.58

The accompanying notes are an integral part of these financial statements.

Approved for issue on behalf of the Board and signed on March 31, 2021:

"Nikolas O. Worhaug" Director "Cindy Oliver" Director

WORKING OPPORTUNITY FUND (EVCC) LTD.

Statements of Comprehensive Income
Commercialization Series - 05 Series
(Expressed in Canadian Dollars)

Years ended December 31, 2020 and 2019

	Notes	2020	2019
Revenue:			
Investment income:			
Interest - venture investments		\$ 23,745	\$ 110,408
Interest - bonds, deposits and other investments		38,104	150,957
Net realized gain (loss) from the sale of:			
Venture investments		(2,654,933)	(51,299)
Bonds, deposits and other investments		-	(5,606)
Net change in unrealized appreciation (depreciation) of investments:			
Venture investments		3,140,652	(3,351,081)
Bonds, deposits and other investments		-	15,301
Net change in contingent/conditional incentive participation dividend		174,599	21,463
Total revenue		722,167	(3,109,857)
Expenses:			
Management and administration fees	11	75,506	266,782
Professional fees		58,291	83,162
Operating expenses		45,651	45,949
Custody and recordkeeping fees		38,910	56,021
Service fees	8	19,801	68,956
Directors' fees		4,306	4,862
Independent review committee costs		2,168	666
Other expenses		75	28
Total expenses		244,708	526,426
Net increase (decrease) in net assets attributable to holders of Commercialization Series Shares			
		\$ 477,459	\$ (3,636,283)
Net increase (decrease) in net assets attributable to holders of Commercialization Series Shares per series:			
05 Series		\$ 477,459	\$ (3,636,283)
Weighted average Commercialization Series Shares outstanding during the year:			
05 Series		1,071,061	1,550,661
Increase (decrease) in net assets attributable to holders of Commercialization Series Shares per share:			
05 Series		\$ 0.45	\$ (2.34)

The accompanying notes are an integral part of these financial statements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Statements of Changes in Net Assets
Attributable to Commercialization Series - 05 Series
(Expressed in Canadian Dollars)

Years ended December 31, 2020 and 2019

	2020	2019
Net assets attributable to holders of Commercialization Series Shares, beginning of year	\$ 9,370,538	\$ 16,706,815
Increase (decrease) in net assets attributable to holders of Commercialization Series Shares	477,459	(3,636,283)
Payments for redemption of shares	(2,969,085)	(3,699,994)
Payments of dividends	(5,500,000)	-
Net assets attributable to holders of Commercialization Series Shares, end of year	\$ 1,378,912	\$ 9,370,538

The accompanying notes are an integral part of these financial statements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Statements of Cash Flows
Commercialization Series - 05 Series
(Expressed in Canadian Dollars)

Years ended December 31, 2020 and 2019

	2020	2019
Cash provided by (used in):		
Operating:		
Net increase (decrease) in net assets attributable to holders of Commercialization Series Shares	\$ 477,459	\$ (3,636,283)
Adjustments for:		
Interest - venture investments	(23,745)	(110,408)
Interest - bonds, deposits and other investments	(38,104)	(150,957)
Net realized (gain) loss from the sale of venture investments	2,654,933	51,299
Net realized (gain) loss from the sale of bonds, deposits and other investments	-	5,606
Net change in unrealized (appreciation) depreciation of venture investments	(3,140,652)	3,351,081
Net change in unrealized (appreciation) depreciation of bonds, deposits and other investments	-	(15,301)
Net change in conditional incentive participation dividend	(174,599)	(21,463)
Accounts receivable	1,290	4,959
Accrued service fees payable	(15,959)	(7,631)
Other accounts payable and accrued liabilities	53,230	70,351
	(206,147)	(458,747)
Proceeds on disposal of investments:		
Venture investments	1,552,798	6,012,807
Bonds, deposits and other investments	-	5,554,283
Interest received	77,247	425,854
Cash flows proved by operating activities	1,423,898	11,534,197
Financing		
Payments of dividends	(5,500,000)	-
Payments for redemption of shares	(2,969,085)	(3,699,994)
	(8,469,085)	(3,699,994)
Net increase (decrease) in cash for the year	(7,045,187)	7,834,203
Cash, beginning of year	8,369,592	535,389
Cash, end of year	\$ 1,324,405	\$ 8,369,592

The accompanying notes are an integral part of these financial statements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Schedule of Investment Portfolio
 Venture Investments, Commercialization Series - 05 Series
 (Expressed in Canadian Dollars)

December 31, 2020

VENTURE INVESTMENTS			
Investee Companies	Number of shares	Cost \$	Percentage of net assets %
Information technology			
Early Stage			
DWSI Holdings Inc., Class A Common Shares	129,954	\$ 862,283	
DWSI Holdings Inc., Class A-1 Preferred Shares	368	-	
4300092 Canada Inc., Promissory Note, 8%, due Dec 31, 2020	650,000	415,367	
Later Stage			
BuildDirect.com Technologies Inc., Class AA-1 Preferred Shares	150,720	523,679	
BuildDirect.com Technologies Inc., Class AA-2 Preferred Shares	484,693	500,042	
Total Venture Investments, at cost		2,301,371	166.90%
Unrealized appreciation (depreciation) of venture investments		(1,794,865)	(130.17)%
Venture Investments, Commercialization Series, at fair value		\$ 506,506	36.73%

Sector	Number of holdings	Cost	% of Venture Investments at cost	Fair value	% of Venture Investments at fair value
Information Technology	3	\$ 2,301,371	100.00%	\$ 506,506	100.00%

Public vs. Private	Number of holdings	Cost	% of Venture Investments at cost	Fair value	% of Venture Investments at fair value
Private	3	\$ 2,301,371	100.00%	\$ 506,506	100.00%

The accompanying notes are an integral part of these financial statements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Years ended December 31, 2020 and 2019

1. Incorporation and nature of operations:

Working Opportunity Fund (EVCC) Ltd. (the "Fund") is a company incorporated under the laws of British Columbia on November 5, 1991, as a vehicle for individual British Columbians to invest indirectly in certain small and medium-sized businesses in British Columbia, with the objective of long-term capital appreciation. The address of the principal place of business of the Fund is 1830 - 1066 West Hastings Street, Vancouver, BC V6E 3X2. The manager of the Fund is PenderFund Capital Management Ltd. (the "Manager"). The Manager became manager effective March 1, 2019, under a management agreement dated December 21, 2018 (the "Management Agreement"). Prior to March 1, 2019, the Fund manager (the "Initial Manager") and principal distributor was GrowthWorks Capital Ltd., which managed the Fund pursuant to an amended and restated management agreement dated November 6, 2007 (the "IM Management Agreement").

All information for periods prior to March 1, 2019 included in these financial statements is as reported by the Initial Manager.

The Fund is registered as an employee venture capital corporation under the Employee Investment Act (British Columbia) (the "Act"), which entitled subscribers of the Fund's Class A shares to obtain a British Columbia tax credit and requires the Fund to comply with the Act and the employee venture capital plan (the "Plan") filed with the Administrator of the Act. The Act defines the investments which the Fund may make and the regulations under the Act and the Plan define the period over which venture investments must be made. As required under the Act, the Fund has a labour sponsor which is Working Enterprises Ltd.

The Fund is also a prescribed labour sponsored venture capital corporation under the Income Tax Act (Canada), which entitled subscribers for the Fund's Class A shares to obtain Federal tax credits. The Fund has two types of Class A shares: Venture Series, consisting of the Balanced Shares (series 1) and Balanced Shares (series 2), and Commercialization Series, consisting of the 05 Commercialization Shares (series 2). Please see Note 8 for additional details. In these financial statements, "Series" and "Class A Shares" refer to any, some or all of the Venture Series and Commercialization Series, as the context requires. The Venture Series and Commercialization Series each participate in separate investment portfolios.

The Fund manages liquidity separately for the Venture Series and the Commercialization Series. As provided for in the Fund's articles, its Plan and the Act, the Fund is not required to redeem Class A Shares in certain circumstances. The Venture Series and the Commercialization Series are currently closed for redemptions.

On October 30, 2014, the Fund announced it had adopted a cash dividend distribution policy for the Venture Series to distribute available cash through an orderly realization of value from dispositions of investments. The Fund does not expect to reopen redemptions of the Venture Series. Please refer to Notes 13 and 15 for additional details.

On July 3, 2020, the Fund announced that it had decided to provide liquidity through dividends for Commercialization Series shareholders and closed the Commercialization Series for redemptions. Prior to that date, the Commercialization Series was open for redemptions. In connection with that announcement, the Fund declared a \$3.8 million dividend for the Fund's Commercialization Series' shares. On December 18, 2020, the Fund declared a \$1.7 million dividend for the Fund's Commercialization Series' shares. The Fund does not expect to reopen redemptions of the Commercialization Series. Please refer to Notes 8 and 13 for additional details.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Years ended December 31, 2020 and 2019

1. Incorporation and nature of operations (continued):

Under the Management Agreement, the Fund and the Manager agreed to use reasonable commercial efforts to affect a potential reorganization of the assets of the Fund to a listed entity with the goal of providing enhanced liquidity and cost savings and began working towards such a reorganization in March 2019. Since that time, the Fund established a special committee of directors to work through key structuring matters involved with such a potential reorganization and has provided regular updates with respect to that work including reporting on challenges related thereto such as significant write downs in the portfolio, the uncertainty of the COVID-19 situation (refer to Note 7 for additional details), significant ongoing volatility in equity markets and fundraising required in connection with a listing.

Throughout the year, with the assistance of independent legal counsel and other advisors, a special committee of directors independent of the Manager continued the strategic review and analysis of options seeking to reduce costs and enhance liquidity options for shareholders, and on December 21, 2020, the Fund announced that it had entered into a non-binding Letter of Intent (“LOI”) with a third party regarding the potential acquisition of all of the issued and outstanding shares of the Fund (the “Proposed Transaction”).

Under the LOI, Venture Series shareholders would receive a cash payment at a discount to Net Asset Value (“NAV”) at completion of the Proposed Transaction or they may instead elect to maintain their pro rata participating position in the Venture Series portfolio at full NAV at completion of the Proposed Transaction. Other key terms for those Venture Series shareholders electing continued participation in the Venture Series legacy portfolio would include an accrued “all-in” management fee which is expected to result in lower overall operating costs than currently experienced. This fee would be accrued and paid only when a divestment from the legacy portfolio occurs with net divestment proceeds being distributed pro rata. Under the Proposed Transaction, Commercialization Series shareholders would receive a cash payment at a discount to NAV.

The final structure of the Proposed Transaction will be determined by the parties following the receipt of tax, corporate and securities law advice. Pursuant to the terms of the LOI the parties will work towards finalizing and executing a definitive agreement for the Proposed Transaction, with the Fund having agreed to a corresponding exclusivity period.

Completion of the Proposed Transaction is subject to a number of customary conditions to closing, including regulatory and shareholder approvals. In addition, it is conditional on the Fund receiving comfort from a qualified person with respect to the financial fairness of the consideration being received by the Fund’s shareholders. There can be no assurance that the terms of the Proposed Transaction will be finalized and if finalized that the Proposed Transaction will be completed on the basis proposed or at all. A detailed information circular describing the Proposed Transaction will be mailed to shareholders prior to any meeting at which the Proposed Transaction is considered for approval.

If the Proposed Transaction does not close, it is expected that the Board will continue to review options to further reduce the operating costs of the Fund, pursue maximizing value and generating liquidity from the remaining investments in the Fund and to consider further strategic options for the Venture Series. There can be no guarantee as to the outcome of that further review and/or strategic options that may be available for the Series especially given the ongoing liquidity pressure and the Manager’s expectation of limited activity involving portfolio company exits in the near term.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Years ended December 31, 2020 and 2019

2. Basis of preparation:

(a) Statement of compliance:

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements were approved by the Board on March 31, 2021.

(b) Basis of measurement:

These financial statements have been prepared on the historical cost basis, except for financial instruments classified as "at fair value through profit or loss", as described in Note 3, which are measured at fair value.

(c) Investment entity:

The Fund has determined that it is an Investment Entity under IFRS, as the business purpose of the Fund is to provide investment income and long term capital growth to investors in the Fund and the Fund measures and evaluates the performance of all of its investments on a fair value basis.

(d) Functional and presentation currency:

These financial statements are presented in Canadian dollars which is the Fund's functional currency.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Years ended December 31, 2020 and 2019

3. Significant accounting policies:

(a) Financial instruments:

The Fund recognizes financial instruments when it becomes party to a contract. Regular way or normal course purchases and sales of financial assets are recognized at their settlement date. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or when the Fund has transferred substantially all risks and rewards of ownership. Upon initial recognition, financial instruments are measured at fair value plus transaction costs. Measurement subsequent to initial recognition depends on the classification of the financial instrument.

(i) Financial assets measured at fair value through profit and loss ("FVTPL"):

Financial assets are classified as FVTPL when they are held within a business model which manages and evaluates the assets on a fair value basis. The Fund's classifies its investments including bonds, deposits and other investments and venture investments as FVTPL. These assets are measured at fair value at each reporting period with changes in fair value recognized in the statements of comprehensive income.

(ii) Financial assets and financial liabilities measured at amortized cost:

The Fund's other financial assets and financial liabilities are held in order to collect contractual cash flows which consist solely of principal and interest, and are measured at amortized cost, net of a loss allowance for expected credit losses. Under this method, financial assets and financial liabilities reflect the amount required to be received or paid, discounted when appropriate at the contract's effective interest rate. The effective interest rate is the rate that discounts the estimated future cash flows (including all transaction costs and other premiums or discounts) through the expected life of the financial instrument to the net carrying amount on initial recognition.

(b) Fair value measurements:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(i) Publicly traded venture investments:

Venture investments with quoted prices in an active market are valued at each reporting date based on the closing bid price, unless there is evidence that another price within the bid-ask spread better represents fair value.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Years ended December 31, 2020 and 2019

3. Significant accounting policies (continued):

(b) Fair value measurements (continued):

(ii) Privately owned venture investments:

Venture investments which do not have quoted market prices are valued on the basis of generally accepted valuation methods that best and most objectively reflect the expected realizable value that would be agreed upon in an open and unrestricted market between fully informed, knowledgeable and willing parties dealing at arm's length and without constraints. The initial transaction price of a venture investment is considered to be a reasonable approximation of its fair value on the date on which the investment is made. Thereafter, a variety of valuation methods are used, and assumptions made that are based on market conditions that exist at each reporting date. Valuation techniques include the use of comparable recent arm's length transactions or bona fide enforceable offers, multiples- based techniques where there is a track record of relevant performance and other valuation techniques commonly used by market participants. The valuation techniques used make the maximum use of market inputs and rely as little as possible on entity-specific or unobservable inputs.

The process of valuing venture investments for which no public market exists is subject to inherent uncertainties, and the resulting values may differ from values that would have been observed had a ready market existed for the venture investments. These differences could be material to the fair value of the Fund's venture investment portfolio.

(c) Impairment of financial assets measured at amortized cost:

At each reporting date, the Fund assesses the risk of default for financial assets measured at amortized cost and recognizes a loss allowance equal to weighted average expected credit losses. Credit losses are recognized as the difference between all contractual cash flows that are due to the Fund in accordance with the contract and the cash flows that the entity expects to receive, discounted at instrument's original effective interest rate. Expected credit loss allowances on financial assets measured at amortized cost are reversed in subsequent years if the amount of the expected credit loss decreases.

(d) Classification of redeemable shares:

The Fund's Class A shares are redeemable at the option of the holder, subject to certain restrictions and exceptions described in Note 8. As the Fund's Class A shares do not meet the exception criteria in IAS 32 for classification as equity, the Fund's Class A shares are classified as financial liabilities and the financial obligation to redeem Class A shares has been presented on the statements of financial position as "Net assets, attributable to holders of Balanced Shares/Commercialization Series Shares".

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Years ended December 31, 2020 and 2019

3. Significant accounting policies (continued):

(e) Income and expense recognition and allocation:

Interest, dividends and other income from investments are recorded on the accrual basis when the right to payment is established and collection is reasonably assured, using the effective interest rate method. Realized gains or losses arising on the sale of investments are determined using the weighted average cost basis.

The Fund's Venture Series participate in the same venture investment portfolio and in the same non-venture investment portfolio. The Fund's Commercialization Series participate in a portfolio of venture and non-venture investments that is separate from the Venture Series' portfolio.

Generally, income and realized and unrealized gains or losses on investments are allocated to each of the Venture Series on the basis of specifically identifiable ownership of investments in the portfolio or on the basis of the shared interest of each Series in the investment portfolio. Expenses are allocated to each Venture Series on a specifically identifiable basis or on the basis of the shared interest of each Series in the Net Assets of the Fund.

(f) Income taxes:

Income taxes are accounted for using the asset and liability method. Under this method, deferred income tax assets and liabilities are recognized for the future consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and for tax losses, credits and other deductions carried forward. Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability is settled. A valuation allowance is recorded against any deferred income tax asset if it is not probable that the asset will be realized. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in operations in the year that enactment or substantive enactment occurs.

The Fund is a single entity for income tax purposes and computes its taxable capital and income or loss for tax purposes as such. All revenue, expenses, capital gains and losses, either common to all Series or to a particular Series, will be taken into account in determining the taxable income or loss of the Fund as a whole and applicable taxes payable by the Fund as a whole. Income taxes recorded within each Series' financial statements are determined on an individual Series basis as if each Series were filing a separate income tax return. The Fund's tax loss pools are allocated as needed to the Series with taxable income and thereafter on a proportionate basis.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Years ended December 31, 2020 and 2019

3. Significant accounting policies (continued):

(g) Foreign currency translation:

Purchases and sales of venture investments denominated in foreign currencies and foreign currency dividend and interest income are translated into Canadian dollars at the rate of exchange prevailing at the time of the transaction or receipt of funds. The Venture Series and the Commercialization Series hold certain venture investments which are denominated in US dollars. The fair value of these investments is translated to Canadian dollars at the rate of exchange at each reporting date. Net realized and unrealized gains and losses from these investments include the realized and unrealized foreign exchange gains and losses.

(h) Net assets, attributable to holders of Class A shares per share:

Net assets, attributable to holders of Class A shares ("Net Assets") per share is calculated based on the number of shares outstanding at the end of the year. The increase (decrease) in net assets attributable to holders of Class A shares per share is calculated based on the weighted-average number of shares outstanding during the year. Net assets attributable to holders of Class A shares which are calculated under IFRS for financial reporting purposes may be different from the pricing net asset value used for the purposes of share redemptions and sales ("Pricing NAV"). Further details are presented in Note 12.

(i) Incentive participation dividends and conditional incentive participation dividends:

Until February 28, 2019, incentive participation dividends ("IPA dividends") on Class B shares (the "IPA Shares") were accrued weekly when certain investment performance conditions were met (as described in Note 11) and were paid following the end of each quarter subject to approval and declaration by the Board. The provision for conditional incentive participation dividends ("Conditional IPA dividends") on the IPA Shares is a provisional estimate of the IPA dividends that would be payable if the entire venture portfolio were disposed of at the estimated fair value as at each reporting date. Under the rights attached to the IPA Shares, certain amounts are to be accrued as at the date of termination of the Initial Manager as the contracted manager of the Fund in certain circumstances, which accrued amounts would only be paid on the sale of the relevant portfolio investment (the "Contingent IPA dividend"). The Manager does not hold any IPA Shares. Please refer to Notes 8 and 11 for additional details. On March 5, 2021, the Fund entered into an agreement with the Initial Manger whereby the Fund settled the amount owing to the Initial Manager as further described in Note 15.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Years ended December 31, 2020 and 2019

4. Critical accounting estimates and judgements:

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amount of certain assets and liabilities at the date of these financial statements and the reported amounts of certain income and expenses during the year.

(a) Fair value of venture investments:

The fair value of venture investments which are not quoted in an active market are estimated using valuation techniques which require significant judgment, including an assessment of the financial condition of the investee, achievement of performance milestones and other factors. Assumptions underlying investment valuations are limited by the availability of reliable data and the uncertainty of predictions concerning future events. Please refer to Note 6 for further information about fair value measurements.

The Fund changes the carrying value of its portfolio companies from time-to-time based on changes in its estimation of their underlying valuation. On February 26, 2021, the Fund increased the carrying value of one of the Venture Series' portfolio companies by \$1.4 million and additionally, on March 12, 2021, the Fund increased the carrying value of one of the Venture Series' portfolio companies by \$1.3 million. Both increases have been recognized in the Fund's financial statements effective as of December 31, 2020, because, in both cases, the determination of revised valuation was made before the Fund's financial statements were authorized for issue. This results in Net Assets being higher than Pricing NAV published as at December 31, 2020. For purposes of determining Pricing NAV, the two increases in carrying value were recognized effective February 26, 2021 and March 12, 2021, respectively.

On January 31, 2020, the Fund announced a reduction in carrying value of \$11.8 million for Venture Series and \$1.6 million for Commercialization Series of one Funds' private portfolio companies which had accepted a term sheet for a significant equity financing at a lower level than its prior equity financings. This represented a reduction in Pricing NAV of approximately 13.8% and 14.0% for Venture and Commercialization Series respectively. On February 28, 2020, the Fund further reduced the carrying value of the private portfolio company by \$10.8 million for Venture Series and \$1.1 million for Commercialization Series to reflect the expected economics of an alternate financing proposal that was ultimately accepted by the portfolio company. This represented a further reduction in Pricing NAV of approximately 14.6% and 12.1% respectively. While the determination to recognize the reduction in carrying value of the private portfolio company was made based on information available in January and February 2020, the reduction was recognized in the Fund's financial statements effective as of December 31, 2019, as the determination was made before the Fund's financial statements had been authorized for issue. For purposes of determining Pricing NAV, the two reductions in carrying value were recognized effective January 31, 2020 and February 28, 2020, respectively.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Years ended December 31, 2020 and 2019

4. Critical accounting estimates and judgements (continued):

(b) Measurement and recognition of Conditional IPA dividends:

The provision for Conditional IPA dividends is based on the amount that would be payable if the Fund's investment portfolio were disposed of at its fair value at the reporting date. IPA dividends which become payable based on actual realized gains and losses may differ from the provision for Conditional IPA dividends. Under the rights attached to the IPA Shares, certain amounts referred to as Contingent IPA are to be accrued as at the date of termination of the Initial Manager as the contracted manager of the Fund in certain circumstances which accrued amounts shall only be paid on the sale of the relevant portfolio investment. The Manager does not hold any IPA Shares. Please refer to Notes 8, 11 and 12 for additional details.

5. Capital management:

The Fund defines Net Assets as its capital for capital management purposes. The Fund's capital management objectives are to enhance the Net Assets of the Fund through managing its funds in order to have sufficient cash flows from investments to provide for its liquidity requirements. The Fund manages and monitors liquidity and assesses the capital resources and requirements separately for the Commercialization Series and the Venture Series.

The Fund is subject to investment requirements imposed by the Act as described in Note 1. The Act defines the investments which the Fund may make and the regulations under the Act and Plan define the period over which venture investments must be made. Until eligible venture investments are made, an amount equivalent to 30% of the proceeds from the issue of Class A shares of the Fund must be held in an Investment Protection Account. Amounts may only be withdrawn from the Investment Protection Account with the concurrence of the Administrator as eligible investments are made. As at December 31, 2020 and 2019, the Fund did not have funds held in an Investment Protection Account as it is ahead of its pacing requirements.

6. Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability accessible by the Fund or, in the absence of a principal market, in the most advantageous market for the asset or liability. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Years ended December 31, 2020 and 2019

6. Fair value measurement (continued):

(a) Classification of financial instruments:

The following is a summary of the classification of the Fund's financial instruments, excluding provisions and redeemable shares, for the years ended December 31, 2020 and 2019. Financial assets measured at FVTPL under IFRS 9 were previously designated at FVTPL. Financial assets measured at amortized cost were previously classified as loans and receivables and measured at amortized cost. Financial liabilities continue to be measured at amortized cost under IFRS 9.

	Balanced Shares (Series 1 and 2)		Commercialization Series	
	2020	2019	2020	2019
Financial assets				
Measured at FVTPL:				
Venture investments	\$ 59,006,365	\$ 60,722,707	\$ 506,506	\$ 1,573,585
	59,006,365	60,722,707	506,506	1,573,585
Measured at amortized cost:				
Cash	1,121,976	2,442,742	1,324,405	8,369,592
Accounts receivable	279,637	194,597	1,689	2,979
Accrued interest receivable	110	3,841	355	15,753
	1,401,723	2,641,180	1,326,449	8,388,324
	\$ 60,408,088	\$ 63,363,887	\$ 1,832,955	\$ 9,961,909
Financial liabilities				
Measured at amortized cost:				
Accrued service fees payable	\$ -	\$ -	\$ -	\$ 15,959
Other accounts payable	485,442	534,689	131,194	77,964
Accrued contingent incentive participation dividend	-	-	322,849	497,448
	\$ 485,442	\$ 534,689	\$ 454,043	\$ 591,371

(b) Fair value measurement hierarchy:

Fair value measurements are analyzed by level in the fair value hierarchy as follows:

- (i) Level 1 are measurements at quoted prices (unadjusted) within the bid-ask spread which best represents fair value in active markets for identical assets or liabilities
- (ii) Level 2 consist of bonds and deposits measured through valuation techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly based on prices reported by an independent third-party pricing service, and
- (iii) Level 3 measurements are valuations based on generally accepted valuation techniques, as described in Note 3(b).

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Years ended December 31, 2020 and 2019

6. Fair value measurement (continued):

(b) Fair value measurement hierarchy (continued):

Management applies judgment in categorizing financial instruments using the fair value hierarchy. A fair value measurement which uses observable inputs that require significant adjustment is considered to be a Level 3 measurement. The following is a summary of the classification in the fair value hierarchy of the Fund's financial instruments measured at FVTPL for the years ended December 31, 2020 and 2019:

2020	Level 1	Level 2	Level 3	Total
Balanced Shares (series 1 & 2):				
Venture investments	\$ -	\$ -	\$ 59,006,365	\$ 59,006,365
Commercialization Series:				
Venture investments	-	-	506,506	506,506

2019	Level 1	Level 2	Level 3	Total
Balanced Shares (series 1 & 2):				
Venture investments	\$ -	\$ -	\$ 60,722,707	\$ 60,722,707
Commercialization Series:				
Venture investments	-	-	1,573,585	1,573,585

All fair value measurements in the tables above are recurring. Any transfers between levels of the fair value hierarchy are deemed to have occurred at January 1 of the year. During the years ended December 31, 2020 and 2019 there were no transfers between any levels of the fair value hierarchy. The carrying value of other financial instruments, which are measured at amortized cost, approximates fair value in view of their short-term maturities.

The manager of the Fund is responsible for preparing the valuations of venture investments in private entities in accordance with the Fund's Plan and for monitoring the performance of the investee companies and market conditions for changes on an ongoing basis. The Fund's Plan complies in all material respects with the IFRS requirements for measuring fair value. The valuations of venture investments are reviewed and accepted at December 31 of each year by the Fund's Valuation Committee and are reviewed by an independent business valuator annually.

The process of estimating the fair value of venture investments in private entities which is inherently subject to measurement uncertainties, is based on techniques and assumptions that incorporate both qualitative and quantitative information and analysis. Fair value inputs consist primarily of the price of recent transactions or bona fide enforceable offers adjusted as deemed necessary for the existence of strategic interests and the subsequent performance of the investee compared to internally developed milestones or other available evidence of impairment or value creation. As such, there is no reasonable basis on which to estimate the impact of reasonably possible changes in these factors for many of the Fund's fair value measurements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Years ended December 31, 2020 and 2019

6. Fair value measurement (continued):

(c) Sensitivity of quantitative inputs to Level 3 fair value measurements:

Venture investments in private entities with sustainable, recurring revenues may be valued using a comparable revenue multiple approach. In applying this approach, the manager of the Fund selects comparable public entities with similar risk and growth profiles and calculates an average enterprise value (EV) / revenue multiple applicable to the investee. Revenue multiples derived from comparable public entities may be discounted for lack of liquidity and other relevant factors before being applied to the valuation of the investee. Venture investments in private entities may also be adjusted by a discount factor for risks related to performance against expectations and the time value of money. The following table shows the sensitivity of the Fund's fair value measurements, which incorporates quantitative inputs to reasonably possible changes in those inputs:

December 31, 2020:

Unobservable Quantitative input	Fair value measured using the quantitative Input	Weighted average input	Reasonably possible shift in input (+/-)	Estimated fair value impact of reasonably possible shift input (+/-)	
				Balanced Shares (series 1 & 2)	Commercialization Series
Comparable trading multiple	\$ 48,918,718	3.4	0.5	\$ 7,914,000 (5,606,000)	\$ - -
Discount factor	281,253	82%	18%	281,000 (281,000)	- -

December 31, 2019:

Unobservable Quantitative input	Fair value measured using the quantitative Input	Weighted average input	Reasonably possible shift in input (+/-)	Estimated fair value impact of reasonably possible shift input (+/-)	
				Balanced Shares (series 1 & 2)	Commercialization Series
Comparable trading multiple	\$ 43,428,372	3.9	0.5	\$ 5,800,000 (3,100,000)	\$ 632,000 (532,000)
Discount factor	287,022	82%	18%	287,000 (287,000)	- -

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Years ended December 31, 2020 and 2019

6. Fair value measurement (continued):

(d) Reconciliation of Level 3 fair value measurements:

The reconciliation of changes for investments measured at fair value using unobservable inputs (Level 3) for the years ended December 31, 2020 and 2019 is:

2020	Balanced Shares (series 1 & 2)	Commercialization Series
Beginning balance, January 1, 2019	\$ 60,722,707	\$ 1,573,585
Purchases	-	-
Sales	(725,000)	(1,552,798)
Realized gains	659,256	(2,654,933)
Change in unrealized appreciation (depreciation)	(1,650,598)	3,140,652
	<u>\$ 59,006,365</u>	<u>\$ 506,506</u>
Change in unrealized appreciation (depreciation) for venture investments held at the end of the period	<u>\$ (1,650,598)</u>	<u>\$ 209,208</u>

2019	Balanced Shares (series 1 & 2)	Commercialization Series
Beginning balance, January 1, 2019	\$ 81,754,601	\$ 10,930,439
Purchases	-	-
Sales	(570,388)	(5,954,474)
Realized gains	77,709	(51,299)
Change in unrealized appreciation (depreciation)	(20,539,215)	(3,351,081)
	<u>\$ 60,722,707</u>	<u>\$ 1,573,585</u>
Change in unrealized appreciation (depreciation) for venture investments held at the end of the period	<u>\$ (20,505,945)</u>	<u>\$ (3,332,161)</u>

7. Financial risks and risk management:

In 2020, the COVID-19 global health pandemic resulted in significant volatility and turmoil in world markets. While the negative economic impact of measures to contain the virus have been mitigated to some extent by fiscal and monetary stimulus, by measures taken to reopen world economies and by the development of vaccines, the situation had an impact on many entities and the markets in which they operate and the impact may continue. Investment results will depend to a large extent on future developments and new information that may emerge regarding COVID-19 and the pandemic, factors which are beyond the Fund's control. The Fund will continue to support its investee companies, to monitor the impact that COVID-19 has on them and to reflect the consequences as appropriate in its accounting and reporting.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Years ended December 31, 2020 and 2019

7. Financial risks and risk management (continued):

The financial risks of the Fund and the management of these risks are:

(a) Liquidity risk:

Liquidity risk is the risk that the Fund will have difficulty meeting its financial obligations as they become due. The Fund manages liquidity risk by monitoring the factors that draw on liquidity, managing the timing of asset realizations and seeking to hold a portion of its portfolio in cash and investments readily convertible to cash. Venture investments in private companies are generally illiquid and exit opportunities may not arise when expected or at all.

The Fund's financial liabilities, except redeemable shares, are due on demand. The Balanced Shares (series 1 & 2) are not open for redemption currently, as described in Note 1.

On July 3, 2020, the Fund announced it had closed the Commercialization Series to redemptions. Please refer to Note 8 for additional details. As at December 31, 2019, 23% of the Commercialization Series shares were eligible for redemption, subject to the restrictions described in Note 8.

(b) Credit risk:

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge a payment obligation owed under the instrument, causing a financial loss. The maximum exposure to credit risk for the years ended December 31, 2020 and 2019 is:

(i) Bonds, deposits and other investments:

Bonds, deposits and other investments may be given a credit rating by credit rating agencies based on how much credit risk they represent; the higher the credit rating, the lower the credit risk. The Fund manages this risk by generally investing in instruments issued by governments, financial institutions and issuers with credit ratings at the higher end of the range.

	2020		2019	
	Balanced Shares (series 1 & 2)	Commercialization Series	Balanced Shares (series 1 & 2)	Commercialization Series
Venture debt investments	\$ -	\$ -	\$ -	\$ 250,000
Accounts receivable	279,637	1,689	194,597	2,979
Accrued interest receivable	110	355	3,841	15,753
	<u>\$ 279,747</u>	<u>\$ 2,044</u>	<u>\$ 198,438</u>	<u>\$ 268,732</u>

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Years ended December 31, 2020 and 2019

7. Financial risk management (continued):

(b) Credit risk (continued):

(ii) Venture debt investments:

The Fund's venture investments include debt instruments which expose the Fund to credit risk. Most debt instruments held by each Series are convertible into equity securities or are expected to be converted before a divestment opportunity arises. In addition, the Series may hold debt instruments which are secured. In the event of a potential distressed liquidation, this security would rank senior to equity investors and often to many creditors. In the event the portfolio company fails and is unable to fully discharge its obligations, the Fund may be in a position through its security to monetize the company's assets, including intellectual property and to recoup its principal to the extent possible. As at December 31, 2020 and 2019 each of the Venture Series and the Commercialization Series held no venture debt investments which are impaired as the expected recovery from a transaction affecting the underlying investee is less than the face value of the debt investment.

(c) Currency risk:

Currency risk is the risk that financial instruments denominated in a currency other than Canadian dollars will fluctuate due to changes in the exchange rate between the Canadian dollar and the currency in which the investment is measured. The Fund manages currency risk associated with its venture portfolios by seeking to minimize the number of venture investments it makes in currencies other than Canadian dollars, to the extent possible. As venture capital investments mature through additional rounds of financing and attract investment from the United States of America, the currency measurement of investments initially made in Canadian dollars often change to US dollars. The Fund's exposure to the US dollar for the years ended December 31, 2020 and 2019 is:

	2020			2019		
	US dollar exposure	% of net assets	Impact of a 5% change in the USD/CAD exchange rate on net assets (+/-)	US dollar exposure	% of net assets	Impact of a 5% change in the USD/CAD exchange rate on net assets (+/-)
Balanced Shares	\$ 35,373,367	59.03%	2.95%	\$ 36,306,995	57.79%	2.89%
Commercialization Series	506,508	36.73%	1.84%	516,895	5.24%	0.26%

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Years ended December 31, 2020 and 2019

7. Financial risk management (continued):

(d) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund's venture investment portfolios may contain debt instruments which are convertible into equity and which are generally expected to be converted before a divestment opportunity arises. The interest rate risk from venture debt investments is reduced as their valuation is generally based on the underlying equity securities of the entity into which the debt is convertible or expected to be converted.

Bonds, deposits and other investments are subject to interest rate risk which may affect the value of these instruments. When market interest rates rise, the value of traded interest-bearing instruments held by the Series generally falls due to a decline in demand for lower yielding instruments. The Fund's strategy for managing this risk is to monitor and adjust interest-bearing portfolio holdings in light of prevailing and expected movements in short, medium and long-term interest rates and bond prices. This may include incurring early redemption penalties in order to re-invest capital at higher rates.

As at December 31, 2020 and 2019 the Fund had no exposure to interest rate risk as it did not hold bonds, deposits and other investments.

(e) Other price risk:

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than changes caused by interest rate or currency risk). The Fund held no publicly traded investments for the years ended December 31, 2020 and 2019.

8. Share capital:

Authorized:

Unlimited number of Class A shares without par value, voting, with restrictions on transfer and redemptions, issuable in series and redeemable at the Pricing Net Asset Value (as described in Note 12) of a series share. The currently authorized series are:

Venture Series

- Unlimited number of Balanced Shares (series 1)
- Unlimited number of Balanced Shares (series 2)
- Unlimited number of Growth Shares (series 1)
- Unlimited number of Growth Shares (series 2)
- Unlimited number of GIC Shares (series 2)
- Unlimited number of Income Shares (series 2)
- Unlimited number of Financial Services Shares (series 2)
- Unlimited number of Resource Shares (series 2)
- Unlimited number of Diversified Shares (series 2)

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Years ended December 31, 2020 and 2019

8. Share capital (continued):

Authorized (continued):

Commercialization Series

Unlimited number of 05 Commercialization Shares (series 2)
Unlimited number of Commercialization Shares (series 2-2006)
Unlimited number of Commercialization Shares (series 2-2007)
Unlimited number of Commercialization Shares (series 2-2008)
Unlimited number of Commercialization Shares (series 2-2009)
Unlimited number of Commercialization Shares (series 2-2010)
Unlimited number of Commercialization Shares (series 2-2011)
Unlimited number of Commercialization Shares (series 2-2012)
Unlimited number of Commercialization Shares (series 2-2013)
Unlimited number of Commercialization Shares (series 2-2014)

Unlimited number of Class B shares without par value, issuable in series. The currently authorized series is:
Unlimited number of IPA Shares, non-transferable and non-voting.

As a result of various consolidations among the Venture Series, the only issued and outstanding Venture Series shares are the Balanced Shares (series 1) and the Balanced Shares (series 2) and as a result of the various conversions of Commercialization Series shares into 05 Commercialization Shares, the only issued and outstanding Commercialization Series shares are the 05 Commercialization Shares. Prior to the change in manager, Balanced Shares (series 1) and Balanced Shares (series 2) differed only in the management fee structures relating to each series of shares, under the prior management agreement. Under the Management Agreement, Balanced Shares (series 1) and Balanced Shares (series 2) have the same management fee structure. Further details are presented in Note 11.

(a) Class A Shares:

The following Class A shares were redeemed during the year ended December 31, 2020:

Number of Class A shares (in 000's)	Outstanding shares beginning of year	Redemption of shares	Outstanding shares end of year
Balanced Shares (series 1)	\$ 4,013	-	\$ 4,013
Balanced Shares (series 2)	12,421	-	12,421
05 Commercialization Shares	1,424	(421)	1,003

The following Class A shares were redeemed during the year ended December 31, 2019:

Number of Class A shares (in 000's)	Outstanding shares beginning of year	Redemption of shares	Outstanding shares end of year
Balanced Shares (series 1)	\$ 4,013	-	\$ 4,013
Balanced Shares (series 2)	12,421	-	12,421
05 Commercialization Shares	1,833	(409)	1,424

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Years ended December 31, 2020 and 2019

8. Share capital (continued):

(a) Class A Shares (continued):

The Fund has always reserved the right not to pay the service/trailer commissions where the amounts are less than a minimal amount or in other specific circumstances it may specify from time to time. Effective for the first quarter of 2019, the Fund's Board specified the Venture Series shares continuing to be off redemption as the Fund continues to work towards a potential reorganization of assets as such a circumstance in which the Fund will not pay service/trailer commissions on the Venture Series shares. Accordingly, the Fund ceased paying service fees/trailer commissions with respect to Venture Series shares beginning January 1, 2019. For the Commercialization Series, through to June 30, 2020, the Fund paid a service fee of 0.5% of Pricing NAV per annum or 1% of Pricing NAV per annum to all registered dealers for selling shares, depending on whether a 5% commission or 2% commission was paid by the Fund (as selected by the dealer) on the initial purchase. Services fees remained payable until the related Commercialization Series shares are redeemed. During the year ended December 31, 2020, a total of \$19,801 (December 31, 2019 - \$68,956) was paid by the Fund for service fees related to Commercialization Series shares (December 31, 2019 - Class A shares).

On July 3, 2020, the Board of the Fund announced the decision to cease paying trailer commissions to dealers on the Commercialization Series as the Fund's Board specified the payment of the \$3.8 million dividend and closure of redemptions of Commercialization Series as a circumstance in which the Fund will not pay service/trailer commissions on the Commercialization Series shares. Accordingly, the Fund ceased paying service fees/trailer commissions with respect to the Series shares beginning July 1, 2020. On December 18, 2020 the Fund announced a \$1.7 million dividend for the Fund's Commercialization Series' shares.

The rights and restrictions attached to each Series provides holders of that Series the right to receive dividends if and when the Fund's board declares them, with the dividends being paid out of the assets attributed to that Series as described in Note 13.

The rights and restrictions attached to the Class A Shares also provide, among other matters, that shareholders may generally request redemption of their shares at any time after eight years from the date they were issued. As provided for in the Fund's articles, its Plan and the Act, the Fund is not required to redeem Class A Shares in certain circumstances which include those where the redemption would create a working capital deficiency for the Fund or cause it to be in default of its financial obligations under an arm's length loan agreement, where the Fund is insolvent or the redemption would cause the Fund to become insolvent, or where total redemptions in any fiscal year exceeded 20% of the Fund's retained earnings as at the last day of the immediately preceding financial year or 50% of the Fund's net earnings after taxes for the previous fiscal year. In connection with the adoption of the cash dividend distribution policy (as described in Note 13) for the Venture Series, the Fund closed redemptions of the Venture Series generally and expects to process Venture Series shares redemptions only in the very limited circumstances relating to hardship dispositions, provided there are available funds to do so. On July 3, 2020 the Fund announced it had closed the Commercialization Series to redemptions in connection with the payment of the \$3.8 million dividend. Redemption requests for each of the Series received by the Fund will continue to be placed in a queue for processing in the order they are received; however, the Board currently does not expect to open redemptions of any of

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Years ended December 31, 2020 and 2019

8. Share capital (continued):

(a) Class A Shares (continued):

the Series and instead will seek to distribute, at its discretion, available cash from future divestments of portfolio companies equally by way of dividends.

(b) Class B Shares:

There are 100 Class B Shares ("IPA Shares") issued and outstanding which are held solely by the Initial Manager. Until February 1, 2019, the Initial Manager was entitled to IPA dividends on the IPA Shares, paid quarterly, equal to 20% of the realized gains and income from a venture investment owned by or allocated to Series 2 shares when the following conditions are met:

- The total net realized and unrealized gains and income from the portfolio of venture investments allocated to the particular series of shares since the date on which that series was initially offered exceeds the average 5-year GIC rate plus 2%
- The return from that venture investment exceeds an annual rate of return on that investment of 12%
- The principal invested in that venture investment has been fully recovered.

Under the rights attached to the IPA Shares, certain amounts referred to as Contingent IPA are to be accrued as at the date of termination of the Initial Manager as the contracted manager of the Fund in certain circumstances which would only be paid on the sale of the related portfolio investments. All interest income received or accrued on venture investments that is used or will be used or allocated for the purposes of paying dividends in accordance with dividend policies for the Commercialization Series, as described in Note 13, is excluded from the calculation of IPA dividends.

Please refer to Notes 11 and 12 for additional details and to Note 15 for information about a subsequent event relating to about Contingent IPA dividends.

9. Income taxes:

The Fund is a single entity for the purposes of reporting its income taxes under the Income Tax Act.

The Fund qualifies as a mutual fund corporation under the provisions of the Income Tax Act (Canada). As such, income taxes payable by the Fund on net realized capital gains will be fully refundable on a formula basis when shares are redeemed or capital gains dividends are paid or deemed to be paid by the Fund to its shareholders. Income taxes payable on net investment income, other than capital gains, and certain dividends received from Canadian corporations, will be partially refundable upon the payment or deemed payment of taxable dividends, other than capital gains dividends. The Fund will record the refundable portion of its income taxes as an asset to the extent that such amounts will be recovered through the distribution of a Class A share dividend from net investment income and/or realized capital gains on investments.

The Fund did not have taxable income after applying available unused capital and non-capital income tax losses carried forward and was not assessed income taxes for the years ended December 31, 2020 and 2019. As at the end of the 2020 tax year, the Fund has non-capital losses of approximately \$53.8 million (2019 - \$51.7 million) available for deduction against future taxable incomes which, if unused, will expire between 2027 and 2040 (2019 – 2027 and 2039). The Fund also had capital losses, subject to certain

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Years ended December 31, 2020 and 2019

9. Income taxes (continued):

restrictions, of approximately \$145.5 million (2019 - \$143.5 million) available for deduction against future capital gains which have no expiry date.

The potential future benefits arising from the Fund's net deferred tax assets have not been recognized in these financial statements because, as at December 31, 2020, their realization is unlikely.

10. Significant influence over investees:

The Fund has significant influence over an investee when it has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control over those policies. Significant influence, as defined by IFRS, exists when the Fund holds at least 20% but not more than 50% of the voting power of the investee or if it participates significantly in the financial and operating policy decisions in other ways, such as through representation on the board of directors. For the years ended December 31, 2020 and 2019, the Fund has assessed that it has significant influence over the following investees:

Investee	Percentage ownership
1150818 B.C. Ltd.	33.8%
4300092 Canada Inc.	23.6%

For the years ended December 31, 2020 and 2019, the Fund did not provide financial support to these investees and has no intention of providing financial or other support in the future. The principal place of business of these investees is British Columbia, Canada. The Fund does not have control or joint control over any of its investees.

11. Management agreement:

During the year ended December 31, 2019, there was a change in the manager of the Fund and the management agreement.

(a) Fees payable up to February 28, 2019:

Under the IM Management Agreement, the Initial Manager provided management services to the Fund until February 28, 2019.

Under the IM Management Agreement, the Initial Manager was responsible for paying the Fund's general operating expenses, with the following exceptions: management fees payable to the Initial Manager, applicable taxes, capital items, commissions, a portion of fees payable to the Fund's Independent Review Committee ("IRC") and expenses unique to early stage, research and/or development company investing.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Years ended December 31, 2020 and 2019

11. Management agreement (continued):

(a) Fees payable up to February 28, 2019 (continued):

(i) Fees payable by Balanced Shares (series 1) ("Series 1 shares") shareholders:

Under the terms of the IM Management Agreement, the Fund paid the Initial Manager a monthly fee of 2.22% to 3.01% of the Fund's month end Pricing NAV of the Series 1 shares, less any fee or benefit, including finders' fees, directors' fees and consulting fees, received by the Initial Manager from investees or prospective investees, from which the Initial Manager paid all costs of operating the Fund other than certain share issue commissions and income taxes. The fees under this agreement for the two-month period from January 1, 2019 to February 28, 2019 were \$120,228, including GST of \$5,725.

The Initial Manager was also entitled to a performance bonus equal to 20% of the net return on the Series 1 shares' proportionate share of the venture investments in excess of a threshold return of the greater of 10% or the average 5-year GIC rate during the year plus 3%. No performance bonus was paid or payable by the Series 1 shares in the period or in 2019.

(ii) Fees payable by Balanced Shares (series 2) and Commercialization Series shares (together the "Series 2 shares"):

Under the terms of the IM Management Agreement, the Fund pays the Initial Manager a monthly management fee of 2.00% and an administration fee of between 0.50% to 1.29% of the proportionate share of the Fund's month end Pricing NAV attributable to the Balanced Series 2 shares, less any fee or benefit, including finders' fees, directors' fees and consulting fees, received by the Initial Manager from investees or prospective investees, from which the Initial Manager paid all costs of operating the Fund other than certain share issue commissions and income taxes.

The management and administration fees under the IM Management Agreement for the Balanced Shares (series 2) for the period from January 1, 2019 to February 28, 2019 were \$357,248 including GST of \$17,011. The fees under this agreement for the Commercialization Series shares for the two-month period from January 1 to February 28, 2019 were \$95,591, including GST of \$4,552.

The Initial Manager also had a participating interest in the realized gains and income attributable to Commercialization Series shares, payable through dividends on the IPA Shares. During the year ended December 31, 2020, the Commercialization Series shares recorded no IPA dividends (December 31, 2019 - nil). Under the rights attached to the IPA Shares, certain amounts are to be accrued as at the date of termination of the Initial Manager as the contracted manager of the Fund in certain circumstances which accrued amounts shall only be paid on the sale of the relevant portfolio investment. The Series has accrued a Contingent IPA dividend payable to the Initial Manager only upon sale of the relevant portfolio company of \$322,849 (December 31, 2019 - \$497,448). The value of the Contingent IPA dividend payable has been adjusted as of December 31, 2020 to reflect the agreement entered into by the Fund on March 5, 2021, with the Initial Manager whereby the Fund settled the amount owing to the Initial Manager as further described in Note 12 and Note 15.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Years ended December 31, 2020 and 2019

11. Management agreement (continued):

(b) Fees payable after February 28, 2019:

Under the Management Agreement, the annual management fee payable is 1.5% of Pricing NAV of the all series of shares of the Fund and the Fund pays operating expenses set out in an annual budget approved by the Fund's Board and any expenditure by the Fund that is more than \$10,000 and not included in the annual budget must be approved by the Fund's Board, acting reasonably.

The management fees for the Balanced Shares (Series 1) for the year ended December 31, 2020 were \$266,464 including GST of \$13,003 (\$306,714 including GST of \$14,939 in the ten-month period from March 1, 2019 to December 31, 2019). The fees under this agreement for the Balanced Shares (Series 2) for the year ended December 31, 2020 were \$695,096, including GST of \$33,918 (\$838,103, including GST of \$40,821 in the ten month period from March 1, 2019 to December 31, 2019). The management fees for the Commercialization Series shares for the year ended December 31, 2020 were \$75,506 including GST of \$3,684 (\$171,191 including GST of \$8,338 in the ten month period from March 1, 2019 to December 31, 2019).

In the period from December 21, 2018 to February 28, 2019, the Manager provided certain services to the Fund to ensure an efficient transfer of management and received a fee in respect of the Venture Series shares of \$127,320 including GST, of which \$64,253 was paid during the year ended December 31, 2019. Additionally, the Manager received a fee from Commercialization Series shares of \$24,930 including GST, of which \$11,872 was paid during year ended December 31, 2019.

There is no performance bonus for the Manager; however, the Management Agreement provides that on completion of a possible future reorganization of Fund assets the Manager would be entitled to a success fee on the same terms and conditions as currently calculated under the Fund's incentive participation shares after divestment proceeds equal to the relative amount of net asset value has been distributed to legacy shareholders.

12. Reconciliation of pricing net asset value per share:

The Fund records share issues net of commissions and certain fees and other costs in accordance with IFRS. This results in net assets attributable to holders of Class A shares ("Net Assets") calculated in accordance with IFRS which differs from that used for the purposes of the sale and redemption of shares of the Fund ("Pricing NAV"). For the purposes of determining Pricing NAV, share issuance commissions and certain fees and other costs are notionally capitalized and amortized on a straight-line basis over the 8-year hold period of the related shares.

As at December 31, 2020, Net Assets, for the Venture Series, were higher than Pricing NAV for reasons outlined in Note 4. While the determination of the increases in carrying value of the private portfolio companies were made in February and March 2021, respectively, based on information then available, an increase was recognized in the Fund's financial statements effective as of December 31, 2020, as the determination was made before the Fund's December 31, 2020 financial statements were authorized for issuance.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Years ended December 31, 2020 and 2019

12. Reconciliation of pricing net asset value per share (continued):

As at December 31, 2020, Net Assets for the Commercialization Series were also lower than Pricing NAV due to a retrospective update to the expense allocation policy between the Series. Historically expenses were allocated between the Series based on pro rata current Pricing NAV, however after the Commercialization Series dividend payments during the 2020 fiscal year, the allocation of expenses for the year based on Pricing NAV was viewed as no longer resulting in a fair allocation of expenses. Accordingly, that allocation method was updated to a new basis aimed at better matching the expenses incurred by each Series, taking into account, for example, metrics such as the five year average Pricing NAV of the Series in order to provide for fairer allocation of operating expenses for the year.

Additionally, subsequent to December 31, 2020, the Contingent IPA Dividend recorded on the Commercialization Series' statement of financial position was reduced from the previous amount of \$497,448, to reflect the settlement of the amount owing to the initial manager by way of a cash payment of \$322,849 and the transfer of certain securities in the portfolio as well as other non-monetary consideration. This resulted in a corresponding increase in Pricing NAV of the Commercialization Series as at December 31, 2020.

As at December 31, 2019, Net Assets were also lower than Pricing NAV for reasons outlined in Note 4. While the determination of a reduction in carrying value of a private portfolio company was made in each of January and February 2020, based on information then available, a reduction was recognized in the Fund's financial statements effective as of December 31, 2019, as the determination was made before the Fund's December 31, 2019 financial statements were authorized for issuance.

The following reconciliation of Net Assets and Pricing NAV at December 31, 2020 and 2019 identifies the differences between the Pricing Nav per share of the Fund and the net asset values of the shares disclosed in these financial statements:

Balanced Shares	2020		2019	
	Series 1	Series 2	Series 1	Series 2
Series net assets per share	\$ 4.14	\$ 3.49	\$ 4.33	\$ 3.66
Unamortized balance of share issue commissions, fees and other costs per share	-	-	-	-
Portfolio company and expense allocation adjustment	(0.17)	(0.17)	1.35	1.35
Pricing NAV per share	\$ 3.97	\$ 3.32	\$ 5.68	\$ 5.01

Commercialization Series	2020	2019
Series net assets per share	\$ 1.38	\$ 6.58
Unamortized balance of share issue commissions, fees and other costs per share	0.01	0.04
Portfolio company/expense allocation/IPA adjustment	(0.13)	1.87
Pricing NAV per share	\$ 1.26	\$ 8.49

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Years ended December 31, 2020 and 2019

13. Series dividend policies:

The rights and restrictions attached to each Series provides holders of that Series the right to receive dividends if and when the Fund's board declares them, with the dividends being paid out of the assets attributed to that Series.

(a) Venture Series Cash Dividend Distribution Policy:

The Fund has adopted a cash dividend distribution policy for the Venture Series to distribute available cash through an orderly realization of value from dispositions in the Venture Series' portfolio while maintaining funds for strategic follow-on investments (within the existing portfolio only), liabilities and anticipated operating expenses of the Venture Series. There were no cash dividends paid to Venture Series shareholders during the years ended December 31, 2020 and 2019.

(b) Commercialization Series Historic Specific Dividend Policy and 2020 Dividends:

The Board adopted a policy to pay dividends on each Commercialization Series equal in total to 25% of the purchase price of its shares during the three-year period after the Series was offered for sale. Since its initial offering of the Commercialization Series shares in 2005, the Fund has met this dividend policy each year, completing the final dividend payment on previously offered series in February 2016. Once a Series has completed its dividend payments and has been allocated interest and other income at least equal to the amount of dividends paid under its dividend policy, that Series is converted into shares of the 05 Commercialization Shares at the relative net asset value at that time.

In addition, the rights and restrictions attached to the Commercialization Series allow holders to receive dividends if and when the Fund's board declares them. On July 3, 2020, the Fund announced a \$3.8 million dividend for the Fund's Commercialization Series' shares and on December 18, 2020 the Fund announced an additional \$1.7 million dividend for the Fund's Commercialization Series' shares. See Note 1. During the year ended December 31, 2020, dividends of \$5.5 million were paid by the Commercialization Series (2019 – nil).

In determining the amount of the dividends that were declared, the Board worked with the Manager to determine an appropriate reserve of cash for anticipated operating expenses over the medium term as it seeks to maximize the value of the remaining portfolio.

14. Independent valuator:

A qualified chartered business valuator within the valuations practice of KPMG, Chartered Professional Accountants, the Fund's independent auditor, performed an independent review of the fair value of the Fund's venture investment portfolio as at December 31, 2020 and 2019 as required by National Instrument 81-106 issued by the Canadian Securities Administrators and reported that the estimated fair value of the venture investment portfolio as determined by the Initial Manager was, in all material respects, reasonable.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to Financial Statements

Years ended December 31, 2020 and 2019

15. Subsequent event:

On February 26, 2021, the Venture Series completed a partial secondary sale of its ownership interest in one portfolio company in the information technology sector that resulted in a realized gain of \$400,000.

On March 5, 2021 the Fund entered into a Settlement Agreement and Release pursuant to which the Fund settled the amount owing to the Initial Manager and redeemed and cancelled the IPA shares. The Contingent IPA Dividend recorded on the Commercialization Series' statement of financial position was reduced from the previous amount of \$497,448, to reflect the settlement of the amount owing to the initial manager by way of a cash payment of \$322,849 and the transfer of certain securities in the portfolio as well as other non-monetary consideration. This resulted in a corresponding increase in Net Assets versus Pricing NAV of the Commercialization Series as at December 31, 2020.

The Fund changes the carrying value of its portfolio companies from time-to-time based on changes in its estimation of their underlying valuation. On March 31, 2021, the Fund adjusted its Pricing NAV to reflect an increase the carrying value of one of the Venture Series' portfolio companies by \$2.8 million.