FAX CAPITAL CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2022

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the audited financial statements of FAX Capital Corp. (the "Company") for the year ended December 31, 2021 and the related notes. The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars. This MD&A is prepared as of May 5, 2022.

The financial information of the Company within this MD&A is derived from the financial statements of the Company as at and for the three months ended March 31, 2022 prepared in accordance with International Financial Reporting Standards ("IFRS") accounting policies as issued by the International Accounting Standards Board IASB.

Additional information relating to the Company, including the Company's most recent financial statements and Annual Information Form, is available at www.sedar.com. Additional information can also be accessed from the Company's website at www.faxcapitalcorp.com.

GOING PRIVATE TRANSACTION

On May 2, 2022, the Company announced that it had entered into a definitive arrangement agreement (the "Arrangement Agreement") with Federated Capital Corp. ("Federated Capital") and Fax Investments Inc. ("Fax Investments"), a wholly-owned subsidiary of Federated Capital (together with Federated Capital, the "Purchaser"), pursuant to which the Purchaser has agreed to acquire, indirectly through an acquisition company, all of the Company's outstanding subordinated voting shares (the "Subordinate Voting Shares") not currently owned by the Purchaser or Blair Driscoll, the Company's Chief Executive Officer (together, the "Continuing Shareholders"), by way of a court-approved plan of arrangement under the Canada Business Corporations Act (the "Transaction"). As at May 2, 2022, the Continuing Shareholders own or control, directly or indirectly, an aggregate of 609,247 subordinate voting shares, representing 3.92% of the Company's issued and outstanding subordinate voting shares and the Purchaser owns 26,971,411 of the Company's outstanding multiple voting shares, representing 100% of the Company's issued and outstanding multiple voting shares.

In accordance with the terms of the Arrangement Agreement, the holders of the Subordinated Voting Shares will receive cash consideration of $5.18 per Subordinate Voting Share, representing a premium of approximately 53.7% to the closing price on the Toronto Stock Exchange (the "TSX") of $3.37 per Subordinate Voting Share on April 29, 2022, the last trading day prior to the announcement of the Transaction, and a premium of approximately 47.7% to the 20-day volume weighted average trading price per Subordinate Voting Share on the TSX of $3.51 as at that date.

The Company's board of directors (the "Board"), with certain directors declaring their conflicts of interest and abstaining from voting, unanimously approved the Arrangement Agreement following receipt of the unanimous recommendation of a special committee made up solely of independent directors (the "Special Committee"), appointed by the Board to, among other matters, consider strategic alternatives for the Company, including reviewing and considering the Transaction and providing the Board with advice and recommendations with respect to the Transaction. As such, the Board intends to unanimously, with certain interested directors abstaining from voting, recommend that holders of Subordinate Voting Shares vote in favour of the Transaction. The Company intends to hold an Annual General and Special Meeting in June 2022 (the "Shareholders' Meeting"), where the Transaction will be considered and voted upon by shareholders of record. Assuming the timely receipt of all required approvals, the Transaction is expected to close early in the third quarter of 2022.

In connection with their review and consideration of the Transaction, the Special Committee engaged Scotia Capital Inc. ("Scotiabank") as its independent valuator and exclusive financial advisor in respect of the Transaction.

Scotiabank prepared a formal valuation, in accordance with Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions (“MI 61-101”), opining that, as of April 29, 2022 and subject to the assumptions, limitations and qualifications contained in Scotiabank’s formal valuation presentation to the Special Committee, the fair market value of the Subordinate Voting Shares ranged between $4.25 and $5.25 per Subordinate Voting Share. In addition, Scotiabank provided an opinion to the Special Committee that, subject to the assumptions, limitations and qualifications set out in its presentation to the Special Committee, the consideration to be received by the holders of Subordinate Voting Shares (other than the Continuing Shareholders) pursuant to the Transaction is fair, from a financial point of view, to such shareholders.

The Transaction is to be completed by way of a plan of arrangement under the Canada Business Corporations Act and will constitute a “business combination” for purposes of MI 61-101. The Transaction is subject to approval at the Shareholders’ Meeting by: (i) at least two-thirds of the votes cast by shareholders (voting together as a single class, with each holder of Subordinate Voting Shares being entitled to one vote per share and each holder of the Multiple Voting Shares being entitled to ten votes per share); and (ii) a simple majority of the votes cast by holders of Subordinate Voting Shares (excluding the Subordinate Voting Shares held by the Continuing Shareholders and any other shares required to be excluded pursuant to MI 61-101). In addition, completion of the Transaction is subject to other customary conditions, including receipt of court approval and approval from the TSX. The Transaction is not subject to a financing condition.

The Arrangement Agreement includes customary non-solicitation provisions, which are subject to customary "fiduciary out" provisions that entitle the Company to terminate the Arrangement Agreement and accept a superior proposal if the Purchaser does not match the superior proposal. Each party has agreed to pay the other’s transaction expenses upon the termination of the Arrangement Agreement in certain circumstances, as set out in the Arrangement Agreement.

Each of the directors and executive officers of the Company have agreed to vote in favor of the Transaction pursuant to voting and support agreements.

Further information regarding the Transaction, the Arrangement Agreement and the Shareholders’ Meeting, including a copy of Scotiabank’s formal valuation and fairness opinion, will be included in the management information circular expected to be mailed to holders of Subordinate Voting Shares of record in early June 2022. A copy of the Arrangement Agreement is currently available on SEDAR and the proxy materials in respect of the Shareholders’ Meeting will be available on SEDAR at www.sedar.com in due course.

BUSINESS PROFILE

FAX Capital Corp. is an investment holding company. The Company invests in equity, debt and/or hybrid securities of high-quality public and private businesses, with a goal of building long-term wealth for shareholders. Our subordinate voting shares trade on the TSX under the symbol “FXC”. The Company’s multiple voting shares are not listed on any exchange. As used herein, the term “shares” or “common shares” refers collectively to both the Company’s multiple voting shares and subordinate voting shares.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute “forward-looking statements” within the meaning of applicable securities laws. Forward-looking statements may relate to the Company’s future outlook and anticipated events or results and may include statements regarding the financial position, business strategy, growth strategy, budgets, operations, financial results, taxes, dividends, plans and objectives of the Company. Particularly, statements regarding future results, performance, achievements, prospects or opportunities of the Company are forward-looking statements. In some cases, forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate” or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, “will” or “will be taken”, “occur” or “be achieved”. Forward-looking information in this MD&A includes, but is not limited to, statements with respect to: the Company’s investment approach, objectives and strategy, including investment selection; the structuring of its investments; its plans to manage its investments; and the Company’s financial performance.

Forward-looking statements are based on the opinions and estimates of the Company as of the date of this MD&A, and they are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements, including but not limited to the following factors described in greater detail in “*Risk and Uncertainties*”: potential lack of investment diversification; pace of completing investments; financial market fluctuations and deterioration of political conditions; key employees; reliance on the performance of underlying assets; investments in private issuers; illiquid assets; competitive market for investment opportunities; competition and technology risks; credit risk; tax risks; regulatory changes and foreign security risk. Additional risks and uncertainties are described in the Company’s Annual Information Form dated March 29, 2022, which is available at www.sedar.com and on the Company’s website at www.faxcapitalcorp.com.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements, particularly in light of recent geopolitical events, including, the continuing global COVID-19 pandemic and the resulting social and humanitarian impact, Russia’s invasion of Ukraine, rising oil prices and related international tensions which may create further uncertainty and risk with respect to the Company’s operations and its portfolio companies. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements contained herein, except as required by applicable securities laws. New factors emerge from time to time, and it is not possible for the Company to predict all of these factors or to assess in advance the impact of each such factor on the Company’s business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

USE OF NON-IFRS FINANCIAL MEASURES

This MD&A makes reference to the following financial measure which is not recognized under International Financial Reporting Standards (IFRS) and which does not have a standard meaning prescribed by IFRS: “book value per share”.

The Company’s book value per share is a measure of the performance of the Company as a whole. Book value per share is measured by dividing shareholders’ equity of the Company at the date of the statement of financial position by the number of shares outstanding at that date.

The Company’s method of determining this financial measure may differ from other companies’ methods and, accordingly, these amounts may not be comparable to measures used by other companies. This financial measure is not a performance measure as defined under IFRS and should not be considered either in isolation of, or as a substitute for, net earnings prepared in accordance with IFRS.

DEVELOPMENT OF THE BUSINESS

On November 21, 2019, the Company closed a public offering (the "Offering") of units of the Company ("Units"). Each Unit consisted of one subordinate voting share of the Company and one subordinate voting share purchase warrant (a "Founder Warrant"). An aggregate of 15,560,000 Units were issued by the Company at the offering price of $4.50 per Unit for aggregate gross proceeds of $70.0 million. Also on November 21, 2019, the Company closed the purchase by Fax Investments, on a private placement basis, of 26,671,110 multiple voting shares for aggregate gross proceeds of $120.0 million. Fax Investments did not receive any Founder Warrants as part of its subscription for multiple voting shares. The aggregate gross proceeds of the Offering and the private placement (collectively, the "Offerings") was $190.0 million. The Founder Warrants expired on November 22, 2021, in accordance with their terms, and were delisted from the TSX.

STRATEGY OVERVIEW

The following description is an overview of the Company's investment strategy:

- We intend to invest in approximately 10 to 15 high-quality small cap public and private businesses located primarily in Canada and, to a lesser extent, the United States.
- We anticipate taking meaningful and influential stakes in carefully selected public companies that have the potential to significantly improve the fundamental value of their business over the long-term. We target small cap businesses with a market capitalization of between $15 million and $1.5 billion.
- We anticipate taking meaningful positions or control of select private company investments, where we will seek to enhance returns and provide our shareholders with a unique opportunity to obtain exposure to high-quality private businesses with enterprise values in the range of $15 million to $250 million.
- Our ownership position in a portfolio company may range from a minority ownership position to a significant influence position including, in some instances, control.
- We intend to use our ownership position to support our portfolio company's growth and development through active ownership. The support we extend to our portfolio companies may be provided by way of board representation, board observer rights, strategic, financial, governance and capital market support.
- We are long-term investors in businesses and operate with a permanent capital base which enables us to provide long-term stable capital to our portfolio companies, and to remain patient to maximize the power of compounding.

INVESTMENT RESTRICTIONS

On May 19, 2021, at the Company's annual general and special meeting of shareholders, the shareholders confirmed a further amendment and restatement of the Company's Amended and Restated By-Law No. 2019-3 (the "A&R Voluntary Measures By-Law") in order to remove the Investment Concentration Restriction (as defined below). Prior to such date, the Company's portfolio investments were subject to a concentration restriction which prohibited the Company from making an investment if, after giving effect to such investment, such investment would exceed twenty percent (20%) of the Company's total assets; provided, however, that the Company would nonetheless be permitted to complete up to two portfolio investments where, after giving effect to each such investment, the total amount of each such investment would be equal to no more than twenty-five percent (25%) of the Company's total assets (the "Investment Concentration Restriction"). Additionally, effective on April 6, 2021, the Company will no longer be adhering to the original stated investment allocation objective of investing between 60-80% of the net proceeds of the Offerings in public investments, with the remainder invested in private investments. The Company, however, is committed to invest at least 75% of the net proceeds of the Offerings on or before November 21, 2022, except where the Board determines, acting reasonably and in good faith, that satisfying such commitment would result in a breach of the Board’s fiduciary duties under applicable corporate law. Pending deployment of investment into portfolio companies, the Company will invest the net proceeds of the Offerings in liquid and low risk securities.

COVID-19 Pandemic

COVID-19 was declared a pandemic by the World Health Organization in early 2020. While some regions of the world have started to roll back the emergency measures they enacted to combat the spread of COVID-19, the overall impact of the COVID-19 pandemic is still uncertain and dependent on the progression of the virus and on actions taken by governments, businesses and individuals, which could vary by country and result in differing outcomes. While the deterioration in economic conditions and reduction in valuations for some businesses may result in acquisition opportunities for the Company, COVID-19 may present challenges for its investee companies and may make it more difficult for the Company to deploy capital and complete investments. Further challenges could include delayed due diligence on target companies due to international or domestic travel restrictions or obtaining onsite access to target companies’ facilities or physical books and records due to lockdown measures. Additionally, any target business that the Company identifies that has been required to reduce or suspend business operations for a period of time due to COVID-19 may be subject to increased business, employment, operating and financial risks. In particular, the business of Points.com Inc., one of the Company’s investee companies, is predominantly dependent on the sale or redemption of loyalty currency associated with travel related loyalty programs. As the COVID-19 pandemic has had a significant adverse impact on the demand and availability of air travel and hospitality services, the value and overall popularity of their loyalty programs may decline significantly or suffer long-term, which could materially impact the value of the Company’s investment.

The COVID-19 pandemic has also led to higher valuations for certain businesses that have shown to be resilient to the above-mentioned impacts of COVID-19 or which, in some cases, have benefited from the COVID-19 pandemic. To the extent that the Company seeks to make investments in these businesses, it may be required to pay a higher purchase price or may face increased competition from other investors looking to acquire such businesses.

To the extent the COVID-19 pandemic adversely impacts the Company’s and its investee companies’ business, results of operations and financial condition, it may also have the effect of heightening many of the other risks described or referenced in this document or in the Company’s most recent Annual Information Form.

The distribution of vaccines has resulted in the easing of restrictions in many economies and contributed to strong gains in certain economic sectors during 2021. However, there is uncertainty regarding the effectiveness of vaccines against new variants of the virus as well as worldwide accessibility to vaccines, and this contributes towards uncertainty of the timing of a full economic recovery. As a result, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

COVID-19 has the current and ongoing potential to expose the Company to a number of risks inherent in our business activities. These include: pace of completing investments, financial market fluctuations and deterioration of political and economic conditions, and competitive market for investment opportunities. These risks are discussed in further detail in the Company’s most recent Annual Information Form, dated March 29, 2022, which is available on www.sedar.com and on the Company’s website at www.faxcapitalcorp.com.

SUMMARY OF INVESTMENT PORTFOLIO

The Company held the following investments as at March 31, 2022 and December 31, 2021:

Table 1: Schedule of Investment Portfolio as at March 31, 2022

($ thousands) **Description**	**Number of securities**	**Cost**	**Fair Value**	**Net Change**	**% of Portfolio Fair Value**
Public company investments					
Information Services Corporation	1,074,967	16,317	26,713	10,396	12.2%
Hamilton Thorne Ltd.	17,649,200	21,853	33,710	11,857	15.4%
Points.com Inc.	1,032,155	20,066	23,708	3,642	10.8%
Quisitive Technology Solutions Inc.	21,000,000	27,000	20,580	(6,420)	9.4%
BioSyent Inc.	2,121,100	15,348	19,281	3,933	8.8%
Tecsys Inc.	331,000	13,023	10,579	(2,444)	4.8%
		113,607	134,571	20,964	61.6%
Private company investments					
Carson, Dunlop & Associates Ltd. (i)		12,884	13,400	516	6.1%
		126,491	147,971	21,480	67.7%
Cash and cash equivalents		54,754	54,754	-	25.0%
Notes receivable		15,900	15,900	-	7.3%
		197,145	**218,625**	**21,480**	**100.0%**

(i) The Company's investment in Carson, Dunlop & Associates Ltd. is held in its majority owned subsidiary 2794677 Ontario Corp.

Table 2: Schedule of Investment Portfolio as at December 31, 2021

($ thousands) **Description**	**Number of securities**	**Cost**	**Fair Value**	**Net Change**	**% of Portfolio Fair Value**
Public company investments					
Information Services Corporation	1,074,967	16,317	27,186	10,869	12.0%
Hamilton Thorne Ltd.	17,649,200	21,853	36,357	14,504	16.0%
Points.com Inc.	1,032,155	20,066	19,931	(135)	8.8%
Quisitive Technology Solutions Inc. (i)	21,000,000	27,000	24,214	(2,786)	10.6%
BioSyent Inc.	2,121,100	15,348	17,520	2,172	7.7%
Avante Logixx Inc.	2,000,000	3,500	2,980	(520)	1.3%
Tecsys Inc.	186,000	7,636	9,786	2,150	4.3%
		111,719	137,974	26,255	60.7%
Private company investments					
Carson, Dunlop & Associates Ltd. (ii)		12,884	13,400	516	5.9%
		124,603	151,374	26,771	66.5%
Cash and cash equivalents		76,087	76,087	-	33.5%
		200,690	**227,461**	**26,771**	**100.0%**

(i) Includes 16,000,000 common shares purchased under a private placement arrangement that are subject to a 12 month hold period from the transaction close date of March 22, 2021, and 1,666,667 common shares that are subject to a four month old period from the cose date of November 10, 2021.
(ii) The Company's investment in Carson, Dunlop & Associates Ltd. is held in its majority owned subsidiary 2794677 Ontario Corp.

A summary of changes in the fair value of the Company's investment portfolio for the three months ended March 31, 2022 and 2021 is as follows:

Table 3: Summary of Changes in the Company's Investment Portfolio for the three months ended March 31, 2022

($ thousands)	Balance as of Jan. 1, 2022	Purchases	Sales	Realized gains (losses) on sale of investments	Net change in unrealized gains (losses) on investments	Balance as of Mar. 31, 2022
Public company investments						
Information Services Corporation	27,186	-	-	-	(473)	26,713
Hamilton Thorne Ltd.	36,357	-	-	-	(2,647)	33,710
Points.com Inc.	19,931	-	-	-	3,778	23,709
Quisitive Technology Solutions Inc.	24,214	-	-	-	(3,634)	20,580
BioSyent Inc.	17,520	-	-	-	1,761	19,281
Avante Logixx Inc.	2,980	-	2,715	(785)	520	-
Tecsys Inc.	9,786	5,387	-	-	(4,594)	10,579
Private company investments						
Carson, Dunlop & Associates Ltd. (i)	13,400	-	-	-	-	13,400
Total investments	151,374	5,387	2,715	(785)	(5,291)	147,971

(i) The Company's investment in Carson, Dunlop & Associates Ltd. is held in its majority owned subsidiary 2794677 Ontario Corp.

Table 4: Summary of Changes in the Company's Investment Portfolio for the three months ended March 31, 2021

($ thousands)	Balance as of Jan. 1, 2021	Purchases	Sales	Realized gains (losses) on sale of investments	Net change in unrealized gains (losses) on investments	Balance as of Mar. 31, 2021
Public company investments						
Information Services Corporation	20,688	785	-	-	4,961	26,434
Hamilton Thorne Ltd.	22,259	-	-	-	5,565	27,824
Points.com Inc.	18,234	1,001	-	-	375	19,611
People Corporation	27,391	-	27,700	13,538	(13,229)	-
Quisitive Technology Solutions Inc.	-	20,000	-	-	2,926	22,926
BioSyent Inc.	7,185	2,291	-	-	(332)	9,144
Tecsys Inc.	3,069	-	3,881	1,965	(1,153)	-
Private company investments						
Carson, Dunlop & Associates Ltd. (i)	-	13,384	-	-	-	13,384
Total investments	98,826	37,460	31,581	15,503	(886)	119,322

(i) The Company's investment in Carson, Dunlop & Associates Ltd. is held in its majority owned subsidiary 2794677 Ontario Corp.

UPDATE ON INVESTMENT POSITIONS

PUBLIC COMPANY INVESTMENTS

Information Services Corporation

Business Overview

Information Services Corporation ("ISC") is a leading provider of registry and information management services and technology for public data and records. The company is headquartered in Saskatchewan, Canada. ISC was formed as a Saskatchewan-based crown corporation in January 2000 and was privatized through an initial public offering in May 2013, when the provincial government sold 69% of the company to public shareholders. ISC is listed on the TSX under the symbol "ISV".

ISC operates the following three reportable segments:

Registry Operations: ISC's Registry Operations delivers registry and information services on behalf of governments and private sector organizations. Most significantly, ISC operates the province of Saskatchewan's land, property, and corporate registry under an exclusive 20-year Master Service Agreement, expiring in 2033. Revenue is earned through fees charged to governments and private sector organizations for accessing registration, search, maintenance, and other ancillary services.

Services: ISC's Services segment delivers solutions uniting public records data, customer authentication, corporate services, collateral management and asset recovery to support registration, due diligence and lending practices of clients across Canada. ISC's offerings are generally categorized into three divisions, namely Corporate Solutions, Regulatory Solutions, and Recovery Solutions.

Technology Solutions: ISC provides the development, delivery, and support of registry (and related) technology solutions. Revenue is generated through the sale of software licenses related to the technology platform, the provision of technology solution definition and implementation services and the provision of monthly hosting, support and maintenance services.

Additional information about the company, including the impacts of the COVID-19 pandemic on its business performance, can be found on ISC's website at www.isc.ca.

Transaction Description

The Company's Investment Committee approved the investment in ISC in January 2020 and the Company began accumulating its targeted position shortly thereafter. As at March 31, 2022, the Company owned 1,074,967 common shares in ISC, representing a 6.1% equity ownership interest in the company. The fair value of the Company's investment in ISC as at March 31, 2022 was $26.7 million, resulting in an unrealized gain of $10.4 million.

Hamilton Thorne Ltd.

Business Overview

Hamilton Thorne Ltd. ("Hamilton Thorne") is a global provider of laboratory instruments, consumables, software and services to the assisted reproductive technology ("ART"), research, and cell biology markets. The company develops, manufactures and markets products and delivers services that are sold under its own brand names, as well as provides an array of third-party equipment and consumables to meet customer requirements. Hamilton Thorne is listed on the TSX Venture Exchange (the "TSXV") under the trading symbol "HTL".

Hamilton Thorne's proprietary instrument, equipment and software product lines include precision laser devices, imaging systems, incubators, laminar flow workstations, air purification systems, control rate freezers, lab monitoring systems and micromanipulation systems. Its laser products attach to standard inverted microscopes and operate as micro-surgical devices, enabling a wide array of scientific applications and In Vitro Fertilization ("IVF") procedures. Hamilton Thorne's image analysis systems are designed to bring quality, efficiency and reliability to studies of reproductive cells in the human fertility, animal sciences, and reproductive toxicology fields. The company's incubators and workstations improve outcomes through controlling temperature, air flow, humidity, and air quality. Its air filtration products improve air quality in the laboratory. Hamilton Thorne's micromanipulation system is targeted to assist the embryologist in performing critical procedures in the IVF lab with a high level of precision and reliability.

Hamilton Thorne's branded consumables and services cover a wide range of customer needs. Its GM501 family of products provides the IVF lab with a comprehensive cell culture media solution, including oocyte handling, sperm processing, embryo culture, and cryopreservation. Its line of glass micropipettes complements its micromanipulator system. The company's quality control assays are used in IVF labs for testing equipment and materials' toxicity to ensure the safest environment for successful embryo development. Its services cover a broad range of user needs, ranging from equipment service contract and maintenance programs; quality control testing services to manufacturers of medical devices, culture media and consumables used in IVF labs; and laboratory design and installation services.

The third-party products that Hamilton Thorne distributes cover a wide range of specialized equipment, software, accessories and consumables utilized by its IVF clinic, animal breeding, research, and cell biology customers, including microscopes, workstations, vitrification products, dishes and slides.

Hamilton Thorne sells its products and services through a growing direct sales force based in the US, Germany, France, the UK, Denmark, and Australia, and through distributors, to well over 1,500 fertility clinics, hospitals, pharmaceutical companies, biotechnology companies, educational institutions and other commercial and academic research establishments in over 75 countries. The clinical products that Hamilton Thorne markets are generally cleared for sale in the US, Europe (and other territories accepting a CE Mark), China, and Canada as well as a number of other markets.

In order to increase the size and scale of its business, broaden its offerings of products and services, and positively affect its quality of revenue, Hamilton Thorne have augmented organic growth and R&D initiatives through the strategic acquisition of both operating companies and established product lines. From 2015 to 2019, Hamilton Thorne completed five acquisitions. These acquisitions have expanded and diversified the range of proprietary products in its portfolio, significantly increased its service and consumables revenues, and added direct sales territories.

In April 2021 Hamilton Thorne acquired Tek-Event Pty. Ltd., the manufacturer of the Cell-Tek Microscope Chamber, a specialized workstation that is used in ART and laboratory markets worldwide with direct sales operations in Australia. In July 2021 Hamilton Thorne acquired IVFtech ApS, which manufactures laminar flow workstations for controlling temperature, air flow, and air quality in ART and laboratory markets worldwide, as well as flatbed incubators and a number of accessory and related products. The company also acquired IVFtech's affiliated direct sales business, K4 Technology ApS. These most recent acquisitions added a number of high-quality product lines with significant growth potential to its product portfolio and established a direct sales presence for the entire

Hamilton Thorne product range in Australia and the Nordics region of Denmark, Sweden, Norway, Finland and Iceland.

Hamilton Thorne is headquartered in Beverly, Massachusetts. The company has production, sales and/or laboratory facilities in the US, Germany, England, Denmark, and Australia and sales/support personnel in France, Singapore, and Malaysia. The company's operations are conducted by its wholly owned subsidiaries, Hamilton Thorne, Inc. and Embryotech Laboratories Inc., each a Delaware corporation, Gynemed & Co. GmbH KG, a German Limited Partnership, Planer Limited, a UK limited company, Tek-Event Pty. Ltd, an Australian limited company, and IVFtech ApS and K4 Technology ApS, each a Danish company.

On January 19, 2021, Marc Robinson, the Company's Managing Director, Investments, was appointed to the board of directors of Hamilton Thorne.

Additional information about the company, including the impacts of the COVID-19 pandemic on its business performance, can be found on Hamilton Thorne's website at www.hamiltonthorne.com.

Transaction Description

The Company's Investment Committee approved the investment in Hamilton Thorne in February 2020 and the Company began accumulating its targeted position shortly thereafter. As at March 31, 2022, the Company owned 17,649,200 common shares in Hamilton Thorne, representing a 12.4% equity ownership interest in the company. The fair value of the Company's investment in Hamilton Thorne as at March 31, 2022 was $33.7 million, resulting in an unrealized gain of $11.9 million.

Points.com Inc.

Business Overview

Points.com Inc. ("Points") is a global leader in providing technology solutions to the loyalty industry on one unified operating platform. Points operates a portfolio of white-labelled services that facilitate the accrual or redemption of loyalty program currency (points or miles) for loyalty programs worldwide. Accrual transactions are typically focused on generating revenue for its loyalty program partners while redemption transactions are focused on offering additional engagement options for program members that are cost effective for the loyalty program.

Points' services benefit loyalty programs in the following ways: (1) driving high margin ancillary revenues through the sale of loyalty program currency, such as frequent flyer miles or hotel points, to end consumers or third parties; (2) providing efficient liability management to loyalty program operators by offering a wide range of non-core redemption options; and (3) enhancing loyalty program member engagement.

All of the company's services are operated off a single unified operating platform called the Loyalty Commerce Platform ("LCP"). The LCP provides broad access to loyalty transaction capabilities, program integration, offers and automated marketing, reporting and analytics, enterprise-grade security, and real-time fraud services. Points has direct, real-time integrations into its partners' loyalty program databases that allow for member validation, information sharing, as well as the debit and/or credit of miles/points.

Points is a trusted partner to the world's leading loyalty programs, with approximately 60 commercial agreements or integrations with loyalty programs globally, including Southwest Airlines' Rapid Rewards, Marriott Bonvoy, Chase Ultimate Rewards, and the Emirates Skywards program. Most of its commercial contracts enable it to transact directly or indirectly with the loyalty programs' member base to facilitate the sale, redemption or earning of loyalty currency online. Over 99% of Points revenue is transaction based, which consists of a margin, commission or transaction fee that it earns on the loyalty currency and transactions it processes.

The company is headquartered in Toronto and maintains offices in San Francisco, London England, Singapore and Dubai. The company's shares are listed on both the TSX under the trading symbol "PTS" and on the NASDAQ Capital Market under the trading symbol "PCOM".

Additional information about the company, including the impacts of the COVID-19 pandemic on its business performance, can be found on Points' website at www.points.com.

Transaction Description

The Company's Investment Committee approved the investment in Points in February 2020 and the Company began accumulating its targeted position shortly thereafter. As at March 31, 2022, the Company owned 1,032,155 common shares in Points, representing a 6.9% equity ownership interest in the company. The fair value of the Company's investment in Points as at March 31, 2022 was $23.7 million, resulting in an unrealized gain of $3.6 million.

Quisitive Technology Solutions Inc.

Business Overview

Quisitive Technology Solutions Inc. ("Quisitive") was established as a strategic Microsoft National Solution Provider in the U.S. and has grown its position to a premier global Microsoft partner that harnesses Microsoft cloud platforms and complementary technologies, including custom solutions and first-party offerings, to generate transformational impact for enterprise customers. Quisitive has two operating segments, Cloud Solutions and Payment Solutions. The company's shares are listed on the TSXV under the trading symbol "QUIS".

Quisitive's Cloud Solutions segment is a full-service digital technology consulting firm whose mission is to acquire and integrate companies to become the leading provider of Microsoft professional services in North America. The company is a premier, global Microsoft partner that harnesses the Microsoft platform and complementary technologies, including custom solutions and first-party offerings, to generate meaningful impact for enterprise customers. The company's cloud solutions segment encompasses infrastructure, data and analytics, digital workplace, and application development services that apply the benefits of technology to empower enterprise customers.

As a complement to its cloud services and applications, the company also develops both horizontal and industry-focused first-party business applications, including emPerform, MazikCare, MazikThings, and MazikCity to better serve its customers and their business goals. The company's industry expertise spans healthcare, manufacturing, and public sector to address technology opportunities and challenges within these industries by combining seasoned subject matter expertise with robust IP solutions to generate significant transformation for customers.

As a digital technology consulting company, Quisitive is strategically positioned to help companies through their digital transformation journey. The foundation of the company's approach, and the principal products and services the company delivers, are guided by its focused mission and strategy.

Quisitive's Payment Solutions segment is comprised of two key business units: merchant services and payment processing. The payment processing business unit is comprised of the LedgerPay platform which is an innovative cloud-based payment processing and payments intelligence and data insights solution designed to optimize a merchant's payment processing and consumer engagement operations. LedgerPay is a scalable service and the only payment processing platform solution leveraging the Microsoft Azure cloud to deliver a full suite of acquiring, issuing, and processing services with unmatched speed, security, and access to customer's data. Quisitive's payments solutions segment provides payment processing services to both merchants and independent sales organizations (ISOs). The company's flagship product platform, LedgerPay, is a cloud-based data insights and payments intelligence suite that turns everyday transaction data into customer loyalty for merchants.

LedgerPay expects to generate revenue through payment processing, consumer data, consumer engagement and consumer activation transaction fees. LedgerPay's payments intelligence solution captures and analyzes rich data from every card-based transaction. Its engagement engine transforms the merchant's ability to deliver personalized promotions based on an individual's historic buying behaviors and category preferences to shoppers at the point of purchase in real-time. By seamlessly integrating payments, AI-based predictive analytics, and targeted push marketing operations in a single cloud-based solution, LedgerPay's payments intelligence service will have the potential to dramatically increase a merchant's customer engagement, loyalty, and revenue.

Quisitive's acquisition of Bankcard on May 7, 2021 brought an established all-in-one merchant payment services provider to the merchant services segment with over US$3.0 billion of payment volume. BankCard has a seasoned payments industry management team, strong in-house sales team, deep risk management program and attractive recurring revenue model with card-not present volume representing approximately 70%. Quisitive's acquisition of BankCard is expected to serve as a growth catalyst for the company's LedgerPay payment processing with a focused strategy on migrating BankCard merchants to LedgerPay Payment Processing.

Additional information about the company, including the impacts of the COVID-19 pandemic on its business performance, can be found on Quisitive's website at www.quisitive.com.

Transaction Description

The Company's Investment Committee approved the investment in Quisitive on March 3, 2021. On March 8, 2021, the Company entered into a binding agreement with Quisitive to purchase, on a non-brokered private placement basis, 16,000,000 common shares of Quisitive from treasury at a price of $1.25 per common share for an aggregate subscription amount of $20,000,000.

In conjunction with closing the private placement, the Company entered into an Investor Rights Agreement, which provided, among other things, a right for the Company to nominate one member to the board of directors of Quisitive, a pre-emptive right to participate in future offerings of securities of the company and requires the Company not to sell the common shares acquired through the private placement for 12 months following the closing of the private placement. In connection with the private placement, the Company received a capital commitment fee payment from Quisitive equal to 3.5% of the aggregate subscription amount. Both the Investor Rights Agreement and Registration Rights Agreement are available under Quisitive's profile on www.sedar.com.

On April 8, 2021, the Company completed the purchase of 3,333,333 subscription receipts of Quisitive on a private placement basis for consideration of $5.0 million. On May 7, 2021, the subscription receipts were converted to 3,333,333 common shares of Quisitive. In connection with this private placement, the Company received a capital commitment fee payment from Quisitive equal to 3.5% of the aggregate subscription amount.

On June 28, 2021, Quisitive announced that Laurie Goldberg, the Company's nominee under the Investor Rights Agreement, was elected to its board of directors.

On November 10, 2021, the Company completed the purchase of 1,666,667 common shares of Quisitive on a private placement basis for consideration of $2.0 million.

At March 31, 2022, the Company owned 21,000,000 common shares of Quisitive, representing a 5.9% equity ownership interest in the company. The fair value of the Company's investment in Quisitive at March 31, 2022 was $20.6 million, resulting in an unrealized loss of $6.4 million.

BioSyent Inc.

Business Overview

BioSyent Inc. ("BioSyent") is a publicly traded specialty pharmaceutical company which, through its wholly owned subsidiaries, BioSyent Pharma Inc. and BioSyent Pharma International Inc., sources, acquires or in-licences and further develops pharmaceutical and other healthcare products for sale in Canada and certain international markets. The head office of BioSyent is in Mississauga, Ontario. BioSyent is listed on the TSX under the symbol "RX".

BioSyent's vision is to be the leading independent Canadian provider of innovative healthcare products. BioSyent is focused on innovative products that are sourced through international partnerships. These products are unique due to manufacturing complexities, novel technologies, therapeutic advantages and/or strong, defendable intellectual property rights. The company's strategy allows it to commercialize these products as brands acquired or licensed to it by partners. The company intends for its products to be differentiated and to improve patient lives. BioSyent works with, and supports, healthcare practitioners in achieving this objective.

BioSyent has developed sourcing arrangements with partners from around the world. The company has a flexible format for such arrangements. The company generally seeks long-term buy-sell agreements or in-licensing arrangements with or without royalties or payments linked to milestone events such as regulatory approvals or reimbursement by formularies. BioSyent exercises diligence when sourcing new products. Some of the steps in this process involve financial modeling, comparison against investment criteria benchmarks and financial metrics, reviewing market data and market trends, interviewing key healthcare practitioners or medical advisory boards and obtaining opinions on reimbursement possibilities with payers. Once the company has decided to proceed with a new product opportunity, it acquires or licenses exclusive Canadian and/or international market rights to that product. After the acquisition or in-licensing of the product, the company manages the product through the regulatory and product registration process and, once approved, commercializes the product in Canada and/or international markets.

Additional information about the company, including the impacts of the COVID-19 pandemic on its business performance, can be found on BioSyent's website at www.biosyent.com.

Transaction Description

The Company's Investment Committee approved the investment in BioSyent in July 2020. At March 31, 2022, the Company owned 2,121,100 common shares of BioSyent, representing a 16.6% equity ownership interest in the company. The fair value of the Company's investment in BioSyent at March 31, 2022 was $19.3 million, resulting in an unrealized gain of $3.9 million.

Tecsys Inc.

Business Overview

Tecsys Inc.'s ("Tecsys") principal business activity is the development, marketing and sale of enterprise-wide supply chain management software for distribution, warehousing, transportation logistics, point-of-use and order management. Tecsys' head office is in Montréal, Quebec, and it derives substantially all of its revenue from customers located in the United States, Canada and Europe. Tecsys is listed on the TSX under the symbol "TCS".

Tecsys is a global provider of SaaS supply chain solutions that equip the borderless enterprise for growth. Spanning multiple complex, regulated and high-volume distribution industries, Tecsys delivers dynamic and powerful solutions for warehouse management, distribution and transportation management, supply management at point of use, retail order management, as well as financial management and analytics solutions.

Customers around the world trust their supply chains to Tecsys in the healthcare, service parts, third-party logistics, retail and general wholesale high-volume distribution industries. Tecsys is the market leader in North America for supply chain solutions for health systems and hospitals.

Tecsys has five principal sources of revenue:

- software as a service (SaaS) subscription which represent the right to access its software platform in a hosted and managed environment for a period of time; these subscriptions are typically sold in three to five year term agreements with auto-renewal provisions;
- maintenance and support services sold with perpetual licenses and hardware maintenance services; these services are typically sold in annual agreements with auto-renewal provisions;
- professional services, including implementation, consulting and training services provided to customers as well as reimbursable expenses;
- license revenue on internally developed products and proprietary software as well as third-party software; and
- hardware revenue on third-party hardware products and proprietary technology products.

Starting in 2019, Tecsys shifted its business model and began selling its solutions primarily on a SaaS subscription basis. As such, Tecsys expects SaaS revenue to continue to grow over time. Revenue from maintenance and support services relate in a large part to its prior business model of selling perpetual licenses with attached maintenance and support fees. Tecsys expects maintenance and support services revenue to generally decline over time as new customers acquire SaaS subscriptions and existing customers eventually migrate to SaaS.

Additional information about the company, including the impacts of the COVID-19 pandemic on its business performance, can be found on Tecsys' website at www.tecsys.com.

Transaction Description

The Company made its initial investment in Tecsys in October 2020. As at December 31, 2020, the Company had acquired 61,600 common shares of Tecsys for total consideration of $1.9 million. By February 2021, Tecsys' share price had increased substantially above its average cost per share and, as such, the Company's Investment Committee approved the divesture of this investment. At that time, the Company recognized a realized gain of $2.0 million on its investment of $1.9 million.

The Company's Investment Committee approved its current investment in Tecsys in May 2021. At March 31, 2022, the Company owned 331,000 common shares of Tecsys, representing a 2.3% equity ownership interest in the company. The fair value of the Company's investment in Tecsys at March 31, 2022 was $10.6 million, resulting in an unrealized loss of $2.4 million.

Subsequent to March 31, 2022, the Company acquired an additional 193,400 common shares of Tecsys for consideration of $5.0 million, bringing its share ownership to 524,400 common shares.

PUBLIC COMPANY INVESTMENT MONETIZED DURING THE PERIOD

During the three month period ended March 31, 2022, the Company monetized its investment in Avante Logixx Inc. ("Avante"), a company listed on the TSX under the trading symbol "XX", resulting in the recognition of a realized loss of $784.9 thousand on its investment of $3.5 million in this company.

PRIVATE COMPANY INVESTMENTS

Carson, Dunlop & Associates Ltd.

Business Overview

Carson, Dunlop & Associates Ltd. ("Carson Dunlop") is a leading provider of proprietary technology-enabled education services and software for home inspectors across Canada and the United States, as well as a leading provider of home inspections services in the Greater Toronto Area. Carson Dunlop's direct to consumer online education business through their private career college is the market share leader in Canada with a growing presence in the United States, and its curriculum is also utilized by third-party colleges and associations. Its home inspection software tools and mobile app, provided on a credit and subscription basis, are used to generate home inspections in over 220,000 homes annually across the United States and Canada. The company was founded in 1978 and is headquartered in Toronto.

Alan Carson, the co-founder of Carson Dunlop and owner, remains the Chief Executive Officer of Carson Dunlop and a significant shareholder of Carson Dunlop, with an approximate 22% ownership as at March 31, 2022.

On March 23, 2021, Graham Badun was appointed as Chief Executive Officer of 2794677 Ontario Corp. and President of Carson Dunlop. 2794677 Ontario Corp. is a new platform company controlled by the Company, which holds Carson Dunlop as its foundational asset, focused on organic growth initiatives and acquisitions of complementary businesses within property technology, education technology and home services. Mr. Badun also serves as a director of both companies.

Additional information about Carson Dunlop can be found on its website at www.carsondunlop.com.

Transaction Description

On March 23, 2021, the Company, through its subsidiary 2794677 Ontario Corp., completed the acquisition of an approximate 78% controlling interest in Carson Dunlop. The Company invested $11,750,000, plus a working capital adjustment of $1,633,819, for approximately 78% of Carson Dunlop, representing a total enterprise value of $15 million. To fund the acquisition, 2794677 Ontario Corp. issued 12,883,819 new Class A common shares to the Company for proceeds of $12,883,819 and the Company provided 2794677 Ontario Corp. with an inter-company loan of $500,000. On June 28, 2021, 2794677 Ontario Corp. issued to the Chief Executive Officer of 2794677 Ontario Corp. and his spouse collectively 555,556 non-voting Class B common shares for proceeds of $500,000. This resulted in the Company's ownership interest in 2794677 Ontario Corp. decreasing from 100% to 95.9%. In July 2021, these funds were used by 2794677 Ontario Corp. to repay the $500,000 inter-company loan to the Company.

At March 31, 2022, the Company estimated the fair value of its investment in Carson Dunlop using a discounted cash flow analysis for Carson Dunlop's three business units based on multi-year free cash flow forecasts with an assumed after-tax discount rate of 25.0% and a 9x earnings before interest, taxes, depreciation and amortization exit multiple. The free cash flow forecasts used in the valuation were based on estimates derived from financial information for Carson Dunlop's three business units prepared in the first quarter of 2022 by the Company's management.

At March 31, 2022, the fair value of the Company's investment in Carson Dunlop was $13,400,000, comprised of its investment of $12,883,819 and a positive market adjustment of $516,181, which was recorded as at September 30, 2021. The valuation also considered the payment of a $1,700,000 dividend by Carson Dunlop in April 2021, of which $1,331,667 was paid to the Company.

UPDATE ON PRIVATE COMPANY INVESTMENT ACTIVITY SUBSEQUENT TO MARCH 31, 2022

On April 4, 2022, Carson Dunlop acquired both National Property Inspections, Inc. ("NPI") and Carson, Dunlop, Weldon & Associates, Ltd. ("CDW") in two separate transactions for a total enterprise value of $18.6 million. The transactions were funded through Carson Dunlop's existing cash balance, the issuance of Carson Dunlop shares and $15.9 million in cash from the Company. Subsequent to the close of these transactions, $15.4 million of the cash the Company advanced to Carson Dunlop was converted into additional common shares of Carson Dunlop. Following the subscription for additional Carson Dunlop common shares, the Company currently has a 78.1% indirect ownership interest in Carson Dunlop through its subsidiary, 2794677 Ontario Corp.

NPI was founded in Omaha, Nebraska in 1987 by Roland Bates. NPI is the largest independent home inspector franchise with operations in Canada and the U.S., having 95% of system-wide sales in the U.S. across 42 states. Through over 200 franchises, NPI inspects approximately 60,000 homes and commercial assets annually and has system wide sales of approximately US$30 million.

CDW was founded in 1997 by Richard Weldon and Alan Carson. CDW is a leading engineering firm focused on commercial inspections and is a leading education provider of commercial inspection courses.

The acquisitions of NPI and CDW are both highly strategic and synergistic to what is being built at Carson Dunlop. NPI, through a healthy and growing franchise system in both Canada and the United States, increases the number of inspections performed across the Carson Dunlop platform and increases the contribution from recurring revenue. CDW provides a platform to extend Carson Dunlop's inspection capabilities to the commercial market.

Post-closing, Roland Bates will remain actively involved in NPI and, effective April 4, 2022, was added to the Carson Dunlop board of directors. Richard Weldon will remain as President of CDW and lead Carson Dunlop's expansion into commercial inspections.

SELECT ANNUAL INFORMATION

Table 5: Statement of Financial Position Highlights

($ thousands)	**Mar. 31 2022**	Dec. 31 2021
Cash and cash equivalents	**54,754.4**	76,086.9
Notes receivable	**15,900.0**	-
Investments, at fair value	**147,971.1**	151,374.2
Other assets	**1,532.9**	453.5
Deferred income tax asset	**565.6**	-
Total assets	**220,723.9**	227,914.6
Accounts payable and accrued liabilities	**4,704.1**	4,646.3
Income taxes payable	**-**	256.5
Deferred income tax liability	**-**	792.7
Total liabilities	**4,704.1**	5,695.6
Shareholders' equity	**216,019.8**	222,219.0
Total liabilities and shareholders' equity	**220,723.9**	227,914.6
Book value per share	**$ 5.07**	$ 5.20

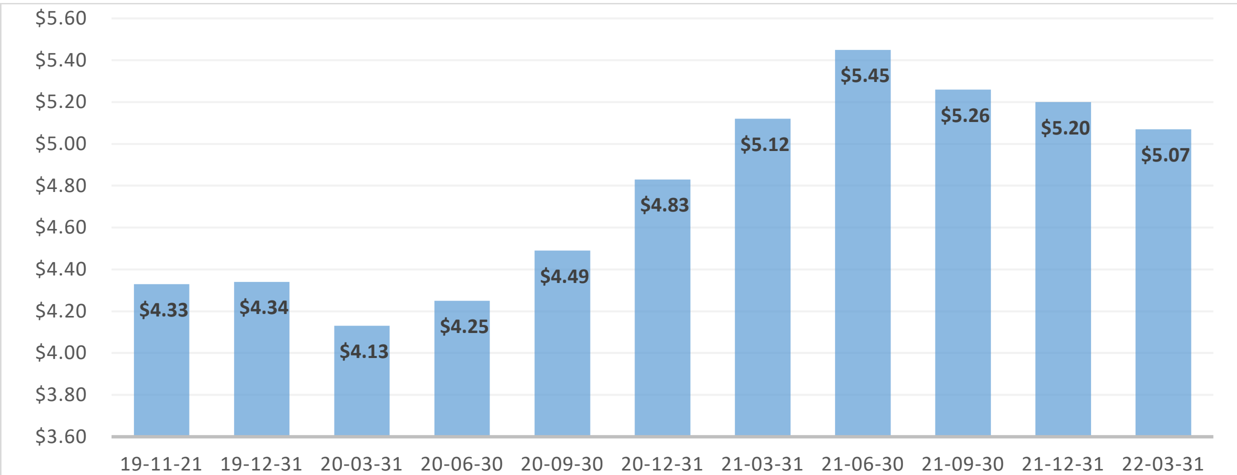
Table 6: Statement of Comprehensive Income (Loss) Highlights

($ thousands)	**Three months ended Mar. 31, 2022**	Three months ended Mar. 31, 2021
Realized (loss) gain on sale of investments	**(784.9)**	15,502.9
Net change in unrealized loss on investments	**(5,290.5)**	(885.9)
Dividends	**270.4**	215.0
Interest	**141.4**	271.6
Capital commitment fees	**-**	700.0
Total revenue	**(5,663.6)**	15,803.6
Total expenses	**1,195.2**	1,627.6
Loss (income) before income taxes	**(6,858.8)**	14,176.0
Provision for (recovery of) income taxes	**(1,258.6)**	1,785.1
Net loss (income) and comprehensive (loss) income	**(5,600.2)**	12,390.9
(Loss) earnings per share		
Basic	**$ (0.13)**	$ 0.29
Diluted	**$ (0.13)**	$ 0.29

RESULTS OF OPERATIONS

Book Value per Share

The Company's book value per share at March 31, 2022 was $5.07, a decrease of 2.5% or $0.13 per share since December 31, 2021. The decrease in the book value per share is primarily attributed to the Company recording realized and unrealized losses on its investments of $6.1 million in the period. The following graph shows the Company's book value per share since November 21, 2019, the date the Company closed the Offerings.



Three months Ended March 31, 2022

In the three months ended March 31, 2022, the Company deployed $5.4 million into its public company investment portfolio and advanced $15.9 million to Carson Dunlop to fund its acquisitions of NPI and CDW. As at March 31, 2022, the Company had cash resources of approximately $54.8 million available to be invested.

The Company had revenue of ($5.7) million for the three months ended March 31, 2022, compared to revenue of $15.8 million for the comparative period last year. The current year's revenue consisted of the following:

- a realized loss on sale of investments of $784.9 thousand, attributed to the sale of its investment in Avante;
- a net change in unrealized loss on investments of $5.3 million (refer to Table 3);
- dividend income of $270.4 thousand, of which $247.2 thousand was from its investment in ISC and $23.2 thousand was from its investment in Tecsys; and
- interest income of $141.4 thousand.

In the comparative period last year, the Company's revenue consisted of a realized gain on sale of investments of $15.5 million, net change in unrealized loss of investments of $885.9 thousand (refer to Table 4), dividend income of $215.0 thousand, interest income of $271.6 thousand and capital commitment fees of $700.0 thousand.

For the three months ended March 31, 2022, the Company incurred expenses of $1.2 million, as compared to $1.6 million in 2021. The decrease in total expenses is mainly attributed to the lower amount of share-based compensation recorded in the current period. In the three month period ended March 31, 2022, the Company recorded ($94.0) thousand of share-based compensation expense as compared to $661.4 thousand in the comparative period last year. The share-based compensation expense related to the Company's outstanding performance share units ("PSU") may fluctuate from period to period based on the cumulative performance of the

Company's deployed capital from the date the PSU was granted, where the PSU is at in its vesting schedule, and the Company's period end share price.

The expenses in the period include the following: compensation expenses of $766.0 thousand; office, general and administrative expenses of $298.7 thousand; professional fees (comprised of legal and audit fees) of $143.9 thousand; director fees of $52.5 thousand; brokerage fees and commissions of $24.1 thousand; depreciation expense of $4.1 thousand; and share-based compensation expenses of ($94.0) thousand.

For the three months ended March 31, 2022, the Company recorded a provision for income taxes of ($1.3) million as compared to a $1.8 million provision for income tax expense in the comparative period last year.

Net loss for the three months ended March 31, 2022 was $5.6 million or ($0.13) per share, compared to a net income of $12.4 million or $0.29 per share for the three months ended March 31, 2021.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected quarterly results of the Company for the eight quarters prior to the effective date of this report. The information contained herein is drawn from the interim financial statements of the Company for each of the aforementioned eight quarters. The multiple voting shares and the subordinate voting shares are both classes of common shares of the Company.

Table 7: Summary of Quarterly Results

	2022	2021	2021	2021	2021	2020	2020	2020
	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
($ thousands)								
Realized (loss) gain on sale of investments	**(784.9)**	-	-	-	15,502.9	-	-	-
Net change in unrealized gain (loss) on investments	**(5,290.5)**	(2,561.9)	(8,687.0)	15,582.2	(885.9)	15,825.3	10,972.2	5,604.1
Dividends	**270.4**	260.3	239.2	1,546.7	215.0	211.8	197.8	191.6
Interest	**141.4**	146.2	166.8	198.8	271.6	307.6	323.5	338.8
Capital commitment fees	**-**	-	-	175.0	700.0	-	-	-
Total revenue	**(5,663.6)**	(2,155.4)	(8,281.0)	17,502.7	15,803.6	16,344.7	11,493.5	6,134.5
Total expenses	**1,195.2**	1,845.8	1,682.5	1,672.7	1,627.6	1,728.5	1,152.6	1,003.4
Income (loss) before income taxes	**(6,858.8)**	(4,001.2)	(9,963.5)	15,829.9	14,176.0	14,616.2	10,340.9	5,131.1
Provision for (recovery of) income taxes	**(1,258.6)**	(1,006.6)	(1,521.0)	1,743.2	1,785.1	1,583.0	-	-
Net income (loss) and comprehensive income (loss)	**(5,600.2)**	(2,994.6)	(8,442.5)	14,086.8	12,390.9	13,033.2	10,340.9	5,131.1
($)								
Earnings (loss) per common share								
Basic	**(0.13)**	(0.07)	(0.20)	0.33	0.29	0.30	0.24	0.12
Diluted	**(0.13)**	(0.07)	(0.19)	0.32	0.29	0.30	0.24	0.12

QUARTERLY TREND ANALYSIS

The Company's results can fluctuate significantly from quarter to quarter because of changes in the fair value of its investment portfolio. The majority of the Company's investments are in publicly traded companies and these investments are valued at the close price on the stock exchange on which they are listed and/or principally traded. Under IFRS, realized and unrealized gains and losses on the Company's investments are recorded in revenue on its statements of comprehensive income.

The decrease in the Company's revenue in the quarters ended March 31, 2022, December 31, 2021 and September 30, 2021 is attributed to the unrealized loss on investments. The increase in the Company's revenue in the quarters ended June 30, 2021, March 31, 2021, December 31, 2020, September 30, 2020 and June 30, 2020 is attributed to the realized and unrealized gain on investments recorded on the Company's investments.

The decrease in the Company's expenses in the quarter ended March 31, 2022 as compared to the prior quarter is primarily attributed to the decrease of share-based compensation expenses. The Company's expenses include the costs to fully support its operations as an investment holding company, including share-based compensation expenses, compensation expenses, professional fees, and brokerage fees and commissions directly tied to the Company's investing activity.

In the quarters ended March 31, 2022, December 31, 2021, September 30, 2021, June 30, 2021, March 31, 2021 and December 31, 2020, the Company recorded a provision for income taxes of ($1.3) million, ($1.0) million, ($1.5) million, $1.7 million, $1.8 million and $1.6 million, respectively.

FIRST QUARTER ENDED MARCH 31, 2022

Net loss before income taxes for the quarter ended March 31, 2022 was $6.9 million, compared to a net income before income taxes in the quarter ended March 31, 2021 of $14.2 million. Revenue in the quarter ended March 31, 2022 included a realized loss on sale of its investment of $784.9 thousand, net change in unrealized loss on its investments of $5.3 million, dividend income of $270.4 thousand and interest income of $141.4 thousand. In the comparative quarter last year, the Company's revenue included a realized gain on sale of its investments of $15.5 million, net change in unrealized loss on its investments of $885.9 thousand, dividend income of $215.0 thousand, interest income of $271.6 thousand and capital commitment fees of $700.0 thousand. Net loss for the quarter ended March 31, 2022 was $5.6 million or ($0.13) per share, compared to a net income of $12.4 million or $0.29 per share for the quarter ended March 31, 2021.

LIQUIDITY AND CAPITAL RESOURCES

The Company had a cash balance of $54.8 million at March 31, 2022, representing 24.8% of total assets, compared with $76.1 million, representing 33.4% of total assets, at December 31, 2021. The $21.3 million decrease in the Company's cash balance at March 31, 2022 compared to December 31, 2021 is primarily attributed to the Company's investing activities. During the quarter ended March 31, 2022, the Company invested $5.4 million in its public company investment portfolio, received proceeds of $2.7 million from sale of a public company investment and advanced $15.9 million to Carson Dunlop to fund its acquisition of NPI and CDW which closed on April 4, 2022. Subsequent to the close of these transactions, $15.4 million of the cash the Company advanced to Carson Dunlop was converted into additional common shares of Carson Dunlop. The Company's current liabilities decreased to $4.7 million at March 31, 2022, representing 2.1% of total assets, from $4.9 million at December 31, 2021. The Company is well capitalized with adequate financial resources to continue its long-term investment strategy.

The Company's equity was $216.0 million as at March 31, 2022, compared to $222.2 million as at December 31, 2021. The decrease in the Company's equity balance at March 31, 2022 compared to December 31, 2021 was primarily attributed to the Company recording net loss of $5.6 million in the quarter ended March 31, 2022.

The Company's capital is primarily utilized in its ongoing business operations to execute on its public company and private company investment strategies. Other than the potential impact of COVID-19, as discussed herein, the Company is not aware of any trends, demands, commitments, events or uncertainties that may result in the Company's liquidity or capital resources either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in the Company's liquidity and capital resources will be substantially determined by the success or failure of its operation as an investment holding company.

NORMAL COURSE ISSUER BID

The Company's current Normal Course Issuer Bid (the "NCIB") commenced on June 8, 2021 and is effective until the earlier of June 7, 2022 and the date on which the Company has purchased the maximum number of subordinate voting shares permitted under the NCIB. Pursuant to the NCIB, the Company may purchase up to 1,488,480 of its subordinate voting shares, representing 10% of the public float. The price that the Company will pay for any such subordinate voting shares will be the market price of such shares on the TSX, or such Canadian alternative trading systems, at the time of acquisition. All subordinate voting shares acquired under the NCIB are cancelled.

In connection with its NCIB, the Company has entered into an Automatic Securities Repurchase Plan which provides standard instructions regarding how the Company's subordinate voting shares are to be purchased under the NCIB during certain pre-determined trading blackout periods, subject to pre-established parameters. Outside of these pre-determined trading blackout periods, purchases under the Company's previous and current NCIB are completed based upon management's discretion and in accordance with the TSX rules.

In the three month period ended March 31, 2022, there were 192,154 subordinate voting shares (2021 - 22,264) purchased at a cost of $726.2 thousand (2021 - $79.6 thousand) under the Company's NCIB. The discount paid to purchase shares below their stated value was allocated to Retained earnings.

TRANSACTIONS WITH RELATED PARTIES

All transactions with related parties have occurred in the normal course of operations, as follows:

- The Company and Federated Capital, the parent company of Fax Investments, entered into an agreement (the "Administrative Services Agreement") on November 21, 2019 whereby the Company is provided access to certain office space and supplies, computers, communication equipment and administrative personnel provided by Federated Capital. As consideration for such services (including the use of office space), the Company has agreed to pay Federated Capital a fee equal to the costs and expenses of Federated Capital in providing such services and office space, plus 5%. For the three month period ended March 31, 2022, Federated Capital charged the Company expenses under the Administrative Services Agreement of $50.4 thousand (2021 - $34.3 thousand). On May 26, 2021, the Company granted the Chief Executive Officer ("CEO") $300.0 thousand of Restricted Shares ("RSUs") in lieu of the Company paying the CEO short-term cash compensation. Prior to this, Federated Capital paid all compensation related expenses of the CEO and did not allocate these costs to the Company. In addition, Federated Capital pays the compensation related expenses of an Executive Vice-President of the Company and does not allocate these costs to the Company.

- Fax Investments has agreed to pay at the end of each fiscal year of the Company, certain specified operating expenses of the Company exceeding 2.85% of the Company's average month-end book value for such fiscal year until December 31, 2024. The Company's specified operating expenses were below this threshold in the three month period ended March 31, 2022. Accordingly, no receivable was recorded from Fax Investments for the reimbursement of excess operation expenses in the three month period ended March 31, 2022. The Company has a receivable of $100.5 thousand from Fax Investments for the reimbursement of excess operating expenses in respect of the year ended December 31, 2021.

- On March 30, 2022, the Company advanced $15.9 million to Carson Dunlop to fund its acquisitions of NPI and CDW which closed on April 4, 2022. Subsequent to the close of these transactions, $15.4 million of the cash the Company advanced to Carson Dunlop was converted into additional common shares of Carson Dunlop.

- At March 31, 2022, the Company had incurred $951,216 of transaction expenses related to Carson Dunlop's acquisitions of NPI and CDW. Carson Dunlop has agreed to reimburse the Company for these expenses. As such, the Company has recorded a $951,216 receivable from Carson Dunlop in its financial statements as at March 31, 2022.

Key Management Personnel

Key management personnel are defined as those individuals having authority and responsibility for planning, directing, and controlling the activities of the Company. The Company considers its executive officers and its directors to be its key management personnel. Prior to the grant of the RSUs to the CEO on May 26, 2021 (refer to Transactions with Related Parties), Federated Capital paid the CEO's annual base salary of $200.0 thousand and did not allocate this cost to the Company. In addition, Federated Capital pays an Executive Vice-President's annual base salary of $100.0 thousand and does not allocate this cost to the Company.

Compensation related expenses for key management personnel for the three month period ended March 31, 2021 was ($152.7 thousand) (2021 - $351.4 thousand).

These expenditures were allocated as follows in the financial statements:

($ thousands)	**Mar. 31 2022**	Mar. 31 2021
Compensation (Refer to Transactions with Related Parties)	**$ 101.0**	$ 91.3
Director fees	**52.5**	52.5
Share-based compensation	**(306.2)**	207.6
	$ (152.7)	$ 351.4

RISKS AND UNCERTAINTIES

In addition to the information contained in this MD&A, and the risk factors discussed in the Company's most recent Annual Information Form dated March 29, 2022 filed with the securities regulatory authorities in Canada, available at www.sedar.com, investors or security holders should carefully consider other risk factors which may have a material adverse effect on the business, financial condition or results of operations of the Company.

CRITICAL ACCOUNTING ESTIMATES

Preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates, and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Information about significant areas of estimation uncertainty considered by management in preparing the financial statements are as follows:

Fair Value Measurement of Private Company Investment

The Company holds an investment in a private company which is not quoted in active markets and for which there may or may not be recent comparable transactions. In determining the fair value of this investment, the Company has made significant accounting judgments and estimates. See Notes 2 and 4 of the Financial Statements for more information on the fair value measurement technique and types of unobservable inputs employed by the Company in its valuation of its private company investment.

Amount of Accrued Liabilities

Accrued liabilities are recorded based on an estimate of unbilled work performed by the Company's vendors as well as any other payments which the Company will be required to make in relation to the current year's operations. Management makes these estimates based on historical billings and its knowledge of current operations. These estimates will affect the reported amounts of accrued liabilities and expenses.

Income Taxes

Income taxes relating to uncertain tax positions are recognized based on the expected value of the tax settlement with the related tax authority. Judgment is required to determine the amount of tax provision relating to these uncertain tax positions.

Deferred Tax Assets

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

Investment Entity

Management has applied judgment in determining whether the Company meets the criteria required under IFRS 10, *Consolidated Financial Statements*, in order to be classified as an investment entity.

FINANCIAL RISK MANAGEMENT

Credit Risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfil its payment obligations. The Company's maximum exposure to credit risk was $17.3 million as of March 31, 2022 (March 31, 2021 - $1.7 million), being the $15.9 million note receivable from Carson Dunlop to fund its acquisitions of both NPI and CDW, the value of its dividend receivable of $270.4 thousand (March 31, 2021 - $215.0 thousand), interest receivable of $55.6 thousand (March 31, 2021 - $1.0 million), accounts receivable of $951.6 thousand (March 31, 2021 - $343.6 thousand) and receivables from related parties of $101.7 thousand (March 31, 2021 - $94.3 thousand). Subsequent to the close of Carson Dunlop's acquisitions of both NPI and CDW, $15.4 million of the Company's outstanding note receivable was converted into additional common shares of Carson Dunlop.

Management believes these receivables are a low credit risk. There have been no changes to the Company's methods for managing credit risk during the year.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company did not generate cash flows from its principal operations and relied on its cash balance to pay its liabilities. Management ensures it maintains sufficient cash on hand for continued operations.

There have been no changes to management's methods for managing liquidity risk since December 31, 2021. The Company has working capital of $52.1 million as of March 31, 2022 (March 31, 2021 - $99.9 million) and in management's judgment, the Company has sufficient working capital to continue to fund its operations and to pay its liabilities for the next fiscal year. If required, the Company has the ability to sell a portion of its public company investments to supplement the liquidity requirements.

Market Risk

Market risk is comprised of equity price risk, foreign currency risk and interest rate risk. The Company's exposure to these risks is described below.

Equity Price Risk

Equity price risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in stock market prices. All securities present a risk of loss of capital. Any equity and derivative instrument that the Company may hold is susceptible to market price risk arising from uncertainties about future prices of the instruments. Management moderates this risk through a careful selection of securities and other financial instruments with the parameters of the Company's investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

The most significant exposure for the Company to equity price risk arises from its investment in securities of publicly and privately traded companies. As at March 31, 2022, for securities of publicly traded companies, had the prices on respective stock exchanges for those securities increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately $13.5 million (December 31, 2021 - $13.8 million) or approximately 6.1% (December 31, 2021 - 6.1%) of total assets. In practice, the actual results may differ. Management is unable to meaningfully quantify any correlation of the price of its private company investment to changes in a benchmark index.

There has been no change in the Company's long-term investment strategy, despite the COVID-19 pandemic.

Foreign Currency Risk

Foreign currency risk is the risk that fluctuations in the rates of exchange on foreign currency would impact the Company's future cash flows. The Company has minimal exposure to foreign exchange fluctuations as it only has an immaterial amount of cash held in a United States ("US") dollar bank account. The Company has no other assets or liabilities denominated in US dollars. There have been no changes in management's foreign currency risk management strategies for the year.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash and cash equivalents. The fair value of the Company's cash and cash equivalents affected by changes of interest rates is minimal. There have been no changes to management's strategies to mitigate interest rate risk for the year.

DISCLOSURE CONTROLS AND PROCEDURES

The Company's disclosure controls and procedures are designed to provide reasonable assurance that (a) material information relating to the Company is made known to the CEO and the Chief Financial Officer by others, particularly during the period in which the annual filings are being prepared, and (b) information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. Based on their evaluation, the CEO and the Chief Financial Officer have concluded that as of March 31, 2022, the Company's disclosure controls and procedures were effective.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting.

All internal control systems have inherent limitations and may become inadequate because of changes in conditions. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management has evaluated the effectiveness of the Company's internal control over financial reporting based on the Internal Control - Integrated Framework (COSO 2013 Framework) published by The Committee of Sponsoring Organizations of the Treadway Commission. Based on their evaluations as of March 31, 2022, the Chief Executive Officer and the Chief Financial Officer have concluded that, as of March 31, 2022, the Company's internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

During the first quarter of 2022, there have been no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

OUTSTANDING SHARE DATA

The Company's issued and outstanding capital as at March 31, 2022 consisted of 26,971,411 multiple voting shares and 15,606,528 subordinate voting shares. As at March 31, 2022, the Company had 428,884 Restricted Share Units ("RSUs") outstanding. RSUs are share settled in subordinate voting shares. The Company's issued and outstanding capital as at April 29, 2022 consisted of 26,971,411 multiple voting shares, 15,549,897 subordinate voting shares and 428,884 RSUs.