

**FAX CAPITAL CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2021**

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, 2020 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 6, 2021.

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, 2021 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.

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 and Founder Warrants trade on the Toronto Stock Exchange (the “TSX”) under the symbol “FXC” and “FXC.WT”, respectively. 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 which are contained in the Company’s management discussion and analysis for the year-ended December 31, 2020: 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 information about these and other risks and uncertainties of the Company's business are described in the Company's most recent Annual Information Form dated March 25, 2021, 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 the ongoing and developing COVID-19 pandemic and its impact on the global economy and its uncertain future impact on 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 subordinate voting shares and multiple voting shares outstanding at that date.

The Company's method of determining this financial measure may differ from other companies' methods and, accordingly, this amount 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.

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 that approximately 60% to 80% of our capital will be allocated towards public company investments, where we intend to take meaningful and influential stakes in carefully selected 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.
- The balance of our capital, or approximately 20% to 40%, will be allocated towards 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

Each of the Company's portfolio investments is subject to a concentration restriction that prohibits the Company from making an investment if, after giving effect to such investment, such investment would exceed 20% of its total assets on such date; provided, however, that the Company will 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 25% of its total assets on such date ("Investment Concentration Restriction"). While the Company currently intends to make between 10 and 15 investments in accordance with its business objective, it will invest the net proceeds of the Offerings (as defined below) in a minimum of six different investments (the "Minimum Investment Restriction"). Further, the Company will invest at least 75% of the net proceeds of the Offerings on or before November 21, 2022, except where the Company's board of directors (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 at least 90% of the net proceeds of the Offerings in liquid and low risk securities.

On April 6, 2021, the Board approved a further amendment and restatement of the Company's Amended and Restated Voluntary Measures By-Law (the "A&R Voluntary Measures By-Law") in order to remove the Investment Concentration Restriction. On April 22, 2021, the Company mailed to shareholders of record a management information circular ("Circular") which, among other items, seeks shareholder confirmation by special resolution at the Company's Annual General and Special Meeting on May 19, 2021 (the "Meeting") for the adoption of a second amendment to the A&R Voluntary Measures By-Law. Should shareholder confirmation be obtained at the Meeting, the proposed amendment to the A&R Voluntary Measures By-Law will be immediately implemented. Additionally, the Company provided notice in the Circular that it will no longer be bound to the original stated investment allocation objective (the "Investment Allocation Objective") of investing between 60-80% of the proceeds of the Offerings (as defined below) in public investments, with the remainder invested in private investments. As the Investment Allocation Objective is not contained in the A&R Voluntary Measures By-Law, nor is its amendment or revocation otherwise subject to shareholder approval, shareholders will not be asked to vote at the Meeting on the Company's decision to no longer adhere to the Investment Allocation Objective. For further details, please review the Circular, and any amendments thereto, which are available at www.sedar.com and on the Company's website at www.faxcapitalcorp.com.

DEVELOPMENT OF THE BUSINESS

Public Offering

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 Inc. ("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.

TSX Sandbox Initiative

As a condition to our listing on the TSX, and pursuant to the TSX's Sandbox initiative for the listing of new issuers (the "TSX Sandbox"), the Company is required to make the following disclosures:

- The Company does not meet the original listing requirements of the TSX set out at section 309(a) of the TSX Company Manual;
- The TSX has exercised its discretion to waive the requirements for historical earnings and pre-tax cash flow, and has listed the Company pursuant to the TSX Sandbox. Listing pursuant to the TSX Sandbox was conditioned upon a public raise resulting in minimum gross proceeds of \$50 million;
- The Company will remain listed pursuant to the TSX Sandbox rules until such time as it has: (i) deployed 50% of the proceeds raised pursuant to the Offerings; and (ii) publicly filed interim financial statements reflecting a full quarter of operating history subsequent to listing on the TSX; and
- As disclosed in its Annual Information Form under the heading "Risk Factors", the Company has a short operating history in its current business and there is a limited basis upon which prospective investors may evaluate the Company's ability to achieve its stated business objective.

COVID-19 Pandemic

Governments worldwide have enacted emergency measures to combat the spread of coronavirus (COVID-19). These measures, which include the implementation of travel bans, closing of non-essential businesses, self-imposed quarantine periods and social distancing, have caused significant volatility in global equity markets and material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

The full economic and social impact of the spread of COVID-19 is unknown but has caused many operating businesses to reduce or suspend operations thereby reducing operating cash flows. 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.

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.

The continuing or worsening of the economic and market conditions caused by the COVID-19 pandemic, and its impact on the economy could have a material adverse effect on the Company's business, including on the valuation of its investee companies and the Company's financial condition. Further information about the impact and their response to the pandemic can be accessed from each of the Company's investee company websites or from their continuous disclosure documents at www.sedar.com.

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.

Even though progress has been made on the deployment of vaccines, the duration and full impact of the COVID-19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions. 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. In response to the impact of COVID-19, the Company has implemented its business continuity plan, which has included moving all employees to work from home.

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 25, 2021, 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, 2021:

Table 1: Schedule of Investment Portfolio as at March 31, 2021

(\$ thousands)				
Description	Number of securities	Cost	Fair Value	% of Portfolio Fair Value
Public company investments				
Points International Ltd.	1,032,155	20,066	19,611	8.9%
Qusitive Technology Solutions Inc. (i)	16,000,000	20,000	22,926	10.4%
Hamilton Thorne Ltd.	15,899,600	18,535	27,824	12.6%
Information Services Corporation	1,074,967	16,317	26,433	11.9%
Other (ii)		8,583	9,143	4.1%
Private company investments				
Carson Dunlop & Associates Ltd. (iii)		13,384	13,384	6.0%
Cash and cash equivalents		102,079	102,079	46.1%
		198,964	221,402	100.0%

(i) The 16,000,000 common shares were purchased under a private placement arrangement and are subject to a 12 month hold period from the transaction close date of March 22, 2021.

(ii) Other includes common shares of a Canadian public company in which the Company is in the process of accumulating its targeted position.

(iii) The Company's investment in Carson Dunlop & Associates Ltd. is held in its wholly-owned subsidiary 2794677 Ontario Corp.

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

Table 2: Summary of Changes in the Company's Investment Portfolio

(\$ thousands)	Balance as of Jan. 1, 2021	Purchases	Sales	Realized gains on sale of investments	Net change in unrealized gains (losses) on investments	Balance as of Mar. 31, 2021
Public company investments						
Points International Ltd.	18,234	1,001	-	-	375	19,611
Quisitive Technology Solutions Inc.	-	20,000	-	-	2,926	22,926
Hamilton Thorne Ltd.	22,259	-	-	-	5,565	27,824
Information Services Corporation	20,688	785	-	-	4,961	26,434
People Corporation	27,391	-	27,700	13,538	(13,229)	-
Other	10,254	2,291	3,881	1,965	(1,485)	9,143
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 wholly-owned subsidiary 2794677 Ontario Corp.

UPDATE ON INVESTMENT POSITIONS

PUBLIC COMPANY INVESTMENTS

Points International Ltd.

Business Overview

Points International Ltd. ("Points") is the global leader in providing e-commerce and technology solutions to the loyalty industry, connecting loyalty programs, third party brands and end consumers across a global transaction platform. Points partners with leading loyalty brands by providing solutions that help make their programs more valuable and engaging, while driving revenue and increasing profitability to the program. Points' business is focused on becoming an important strategic partner to the world's most successful loyalty programs by cooperating with them on valuable, private label, ancillary services.

The company is headquartered in Toronto, Canada and maintains offices in San Francisco, London, 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".

Points operates under the following three reportable segments:

Loyalty Currency Retailing: The Loyalty Currency Retailing segment provides products and services designed to help loyalty program members unlock the value of their loyalty currency and accelerate the time to a reward. Included in this segment are the buy, gift, transfer, reinstate, accelerator and elite services. These offerings provide loyalty program members the ability to buy loyalty program currency for themselves, as gifts for others, perform a transfer

of loyalty currency to another loyalty program member, reinstate previously expired loyalty currency, accelerate earning of loyalty currency in conjunction with other transactions, or to access a higher tier status. This segment has direct partnerships with over 30 loyalty programs where Points either takes a principal or agency role in retailing and wholesaling of loyalty currencies.

Platform Partners: The Platform Partners segment is comprised of a broad range of applications that are connected to and enabled by the functionality of Points' Loyalty Commerce Platform ("LCP"). The LCP provides third parties transaction level access to loyalty program members and the ability to access the loyalty currencies of its program partners. Loyalty programs, merchants, and other consumer service applications leverage the LCP to broadly distribute loyalty currency and loyalty commerce transactions through multiple channels.

Points Travel: The Points Travel segment connects the world of online travel bookings with the broader loyalty industry. The Points Travel product is the first white-label online travel service specifically designed for loyalty programs. The Points Travel product allows it to partner with loyalty programs in order to provide a seamless travel booking experience for loyalty program members, enabling members to earn and redeem their loyalty currency while making hotel bookings and car rentals online.

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

Transaction Description

The Company's Investment Committee approved the investment in Points in February 2020. As at March 31, 2021, the Company had acquired 1,032,155 common shares in Points for aggregate consideration of \$20.1 million, representing a 6.9% equity ownership interest in the company. The fair value of the Company's investment in Points as at March 31, 2021 was \$19.6 million, resulting in an unrealized loss of \$0.5 million.

Qusitive Technology Solutions Inc.

Business Overview

Qusitive Technology Solutions Inc. ("Qusitive") was established as a strategic Microsoft National Solution Provider in the U.S. and has strong brand identity within Microsoft and its partner ecosystem. Centering on Qusitive's LedgerPay product suite, the Payments Solutions business leverages the Microsoft Azure cloud to transform the payment processing industry into a new source of customer engagement. The company's shares are listed on the TSX Venture Exchange (the "TSXV") under the trading symbol "QUIS".

Qusitive 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. Qusitive's Cloud Solutions business focuses on helping enterprises move, operate, and innovate in the three Microsoft clouds.

Qusitive's Cloud Solutions business encompasses infrastructure, data and analytics, digital workplace, application development, and business applications services that apply the benefits of technology to empower enterprise customers. As a complement to its Cloud Solutions services, the company also develops complete first-party business applications, including emPerform, to better serve its customers and their business goals.

The LedgerPay platform is an innovative cloud-based payment processing and payments intelligence and data insights provider whose solutions are 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. LedgerPay is a cloud-based data insights and Payments Intelligence suite that turns everyday transaction data into customer loyalty for merchants.

Additional information about the company, including the impacts of the COVID-19 pandemic on its business performance, can be accessed from Qusitive's website at www.qusitive.com.

Transaction Description

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

Upon closing of the private placement on March 22, 2021, the Company held approximately 7.6% of the total issued and outstanding common shares of Qusitive. In conjunction with closing the private placement, the Company has entered into an Investor Rights Agreement, which provides, among other things, a right for the Company to nominate one member to the board of directors of Qusitive, 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 Qusitive equal to 3.5% of the aggregate subscription amount. Both the Investor Rights Agreement and Registration Rights Agreement are available under Qusitive's profile on www.sedar.com.

The fair value of the Company's investment in Qusitive as at March 31, 2021 was \$22.9 million, resulting in an unrealized gain of \$2.9 million.

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

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, ranging from accessories to support its core products to the full complement of equipment to outfit a new laboratory. Hamilton Thorne is listed on the TSXV under the trading symbol "HTL".

Hamilton Thorne's proprietary instrument, equipment and software product lines include precision laser devices, imaging systems, micromanipulation systems, air purification systems, incubators, control rate freezers, and lab monitoring 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 micromanipulation system is targeted to assist the embryologist in performing critical procedures in the IVF lab with a high level of precision and reliability. Its air filtration products improve air quality in the laboratory. In August 2019, Hamilton

Thorne acquired Planer Limited (“Planer”), a leading manufacturer of incubators, control rate freezers, and lab monitoring systems for the ART and cell biology markets worldwide and a provider of related services in the UK.

Hamilton Thorne’s proprietary 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, and the UK, and through distributors, to well over 1,000 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.

Hamilton Thorne’s European production facilities are ISO 13485 certified. Its US production facility is in the process of certification renewal. Its testing laboratory facilities are ISO 17025 certified.

Hamilton Thorne is headquartered in Beverly, Massachusetts. The company has production, sales and/or laboratory facilities in the US, Germany, and the UK, 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, and Planer Limited, a UK limited company.

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

Recent Developments

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

Transaction Description

The Company’s Investment Committee approved the investment in Hamilton Thorne in February 2020. As at March 31, 2021, the Company had acquired a total of 15,899,600 common shares in Hamilton Thorne for aggregate consideration of \$18.5 million, representing an 11.4% equity ownership interest in the company. The fair value of the Company’s investment in Hamilton Thorne as at March 31, 2021 was \$27.8 million, resulting in an unrealized gain of \$9.3 million.

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 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. Effective July 1, 2020, ISC recategorized its reporting to include the company’s new Recovery Solutions division following the acquisition of the assets of Paragon, a technology-enabled asset recovery business, which closed on July 31, 2020. 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 registries 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 accessed from ISC’s website at www.isc.ca.

Transaction Description

The Company’s Investment Committee approved the investment in ISC in January 2020. As at March 31, 2021, the Company had acquired 1,074,967 common shares in ISC for aggregate consideration of \$16.3 million, representing a 6.1% equity ownership interest in the company. The fair value of the Company’s investment in ISC as at March 31, 2021 was \$26.4 million, resulting in an unrealized gain of \$10.1 million.

People Corporation

Business Overview and Transaction Description

People Corporation (“People Corp.”) is in the business of delivering employee benefits consulting, third party benefits administration, pension consulting, human resources consulting and executive search and staff recruitment services.

The Company’s initial investment in People Corp. was made in April 2020. At that time, People Corp. was publicly-traded on the TSXV under the symbol “PEO”.

On December 14, 2020, People Corp. announced that it had entered into a plan of arrangement (the “Arrangement”), pursuant to which an entity controlled by certain investment funds managed by the Merchant Banking business of Goldman Sachs & Co. LLC, acquired all of the outstanding common shares of People Corp. for \$15.22 in cash per share. The purchase price represented a 37% premium to the 20-day volume-weighted average price per share for the period ended December 11, 2020, and a 36% premium to the closing price of December 11, 2020. The Arrangement was approved by the People Corp.’s shareholders at a special meeting held on February 11, 2021 and People Corp. obtained a final order from the Ontario Superior Court of Justice (Commercial List) in respect of the Arrangement on February 12, 2021. People Corp. was delisted from the TSXV at the close of trading on February 18, 2021.

As a result of the Arrangement, in the quarter ended March 31, 2021, the Company recognized a realized gain of \$13.5 million on its investment of \$14.2 million.

Other investments

On July 22, 2020, the Company’s Investment Committee approved an investment in a company listed on the TSXV. As at March 31, 2021, the Company had acquired common shares of this undisclosed company for total consideration of \$8.6 million. The Company will provide further information on this investment once it has materially completed accumulating its targeted position.

On October 1, 2020, the Company’s Investment Committee approved an investment in a company listed on the TSX. The Company had acquired common shares of this undisclosed company for total consideration of \$1.9 million. In February 2021, the Company’s Investment Committee approved the divestiture of this investment as its share price had increased to a level that the Company was no longer interested in adding to its position. In the quarter ended March 31, 2021, the Company recognized a realized gain of \$2.0 million on its investment of \$1.9 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 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.

Additional information about the company can be accessed from Carson Dunlop’s website at www.carsondunlop.com.

Transaction Description

On March 23, 2021, the Company, through its wholly-owned 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, from its available cash balance for approximately 78% of Carson Dunlop, on a debt free basis, representing a total enterprise value of \$15 million.

Alan Carson, the co-founder of Carson Dunlop and owner, will remain the Chief Executive Officer of Carson Dunlop and a significant shareholder of Carson Dunlop, with an approximate 22% ownership.

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, 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.

SELECT ANNUAL INFORMATION

Table 3: Statement of Financial Position Highlights

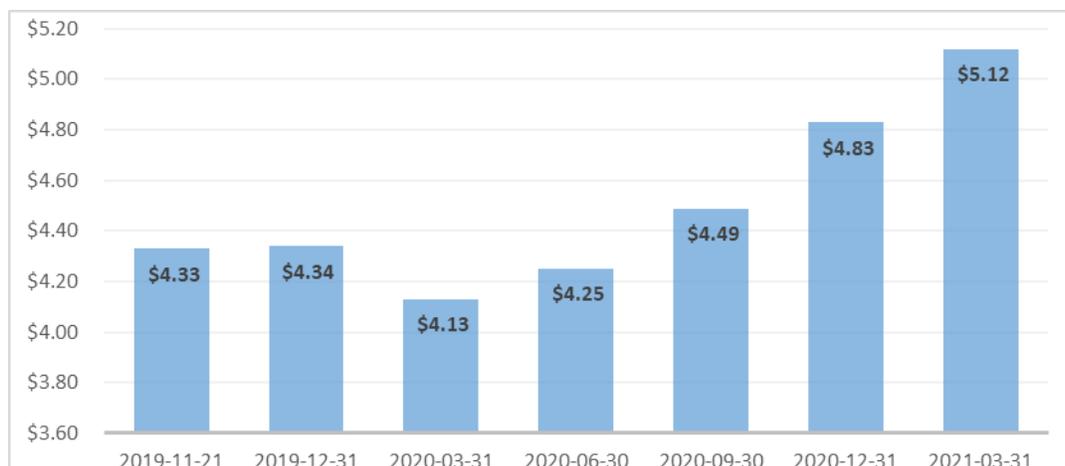
(\$ thousands)	Mar. 31 2021	Dec. 31 2020
Cash and cash equivalents	102,079.4	109,800.3
Investments, at fair value	119,322.2	98,826.0
Other assets	1,838.5	1,486.2
Total assets	223,240.2	210,112.5
Accounts payable and accrued liabilities	2,092.1	2,893.8
Income taxes payable	207.6	250.7
Deferred income tax liability	1,708.5	48.6
Total liabilities	4,008.2	3,193.1
Shareholders' equity	219,232.0	206,919.4
Total liabilities and shareholders' equity	223,240.2	210,112.5
Book value per share	\$ 5.12	\$ 4.83

Table 4: Statement of Comprehensive Income Highlights

(\$ thousands)	Three months ended Mar. 31, 2021	Three months ended Mar. 31, 2020
Realized gain on sale of investments	15,502.9	-
Net change in unrealized loss on investments	(885.9)	(9,078.1)
Interest	271.6	918.8
Dividends	215.0	52.7
Other income	700.0	-
Total revenue	15,803.6	(8,106.6)
Total expenses	1,627.6	1,077.0
Income (loss) before income taxes	14,176.0	(9,183.6)
Provision for income taxes	1,785.1	-
Net income (loss) and comprehensive income (loss)	12,390.9	(9,183.6)
Earnings (loss) per share		
Basic	\$ 0.29	\$ (0.21)
Diluted	\$ 0.29	\$ (0.21)

RESULTS OF OPERATIONS**Book Value per Share**

The Company's book value per share at March 31, 2021 was \$5.12, an increase of 6.0% or \$0.29 per share since December 31, 2020. The increase in the book value per share is primarily attributed to the Company recording realized and unrealized gains (losses) on its public company investments of \$14.6 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, 2021

In the quarter ended March 31, 2021, the Company deployed \$37.5 million into its public and private company investment portfolio, and as at March 31, 2021 had cash resources of \$102.1 million available to be invested.

The Company had revenue of \$15.8 million for the three months ended March 31, 2021, compared to negative revenue of \$8.1 million for the comparative period last year. The current period's revenue consisted of the following:

- a realized gain on sale of investments of \$15.5 million, largely attributed to the \$13.5 million realized gain recorded on the Company's sale of its investment in People Corp.;
- a net change in unrealized loss of investments of \$885.9 thousand;
- interest income of \$271.6 thousand;
- dividend income of \$215.0 thousand; and
- other income of \$700.0 thousand. Other income includes the 3.5% capital commitment fee earned on the Company's investment in Quisitive.

In the comparative period last year, the Company's revenue consisted of interest income of \$918.8 thousand and dividend income of \$52.7 thousand offset by an unrealized loss on investments of \$9.08 million from a decrease in the fair value of the Company's public company investments, which was driven primarily by the overall negative impact of COVID-19 on the market.

For the three months ended March 31, 2021, the Company incurred expenses of \$1.6 million as compared to \$1.1 million in 2020. The increase in total expenses is mainly attributed to the increase in share-based compensation recorded. The most significant expenses in the period include the following: compensation expenses of \$591.4 thousand; share-based compensation expenses of \$661.4 thousand; office, general and administrative expenses of \$238.6 thousand; professional fees (comprised of legal and audit fees) of \$160.5 thousand; director fees of \$52.5 thousand; brokerage fees and expenses of \$12.4 thousand; and reimbursement of expenses of (\$93.1) thousand.

For the three months ended March 31, 2021, the Company recorded a provision for income taxes of \$1.8 million as compared to a \$nil provision for income tax expense in the comparative period last year.

Net income for the three months ended March 31, 2021 was \$12.4 million or \$0.29 per share, compared to a net loss of \$9.2 million or (\$0.21) per share for the three months ended March 31, 2020.

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 weighted average number of outstanding common shares used in the earnings per share calculations for all periods presented reflect the 5:1 share consolidation of the Company's issued and outstanding multiple voting shares and subordinate voting shares which became effective on November 20, 2019. The multiple voting shares and the subordinate voting shares are both classes of common shares of the Company.

Table 5: Summary of Quarterly Results

	2021	2020	2020	2020	2020	2019	2019	2019
	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
(\$ thousands)								
Realized gain on sale of investments	15,502.9	-	-	-	-	-	-	-
Net change in unrealized gain (loss) on investments	(885.9)	15,825.3	10,972.2	5,604.1	(9,078.1)	-	-	-
Interest	271.6	307.6	323.5	338.8	918.8	484.7	17.6	21.0
Dividends	215.0	211.8	197.8	191.6	52.7	-	-	-
Other income	700.0	-	-	-	-	-	-	-
Total revenue	15,803.6	16,344.7	11,493.5	6,134.5	(8,106.6)	484.7	17.6	21.0
Total expenses	1,627.6	1,728.5	1,152.6	1,003.4	1,077.0	1,109.5	625.6	755.0
Income (loss) before income taxes	14,176.0	14,616.2	10,340.9	5,131.1	(9,183.6)	(624.8)	(608.0)	(734.0)
Provision for (recovery of) income taxes	1,785.1	1,583.0	-	-	-	-	-	(41.8)
Net income (loss) and comprehensive income (loss)	12,390.9	13,033.2	10,340.9	5,131.1	(9,183.6)	(624.8)	(608.0)	(692.1)
(\$)								
Earnings (loss) per common share								
Basic	0.29	0.30	0.24	0.12	(0.21)	(0.03)	(0.76)	(0.87)
Diluted	0.29	0.30	0.24	0.12	(0.21)	(0.03)	(0.76)	(0.87)

QUARTERLY TREND ANALYSIS

The increase in the Company's revenue in the quarters ended 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 public company investments. The decrease in the Company's revenue in the quarter ended March 31, 2020 is attributed to the unrealized loss on investments resulting from a decrease in the fair value of the Company's public company investments due primarily to the initial significant market impact of COVID-19. The Company's only source of revenue in quarters prior to March 31, 2020 was interest revenue. The increase in the Company's revenue in the quarter ended December 31, 2019, relative to the prior quarters presented, was attributed to interest earned on the net proceeds raised from the Offerings which closed in November 2019.

The Company's quarterly expenses have been on a general increasing trend since the quarter ended June 30, 2019, the quarter the Company hired its two investment management professionals. In the subsequent quarters, the Company's expenses include expenses to fully support its operations as an investment holding company, including compensation expenses, share based compensation expenses, professional fees, and brokerage fees and commissions directly tied to the Company's investing activity.

In the quarters ended March 31, 2021 and December 31, 2020, the Company recorded a provision for income taxes of \$1.8 million and \$1.6 million, respectively. In the quarter ended June 30, 2019, the Company recorded income tax recovery of \$41.8 thousand.

FIRST QUARTER ENDED MARCH 31, 2021

Net income before income taxes for the quarter ended March 31, 2021 was \$14.2 million, compared to a net loss before income taxes in the quarter ended March 31, 2010 of \$9.2 million. Revenue in the quarter ended March 31, 2021 included a realized gain on sale of two of its public company investments of \$15.5 million, a net change in unrealized loss on its investments of \$885.9 thousand, interest income of \$271.6 thousand, dividend income of \$215.0 thousand and other income of \$700.0 thousand. In the comparative quarter last year, the Company's revenue

included an unrealized loss on its investments of \$9.1 million, interest income of \$918.8 thousand and dividend income of \$52.7 thousand. Net income for the quarter ended March 31, 2021 was \$12.4 million or \$0.29 per share, compared to a net loss of \$9.2 million or (\$0.21) per share for the quarter ended March 31, 2020.

LIQUIDITY AND CAPITAL RESOURCES

The Company had a cash balance of \$102.1 million at March 31, 2021, representing 45.7% of total assets, compared with \$109.8 million at December 31, 2020. The decrease in the Company's cash balance at March 31, 2021 compared to December 31, 2020 is primarily attributed to the Company's investing activities. During the three-month period ended March 31, 2021, the Company invested \$37.5 million offset by proceeds of \$31.2 million from sale of two of the Company's public company investments. The Company's current liabilities increased to \$4.0 million at March 31, 2021, representing 1.8% of total assets, from \$3.2 million at December 31, 2020. The Company is well capitalized with adequate financial resources to continue its long-term investment strategy.

The Company's equity was \$219.2 million as at March 31, 2021, compared to \$206.9 million as at December 31, 2020. The increase in the Company's equity balance at March 31, 2021 compared to December 31, 2020 is primarily attributed to the Company recording realized and unrealized gain (losses) on its investments of \$14.6 million in the three-month period ended March 31, 2021.

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 commenced a Normal Course Issuer Bid (the "NCIB") on June 8, 2020 which is effective until the earlier of June 7, 2021 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 1,519,037 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 alternative trading systems, at the time of acquisition.

All subordinate voting shares acquired under the NCIB are cancelled. The Company will not purchase on any given day, in aggregate, more than 4,241 subordinate voting shares (the "Daily Limit"), being 25% of the average daily volume for the six-month period ended May 31, 2020, which is 16,967 subordinate voting shares, calculated in accordance with TSX rules. The Company may, however, complete one block purchase per calendar week that exceeds the Daily Limit in accordance with TSX rules.

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 NCIB are completed based upon management's discretion.

In the period from the commencement of the NCIB on June 8, 2020 to March 31, 2021, there were 215,799 subordinate voting shares (2020 – nil) purchased at a cost of \$714.1 thousand. The discount paid to purchase the shares below the 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:

- On November 21, 2019, the Company and Federated Capital Corp. (“Federated Capital”), a related party of Fax Investments, entered into an agreement (the “Administrative Services Agreement”) 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, 2021, Federated Capital charged the Company expenses under the Administrative Services Agreement of \$34.3 thousand (2020 – \$34.3 thousand). For the three-month periods ended March 31, 2021 and 2020, Federated Capital paid all compensation related expenses of the Chief Executive Officer and did 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 above this threshold in the three month period ended March 31, 2021. Accordingly, the Company has recorded a receivable of \$93.1 thousand from Fax Investments for the reimbursement of excess operating expenses in the three-month period ended March 31, 2021 (2020 - \$nil).
- On March 23, 2021, the Company’s subsidiary, 2794677 Ontario Corp., completed the acquisition of an approximate 78% controlling interest in Carson Dunlop for cash consideration of \$11.8 million, plus a working capital adjustment of \$1.6 million. The acquisition was funded by the Company acquiring common shares of 2794677 Ontario Corp. for \$13.4 million.

Carson Dunlop has agreed to reimburse the Company for its third-party transaction and due diligence expenses subsequent to the close of the transaction, of which \$343.6 thousand was recorded as a receivable in the Company’s financial statements as at March 31, 2021 (December 31, 2020 - \$343.6 thousand).

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. For the three-month periods ended March 31, 2021 and 2020, Federated Capital paid all compensation related expenses of the Chief Executive Officer and did not allocate these costs to the Company.

Compensation related expenses for key management personnel for the three month period ended March 31, 2021 was \$351.4 thousand (2020 - \$147.0 thousand).

These expenditures were allocated as follows in the financial statements:

Table 6: Key Management Personnel

(\$ thousands)	Mar. 31 2021	Mar. 31 2020
Compensation (Refer to Transactions with Related Parties)	\$ 91.3	\$ 78.6
Director fees	52.5	68.3
Share-based compensation	207.6	-
	\$ 351.4	\$ 147.0

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 25, 2021 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:

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.

Founder Warrants

The Company uses the Black-Scholes model to calculate the value of Founder Warrants issued as part of the Offering. The Black-Scholes model requires six key inputs to determine a value for a warrant: risk-free interest rate, exercise price, market price at rate of issuance, expected yield, expected life and expected volatility. Certain of the inputs are estimates, which involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. Proceeds from the Offering, net of issuance costs, were allocated between subordinate voting shares and Founder Warrants issued according to their relative fair value.

Investment Entity

Management has applied judgment in determining whether the Company meets the criteria required under IFRS 10, 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 \$1.7 million as of March 31, 2021 (March 31, 2020 - \$545.2 thousand), being the value of its interest receivable, dividend receivable, accounts receivable and receivables from related parties. Management believes these receivables are a low credit risk. As of March 31, 2020, the Company's exposure to credit risk consisted of its interest receivable, dividend receivable and a receivable from a related party. There have been no changes to the Company's methods for managing credit risk during the period ended March 31, 2021.

Liquidity Risk

Liquidity risk is the risk that the Company will 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, 2020. The Company has working capital of \$99.9 million as of March 31, 2021 (March 31, 2020 - \$151.3 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 could 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 traded companies. As at March 31, 2021, 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 \$10.6 million (December 31, 2020 - \$9.9 million) or approximately 4.7% (December 31, 2020 – 4.7%) of total assets. In practice, the actual results may differ.

There has been no change in the Company's long-term investment strategy, despite the 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 Chief Executive Officer 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 Chief Executive Officer and the Chief Financial Officer have concluded that as of March 31, 2021, 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, 2021, the Chief Executive Officer and the Chief Financial Officer have concluded that, as of March 31, 2021, 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 2021, 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, 2021 consisted of 26,971,411 multiple voting shares, 15,843,872 subordinate voting shares and 15,559,500 Founder Warrants. As at March 31, 2021, the Company had 356,549 Restricted Share Units ("RSUs") outstanding. RSUs are share settled in subordinate voting shares.

The Company's issued and outstanding capital as at May 5, 2021 consisted of 26,971,411 multiple voting shares, 15,821,490 subordinate voting shares, 15,559,500 Founder Warrants and 356,549 RSUs.