

SPACKMAN EQUITIES GROUP

Spackman Equities Group Inc.

Management's Discussion and Analysis For the year ended December 31, 2023

OVERVIEW

The following Management's Discussion and Analysis ("MD&A") provides additional analysis of the operations, financial position and financial performance of Spackman Equities Group Inc. ("SEGI" or the "Company") for the year ended December 31, 2023. It is supplementary information and should be read in conjunction with the Company's consolidated financial statements and accompanying notes for the year ended December 31, 2023. Reference should also be made to the Company's filings with the Canadian securities regulatory authorities that are available on SEDAR at www.sedar.com.

This MD&A is the responsibility of the management. The Board of Directors carries out its responsibility for the review of this disclosure principally through its audit committee which is comprised of a majority of independent directors. The audit committee reviews and, prior to its publication and pursuant to the authority delegated to it by the Board of Directors, approves this disclosure.

The effective date of this MD&A is April 29, 2024. Additional information relating to the Company is available on SEDAR at www.sedar.com.

SEGI is a publicly-traded company listed on the TSX Venture Exchange under the symbol "SQG".

SEGI is an investment holding company that invests into and develops small/medium-sized growth companies that possess industry-specific know-how or proprietary technologies, primarily in Asia. SEGI also makes investments in selected publicly-traded companies that SEGI believes are attractive investment propositions. The objectives of SEGI are to (i) invest into or acquire businesses with compelling growth potential at attractive valuations, (ii) build a diversified and balanced portfolio of investments and (iii) deliver the collective value derived from the performance of its portfolio of investments to the shareholders of SEGI. SEGI's holdings include:

- 7.82% ownership of Singapore-incorporated Spackman Entertainment Group Limited ("SEGL"), which is listed on the Catalist of the Singapore Exchange (ticker: 40E) and is a leading entertainment production company;
- 0.41% of Spackman Media Group Limited, a Hong Kong incorporated company which is 43.88% owned by SEGL in terms of effective shareholding interest, and which, together with its subsidiaries, is collectively one of the largest entertainment talent agencies in Korea; and
- investments in non-publicly traded companies.

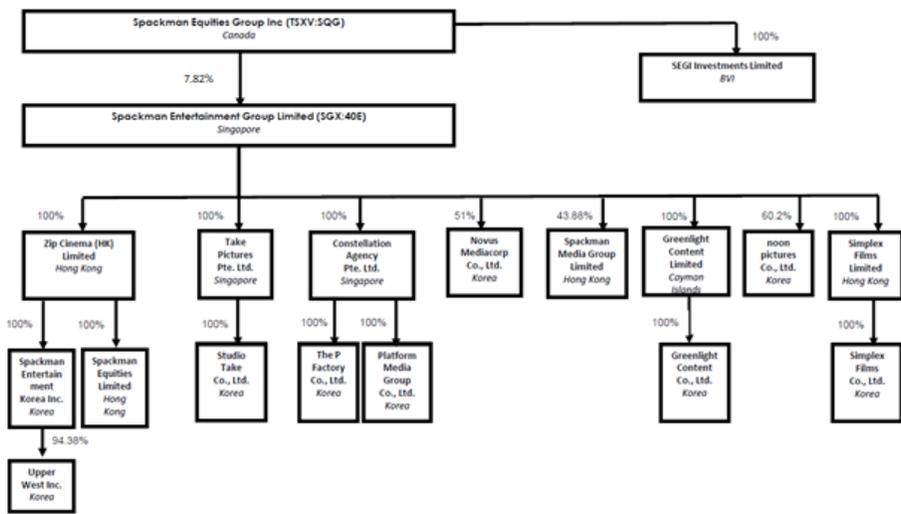
FORWARD-LOOKING STATEMENTS

Matters may be included in this MD&A that constitute "forward-looking" information within the meaning of Canadian securities law. Such forward-looking statements may be identified by words such as "plans", "proposes", "estimates", "intends", "expects", "believes", "may" or words of a similar nature. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from such statements. Factors that could cause actual results to differ materially

include among others, regulatory risks, risk inherent in foreign operations, commodity prices and competition. Most of these factors are outside the control of the Company. All subsequent forward-looking statements attributable to the Company or its agents are expressly qualified in their entirety by these cautionary comments. Except as otherwise required by applicable securities statutes or regulation, the Company expressly disclaims any intent or obligation to update publicly forward-looking information, whether as a result of new information, future events or otherwise.

STRUCTURE AND HOLDINGS

The following chart shows the structure and holdings of the Company as of the date of the MD&A:



Commented [DW1]: Change this structure chart to 7.82% of ownership in SEGL instead of 7.55%

Commented [AF2R1]: It is a picture so just took the % out could not add text.

Commented [DW3R1]: I have attached an updated structure chart with 7.82%

Spackman Entertainment Group Limited

Spackman Entertainment Group Limited ("SEGL"), and together with its subsidiaries, (the "Group"), is one of Korea's leading entertainment production groups founded by investment veteran Mr. Charles Spackman. SEGL is primarily engaged in the independent development, production, presentation, and financing of theatrical motion pictures in Korea and the production of Korean television dramas.

In addition to its content business, SEGL also makes investments into entertainment companies and film funds that can financially and strategically complement its existing core operations. SEGL is listed on the Catalist of the Singapore Exchange Securities Trading Limited under the ticker 40E.

Since its founding, SEGL had produced more than 30 major motion pictures including a number of the highest grossing and award-winning films in Korea, namely *A MAN OF REASON* (2023), *#ALIVE* (2020), *CRAZY ROMANCE* (2019), *DEFAULT* (2018), *MASTER* (2016), *THE PRIESTS* (2015), *SNOWPIERCER* (2013), *COLD EYES* (2013) and *ALL ABOUT MY WIFE* (2012).

SEGL's wholly-owned subsidiary, Take Pictures Pte. Ltd., holds a 100% equity interest in Studio Take Co., Ltd. ("**Studio Take**"), which produced *STONE SKIPPING* (2020) and *THE BOX* (2021). Its latest film, *A MAN OF REASON* (2023), premiered in the US at the 42nd Hawaii International Film Festival. The film was also invited to the 47th Toronto International Film Festival, the largest film festival in North America, and the 55th Sitges Film Festival, one of the world's top three genre film festivals. Studio Take shall also release an upcoming film, *THE GUEST* (working title), which is at the post-production stage and scheduled to be released in 2024.

SEGL owns a 100% equity interest in Simplex Films Limited ("Simplex Films") which is an early stage film production firm. The maiden film of Simplex Films, *JESTERS: THE GAME CHANGERS* (2019), was released in Korea on 21 August 2019. Simplex Films has several line-up of films including *HURRICANE BROTHERS* (working title).

SEGL owns a 100% equity interest in Greenlight Content Limited ("Greenlight Content") which is mainly involved in the business of investing into dramas and movies, as well as providing consulting services for the production of Korean content. Through the acquisition of Greenlight Content, the Group's first co-produced drama, *MY SECRET TERRIUS* (2018), achieved #1 in drama viewership ratings for its time slot and recorded double digits for its highest viewership ratings. Greenlight Content was one of the main investors of *MY SECRET TERRIUS* (2018).

SEGL owns a 51% equity interest in Novus Mediacorp Co., Ltd. ("**Novus Mediacorp**"), an investor, presenter, and/or post-theatrical distributor for a total of 82 films (61 Korean and 21 foreign) including *MARRYING THE MAFIA: RETURNS* (2023), *COME BACK HOME* (2022), *OKAY MADAM* (2020), *LONG LIVE THE KING* (2019), *MY FIRST CLIENT* (2019), *ROSE OF BETRAYAL* (2018), *THE OUTLAWS* (2017) and *SECRETLY, GREATLY* (2013), which was one of the biggest box office hits of 2013 starring Kim Soo-hyun of *MY LOVE FROM THE STARS* (2013), as well as *FRIEND 2: THE GREAT LEGACY* (2013). In 2012, Novus Mediacorp was also the post-theatrical rights distributor of *ALL ABOUT MY WIFE* (2012), a top-grossing romantic comedy produced by Zip Cinema. In 2018, *THE OUTLAWS*, co-presented by Novus Mediacorp broke the all-time highest Video On Demand ("VOD") sales records in Korea.

The Group's films are theatrically distributed and released in Korea and overseas markets, as well as for subsequent post-theatrical worldwide release in other forms of media, including online streaming, cable TV, broadcast TV, IPTV, video-on-demand, and home video/DVD, etc. Generally, we release our motion pictures into wide-theatrical exhibition initially in Korea, and then in overseas and ancillary markets.

The Group also operates a café-lounge called Upper West, in the Gangnam district of Seoul and owns a professional photography studio, Noon Pictures Co., Ltd.

SEGL owns a 100% equity interest in Constellation Agency Pte. Ltd. ("Constellation Agency"). Constellation Agency, which owns The P Factory Co., Ltd. ("The P Factory") and Platform Media Group Co., Ltd. ("PMG"), is primarily involved in the business of overseas agency for Korean artists venturing into the overseas market. The P Factory is an innovative marketing solutions provider specializing in event and branded content production. PMG is a talent management agency which represents and manages the careers of major artists in film, television, commercial endorsements and branded entertainment.

For more details, visit <http://www.spackmanentertainmentgroup.com>

Spackman Media Group Limited

The Group is a strategic shareholder of Spackman Media Group Limited ("**SMGL**") and owns a 43.88% effective equity interest in SMGL. In addition, Spackman Equites Group Inc. ("**SEGI**"), which holds 7.82% direct interest in the Group, directly owns a 0.41% equity interest in SMGL.

SMGL, a company incorporated in Hong Kong, together with its subsidiaries, is collectively one of the largest entertainment talent agencies in Korea in terms of the number of artists under management, including some of the top names in the Korean entertainment industry. SMGL operates its talent

management business through renowned agencies such as MSteam Entertainment Co., Ltd. ("MSteam"), SBD Entertainment Inc. ("SBD"), UAA&CO Inc. and Play Content Co., Ltd.

Popular star Wi Ha-jun of MSteam, who is internationally recognized for his role in Netflix's *SQUID GAME* (2021), is set to return in the highly anticipated second season of the global hit series. He was awarded the Rising Star Award in the 2023 Korea First Brand Awards. Wi Ha-jun also starred in Disney+ original series *THE WORST OF EVIL* (2023), Netflix drama *LITTLE WOMEN* (2022) and Studio Dragon's production *BAD AND CRAZY* (2021). Iconic Korean actress Son Ye-jin of MSteam ranked first in the female actor category of CBC News Netizen Awards in Korea in 2023. She achieved #1 in the brand reputation of drama actors in Korea based on her role in *THIRTY-NINE* in February 2022. She also starred in *CRASH LANDING ON YOU* (2019), which was a top hit in Japan, achieving #1 on Japan's Netflix for three weeks in a row. Top Korean actress Lee Min-jung of MSteam, who won the Top Excellence Award at the 2020 APAN Star Awards, headlined in the comedy film *SWITCH* (2023). Rising star Han Ji-hyun of SBD starred in SBS K-drama *PENTHOUSE* (2020) and won the Best Rookie Female Actor in the 2021 Brand Customer Loyalty Awards in Korea.

Through these full-service talent agencies in Korea, SMGL represents and guides the professional careers of a leading roster of award-winning actors/actresses in the practice areas of motion pictures, television, commercial endorsements, and branded entertainment. SMGL leverages its unparalleled portfolio of artists as a platform to develop, produce, finance and own the highest quality of entertainment content projects, including theatrical motion pictures, variety shows and TV dramas. This platform also creates and derives opportunities for SMGL to make strategic investments in development stage businesses that can collaborate with SMGL artists. SMGL is an associated company of the Group.

For more information, please visit <http://www.spackmanmediagroup.com>

RESULTS OF OPERATIONS

For the year ended December 31, 2023, the Company had an investment loss of \$58,000 compared with an investment loss of \$126,000 for the year ended 2022. Investment loss for the year is primarily the unrealized loss of \$58,000 on the fair value of the Company's investment in the private Company, Spackman Media Group Limited ("SMGL").

General and administrative expenses totalled \$411,000 for the year compared with \$185,000 for 2022. The increase was mainly the result of an increase in professional and audit fees of 192,000.

As a result of the foregoing, the Company recorded a net loss and comprehensive loss of \$479,000 (\$0.03 per share) for the 2023 year (net loss of \$399,000 (\$0.03 per share) for 2022).

SUMMARY OF SELECTED QUARTERLY INFORMATION

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Gain (loss), realized and unrealized, on marketable securities and private companies	(59,720)	-	-	-	(126,321)	-	-	-
Net Income (Loss)	(202,954)	(136,897)	(120,848)	(35,185)	(198,870)	(71,677)	(63,378)	(65,292)
Per Share	(0.01)	(0.01)	(0.01)	(0.00)	(0.03)	(0.00)	0.00	(0.00)
Per Share diluted	(0.01)	(0.01)	(0.01)	(0.00)	(0.03)	(0.00)	0.00	(0.00)

Commented [DW4]: How much were 2022 audit fees and professional fees?

Commented [AF5R4]: 30,000 in audit fees and 33,000 in professional fees

Commented [DW6R4]: We have \$188,327 and \$66,445 for professional and the audit fees in 2023.

Thus, increase during the year would actually be \$192,000. Please update

Commented [DW8]: Updated Q1 figure to match Q2 MDA disclosure

Commented [DW7]: Q4 loss calculated to be 202,954 with updated Q1 number.

Commented [DW9]: 2022 MDA disclosed \$65,292 for 2022 Q1

LIQUIDITY, FINANCIAL POSITION AND CAPITAL RESOURCES

Cash, and investments in shares of public and private companies decreased to \$529,000 at December 31, 2023, from \$597,000 at the end of 2022.

The decrease in cash and investments in shares of public and private companies was mainly due to a decrease of \$65,000 in the fair value of the Company's investment in SMGL on December 31, 2023.

The Company's capital resources consist of cash, which are used to fund the Company's financial requirements. The Company's general and administrative expenses, substantially all of which are committed and non-discretionary in nature, were \$411,000 for the 2023 year (\$185,000 for 2022).

Current liabilities were \$1,727,000 at December 31, 2023, compared to \$1,316,000 at the end of 2022.

ANALYSIS OF FINANCIAL CONDITION AND FINANCIAL PERFORMANCE

The financial condition of the Company at December 31, 2023 and the financial performance in the year ended December 31, 2023 both decreased from the prior year mainly as a result of the \$65,000 decrease in the fair value of the Company's investment in SMGL and the increase in loan payables of \$345,000.

At December 31, 2023, the Company had cash and cash equivalents, and investments in shares of public and private companies of \$529,000 (December 31, 2022 \$597,000) and current liabilities of \$1,727,000 (December 31, 2022 \$1,316,000).

ANALYSIS OF FOURTH QUARTER RESULTS

For the fourth quarter ended December 31, 2023, the Company had an investment loss of \$60,000, which is primarily due to the decrease in fair value of the Company's investment in SEGL. General and administrative expenses in the fourth quarter of 2023 totalled \$116,000 (\$67,000 for the fourth quarter of 2022). As a result of the foregoing, the Company recorded a net loss of \$(179,000) (\$0.01 per share) for the fourth quarter (loss of \$(199,000) (\$0.01 per share) for the fourth quarter of 2022).

DIRECTORS AND OFFICERS COMPENSATION

The following table sets out all compensation payable to directors of the Corporation for their services as directors for the year ending December 31, 2023.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
William Hale	7,500	Nil	Nil	Nil	Nil	Nil	7,500
Richard Lee	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Kyoungwon Na	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Mr. Falconer received \$107,894 for the year ended December 31, 2023 as CFO through his management company Falconer & Associate Inc.. Mr. Lee did not receive any compensation as Chairman and CEO for the year ended December 31, 2023.

RELATED PARTY TRANSACTIONS

The following related party transactions occurred and were reflected in the consolidated financial statements during the year ended December 31, 2023 and 2022 as follows:

REMUNERATION OF KEY PERSONNEL

	December 31, 2023	December 31, 2022
Management consulting fees	\$ 107,894	\$ 70,633
Directors' fees	7,500	7,500

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Company including the Company's Board of Directors. The Company considers key management to be the members of the Board of Directors, the Chief Executive Officer and the Chief Financial Officer

Included in accounts payable and accrued liabilities are management and consulting fees and director fees of \$53,175 and \$15,000 (December 31, 2022 - \$24,462 and \$7,500) to companies controlled by officers and directors in common with the Company.

SIGNIFICANT ACCOUNTING POLICIES

These annual consolidated financial statements of the Company were prepared using accounting policies consistent with IFRS. A summary of significant accounting policies under IFRS is presented in Note 3 of the consolidated financial statements of the Company for the year ended December 31, 2023.

SUBSEQUENT EVENT

The Company and Crystal Planet Limited ("**CPL**") entered into a definitive share exchange agreement on February 6, 2023 (the "**Agreement**") pursuant to which the Company will acquire all of the issued and outstanding shares in the capital of CPL from Spackman Media Group Limited (the "**Vendor**"). The transaction involves share-based consideration only. Prior to completion of the Transaction, the Company will complete a share consolidation on the basis of five (5) pre-consolidation common shares for every one (1) post consolidation common share (the "**Consolidation**").

On August 4, 2023, the Company and CPL have agreed to amend the share exchange agreement, including identifying the Directors and officers of the Company after the transaction, the foreign exchange ratio for the formula which determines the Vendors receipt of common shares of the Company, and the calculation of the Concurrent Financing, which is (i) a brokered private placement financing (the "**SQG Concurrent Financing**") by Hampton Securities Limited (the "**Agent**"), of subscription receipts of the Company (the "**Subscription Receipts**") at a post-Consolidation price of CAD\$0.20 (US\$0.15) per Subscription Receipt; and (ii) a nonbrokered private placement of ordinary shares of the Target at a price of US\$2.72 per ordinary share (the "**CPL Concurrent Financing**"), for aggregate gross proceeds from the sale of the Subscription Receipts and the ordinary shares of the Target of a minimum of US\$3,400,000 and a maximum of US\$20,000,000 (collectively, the "**Concurrent Financing**").

The Company has filed a management information circular dated March 28, 2024 and related materials for the annual and special meeting of shareholders to approve the reverse takeover transaction (the "**RTO**") with CPL.

The TSX Venture Exchange (the "**TSXV**") conditionally approved the listing of the common shares of the resulting issuer upon completion of the RTO. Listing of the common shares is subject to the fulfillment of certain conditions, including the completion of the RTO.

In addition to obtaining approval of the Company's shareholders, the RTO is also subject to additional closing requirements and conditions pursuant to the terms and conditions of the share exchange

agreement between the parties, a copy of which is available on SEDAR+ at www.sedarplus.ca under the Company's profile.

RISK FACTORS AND RISK MANAGEMENT

SEGI shareholders and potential investors in SEGI should carefully consider the following risk factors and all the other information contained in this MD&A when evaluating SEGI and its common shares.

An investment in the Company's shares involves a number of risks, many of which are beyond its control. The risks and uncertainties set out below are all of the known risks, which are deemed to be material to the Company's business or the results of its operations. When reviewing forward-looking statements and other information contained in this prospectus, investors and others should carefully consider these factors, as well as other uncertainties, potential events and industry-specific factors that may adversely affect the Company's future results. If any of these risks should actually occur, the Company's business, financial condition, results of operations, cash flows and prospects could be harmed. Such risks and uncertainties are not the only ones the Company faces. Additional risks and uncertainties of which the Company is currently unaware or that are deemed immaterial may also adversely affect the Company's business, financial condition, results of operations, cash flows and prospects.

Liquidity and Negative Cash Flows

The Company's cash on hand, private investment and public investments at December 31, 2023 was \$529,000. This amount should be adequate to continue to fund the Company's operations for the foreseeable future. If the Company had to raise capital to fund its operations or to make further investments in its businesses, it would have to sell assets or raise funds through the sale of additional equity or a combination of those two things. There may not be a ready market for the sale of its assets, and it may not be possible to issue additional shares or other securities, or the issue of additional shares or other securities if it were to be possible may result in significant dilution to the interests of existing shareholders.

The Company's principal asset is its investment in the shares of SEGL which owns a number of film production businesses in Korea and certain other related investments. The film production businesses are at an early stage of development and will likely require additional funding to continue operations or to develop their business plans until they become self-funding. Revenues from the film production businesses owned by the SEGL are very unpredictable and SEGL may experience negative cash flow from operating activities. If that is the case, SEGL would have to fund its operations with its cash on hand, private and public investments.

Limited Diversification of Investments

Due to the small size of the Company and the fact that it has only a limited number of investments, the Company is subject to a greater risk of a downturn in one or more of its investments. A concentration of the Company's invested funds in a limited number of businesses – in particular in the film production business in Korea through the shares of SEGL - means that in the event that any such business or industry or investment is unsuccessful or experiences a downturn, this will likely have a material adverse effect on the Company's business, results from operations, and financial condition. It also means that the Company is more exposed to business cycles than it would be if it owned a larger number of investments, which were diversified over various industries with differing business cycles in different geographic areas.

Industry Risks

Each of the Company's investees is subject to the risks inherent in the industry in which it operates. In the case of SEGL, its businesses are very dependent on the strength of the Korean film industry and SEGL's ability to continue to finance and make successful, profitable movies. Illegal piracy of films and illicit internet downloads of films are also risks which will continue to threaten the Korean film industry.

Competition

The Korean film production companies owned by SEGL face intense competition in their respective markets, including competition from other companies some of whom have greater financial and other resources, and more advanced technological development. The movie production industry is a worldwide industry and films made in Hollywood, India and many other countries compete with Korean films on the worldwide stage for viewership. There can be no assurance that they will be able to successfully compete against their respective competitors or that such competition will not have a material adverse effect on their businesses, financial condition, results of operations and cash flows.

Currency Fluctuations

The Company is exposed to fluctuations in the value of the currencies of the Republic of Korea, the Special Administrative Region of Hong Kong, Singapore, Canada and the United States. The Company does not use currency derivatives to hedge against adverse currency fluctuations.

Legal Claims and Other Contingencies

The Company and its investee companies may become parties to law suits, claims and litigation arising in the ordinary course of business. Such law suits could result in significant costs and the outcome of such law suits could have a material negative impact on the Company's financial position, operating results, or the Company's ability to continue to carry on its business activities.

Lack of Market for the Company's Shares

Although the Company's common shares are listed and traded on the TSX Venture Exchange, there may not be a liquid market for the shares and any market price for the shares may not reflect the underlying value of the Company's business and assets.

Economic Conditions in Korea

The principal asset of the Company is its investment in the shares of SEGL and the majority of SEGL's operations and assets are located in the Republic of Korea through its ownership of film production companies based in Korea and other investments in Korea. As a result, the Company is subject to political, economic, legal and regulatory risks specific to Korea.

Tensions with North Korea

Relations between the Republic of Korea and North Korea have been tense throughout Korea's modern history. The level of tension between the two Koreas has fluctuated and may increase or change abruptly as a result of current and future events. In recent years, there have been heightened security concerns stemming from North Korea's nuclear weapons and long-range missile programs and increased uncertainty regarding North Korea's actions, particularly in light of the recent leadership change, and possible responses from the international community. Tensions have escalated on the Korean peninsula, and there can be no assurance that the level of tension will not escalate further in the future.

Any further increase in tensions which may occur, for example, if military hostilities occur or North Korea experiences a leadership or economic crisis, could have a material adverse effect on the Company's operations and the market value of its common shares.

Financial Instability in Other Countries

The Korean market and the Korean economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has adversely affected the Korean economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries. A loss of investor confidence in the financial systems of emerging and other markets may cause increased volatility in Korean financial markets. It is possible that the financial events of the type that occurred in emerging markets in Asia in 1997 and 1998 will happen again which would have an adverse effect on the market value of the Company's common shares.

Covid-19

The corona virus known as Covid-19 which spread throughout the world in the first quarter of 2020 has had a dramatic negative effect on the economies of the Republic of Korea, the Special Administrative Region of Hong Kong, Singapore, Canada and the United States which will in turn negatively affect SEGL's investments in the Korean film industry.

INTERNAL CONTROLS

Disclosure controls and procedures

Management of the Company is responsible for establishing and maintaining disclosure controls and procedures for the Company as defined under National Instrument 52-109 issued by the Canadian Securities Administrators. The Company as a venture issuer is not required to certify the design and evaluation of the issuer's disclosure controls and procedures.

Internal controls over financial reporting

Management of the Company is responsible for designing internal controls over financial reporting for the Company as defined under National Instrument 52-109 issued by the Canadian Securities Administrators. The Company as a venture issuer is not required to certify the design and evaluation of the issuer's disclosure controls and procedures.

International Financial Reporting Standards

The Company's financial statements for the year ended December 31, 2023 and the comparative information presented in the financial statements for the year ended December 31, 2022 have been prepared in accordance with IFRS applicable to the presentation of financial statements.

STRATEGY AND FUTURE DIRECTION

The Company's initial strategy and focus was to (i) identify and acquire small/medium-sized growth companies, primarily in the Republic of Korea, that possess proprietary know-how or technologies and a track record of profitable operations; (ii) assist the management of each acquired company to enhance its value; (iii) originate collaboration amongst the portfolio of acquired companies to create new opportunities for one another and leverage off each others' capabilities and resources; and (iv) reflect the collective value derived from the performance of the acquired businesses on the share price of the Company. As a result of the implementation of this strategy the Company made a number of investments in the Korean film and entertainment business through SEGL.

The Company's principal asset is its 7.82% interest in the shares SEGL that are listed and trade on the Catalist of the Singapore Exchange. SEGI's strategy and focus will continue to be to work with the management of SEGL and its other investee companies to enhance the value of their businesses and thereby improve the value of the Company's investment.

SEGI may also opportunistically make investments in selected small-capitalization publicly-traded companies that the Company believes are attractive investment propositions or undervalued relative to their underlying financial fundamentals and operating performance. After making an investment into such publicly-traded companies, SEGI plans to encourage and implement such measures as changes in management strategy, business diversification, cost cutting, strategic mergers & acquisitions, capital restructuring, improvements in investor relations activities, and other initiatives typically undertaken by corporate restructuring specialists, in order to seek capital appreciation. Such small-cap stocks targeted by SEGI are investment opportunities that are normally overlooked by institutional investors (i.e. private equity funds, hedge funds, special situations funds, etc.) due to their small size and relatively negligible presence in the market, making such opportunities an attractive niche for SEGI to exploit without significant competition.

The ultimate objective of the Company will be to reflect the collective value derived from the performances of SEGL, SMGL and other investments in the Company's share price for the benefit of the Company's shareholders.

OUTSTANDING SHARE DATA

The Company has authorized an unlimited number of common shares and an unlimited number of preference shares issuable in series. As at December 31, 2023 and the date of this MD&A there were 14,889,972 outstanding common shares.

OTHER INFORMATION

Additional information related to the Company may be found on SEDAR at www.sedar.com.

April 29, 2024