

**Management's Discussion & Analysis of**

**CYMBRIA CORPORATION**

**Three months ended March 31, 2022**

**CYMBRIA®**

Management's Discussion and Analysis ("MD&A") provides a review of Cymbria Corporation's ("Cymbria") financial results for the three months ended March 31, 2022 and assesses factors that may affect future results. The financial condition and results of operations are analyzed noting the significant factors that impacted the statements of financial position, statements of comprehensive income (loss), statements of changes in equity, and statements of cash flows of Cymbria. As such, this MD&A should be read in conjunction with the audited annual financial statements and notes thereto included in this report. The MD&A and the audited annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") to provide information about Cymbria.

The following MD&A is the responsibility of management and is dated May 12, 2022. The Board of Directors carries out its responsibility for the review of this disclosure through its Audit Committee, comprised exclusively of independent directors. The Audit Committee has reviewed and recommended approval of the MD&A by the Board of Directors. The Board of Directors has approved this disclosure.

The unaudited condensed interim financial statements may be included at the back of the MD&A. You can obtain a free copy of the interim or annual Financial Statements by calling 1.866.757.7207, writing to EdgePoint Investment Group Inc., 150 Bloor St. W., Suite 500, Toronto, ON, M5S 2X9, or visiting our website at [www.cymbria.com](http://www.cymbria.com) or the SEDAR website at [www.sedar.com](http://www.sedar.com).

Likewise, shareholders can obtain copies of Cymbria's proxy voting policies and procedures, proxy voting disclosure records, and quarterly portfolio disclosures.

Please refer to Cymbria's Annual Information Form and the 2021 annual Financial Statements for more information which can be found on the SEDAR website at [www.sedar.com](http://www.sedar.com). For Cymbria's current and historical adjusted net asset values per share, please visit [www.cymbria.com](http://www.cymbria.com).

### **Caution regarding forward-looking statements**

This report may contain forward-looking statements about Cymbria, including its strategy, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects," "anticipates," "intends," "plans," "believes," "estimates," or negative versions thereof and similar expressions.

This report may also contain backward-looking statements that are more definitive in nature that include words such as "last year," "before we were born" and "our encyclopedias say." We like to think we're pretty good at predicting what happened in the past so feel free to take most of these statements as truths.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties, and assumptions about Cymbria and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by Cymbria. Any number of important factors could contribute to these differences, including, but not limited to, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, natural disasters, epidemic and pandemic outbreaks, public health emergencies, and catastrophic events.

We stress that the abovementioned list of important factors is not exhaustive but is super exhausting to read, let's be honest! We encourage you to consider these and other factors carefully before making any investment decisions, and urge you to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that Cymbria has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next MD&A.

**Management's Discussion and Analysis**

The following presents the views of EdgePoint Investment Group Inc. (the "Manager") concerning significant factors and developments that have affected Cymbria's performance and outlook.

Please read the aforementioned caution regarding forward-looking statements.

Where we refer to the purchase or sale of businesses in this report, we are referring to Cymbria's purchase or sale of shares in a company. We use the term businesses as it more closely aligns with the portfolio management team's view that the investment is in a business and not simply ownership of stock.

**Non-IFRS measures**

Cymbria prepares and releases audited annual financial statements and unaudited interim financial statements in accordance with IFRS. In this MD&A, as a complement to results provided in accordance with IFRS, Cymbria discloses certain financial measures not recognized under IFRS and that do not have standard meanings prescribed by IFRS (collectively the "non-IFRS measures"). These non-IFRS measures are further described below. Cymbria has presented such non-IFRS measures because we believe they are relevant measures of the ability to evaluate Cymbria's performance. These non-IFRS measures should not be construed as alternatives to net comprehensive income (loss) determined in accordance with IFRS as indicators of Cymbria's performance.

- Adjusted Net Asset Value ("aNAV") – represents the fair value of the net assets of Cymbria, which differs from IFRS Shareholders' Equity because it does not take into account the deferred income tax liability on the unrealized gain on investments and the deferred tax benefits associated with any realized losses on investments. The calculation of aNAV has not changed since the inception of Cymbria.

Net asset value calculations are different across companies and shareholders of Cymbria should be cautioned that its aNAV may not be comparable to other companies. Cymbria still believes aNAV is an important measure because it is the basis on which the Manager evaluates Cymbria's performance. The difference between aNAV and shareholders' equity is the deferred income tax liability. Deferred income taxes can differ from actual income taxes paid in the future due to fluctuations in investment prices and changes to income tax rates. In addition, \$35.2 million of the deferred income tax liability relates to a deferred liability on Cymbria's investment in EdgePoint Wealth Management Inc. The manager is compensated through the management fee that is based on Cymbria's aNAV calculation, not shareholders' equity. Below is a reconciliation of aNAV to shareholders' equity.

	Mar. 31, 2022 ('000s)	Dec. 31, 2021 ('000s)
aNAV	\$ 1,443,672	\$ 1,502,646
Less: Deferred income tax liability	(45,075)	(56,976)
Shareholders' equity	\$ 1,398,597	\$ 1,445,670

- Adjusted net asset value per share – represents the aNAV of Cymbria by class divided by the respective number of shares in that class. Below is a reconciliation of adjusted net asset value per share to shareholders' equity per share.

Class A	Mar. 31, 2022	Dec. 31, 2021
Adjusted net asset value per share	\$ 61.39	\$ 63.92
Less: Deferred income tax liability	(1.91)	(2.42)
Shareholders' equity per share	\$ 59.48	\$ 61.50

Class J	Mar. 31, 2022	Dec. 31, 2021
Adjusted net asset value per share	\$ 68.49	\$ 71.23
Less: Deferred income tax liability	(2.14)	(2.70)
Shareholders' equity per share	\$ 66.35	\$ 68.53

Readers are cautioned not to view non-IFRS measures as alternatives to financial measures calculated in accordance with IFRS.

**Our business**

Cymbria is an investment corporation that trades on the Toronto Stock Exchange. As at March 31, 2022, Cymbria invested in a collection of 58 different business ideas, including a 20.7% ownership stake in EdgePoint Wealth Management Inc. ("EdgePoint").

**Measuring our results**

We've made meaningful progress toward our goal of building long-term wealth for shareholders. The cumulative return of Cymbria's Class A aNAV since inception is 513.9% and the cumulative return of Cymbria's Class A shareholders' equity since inception is 494.8%.

We measure our investment results using Cymbria's aNAV rather than its stock price or shareholders' equity, as we feel this more closely reflects how our Investment team adds value. For instance, fluctuations in Cymbria's share price are not always consistent with the movements of its aNAV and can change based on numerous factors, some of which are independent of Cymbria's aNAV. Cymbria's shareholders' equity differs from aNAV because of accounting differences primarily related to deferred income taxes. Cymbria's aNAV includes a provision for current corporate income taxes, but excludes a provision for future taxes on unrealized capital gains and losses. Shareholders' equity includes both. Deferred tax does not impact the amount of capital that Cymbria has invested to earn a return. Therefore, when we measure our investment performance, we measure against the full amount of capital that was available to us to invest which is represented by aNAV. We are required to calculate aNAV daily and Cymbria's Class A aNAV is posted daily to our website.

**Measuring Cymbria's worth**

Cymbria's stock price has swung between a 14% discount and a 34% premium to aNAV since inception.

The publicly traded portion of Cymbria's portfolio consists of a collection of quality businesses we believe are trading for less than their true value. We try to buy businesses that can materially grow their cash flows over time and where we're not being asked to pay for that growth today. This should translate into healthy share-price appreciation.

To help investors make informed decisions about their investment in Cymbria, we post its aNAV daily to our website. Some have

suggested that doing so encourages short-term thinking. We tend to agree. Cymbria's aNAV is different from its worth. The aNAV represents the value of its holdings at today's prices, not tomorrow's worth. Not everyone uses Cymbria's aNAV as a guidepost, nor does posting it ensure that the stock will ever trade at that figure. Cymbria has traded within a wide band and people are free to ignore the guideposts.

Since we have no control over Cymbria's share price and don't know what's in the heads of sellers day-to-day, we also have no way of determining if there will be shareholders willing to sell at material discounts to aNAV (either knowingly or unknowingly). If Cymbria's stock price lags its aNAV, we also believe in buying back shares, as doing so at an attractive discount makes sense for our shareholders. Should these opportunities exist, our share repurchases should greatly enhance Cymbria's value for remaining shareholders. This will occur at the expense of those willing to sell to us at a discount. If we're right about the value of the businesses inside Cymbria's portfolio over time, our share repurchases will prove to be one of our better investments. Please see "Non-IFRS measures" for a discussion on aNAV.

**Recent developments**

Investing during periods of uncertainty is nothing new for Cymbria's investment team. Since Cymbria's inception in 2008, there have been some notable declines but rather than focusing on macroeconomics, we achieve our results by taking a businessperson's approach to investing. We're always on the lookout for well-managed businesses that can grow with sustainable competitive advantages. We only invest in these identified businesses during opportune times when we believe we're not paying for the businesses future growth.

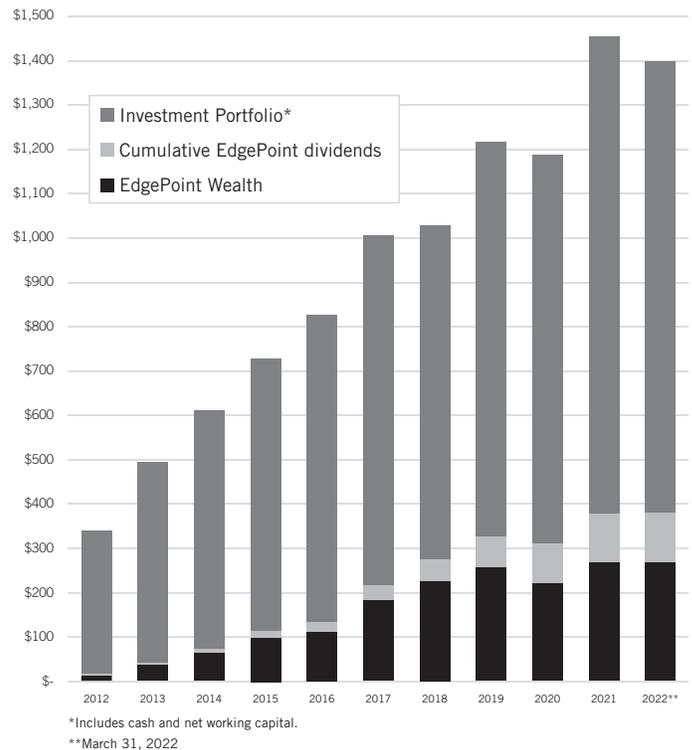
Typically, it's during periods of high uncertainty that we see an opportunity to buy growth and not pay for it. The most attractive opportunities often appear in businesses with fundamentals that are tangential to the overarching market concerns. However, the businesses we've identified have a unique prospect that we believe will allow the company to grow despite the uncertainty. We refer to these businesses as non-obvious survivors.

From late 2021 to the first quarter of 2022, Cymbria experienced a peak to trough decline of about 10%. Geopolitical concerns and rising inflation were on the forefront of investors' minds. This created an opportunity for Cymbria to take advantage of the market volatility and purchase a handful of new investments. The actions we have taken this time around are no different than previous drawdown periods that Cymbria has experienced.

**Overall performance**

For the three months ended March 31, 2022, Cymbria's shareholders' equity decreased 3.3% to \$1,399 million (March 31, 2021: 10.3% increase). The decrease in shareholders' equity is largely attributable to investment performance, which is discussed in the Investment performance section of this report.

**Shareholders' equity ('000)**



**Summary of investment portfolio**

To help frame the investment performance discussion, below is a summary of the top 15 securities held by Cymbria as a percentage of shareholders' equity. We disclose Cymbria's full portfolio on an annual basis. Please see Cymbria's 2021 Annual Report for the last published Schedule of Investments.

Top 15 securities	Fair value ('000s)
EdgePoint Wealth Management Inc.	\$ 265,500
Dollar Tree Inc.	47,970
Restaurant Brands International Inc.	47,009
Berry Global Group Inc.	46,511
Mattel Inc.	44,712
Anthem Inc.	44,141
AutoCanada Inc.	39,021
Willis Towers Watson PLC	36,522
SAP SE	36,409
Onex Corporation	35,298
Private financial technology company	31,524
Computer Modelling Group Limited	27,389
Fidelity National Information Services Inc.	25,728
TE Connectivity Limited	25,345
Brookfield Asset Management Inc., Class A	25,257

The Summary of Investment Portfolio may change due to ongoing portfolio transactions.

**Investment performance**

Cymbria's collection of businesses can be separated between its portfolio of public securities and its portfolio of private equity, including EdgePoint.

*Portfolio of public securities*

While we provide these comments to fulfill the disclosure requirement of this report, we measure investment success over periods of 10 years or more, and believe it takes considerable skill to consistently add value over the long term. With a long-term view, it would not add a significant amount of value to discuss every business that is owned in the portfolio, including those that have had short-term fluctuations in value. However, in this section we will discuss the investments in public securities that we believe would be of interest to shareholders and/or highlight any material changes (if any) to the businesses we own.

These are the businesses that had the most meaningful positive impact on shareholders' equity during the quarter:

- Dollar Tree, Inc.

We first purchased Dollar Tree in November of 2021. Dollar Tree owns and operates discount variety stores through the Dollar Tree and Family Dollar banners. We believe the first opportunity for growth is for the Dollar Tree banner to introduce higher price points. When you introduce higher price points you have the ability to add a better assortment of products, which attracts more people into the store, while also supporting higher margins. In addition, with higher inflation outpacing the growth of real wages, it forces people to thrift down into these types of franchises. The second opportunity is for Family Dollar to improve store operations. Family Dollar's closest peer is Dollar General whose stores are significantly more profitable. We believe there is an opportunity for Family Dollar to close much of that gap by reinvesting in their stores and logistics. This should result in higher sales and margins for the business. It is our view that the market is not fully recognizing the extent of these opportunities. The stock was up 14% over the quarter and Cymbria's unrealized gain in the business increased by \$5.9 million.

- Computer Modelling Group Ltd.

We first purchased Computer Modelling Group in July of 2020. Computer Modelling Group is a leader in reservoir simulation software. Their high value software enables oil and gas exploration companies to more efficiently develop their assets. As oil and gas becomes more difficult to produce the importance of reservoir simulation increases. We believe there are a number of areas for growth including attracting new customers, entering new markets, and expanding their product offerings. The stock was up 26% over the quarter and Cymbria's unrealized gain in the business increased by \$5.6 million.

These are the businesses that had a meaningful negative impact on shareholder's equity during the quarter:

- Berry Global Group Inc.

We first purchased Berry Global in Cymbria in August of 2019. Berry Global is the largest plastic resin converter with over 20,000 customers. Berry's share price declined in the quarter surrounding concerns over inflation and its European exposure. We believe Berry's contractual pass-throughs and pricing initiatives will allow the company to maintain profitability over a normalized period, despite the high level of inflation. Moreover, given the non-discretionary nature of the products Berry manufacturers, we believe its underlying fundamentals should perform reasonably well in a potential European slowdown. In

turn, our normalized estimate of Berry's earnings power remains unchanged. We see Berry's valuation today being the lowest it has ever been, outside of the COVID-19 decline in March 2020. The stock was down 21% over the quarter and Cymbria's unrealized gain in the business decreased by \$13.4 million.

- SAP SE

We first purchased SAP in January of 2021. SAP is a software company that is the largest provider of Enterprise Resource Planning (ERP) software in the world. ERP is mission critical for large companies as they help integrate products, collect data, analyze and interpret that data. Once a customer has integrated their data in an ERP system, it becomes a significant undertaking to switch software programs. They keep adding to the complexity of the program and this creates an attractive business model for companies like SAP. The business is currently transitioning to the cloud and it's expected that earnings will be flat for 2022 as they work through the migration process. Once the migration is complete, it should improve the future profitability of the business. The market doesn't like the idea of no earnings growth, but if you have a long-term view you'll see an opportunity to buy a business where you aren't being asked to pay for their future growth. The stock was down 19% over the quarter and Cymbria's unrealized loss in the business increased by \$8.6 million.

*Businesses purchased*

During the quarter ended March 31, 2022, we purchased 4 new businesses. The largest purchase, in terms of significance to Cymbria as at March 31, 2022, was:

- Topicus.com, Inc.

Topicus.com engages in the provision of critical software solutions through the acquisition and management of vertical market software. The businesses acquisitions of vertical software companies have generated high returns historically and they continue to use cash flow from those acquisitions to buy additional vertical software businesses. This process generates a very high return on capital. We believe that we're purchasing the business at a price where we aren't being asked to pay for their future growth.

*Businesses sold*

We generally sell a stake in a business for one of two reasons. First, if our thesis about the business is deemed no longer valid. Second, there is a constant culling process whereby we continuously strive to upgrade the quality of Cymbria's portfolio with better ideas.

During the quarter we sold our stakes completely in 4 businesses. Below are the most significant sales based on the gross amount of realized gains and losses:

- MDA Ltd.

We purchased the business privately in Cymbria in April of 2020. MDA, formerly Neptune Acquisition LP, is a Canadian supplier of mission-critical space-based technologies. In April 2021, the company completed a successful initial public offering on the Toronto Stock Exchange. MDA had always been a unique investment, as it occurred at the start of the pandemic and was an opportunity to redomicile a Canadian crown jewel from its indebted U.S. parent. The space technology industry is also more capital-intensive than our other private businesses, and

so it made sense to access the public markets to support its future growth plans. We have since sold our position, generating a cumulative return on investment of approximately 72% and realized a gain during the quarter of \$5.5 million.

- O'Reilly Automotive, Inc.

O'Reilly Automotive engages in the distribution and retailing of automotive aftermarket parts, tools, supplies and equipment in the United States. Historically, return on capital for the business has been in the high 30's, which was very attractive. The business has also continued to grow their retail store count, while same store sales growth has been in the mid-single digits over the last five years. During the COVID-19 pandemic, rather than using public transit more people commuted using their own vehicles. This resulted in more car repairs and accidents, which translated into increased earnings for O'Reilly. We exited our position because our thesis had played out. Our holding period return for O'Reilly was 41% and Cymbria realized a gain of \$4.3 million on shares of the business sold during the quarter.

*Portfolio of private equity*

Cymbria has the flexibility to invest in both public and private markets. Below is an update on the largest private equity business in our portfolio as at March 31, 2022:

- EdgePoint Wealth Management Inc.

The most significant private equity business in Cymbria is EdgePoint. Cymbria's original \$509,585 investment in EdgePoint represents a 20.7% ownership share as at March 31, 2022. Since inception, we have received \$116.5 million in dividends from EdgePoint and its value in Cymbria has increased to \$265.5 million, making EdgePoint the most valuable contributor to Cymbria's investment portfolio.

With the assistance of a third-party valuator, Cymbria's stake in EdgePoint was revalued in December 2021 at a range of \$240.3 million to \$290.7 million. For financial statement purposes, EdgePoint is valued using the mid-point of the range at \$265.5 million, unchanged from the end of 2021.

The discounted cash flow model used for the valuation has a specific set of assumptions of which the significant ones are outlined in Note 10 of the financial statements. The range noted above changes only the discount rate in the valuation. In reality, the possible results for EdgePoint can vary far outside of this range. To highlight how wide a range could be without going to extremes, please refer to the sensitivity analysis in Note 10 of the financial statements. A change to any one or all of the assumptions can have a material impact on the valuation of EdgePoint as highlighted in Note 10.

We spend a considerable amount of time on the assumptions that go into the base cash flow model to determine the valuation range and believe that this represents fair market value as at March 31, 2022. However, valuing a business like EdgePoint is an imperfect science and depending on actual results there could be considerable variance positively or negatively from today's value.

**Financial review**

This section discusses the significant changes in Cymbria's financial performance, financial condition and cash flows for the three months ended March 31, 2022 compared to those for the three months ended March 31, 2021 and as at December 31, 2021.

This section should be read in conjunction with Cymbria's unaudited condensed interim financial statements and corresponding notes thereto.

**Financial performance**

	<b>Three months ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>('000s)</b>	<b>('000s)</b>
<b>Income</b>		
Net realized gain on investments	\$ 30,144	\$ 19,102
Change in unrealized gain on investments	(90,344)	113,744
Dividend and interest income	9,257	9,088
Foreign currency gain (loss)	168	1,743
<b>Total income (loss)</b>	<b>\$ (50,775)</b>	<b>\$ 143,677</b>
<b>Expenses</b>		
Management fees	\$ 2,470	\$ 2,221
Withholding taxes, HST, and transaction costs	862	979
Other expenses	798	767
<b>Total expenses</b>	<b>\$ 4,130</b>	<b>\$ 3,967</b>
<b>Profit (loss) before taxes</b>	<b>\$ (54,905)</b>	<b>\$ 139,710</b>
<b>Income taxes (recovery)</b>	<b>\$ (7,832)</b>	<b>\$ 17,166</b>
<b>Net comprehensive income (loss)</b>	<b>\$ (47,073)</b>	<b>\$ 122,544</b>

*(a) Net realized gain on investments*

During the three months ended March 31, 2022, the realized gain on investments of \$30.1 million is largely attributable to a gain from the sale of shares of MDA Ltd. of \$5.5 million and O'Reilly Automotive, Inc. of \$4.3 million. Net realized gain on investments is not comparable to prior periods due to the different transactions from period to period. More details relating to the most significant contributors to Cymbria's performance are discussed in the *Investment performance* section.

*(b) Change in unrealized gain (loss) on investments*

The unrealized gain on investments decreased by \$90.3 million for the three months ended March 31, 2022. This is a result of fluctuations in the value of investments during the period. The two largest contributors to the decrease during the period were Berry Global Group Inc. with a \$13.4 million decrease and SAP SE with an \$8.6 million decrease. Fluctuations in investment values are not comparable to prior periods due to the different composition of the investment portfolio from period to period. More details relating to the most significant contributors to Cymbria's performance are discussed in the *Investment performance* section.

*(c) Dividend and interest income*

Dividend and interest income is earned on the portfolio of public equities and the investment in EdgePoint. An important driver of wealth for Cymbria is the dividend from EdgePoint.

During the three months ended March 31, 2022, Cymbria received dividends totaling \$5.2 million from EdgePoint, unchanged from the same period in 2021. This dividend can be reinvested by Cymbria in its portfolio of securities or used to buy back Cymbria shares. Dividends and interest income from investments other than EdgePoint amounted to \$4.1 million. Cymbria's portfolio is not managed with the intent to derive a certain amount of dividend or interest income. Therefore, it is typical that this type of income would fluctuate from period to period.

*(d) Foreign currency gain (loss)*

Cymbria is valued in Canadian dollars; however, it invests in securities denominated in foreign currencies. The foreign currency gains and losses of these securities are included in net realized and unrealized gain (loss) on investments. In order to reduce the impact of short-term fluctuations, we may employ currency hedging. Specifically, we may hedge all or a portion of our foreign currency exposure depending on our view of a currency's relative value and its associated risks. The Manager monitors and updates the degree of currency hedging based on a variety of economic factors, including the foreign currency's purchasing power parity versus the Canadian dollar.

As at March 31, 2022, Cymbria's most significant foreign currency exposure was the U.S. dollar, which as a percentage of shareholders' equity was approximately 39% and we hedged approximately 8% of that exposure.

Cymbria did not have a hedge in place for its investment securities denominated in the Japanese yen, euro, British pound, Swedish krona or Hong Kong dollar as we did not believe there was material currency risk with these investments. As a result of foreign currency hedging activities during the three months ended March 31, 2022, Cymbria had a \$0.3 million net realized and unrealized loss from hedging activities

*(e) Expenses*

Cymbria believes that low expenses are an important factor in evaluating our performance. Management fees increased by \$0.2 million from 2021 due to the increase in aNAV over the corresponding period, on which the fee is based. Management fees are charged based on the aNAV of Cymbria, excluding the value of EdgePoint. The effective annualized management fees charged for the three months ended March 31, 2022 were 0.82% for Class A shareholders and 0.41% for Class J shareholders.

**Financial condition**

	<b>Mar. 31, 2022</b>	<b>Dec. 31, 2021</b>
	('000s)	('000s)
<b>Assets</b>		
Investments	\$1,390,078	\$1,417,533
Cash and cash equivalents	78,900	97,423
Other assets	8,774	1,453
<b>Total assets</b>	<b>\$1,477,752</b>	<b>\$1,516,409</b>

**Liabilities**

Foreign exchange forward contracts	\$ 46	\$ 244
Accrued liabilities and other payables	2,488	97
Interest payable on swap contracts	39	-
Income taxes payable	34	9,458
Credit facility	30,050	2,550
Deferred share unit plan	1,423	1,414
Deferred income tax liability	45,075	56,976
<b>Total liabilities</b>	<b>\$ 79,155</b>	<b>\$ 70,739</b>

<b>Shareholders' equity</b>	<b>\$1,398,597</b>	<b>\$1,445,670</b>
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*(a) Investments*

Cymbria's investments as at March 31, 2022, primarily consists of a portfolio of public securities of \$1,060.1 million and private equity of \$301.0 million, including an investment in EdgePoint of \$265.5 million. The *Investment performance* section of this MD&A discusses the significant changes in these investments. The Schedule of Investment Portfolio included in the Financial Statements discloses the most significant businesses that we own.

*(b) Cash and cash equivalents*

Cymbria maintains cash and cash equivalents to purchase investments, pay expenses, and occasionally buy back shares. Cymbria does not distribute cash by issuing a dividend. Cash balances are monitored on a daily basis by the Manager. The decrease of \$18.5 million from the end of 2021 is primarily due to the net purchase of investments of \$37.1 million offset by drawing \$27.5 million from the credit facility during the quarter. Cash and cash equivalents is comprised entirely of cash held at the bank.

*(c) Income taxes payable*

The Income taxes payable of \$0.1 million is a result of income tax installments being more than Cymbria's income tax liability as at March 31, 2022.

*(d) Credit facility*

During the quarter, Cymbria amended and renewed the credit facility. As part of the amendment, Cymbria drew \$25 million on a fixed term of 7 years. An additional \$5.1 million is drawn on the revolving portion of the facility.

*(e) Deferred share unit plan*

Cymbria's deferred share unit plan exists to provide directors the option to receive their compensation in the form of deferred share units. The units are valued using the five-day volume-weighted average stock price of Cymbria prior to the period end. For the three months ended March 31, 2022, Cymbria issued 746 units and the total value of the plan did not significantly change from the end of 2021.

*(g) Deferred income tax liability*

The deferred income tax liability represents temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes versus taxation purposes. As at March 31, 2022, Cymbria's deferred income tax liability is presented net and it comprises of a liability on the unrealized appreciation of investments of \$45.2 million offset by an asset on deferred share units of \$0.1 million. Included in the deferred income tax liability is a \$35.2 million liability related to Cymbria's investment in EdgePoint.

*(h) Shareholders' equity*

Cymbria's shareholders' equity is comprised of common stock, Class A, and Class J shareholders. The Manager owns 100% of the common stock of Cymbria. The number of common shares outstanding on March 31, 2022 and May 12, 2022 were 100. Class A shares are non-redeemable and traded on the Toronto Stock Exchange. As at March 31, 2022 and May 12, 2022, there were 16,315,719 Class A shares outstanding. Class J shares are non-redeemable and were offered through a private placement. Class J shares can be exchanged for an equivalent value of Class A shares on the last business day of each week. As at March 31, 2022 and May 12, 2022, there were 6,453,206 Class J shares outstanding.

**Cash flows**

For the three months ended March 31, 2022, Cymbria had a net decrease in cash and cash equivalents of \$18.5 million. The majority of the net decrease in cash and cash equivalents is due to cash used in operating activities, including the net purchase of investments of \$37.1 million, offset by cash generated from financing activities of \$27.5 million.

**Shareholder activity**

Cymbria refiled its Normal-Course Issuer Bid ("NCIB") for the 12-month period beginning on May 23, 2021 to May 22, 2022. Cymbria will use the NCIB to repurchase shares in the event that we believe the company is being undervalued by the market

**Summary of interim results**

The financial information summarized below is derived from Cymbria's condensed interim financial statements from the three month periods noted in the table below. In each of the periods, the changes in Total income (loss) and Net income (loss) are primarily a result of the realized and unrealized changes in the fair value of Cymbria's investments. No meaningful correlations can be made by comparing these figures from period to period.

(in '000s except per share amounts)	Three months ended							
	Mar. 31, 2022	Dec. 31, 2021	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020	Jun. 30, 2020
Total income (loss)	\$ (50,775)	\$ 61,221	\$ (13,660)	\$ 112,101	\$ 143,677	\$ 112,949	\$ 36,095	\$ 107,003
Total expenses	\$ 4,130	\$ 4,095	\$ 4,761	\$ 4,299	\$ 3,967	\$ 3,415	\$ 3,733	\$ 2,939
Net income (loss)	\$ (47,073)	\$ 50,902	\$ (14,793)	\$ 94,920	\$ 112,544	\$ 97,786	\$ 29,538	\$ 91,324
Net income (loss), per share								
Class A	\$ (2.02)	\$ 2.15	\$ (0.65)	\$ 4.02	\$ 5.17	\$ 4.15	\$ 1.24	\$ 3.87
Class J	\$ (2.18)	\$ 2.46	\$ (0.66)	\$ 4.54	\$ 5.92	\$ 4.63	\$ 1.42	\$ 4.34

**Credit facility**

On September 22, 2017, Cymbria entered into a five-year credit agreement with a Canadian chartered bank (the "Bank") that can be renewed on an annual basis. The credit agreement allows Cymbria to borrow up to \$100 million. Interest is charged on the outstanding balance based on whether the facility is drawn as bankers acceptance or prime loan. When drawn upon, the credit facility will be secured by a selection of eligible securities in Cymbria's investment portfolio. On March 10, 2022, Cymbria amended the credit agreement to allow the \$100 million facility to be the aggregate of a renewable \$75 million revolving commitment that will mature on March 10, 2027 and a \$25 million term loan that will mature on March 10, 2029. Concurrently with drawing the \$25 million term loan, Cymbria entered into an interest rate swap contract that fixes the interest on the term loan at 3.8% per annum until maturity. As at the date of this report, Cymbria has complied with all covenants, conditions or other requirements of the credit agreement.

and an attractive opportunity exists to enhance the value for its shareholders. No shares were repurchased during the quarter ended March 31, 2022. Since inception, Cymbria has repurchased and cancelled 501,500 Class A shares at an average price of \$15.56 per share and a total cost of \$7.8 million.

Cymbria's Liquidity Realization Opportunity ("LRO") is available for both Class A and Class J shares and gives Cymbria the right to repurchase a number of shares from time to time at a very small discount to aNAV where (i) Cymbria's portfolio has experienced growth in the previous fiscal year, (ii) Class A shares are trading at a price less than 97% of aNAV, and (iii) on the Manager's recommendation. When these events occur, shareholders may elect to participate in the LRO and have an opportunity to dispose of shares at a price close to aNAV. This feature was introduced to increase Cymbria's attractiveness as an investment by recognizing that liquidity requirements and investment time horizons vary from investor to investor. We believe that Cymbria's aNAV, which is disclosed daily, is a fair representation of Cymbria's portfolio at current prices. When Class A shares trade at prices not reflective of the aNAV, the LRO provides another venue whereby shareholders may dispose of their shares at a price closer to aNAV. The LRO does not affect Cymbria's ability to continue repurchasing shares through the NCIB. Please see the Management Information Circular dated May 28, 2013 for more information on the LRO. Cymbria did not announce a LRO for the three months ended March 31, 2022 as Cymbria's Class A shares have been trading above 97% of aNAV on average over the period

The purpose of the credit facility is to provide Cymbria with increased flexibility to purchase additional investments when we believe an opportunity exists where the potential return is worth the added risk that leverage introduces.

**Liquidity**

Cymbria maintains strong liquidity with cash and cash equivalents and its portfolio of public equities. In addition to financial liabilities that arise from its normal course of investing activities, Cymbria may have a financial liability associated with drawn amounts on the credit facility. As at March 31, 2022, cash and cash equivalents less the outstanding balance on the credit facility represents 3.9% of Cymbria's total shareholders' equity. Cymbria's portfolio of securities includes actively traded global stocks that can be readily sold. As at March 31, 2022, the portfolio of public equities that the Manager believes can be readily sold represents 75% of Cymbria's total shareholders' equity. Cymbria has drawn \$30 million on its credit facility; however, the Manager does not believe this poses a

significant risk to liquidity. There are no other outstanding debt or contractual obligations that would pose a significant risk to liquidity as at March 31, 2022.

**Commitments and contingencies**

In the ordinary course of business activities, Cymbria may be contingently liable for litigation and claims arising from investing. Where required, the Manager records adequate provisions in the accounts. The Manager is not aware of any current or pending litigation or claims against Cymbria.

**Related parties**

***Manager and Investment Advisor***

Cymbria is managed by EdgePoint Investment Group Inc. (the "Manager"), which is responsible for Cymbria's day-to-day operations and is also the portfolio advisor to Cymbria. The Manager provides investment advisory and portfolio management services, which comprise investment selection, analysis and monitoring, including business travel to corporate head offices, other associated due diligence costs, portfolio construction, risk management and broker analysis, selection and monitoring, and trading expertise, and could also include marketing and promotion of Cymbria. These services are in the normal course of operations and are charged at the rate agreed to by the parties.

As compensation for providing these management services, the Manager receives a monthly management fee based on the daily average aNAV of each class of Cymbria shares, excluding the value of EdgePoint. For the three months ended March 31, 2022, management fees totaled \$2.5 million, compared to \$2.2 million for the same period in 2021. In addition, the Manager is entitled to be reimbursed by Cymbria for operating expenses associated with its advisory services, excluding salaries to the Manager's principal shareholders. Please see "Non-IFRS Measures" for a discussion on aNAV.

Cymbria is responsible for paying its own operating expenses which includes, but is not limited to, taxes (including income, capital, and harmonized sales taxes), accounting, legal fees, audit fees, Board of Directors' fees, custodial and safekeeping fees, portfolio transaction costs, registrar and transfer agency fees, regulatory costs and filing fees, shareholder reporting including the costs of preparing and distributing annual and interim reports, Annual Information Forms, statements and investment communications, interest and bank charges, and all administration expenses incurred by the Manager for its duties as Manager that could include salaries (excluding salaries to the Manager's principal shareholders), overhead and other costs related directly to Cymbria's operations. Except for interest, bank charges, and taxes paid or payable directly by Cymbria, the Manager incurs such expenses on Cymbria's behalf and is then reimbursed by Cymbria for such expenses.

**Critical accounting estimates**

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected.

The following discusses the most significant accounting judgments that Cymbria has made in preparing the financial statements:

- i. Fair value measurement of derivatives and securities not quoted in an active market*

Cymbria holds financial instruments that are not quoted in active markets, including derivatives. The determination of the fair value of these instruments is where Cymbria has made the most significant accounting judgments and estimates in preparing financial statements. See Note 10 of the interim financial statements for more information on the fair value measurement of Cymbria's financial instruments.

- ii. Deferred tax assets*

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable income will be available against which the losses can be utilized. Significant management 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 income, together with future tax planning strategies.

**Adoption of new accounting standards**

The accounting policies applied by Cymbria in the attached condensed unaudited interim financial statements are the same as those applied by Cymbria in its audited financial statements for the year ended December 31, 2021, which were prepared in accordance with IFRS. Cymbria has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

**Financial instruments**

In accordance with IFRS 9, *Financial Instruments*, Cymbria has accounted for its financial instruments as follows:

	<b>Classification</b>	<b>Measurement</b>
<b>Financial assets</b>		
Investments	Fair value through profit or loss	Fair value
Foreign exchange forward contracts	Fair value through profit or loss	Fair value
Cash and cash equivalents	Amortized cost	Amortized cost
Receivable for investments sold	Amortized cost	Amortized cost
Dividends receivable	Amortized cost	Amortized cost
<b>Financial liabilities</b>		
Accrued liabilities	Amortized cost	Amortized cost
Income taxes payable	Amortized cost	Amortized cost
Payable for investments purchased	Amortized cost	Amortized cost
Deferred share unit plan liability	Fair value through profit or loss	Fair value
Deferred income tax liability	Amortized cost	Amortized cost
Credit Facility	Amortized cost	Amortized cost

**Future changes in accounting policies**

A number of new standards, amendments to standards and interpretations are not yet effective for the three months ended March 31, 2022. The Manager has assessed that none of these will have a significant effect on the financial statements of Cymbria.

**Risks**

The risks associated with investing in Cymbria remain as disclosed in the Annual Information Form dated March 30, 2022 and filed on SEDAR. Any changes to Cymbria over the period have not affected the overall risks.

**Disclosure Controls and Procedures and Internal Controls over Financial Reporting**

Cymbria, under the supervision of the Co-Chief Executive Officers and the Chief Financial Officer have designed, or caused to be designed, internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Co-Chief Executive Officers and the Chief Financial Officer have also designed, or caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that information required to be disclosed by Cymbria in its corporate filings have been recorded, processed, summarized and reported within the time periods specified in securities legislation. In addition, Cymbria's Audit Committee and Board of Directors provide an oversight role with respect to all public financial disclosures by Cymbria, and have reviewed and approved this MD&A and the unaudited condensed interim financial statements as at May 12, 2022.

There were no changes made in the design of internal controls over financial reporting during the three months ended March 31, 2022, that have materially affected, or are reasonably likely to materially affect, Cymbria's internal controls over financial reporting. Cymbria will continue to monitor and mitigate the risks associated with any potential changes to its control environment in response to COVID-19.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that its objectives are met. Due to inherent limitations in all such systems, no evaluations of controls can provide absolute assurance that all control issues, if any, within a company have been detected. Accordingly, our internal controls over financial reporting and disclosure controls and procedures are effective in providing reasonable, not absolute, assurance that the objectives of our control systems have been met.

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