



**PERMANENT.
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FAX CAPITAL CORP.

Supplemental Materials

Q2 2020

August 6, 2020

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This presentation makes reference to the Company's book value per share as 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 common shares outstanding at that date. The Company's method of determining this amount may differ from other companies' methods and, accordingly, this amount may not be comparable to measures used by other companies. This amount is not a performance measure as defined under International Financial Reporting Standards (IFRS) and should not be considered either in isolation of, or as a substitute for, net earnings prepared in accordance with IFRS.

Certain Other Matters

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PORTFOLIO DESCRIPTION

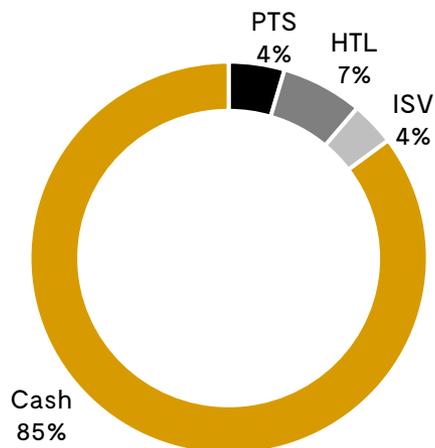


Company	Description
 <p>Company Ownership: 11.4%</p>	<ul style="list-style-type: none"> • Manufacturer and distributor of equipment, consumables, software and services to the global Assisted Reproductive Technologies market • High growth market with recession resilient characteristics • Durable competitive advantages – regulatory protection, mission critical product, switching costs • High free cash flow conversion, high return on invested capital, under-levered balance sheet
 <p>Company Ownership: 5.5%</p>	<ul style="list-style-type: none"> • Leading provider of registry and information management services and technology • Registry segment is a regulated, essential-service operation with a baseline of business • Services segment is growing organically and provides a platform for accretive M&A • High-quality infrastructure asset with high barriers to entry, high free cash flow conversion, strong returns on capital and a solid balance sheet
 <p>Company Ownership: 2.5%</p>	<ul style="list-style-type: none"> • Provider of group benefits, group retirement, and human resources consulting services in Canada • Industry expected to continue to grow at 4% annually; People should continue to outperform • Highly durable cash flows with 96% recurring revenue and 98% client retention rate • Recession-resistant business with strong organic growth prospects and an established M&A platform • Strong margins, high FCF conversion and healthy balance sheet
 <p>Company Ownership: 6.5%</p>	<ul style="list-style-type: none"> • Manufacturer and distributor of equipment, consumables, software and services to the global Assisted Reproductive Technologies market • High growth market with recession resilient characteristics • Durable competitive advantages – regulatory protection, mission critical product, switching costs • High free cash flow conversion, high return on invested capital, under-levered balance sheet

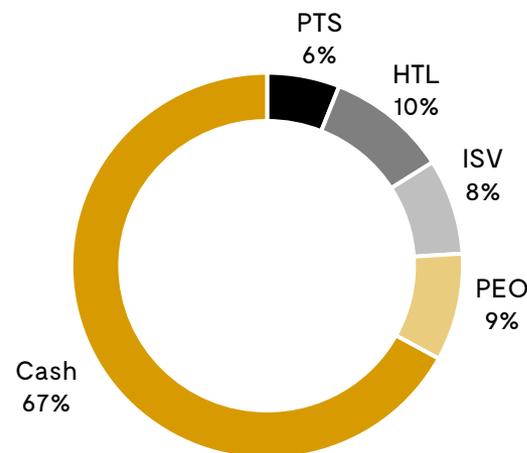
PORTFOLIO SUMMARY



FAIR VALUE AT MARCH 31, 2020



FAIR VALUE AT JUNE 30, 2020



At March 31, 2020

	Cost	Fair Value	Total Return
HTL	13,492	11,782	-12.7%
PTS	15,048	8,060	-46.4%
ISV	6,795	6,468	-4.0%
PEO	-	-	n/a
Cash	151,517	151,517	n/a
Total	186,852	177,827	-4.8%

At June 30, 2020

	Cost	Fair Value	Total Return
HTL	18,342	18,908	3.1%
PTS	17,067	10,493	-38.5%
ISV	14,031	14,237	3.2%
PEO	13,654	15,983	17.1%
Cash	122,892	122,892	n/a
Total	185,986	182,512	-1.7%

Notes: Cash represents Cash less Due to broker for unsettled trades.

Total return includes the change in the fair value of the investment plus dividends earned.

- Subsequent to quarter-end, we began accumulating a new position in a public company investment

COMPANY PERFORMANCE



BOOK VALUE PER SHARE (BVPS)



COMPANY COMMENTARY

- 2.9% increase in BVPS quarter-over-quarter, primarily attributed to an unrealized gain on investments of \$5.6MM
- The favourable performance of BVPS year-to-date relative to the performance of the overall market was largely attributed to the significant portion of the Company's investable assets held in cash during this period.
- The Company's unrealized gains or losses are expected to remain volatile quarter-over-quarter. We encourage shareholders to focus on long-term annual results rather than short-term quarterly fluctuations.

COMMENTARY & OUTLOOK



- **Continue to remain disciplined with our capital allocation.**
 - During the quarter, we led two bought deal equity financings, resulting in a new investment of \$9.0MM in People Corporation and an additional investment of \$3.5MM in Hamilton Thorne
 - Given the nature of the V-shaped market recovery against the backdrop of a prolonged recovery in the broader economy due to the uncertainty surrounding COVID-19, our capital allocation slowed through the back end of the quarter
 - We remain committed to taking a thorough and patient approach to investing and will not waiver from our disciplined diligence process in reviewing and structuring potential transactions to ensure only the highest quality investments are made
- **Remain active building our private company investment pipeline**
 - Ultimately, we intend to invest 20-40% of capital into private companies where FAX can have significant influence or control
 - We continue to be focused on three broad categories in private markets: i) facilitating ownership transition in family-owned businesses, ii) providing growth capital in pre-IPO companies and iii) taking orphaned micro-cap companies private
 - While FAX has a robust pipeline of private investment opportunities, private transactions take time due to our requirement for in-depth due diligence including on-site due diligence and in-person meetings
 - Despite the slowdown in private M&A activity because of COVID, we remain confident in executing a private transaction under our original timeline
- **Received Investment Committee approval of new investment**
 - Subsequent to quarter end, the investment committee approved a new public company investment which we have begun to accumulate

COMMENTARY & OUTLOOK



- **Approval of Normal Course Issuer Bid (NCIB):**
 - Received regulatory approval to conduct a NCIB to purchase up to 10% of our public float pursuant to applicable TSX rules and policies
 - We will remain opportunistic in repurchasing our shares and will do so if management and the Board feel that buying back shares is attractively accretive for shareholders
- **As of June 30, 2020, we have invested 63.1 MM, or 35% of book value**
 - The trajectory of our capital deployment is on a healthy pace and within our original stated target to be fully invested within 12-18 months