

CYMBRIA CORPORATION

2022

Management's Discussion & Analysis

Year Ended December 31, 2022

Management's Discussion and Analysis ("MD&A") provides a review of Cymbria Corporation's ("Cymbria") financial results for the year ended December 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 March 16, 2023. 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 annual 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 or the SEDAR website at 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 2022 annual Financial Statements for more information which can be found on the SEDAR website at www.sedar.com. For Cymbria's current and historical adjusted net asset values per share, please visit 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, 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 future changes to income tax rates. In addition, \$32.1 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.

	Dec. 31, 2022 (('000s)	Dec. 31, 2021 (('000s)
aNAV	\$1,405,892	\$1,502,646
Less: Deferred income tax liability	(41,380)	(56,976)
Shareholders' equity	\$1,364,512	\$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	Dec. 31, 2022	Dec. 31, 2021
Adjusted net asset value per share	\$ 59.77	\$ 63.92
Less: Deferred income tax liability	(1.76)	(2.42)
Shareholders' equity per share	\$ 58.01	\$ 61.50

Class J	Dec. 31, 2022	Dec. 31, 2019
Adjusted net asset value per share	\$ 66.84	\$ 71.23
Less: Deferred income tax liability	(1.97)	(2.70)
Shareholders' equity per share	\$ 64.87	\$ 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. At the end of 2022, Cymbria invested in a collection of 50 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 497.7% and the cumulative return of Cymbria's Class A shareholders' equity since inception is 480.1%.

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 intelligent 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

2022 began with optimism – that the progress made in 2021 would continue as restrictions eased and borders began reopening. Those hopes were shaken when Russia began its invasion of Ukraine in February. Inflation, which had been almost non-existent for decades, was already rising due to disrupted supply chains caused by COVID. The war led to a spike in oil prices and overall inflation.

Central banks responded by increasing interest rates across the globe at a speed not seen since the 1980s. The end to “free money” had negative consequences for both equity and fixed income markets alike.

In our view, 2022 reminded investors about the importance of strong fundamentals in the businesses you own.

For the year, the S&P 500 Index was down 12.6%, the MSCI World Index down 12.2% and the S&P/TSX Composite Index down 5.8% (Net total returns in C\$, source: FactSet).

We don't spend any time forecasting macro headwinds like interest rates, global conflicts, pandemics and the like – as we don't have an edge in this regard.

We believe the best way to insulate investors from the ill effects of these events is by taking ownership stakes in businesses that we believe can grow irrespective of these factors. The Investment team was busy in 2022 taking advantage of the opportunity created by the downside volatility. We purchased 11 new businesses in Cymbria while increasing our positions in 17 existing businesses. 19 businesses were exited.

Outlook

Today's investing environment continues to be uncertain. Between the war in Ukraine, high levels of inflation and rising interest rates, to name a few, investors are faced with many challenges. During these unprecedented times, we believe it's important to own an eclectic portfolio with a variety of different business ideas, uncorrelated to one another. We believe, being diversified by business idea has rarely been more important.

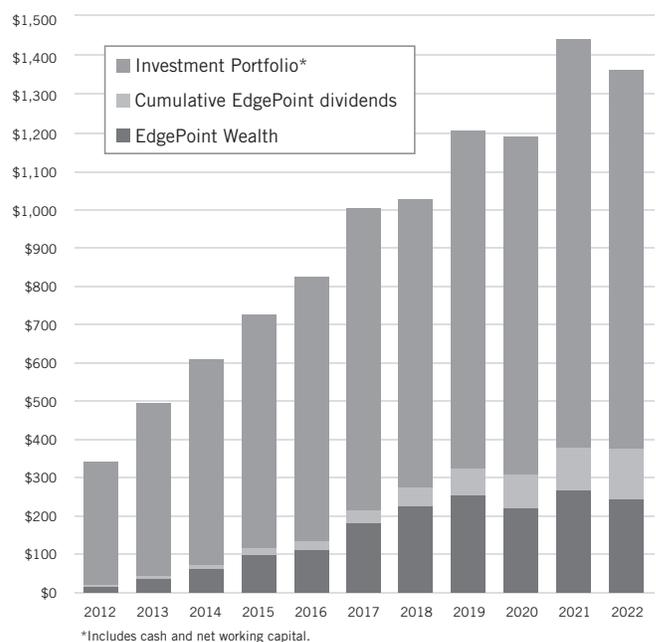
It's not too long ago when interest rates were at record lows and investors thought that “free money” would be available forever. This drove valuations for many businesses to extreme levels that we believe were not warranted. Many portfolios were positioned for a single outcome, that interest rates would remain low forever. These single idea portfolios paid the price in 2022 as investors were reminded that the entry price for a business dictates your return.

There hasn't been a time since Cymbria's inception where our portfolio has been more eclectic than it is today. Cymbria has a team of 15 investment professionals working in sync to scour the globe for the best investment ideas. There is a wide range of businesses from a variety of different industries and geographies. We're not counting on one single outcome to occur for Cymbria to generate a pleasing return for our shareholders. Each business idea is different and contributes to our diversification. We're excited about the collection of businesses that we own within Cymbria.

Overall performance

For the year ended December 31, 2022, Cymbria's shareholders' equity decreased 5.6% to \$1,365 million (December 31, 2021: increased 21.3% to \$1,446 million). 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 businesses owned by Cymbria as a percentage of shareholders' equity. A full list of the investment portfolio can be found in the Schedule of Investment Portfolio in the audited financial statements.

Business	Fair value ('000s)
EdgePoint Wealth Management Inc.	\$ 242,409
Berry Global Group Inc.	57,345
Mattel Inc.	50,681
Restaurant Brands International Inc.	45,664
SAP SE	44,659
Dollar Tree Inc.	44,078
Elevance Health Inc.	41,145
Private financial technology company	34,923
Willis Towers Watson PLC	34,585
Apollo Global Management Inc.	32,828
Osisko Gold Royalties Limited	31,253
Ross Stores Inc.	30,997
Alfa Laval AB	30,141
TE Connectivity Limited	29,814
Computer Modelling Group Limited	29,790

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 year:

- PrairieSky Royalty Ltd.

We first purchased PrairieSky Royalty Ltd. in Cymbria in May of 2014. PrairieSky is an oil-and-gas royalty company spun out of Encana Corp. in 2014. PrairieSky has one of the largest portfolios of "fee simple" lands in Western Canada. Fee simple ownership means PrairieSky has the properties' sub-surface mineral rights and receives royalty revenues from development by third-party petroleum and natural gas producers. This is typically the best type of royalty to have because it holds the land in perpetuity and will always be able to charge royalties. PrairieSky has minimal operating costs and capital expenditures, allowing it to generate high levels of free cash flow. The stock was up 59% during the year and Cymbria's unrealized loss in the business decreased by \$11.5 million.

- Restaurant Brands International Inc.

We first purchased Restaurant Brands International Inc. (RBI) in Cymbria in April of 2020. RBI is a successful fast-food franchisor of popular brands that are expanding globally. They own Tim

Hortons, Burger King, Firehouse Subs and Popeyes Louisiana Chicken. RBI is a good example of a company that earns royalties on the growth of franchisees without having to invest capital to drive further growth. RBI is well positioned to see substantial restaurant expansion across all their brands over the next decade. In today's environment, we believe RBI is in a position to gain market share and drive growth. The stock was up 14% during the year and Cymbria's unrealized gain in the business increased by \$5.6 million.

The following businesses had the most meaningful negative impact on shareholders' equity during the year:

- AutoCanada Inc.

We first purchased AutoCanada Inc. in Cymbria in August of 2018. AutoCanada is one of Canada's largest multi-location automobile dealership groups. The company has successfully transformed their business over the past several years and is generating record profitability. There is a significant gap between the underlying fundamentals and the stock performance, with the stock price down 45% over the year. Investors are concerned about the cyclical nature of the business and how the business will perform during a recession. Unlike their U.S. peers, AutoCanada has more sustainable new-car margins and additional self-help levers to take out costs during a downturn. Cymbria's unrealized gain in the business decreased by \$20.9 million.

- Onex Corp.

We first purchased Onex Corp. in Cymbria in June of 2020. Onex is one of Canada's leading private equity and credit asset managers. The company has been negatively impacted by rising interest rates and a slowing economic environment. They have also faced some challenges fundraising for their flagship private equity fund. Despite the headwinds, the parent company has significant cash and no debt, the portfolio companies have been performing well in aggregate, and the stock price is trading at its lowest valuation since the financial crisis of 2008-09. Despite a historically low valuation, we believe that we've found better relative value in other businesses and have since sold our position in Onex Corp. Our holding period return for Onex was 9.0% and Cymbria realized a gain of \$2.4 million on the business.

- Koninklijke Philips N.V.

We purchased Koninklijke Philips N.V. in Cymbria in September of 2020. Koninklijke Philips operates a variety of health-care-related businesses, from diagnostic imaging to connected care. With an aging demographic and higher penetration of more diagnostic imaging products in emerging markets, there should be strong long-term demand growth for their products. The company has the potential for expanded margins. Many of Koninklijke Philips' businesses still have lower margins than their diagnostic competitors. Their portfolio, which stretches the health care continuum from diagnostics to clinical informatics to minimally invasive surgery to patient monitoring to telehealth, is unique within the health care industry. This positions them to be a valued partner for health care providers who must offer quality health care within the reality of budgetary or human capital constraints. The combination of growing demand, margin expansion and increased partnerships with health care providers

may result in very attractive returns for our investors over the long term. The stock was down 57% during the year and Cymbria's unrealized loss in the business increased by \$13.0 million.

Businesses purchased

During the year, we purchased stakes in 11 new businesses. A few of the largest purchases, in terms of significance to Cymbria as at December 31, 2022, were:

- Cellnex Telecom SA

Cellnex is Europe's largest independent telecom tower operator. The company leases or buys strategically located land, upon which they build towers that telecom carriers use to host their equipment. Key drivers of growing cell tower demand include: increasing mobile data usage; migration to higher frequency waves, like those embedded in 4G and 5G technologies; and adoption by European countries regarding rural coverage obligations. Hosting more mobile equipment comes on at nearly 100% incremental margins, as Cellnex has excess capacity on their towers and does not need to spend to capture this growth. Given the strong and growing demand for towers, as well as Cellnex's excess capacity, we see free cash flow per share growing at a low-double-digit rate over the medium term. Today, we believe we're paying roughly 10x normalized free cash flow for Cellnex shares.

- Qualtrics International, Inc.

Qualtrics is a software company that is the global leader in experience management software. What was originally designed for universities to run surveys more efficiently has evolved into an enterprise software solution for gathering feedback from millions of customers and managing those relationships effectively. The market still sees the company as the survey business from 10 years ago, whereas customers now see them as an important solution to help measure, differentiate and improve the customer experience. As companies become more proficient at data collection and management, and utilize more data to better operate their business, we see a long runway for Qualtrics to continue growing with their existing customers. While we expect revenue growth to decelerate in 2023 as IT budgets are pressured by inflation and a slowing economy, management is using the anticipated slowdown as an opportunity to improve margins and increase earnings. The market typically does not like the idea of decelerating revenue growth, but if you have a long-term view, you will see an opportunity to buy a strong business where you are not 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 year we sold our stakes completely in 19 businesses. Below are the most significant businesses sold based on the gross amount of realized gains and losses:

- Affiliated Managers Group, Inc.

We first purchased Affiliated Managers Group (AMG) in Cymbria in November of 2016. AMG is a global asset management company with equity investments in leading boutique investment management firms. With the appreciation in the share price, we saw better risk to reward opportunities elsewhere that also brought greater diversification to the portfolio. We sold our position, generating a holding period return of approximately 21.0% and realizing a gain of \$6.7 million on shares sold during the year.

- Subaru Corp.

We first purchased Subaru Corp. in Cymbria in May of 2017. Subaru manufactures and sells automobiles, aircraft, engine parts and industrial machines. The stock is trading at a statistically low valuation, even with depressed margins relative to the past. Our thesis was dependent on margin expansion. Given management's track record with margins, it became evident that significant margin expansion was more likely to occur with a recovery in the auto industry, as opposed to individual actions taken by management. We have decided to sell our position in the business and allocate the capital to what we consider more attractive investment ideas. Our holding period return for Subaru Corp. was -29.6% and we realized a loss of \$17.8 million on shares of the business sold during the year.

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 businesses in our portfolio as at December 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 December 31, 2022. Since inception, we have received \$132.1 million in dividends from EdgePoint and its value in Cymbria has increased to \$242.4 million, making EdgePoint the most valuable contributor to Cymbria's investment portfolio.

A challenging year in financial markets led assets under management to decrease from \$28.3 billion as at December 31, 2021 to \$26.6 billion as at December 31, 2022.

With the assistance of a third-party valuator, Cymbria's stake in EdgePoint was revalued in December 2022 at a range of \$221.1 million to \$263.7 million. For financial statement purposes, EdgePoint is valued using the mid-point of the range at \$242.4 million, representing a 8.7% decrease from its value as at December 31, 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 11 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 11 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 11.

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 December 31, 2022. However, valuing a business like EdgePoint is an imperfect science and depending on actual results there could be considerable variance both positively or negatively from today's value.

Physical commodities

In August 2021, Cymbria made an investment in physical uranium. It is primarily used in nuclear reactors for commercial electricity production. Events such as the Fukushima nuclear disaster have caused negative sentiment towards uranium and nuclear power plants, resulting in reduced investments in both. We believe global energy demand is still growing and attitudes towards nuclear power will shift based on it being a cleaner environmental alternative to fossil fuels. Cymbria owns and stores physical uranium in a secure and regulated storage facility.

Financial review

This section discusses the significant changes in Cymbria's financial performance, financial condition and cash flows for the fiscal year ended December 31, 2022 compared to those for the years ended December 31, 2021 and 2020.

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

Financial performance

	Year ended December 31,		
	2022	2021	2020
	('000s)	('000s)	('000s)
Income			
Net realized gain (loss) on investments	\$ 1,378	\$ 116,688	\$ (37,006)
Change in unrealized gain (loss) on investments	(114,868)	145,839	(10,973)
Dividend and interest income	38,813	38,990	47,081
Foreign currency gain (loss)	(4,412)	1,822	(8,647)
Total income (loss)	\$ (79,089)	\$ 303,339	\$ (9,545)
Expenses			
Management fees	\$ 9,508	\$ 10,018	\$ 7,529
Withholding taxes, HST, and transaction costs	3,674	4,101	3,561
Interest expense	2,107	395	483
Other expenses	2,404	2,608	1,910
Total expenses	\$ 17,693	\$ 17,122	\$ 13,483
Profit (loss) for the period before taxes	\$ (96,782)	\$ 286,217	\$ (23,028)
Income taxes (recovery)	(16,149)	32,644	(9,229)
Net comprehensive income (loss)	\$ (80,633)	\$ 253,573	\$ (13,799)

(a) Net realized gain (loss) on investments

During the year ended December 31, 2022, the realized gain on investments was \$1.4 million. This was a result from gains on the sale of shares of Affiliated Managers Group Inc. of \$6.7 million, Motorola Solutions Inc. of \$5.8 million and MDA Ltd. of \$5.6 million. Gains were offset by losses experienced on the sale of shares of Subaru Corp. of \$17.8 million, Alibaba Group of \$9.7 million and Fidelity National Information Services Inc. of \$9.7 million. The 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 net unrealized gain on investments

The unrealized gain on investments decreased by \$114.9 million for the year ended December 31, 2022. This is a result of fluctuations in the value of investments during the period. The three largest contributors to the decrease during the year were EdgePoint Wealth Management Inc. with a \$23.1 million decrease, AutoCanada Inc. with a \$20.9 million decrease and Koninklijke Philips N.V. with a \$13.0 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 year ended December 31, 2022, Cymbria received dividends totaling \$20.8 million from EdgePoint, representing a 5% decrease compared to 2021. This dividend can be reinvested by Cymbria in its portfolio of securities or used to buy back Cymbria shares. Dividends from investments other than EdgePoint amounted to \$16.7 million for the year ended December 31, 2022. 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 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 December 31, 2022, Cymbria's most significant foreign currency exposure was the U.S. dollar, which as a percentage of shareholders' equity was approximately 37% and we hedged approximately 8% of that exposure. The second largest currency exposure was the Euro which represented 10% of shareholders' equity and we hedged approximately 15% of that exposure.

Cymbria did not have a hedge in place for its investment securities denominated in the Japanese yen, British pound, Hong Kong dollar or Swedish krona as we did not believe there was material currency risk with these investments. As a result of foreign currency fluctuations during the year ended December 31, 2022, Cymbria had a \$4.4 million net realized and unrealized loss.

(e) Expenses

Cymbria believes that low expenses are an important factor in evaluating our performance. Management fees for the year were \$9.5 million, down 5% from 2021. Management fees are charged based on the aNAV of Cymbria, excluding the value of EdgePoint. The effective management fees charged for the year ended December 31, 2022 were 0.82% for Class A shareholders and 0.41% for Class J shareholders.

Financial condition

	Dec. 31, 2022 ('000s)	Dec. 31, 2021 ('000s)	Dec. 31, 2020 ('000s)
Assets			
Investments	\$1,315,158	\$1,417,533	\$1,171,060
Cash and cash equivalents	104,535	97,423	47,609
Other assets	1,787	1,453	1,290
Income tax recovery	16,564	-	17,047
Total assets	\$1,438,044	\$1,516,409	\$1,237,006
Liabilities			
Foreign exchange forward contracts	\$ 284	\$ 244	\$ 40
Income taxes payable	-	9,458	-
Accrued liabilities	399	97	-
Credit facility	30,050	2,550	6,000
Deferred share unit plan	1,419	1,414	1,072
Deferred income tax liability	41,380	56,976	37,776
Total liabilities	\$ 73,532	\$ 70,739	\$ 44,888
Shareholders' equity	\$1,364,512	\$1,445,670	\$1,192,118

(a) Investments

Cymbria's investments as at December 31, 2022, primarily consists of a portfolio of public securities of \$998.8 million and private equity of \$283.3 million, including an investment in EdgePoint of \$242.4 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 all of the investment positions of Cymbria.

(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 increase of \$7.1 million from the end of 2021 is primarily due to the amount drawn of the credit facility of \$27.5 million offset by the net purchase of investments of \$15.7 million. Cash and cash equivalents is comprised entirely of cash held at the bank.

(c) Income tax recovery and Income taxes payable

The Income tax recovery of \$16.6 million is a result of the required income tax installments for 2022 being larger than Cymbria's income tax liability as at December 31, 2022.

(d) Credit facility

In March 2022, 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 \$2.5 million was drawn on the revolving portion of the facility and the total amount outstanding as at December 31, 2022 was \$30.1 million.

(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 year ended December 31, 2022, Cymbria issued 3,301 units and the total value of the plan was unchanged from 2021.

(f) 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 December 31, 2022, Cymbria's deferred income tax liability is presented net and it is comprised of a liability on the unrealized gain of investments of \$41.6 million offset by an asset on deferred share units of \$0.2 million. Included in the deferred income tax liability is \$32.1 million liability related to Cymbria's investment in EdgePoint.

(g) 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 December 31, 2022 and March 16, 2023 were 100. Class A shares are non-redeemable and traded on the Toronto Stock Exchange. As at December 31, 2022 and March 16, 2023, there were 16,346,339 and 16,303,339 shares outstanding, respectively. 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 December 31, 2022 and March 16, 2023, there were 6,417,206 and 6,417,206 shares outstanding, respectively.

Cash flows

For the year ended December 31, 2022, Cymbria had a net increase in cash and cash equivalents of \$7.1 million. The majority of the net increase in cash and cash equivalents is due to cash generated from financing activities through drawing on the credit facility, offset by cash used for operating activities, including the net purchase of investments of \$15.7 million.

Shareholder activity

Cymbria refiled its Normal-Course Issuer Bid (“NCIB”) for the 12-month period beginning on May 25, 2022 to May 24, 2023. Cymbria will use the NCIB to repurchase shares in the event that we believe the company is being undervalued by the market and an attractive opportunity exists to enhance the value for its shareholders. During the year ended December 31, 2022, Cymbria repurchased Class A shares using the NCIB. In total, 9,600 shares were repurchased and cancelled at a weighted average discount to aNAV of 7.7%. Since inception, Cymbria has repurchased and cancelled 511,100 Class A shares at an average price of \$16.30 per share and a total cost of \$8.3 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 an LRO for the year ended December 31, 2022, as Cymbria’s Class A shares have been trading above 97% of aNAV on average over the year.

Summary of interim results

The financial information summarized below is derived from Cymbria’s condensed interim financial statements from the three month periods ended December 31, September 30, June 30, and March 31, 2022, and the same periods from 2021. 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							
	Dec. 31, 2022	Sep. 30, 2022	Jun. 30, 2022	Mar. 31, 2022	Dec. 31, 2021	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021
Total income (loss)	\$ 115,431	\$ (3,800)	\$ (139,939)	\$ (50,775)	\$ 61,221	\$ (13,660)	\$ 112,101	\$ 143,677
Total expenses	\$ 4,586	\$ 3,974	\$ 5,003	\$ 4,130	\$ 4,095	\$ 4,761	\$ 4,299	\$ 3,967
Net income (loss)	\$ 97,317	\$ (5,671)	\$ (125,200)	\$ (47,073)	\$ 50,902	\$ (14,793)	\$ 94,920	\$ 122,544
Net income (loss), per share								
Class A	\$ 4.13	\$ (0.26)	\$ (5.34)	\$ (2.02)	\$ 2.15	\$ (0.65)	\$ 4.02	\$ 5.17
Class J	\$ 4.66	\$ (0.24)	\$ (5.90)	\$ (2.18)	\$ 2.46	\$ (0.66)	\$ 4.54	\$ 5.92

Fourth quarter results

The following table shows Cymbria’s fourth quarter financial performance for the three months ended December 31, 2022 and 2021.

	Three months ended Dec. 31,	
	2022	2021
	(‘000s)	(‘000s)
Income		
Net realized gain (loss) on investments	\$ (27,801)	\$ 63,807
Change in unrealized gain on investments	136,667	(9,973)
Dividend and interest income	9,376	9,296
Foreign currency gain (loss)	(2,811)	(1,909)
Total income	\$ 115,431	\$ 61,221
Expenses		
Management fees	\$ 2,351	\$ 2,629
Withholding taxes, HST, and transaction costs	619	642
Interest expense	940	99
Other expenses	676	725
Total expenses	\$ 4,586	\$ 4,095
Profit for the period before taxes	\$ 57,126	\$ 109,534
Income taxes	13,528	6,224
Net comprehensive income	\$ 97,317	\$ 50,902

During the quarter ended December 31, 2022, Cymbria had net comprehensive income of \$97.3 million that was driven by a net realized and unrealized gain on investments totaling \$108.9 million. The investments that had the most significant contribution to the change in unrealized gain during the quarter were Berry Global Group Inc. of \$12.3 million, Apollo Global Management Inc. of \$8.4 million and SAP SE of \$7.2 million. Investments with significant contributions for the year ended December 31, 2022 are discussed in the *Investment performance* section.

Credit facility

In 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 in to 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.

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 has a financial liability associated with drawn amounts on the credit facility. As at December 31, 2022, cash and cash equivalents represents 7.7% of Cymbria's total shareholders' equity. Cymbria's portfolio of securities includes actively traded global stocks that can be readily sold. As at December 31, 2022, the portfolio of public equities that the Manager believes can be readily sold represents 73% of Cymbria's total shareholders' equity. Cymbria has drawn \$30.1 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 December 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 year ended December 31, 2022, management fees totaled \$9.5 million, compared to \$10.0 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 11 of the annual 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 audited financial statements are the same as those applied by Cymbria in its financial statements for the year ended December 31, 2022, which were prepared in accordance with IFRS. Cymbria has not early adopted any 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:

	Classification	Measurement
Financial assets		
Investments		
Foreign exchange forward contracts	Fair value through profit or loss	Fair value
Interest rate swap contract		
Cash and cash equivalents		
Dividends receivable		
Receivable for investments sold	Amortized cost	Amortized cost
Income tax recovery		
Financial liabilities		
Foreign exchange forward contracts	Fair value through profit or loss	Fair value
Deferred share unit plan liability		
Accrued liabilities		
Payable for investments purchased		
Credit facility	Amortized cost	Amortized cost
Income taxes payable		
Deferred income tax liability		

Future changes in accounting policies

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended December 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, 2023 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 its Co-Chief Executive Officers and Chief Financial Officer, is responsible for establishing and maintaining Cymbria's Disclosure Controls and Procedures ("DC&P") and Internal Controls over Financial Reporting ("ICFR") (as defined in National Instrument 52-109).

Consistent with NI 52-109, Cymbria's Co-Chief Executive Officers and Chief Financial Officer have reviewed the design of Cymbria's DC&P and ICFR and have concluded that as at December 31, 2022:

- Cymbria's DC&P provides reasonable assurance that (i) material information relating to Cymbria has been made known to them, particularly during the financial year ended December 31, 2022 and (ii) information required to be disclosed by Cymbria in its annual filings, interim filings or other reports filed or submitted by it under securities legislation has been recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- Cymbria's ICFR provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.

Cymbria's Co-Chief Executive Officers and Chief Financial Officer have evaluated the effectiveness of Cymbria's DC&P as at December 31, 2022 and have concluded that Cymbria's DC&P were effective as of that date.

Cymbria's Co-Chief Executive Officers and Chief Financial Officer have also evaluated the effectiveness of Cymbria's ICFR as at December 31, 2022, using the Internal Control-Integrated Framework.

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Geoff MacDonald, CFA
Co-Chief Executive Officer

Diane Rossi
Corporate Secretary

Norman Tang, CPA, CA
Chief Financial Officer

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Ugo Bizzarri, CFA
Director

Reena Carter, CA, CPA, CBV, C.Dir
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