

**Management's Discussion & Analysis of**

**CYMBRIA CORPORATION**

**Three months and nine months ended  
September 30, 2024**

**CYMBRIA®**

Management's Discussion and Analysis ("MD&A") provides a review of Cymbria Corporation's ("Cymbria") financial results for the three months and nine months ended September 30, 2024 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 IFRS Accounting Standards to provide information about Cymbria.

The following MD&A is the responsibility of management and is dated November 7, 2024. 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 2023 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.

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## 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 a business in this report, we are referring to Cymbria's purchase or sale of shares in a company. We use the term business 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 Accounting Standards. 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, \$52.4 million of the deferred income tax liability relates to 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.

|                                     | Sep. 30,<br>2024<br>('000s) | Dec. 31,<br>2023<br>('000s) |
|-------------------------------------|-----------------------------|-----------------------------|
| aNAV                                | \$ 1,768,826                | \$ 1,662,289                |
| Less: Deferred income tax liability | (103,577)                   | (61,321)                    |
| Shareholders' equity                | \$ 1,665,249                | \$ 1,560,968                |

- 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                             | Sep. 30,<br>2024 | Dec. 31,<br>2023 |
|-------------------------------------|------------------|------------------|
| Adjusted net asset value per share  | \$ 78.38         | \$ 69.38         |
| Less: Deferred income tax liability | (4.59)           | (2.64)           |
| Shareholders' equity per share      | \$ 73.79         | \$ 66.76         |

| Class J                             | Sep. 30,<br>2024 | Dec. 31,<br>2023 |
|-------------------------------------|------------------|------------------|
| Adjusted net asset value per share  | \$ 88.07         | \$ 77.86         |
| Less: Deferred income tax liability | (5.16)           | (2.94)           |
| Shareholders' equity per share      | \$ 82.91         | \$ 74.92         |

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 September 30, 2024, 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

As long-term investors, we have a goal of building long-term wealth for shareholders. We are pleased with Cymbria's since inception return for shareholders but view the past 15 years as just the beginning of a journey that has no finish line. The cumulative return of Cymbria's Class A aNAV since inception is 683.8% and the cumulative return of Cymbria's Class A shareholders' equity since inception is 637.9%.

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

During the three-month period ending September 30, 2024, Cymbria's Class A aNAV increased 8.1% while the MSCI World Index increased by 5.0% (total returns, in C\$). During the quarter, performance was driven by areas of the market beyond the 10 largest names in the index, marking a shift from the first two quarters of the year, at which time results were heavily concentrated in the largest companies.

Global mid-cap businesses outpaced their large-cap counterparts by approximately 4.1% over the quarter (total returns, in C\$). However, despite this short-term shift, large-cap companies continue to lead on a year-to-date basis, outperforming mid-caps by around 6.3%. At quarter-end, the weighted-average market cap of Cymbria (excluding private businesses) was approximately C\$69 billion, compared to C\$955 billion for its benchmark, the MSCI World Index.

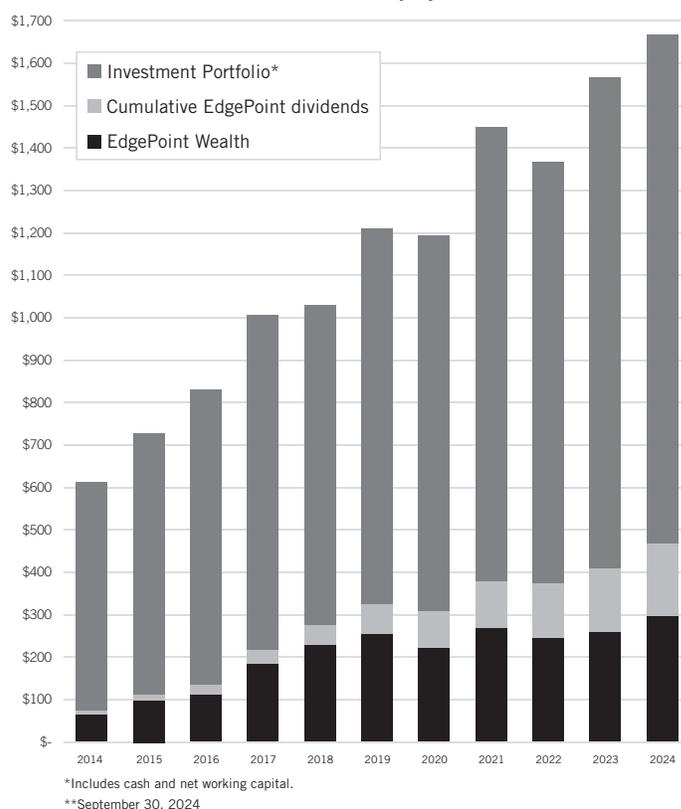
At Cymbria, we take a bottom-up approach when investing, focusing on individual companies rather than broad market trends. Our strategy centres on identifying change within misunderstood growth businesses. With the current concentration of market participants in the largest companies, we've naturally been finding investment ideas in overlooked areas of the market, such as the mid-cap segment. We are excited about the collection of businesses held within Cymbria.

Throughout the quarter, Cymbria purchased two new businesses and exited one business.

## Overall performance

For the nine months ended September 30, 2024, Cymbria's shareholders' equity increased 6.7% to \$1,665 million (September 30, 2023: 6.5% increase). The increase 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 held by Cymbria as a percentage of shareholders' equity. We disclose Cymbria's full portfolio on an annual basis. Please see Cymbria's 2023 Annual Report for the last published Schedule of Investments.

| Top 15 businesses                    | Fair value ('000s) |
|--------------------------------------|--------------------|
| EdgePoint Wealth Management Inc.     | \$ 295,689         |
| Berry Global Group Inc.              | 92,618             |
| Norfolk Southern Corporation         | 88,700             |
| Osisko Gold Royalties Limited        | 60,703             |
| Computer Modelling Group Limited     | 58,098             |
| Koninklijke Philips NV               | 55,728             |
| Fairfax Financial Holdings Limited   | 51,973             |
| Mattel Inc.                          | 51,583             |
| Elevance Health Inc.                 | 45,000             |
| SAP SE                               | 43,803             |
| Dayforce Inc.                        | 40,231             |
| RB Global Inc.                       | 36,642             |
| Restaurant Brands International Inc. | 36,453             |
| Applied Materials, Inc.              | 35,170             |
| TE Connectivity Limited              | 33,889             |

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 equities, 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.

The following businesses had the most meaningful positive impact on shareholders' equity during the quarter:

- Berry Global Group Inc.

We first purchased Berry Global in August 2019. Berry Global stands as a dominant global supplier in the plastic packaging industry, leveraging its unparalleled scale advantage to maintain a low-cost production model. This competitive edge is reinforced by high switching costs, as Berry's products are deeply integrated into its customers' offerings. The company maintains a strategic focus on non-cyclical end markets, with approximately 70% of its business rooted in consumer non-discretionary goods. When coupled with low customer turnover, this strategic focus ensures a stable volume profile that remains resilient across various economic cycles. The stock increased 15.5% (local currency) during the quarter. Cymbria's unrealized gain in the business increased by \$11.2 million.

- Blend Labs Inc.

We first purchased Blend Labs in January 2023. Blend is a software company that is the leading provider of point-of-sale mortgage software in the U.S. We have followed the company for years given its phenomenal level of success in a similar end-market as our own private financial technology business. Over the last 12 years, Blend's founder Nima Ghamsari has created a business with 20% market share in the U.S. and one of the industry's best customer reference lists, while building a customer-oriented and engineering-led culture.

Over the last 12 months, we have started to see our idea playing out with accelerating growth in its consumer banking software business, a return to growth in its core point-of-sale mortgage software business, and also increasing margins and profitability. The stock increased 58.9% (local currency) during the quarter and Cymbria's unrealized gain in the business increased by \$2.2 million.

- Norfolk Southern Corp.

We first purchased Norfolk Southern (NSC) in June 2023. NSC is a Class I U.S. freight railway that operates in the eastern U.S. We believe there is an opportunity for NSC to drastically improve

its profitability by implementing the "precision scheduled railroading" operating model. The company brought in a highly regarded operator, John Orr, to implement this change. Although he only joined the company in March, the precision scheduled railroading playbook was on full display in the second quarter of 2024. For example, in the quarter NSC cut overtime by 20%, improved fuel efficiency by 8%, stored over 300 locomotives, and moved 7,000 cars offline. At the same time, volumes improved, service metrics improved with better train speeds, dwell times, car miles/day, and trip plan compliance. Shares responded positively to these operational improvements and the overall improving outlook. The stock price increased 15.8% (local currency) over the quarter, and Cymbria's unrealized gain in the business increased by \$11.2 million.

The following business had a meaningful negative impact on shareholder's equity during the quarter:

- Dollar Tree Inc.

We first purchased Dollar Tree in November 2021. Dollar Tree is a U.S.-based discount retailer consisting of two distinct brands: Dollar Tree and Family Dollar. The Dollar Tree franchise historically sold everything at one dollar but is in the process of increasing prices, sometimes referred to as "breaking the buck." Following the first-quarter 2024 earnings call, the company announced it would explore alternatives for the Family Dollar banner, as it was proving more challenging than expected. Given its success with the Dollar Tree banner, management decided to focus its efforts there. We believe the Dollar Tree banner was always the better opportunity and remain confident in this transition, supported by favourable data points. The stock price decreased 34.1% (local currency) over the quarter and Cymbria's unrealized loss in the business increased by \$14.6 million.

### *Businesses purchased*

During the quarter ended September 30, 2024, we purchased two new businesses. Below is a description of the businesses purchased:

- Applied Materials Inc.

Applied Materials makes equipment used to manufacture semiconductors. Semiconductors are highly complex to manufacture and require many dozens of steps. This complex process has led to the equipment companies being essentially outsourced R&D firms that focus on specific steps. There are only a handful of equipment companies and each has +50% market share in their respective niches. Market share is extremely sticky and these are good businesses, with structural growth and low capital intensity. We think the semi-equipment market is improving for two primary reasons. First, the semiconductor end market is becoming more diversified, and second, capital intensity for manufacturing semis is increasing, which is positive for the suppliers of equipment. In our view, the market has underestimated the changes in capital intensity, specifically for logic-based chips. Of the equipment companies, Applied Materials is one of the most exposed to logic-based semiconductors, where we see the most change happening in terms of capital intensity over the next five years.

- Roche Holding AG-Genusscheing

Roche is a Swiss healthcare company that operates worldwide across two divisions: pharmaceuticals and diagnostics. It has been the industry leader in R&D spend for the last decade, but it recently lost its premium to the group after a series of high-profile phase-3 drug failures raised questions about the efficiency of this spend. In 2023, Roche's head of diagnostics became group CEO and he has introduced a more focused approach to R&D, with a clear path to returning its efficiency metrics to the industry average, or better. He has also been more active in M&A at a time when the industry pipeline of late-stage biotechnology companies needing cash is at a record high. Roche has the manufacturing capacity, distribution and balance sheet to help these biotech firms commercialize their late-stage drugs. It also has the potential to free up billions of additional dollars for M&A, just by bringing its R&D spend down to the industry average.

At approximately 14x forward earnings, we believe the market is giving Roche little credit for the assets that remain in its internal drug pipeline, for its ability to backfill this pipeline via M&A, or for its industry-leading diagnostics business.

#### 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 stake completely in one business. Below is a description of the business sold:

- The Middleby Corp.

We first purchased The Middleby Corp. in Cymbria in March 2018. Middleby is a leading global equipment manufacturer for commercial cooking and food preparation, industrial food processing and premium residential kitchens. We sold the business as we saw better risk/reward opportunities in other ideas. Our holding period return was 13.9% and Cymbria realized a gain of \$3.1 million on shares 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 September 30, 2024:

- EdgePoint Wealth Management Inc.

Cymbria's original \$509,585 investment in EdgePoint represents a 20.7% ownership share as at September 30, 2024. Since inception, we have received \$170.6 million in dividends from EdgePoint and its value in Cymbria has increased to \$295.7 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 September 2024 at a range of \$273.8 million to \$317.6 million. For financial statement purposes, EdgePoint is valued using the mid-point of the range

at \$295.7 million. This represents an increase of 16% from the end of 2023. The primary drivers of the increase were fundamental business growth, including higher assets under management, and a decrease in the discount rate, which is driven by a decrease in market-related inputs such as the risk-free rate.

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 September 30, 2024. 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 and nine months ended September 30, 2024 compared to those same periods ended September 30, 2023 and as at December 31, 2023.

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

#### Financial performance

|   | Three months ended September 30, |                 |
|---|----------------------------------|-----------------|
|   | 2024                             | 2023            |
|   | ('000s)                          | ('000s)         |
| <b>Income</b>                                 |                                  |                 |
| Net realized gain on investments              | \$ 24,705                        | \$ 14,855       |
| Change in unrealized gain on investments      | 106,758                          | (16,718)        |
| Dividend and interest income                  | 11,057                           | 11,868          |
| Foreign currency gain (loss)                  | (226)                            | (909)           |
| <b>Total income (loss)</b>                    | <b>\$ 142,294</b>                | <b>\$ 9,096</b> |
| <b>Expenses</b>                               |                                  |                 |
| Management fees                               | \$ 3,105                         | \$ 2,711        |
| Withholding taxes, HST, and transaction costs | 1,044                            | 773             |
| Other expenses                                | 1,542                            | 2,040           |
| <b>Total expenses</b>                         | <b>\$ 5,691</b>                  | <b>\$ 5,524</b> |
| <b>Profit (loss) before taxes</b>             | <b>\$ 136,603</b>                | <b>\$ 3,572</b> |
| Income taxes (recovery)                       | \$ 22,550                        | \$ (443)        |
| <b>Net comprehensive income (loss)</b>        | <b>\$ 114,053</b>                | <b>\$ 4,015</b> |

|   | Nine months ended September 30, |                   |
|---|---------------------------------|-------------------|
|   | 2024                            | 2023              |
|   | ('000s)                         | ('000s)           |
| <b>Income</b>                                 |                                 |                   |
| Net realized gain on investments              | \$ 73,130                       | \$ 32,618         |
| Change in unrealized gain on investments      | 120,407                         | 50,729            |
| Dividend and interest income                  | 36,542                          | 36,118            |
| Foreign currency gain (loss)                  | (222)                           | 374               |
| <b>Total income (loss)</b>                    | <b>\$ 229,857</b>               | <b>\$ 119,839</b> |
| <b>Expenses</b>                               |                                 |                   |
| Management fees                               | \$ 8,959                        | \$ 7,903          |
| Withholding taxes, HST, and transaction costs | 3,480                           | 2,715             |
| Other expenses                                | 4,674                           | 4,299             |
| <b>Total expenses</b>                         | <b>\$ 17,113</b>                | <b>\$ 14,917</b>  |
| <b>Profit (loss) before taxes</b>             | <b>\$ 212,744</b>               | <b>\$ 104,922</b> |
| Income taxes (recovery)                       | \$ 51,424                       | \$ 11,872         |
| <b>Net comprehensive income (loss)</b>        | <b>\$ 161,320</b>               | <b>\$ 93,050</b>  |

(a) Net realized gain (loss) on investments

During the three months ended September 30, 2024, the realized gain on investments of \$24.7 million is largely attributable to a gain from the sale of shares of Blend Labs Inc. of \$9.9 million, Jones Lang LaSalle Inc. of \$3.4 million and The Middleby Corp. of \$3.1 million. Net realized gain (loss) on investments is not comparable to prior periods due to the different transactions from period to period. More details relating to some other 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 increased by \$106.8 million for the three months ended September 30, 2024. This is a result of fluctuations in the value of investments during the period. The largest contributors to the increase were EdgePoint Wealth Management Inc. with an increase of \$40.7 million, Berry Global Group Inc. with an increase of \$11.2 million and Norfolk Southern Corp. with an increase of \$11.2 million. 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 both public and private securities. An important driver of wealth for Cymbria is the dividend from EdgePoint.

During the three months ended September 30, 2024, Cymbria received dividends totaling \$5.8 million from EdgePoint, an increase of 13% from the same period in 2023. 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 \$5.2 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 September 30, 2024, Cymbria's most significant foreign currency exposure was the U.S. dollar, which as a percentage of shareholders' equity was approximately 40% and we hedged approximately 10% of that exposure. Cymbria's investments denominated in the Euro represented approximately 6% of shareholders' equity and we hedged approximately 20% of that exposure.

Foreign currency fluctuations resulted in a \$0.2 million loss during the quarter.

(e) Expenses

Management fees increased by \$0.4 million from 2023 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 September 30, 2024 were 0.82% for Class A shareholders and 0.41% for Class J shareholders.

**Financial condition**

|  | Sep. 30,<br>2024   | Dec. 31,<br>2023   |
|--|--------------------|--------------------|
|  | ('000s)            | ('000s)            |
| <b>Assets</b>                          |                    |                    |
| Investments                            | \$1,748,677        | \$1,534,607        |
| Cash and cash equivalents              | 76,330             | 138,841            |
| Other assets                           | 2,156              | 4,074              |
| <b>Total assets</b>                    | <b>\$1,827,163</b> | <b>\$1,677,522</b> |
| <b>Liabilities</b>                     |                    |                    |
| Foreign exchange forward contracts     | \$ 156             | \$ -               |
| Accrued liabilities and other payables | 966                | 173                |
| Income taxes payable                   | 4,905              | 3,286              |
| Credit facility                        | 50,000             | 50,000             |
| Deferred share unit plan               | 2,310              | 1,774              |
| Deferred income tax liability          | 103,577            | 61,321             |
| <b>Total liabilities</b>               | <b>\$ 161,914</b>  | <b>\$ 116,554</b>  |
| <b>Shareholders' equity</b>            | <b>\$1,665,249</b> | <b>\$1,560,968</b> |

(a) Investments

Cymbria's investments as at September 30, 2024, primarily consists of a portfolio of public securities of \$1,358 million and private equities of \$349 million, including an investment in EdgePoint of \$296 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 \$62.5 million from the end of 2023 is primarily due to the cash used to purchase and cancel shares under the LRO totaling \$57.0 million. Cash and cash equivalents is comprised entirely of cash held at the bank.

*(c) Income taxes payable*

The Income taxes payable of \$4.9 million is a result of income tax installments being less than Cymbria's income tax liability as at September 30, 2024.

*(d) Credit facility*

In June 2024, Cymbria amended and renewed the credit facility. As part of the amendment, Cymbria increased the amount available on the facility by \$50 million for a total available amount to borrow of \$150 million. There was no change in the amount outstanding on the facility during the quarter.

*(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 nine months ended September 30, 2024, Cymbria issued 2,631 units and the total value of the plan increased by \$0.5 million.

*(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 September 30, 2024, Cymbria's deferred income tax liability is presented net and it comprises of a liability on the unrealized appreciation of investments of \$104.2 million offset by an asset on deferred share units of \$0.6 million.

*(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 September 30, 2024 and November 7, 2024 were 100. Class A shares are non-redeemable and traded on the Toronto Stock Exchange. As at September 30, 2024 and November 7, 2024, there were 15,618,176 and 15,657,796 Class A 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 September 30, 2024 and November 7, 2024, there were 6,184,939 and 6,149,689 Class J shares outstanding, respectively.

**Cash flows**

For the nine months ended September 30, 2024, Cymbria had a net decrease in cash and cash equivalents of \$62.5 million. The decrease is primarily due to the net cash used in financing activities of \$57.0 million.

**Shareholder activity**

Cymbria refiled its Normal-Course Issuer Bid ("NCIB") for the 12-month period beginning on May 25, 2024 to May 24, 2025. 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. No shares were repurchased and cancelled under the NCIB during the quarter. Since inception, Cymbria has repurchased and cancelled 676,104 Class A shares at an average price of \$26.74 per share and a total cost of \$18.1 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.

On January 11, 2024, we announced the intention to redeem up to \$56.6 million worth of shares under the LRO plan. With the approval of the Board of Directors, we increased the aggregate amount of funds available to redeem to \$57.0 million and redeemed 809,496 Class A shares and 12,750 Class J shares. The LRO redemption was processed on February 22, 2024.

**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 |               |               |               |               |               |               |               |
|-------------------------------------|--------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                     | Sep. 30, 2024      | Jun. 30, 2024 | Mar. 31, 2024 | Dec. 31, 2023 | Sep. 30, 2023 | Jun. 30, 2023 | Mar. 31, 2023 | Dec. 31, 2022 |
| Total income (loss)                 | \$ 142,294         | \$ (31,246)   | \$ 118,809    | \$ 133,508    | \$ 9,096      | \$ 31,571     | \$ 79,172     | \$ 115,431    |
| Total expenses                      | \$ 5,691           | \$ 6,374      | \$ 5,048      | \$ 5,180      | \$ 5,524      | \$ 5,331      | \$ 4,062      | \$ 4,586      |
| Net income (loss)                   | \$ 114,053         | \$ (28,315)   | \$ 75,582     | \$ 113,159    | \$ 4,015      | \$ 23,949     | \$ 65,086     | \$ 97,317     |
| Net income (loss), per share        |                    |               |               |               |               |               |               |               |
| Class A                             | \$ 5.02            | \$ (1.28)     | \$ 3.28       | \$ 4.80       | \$ 0.16       | \$ 1.00       | \$ 2.76       | \$ 4.13       |
| Class J                             | \$ 5.75            | \$ (1.35)     | \$ 3.67       | \$ 5.45       | \$ 0.23       | \$ 1.18       | \$ 3.13       | \$ 4.66       |

**Credit facility**

In 2017, Cymbria entered into a five-year credit agreement with a Canadian chartered bank that allows Cymbria to borrow up to \$100 million. On June 25, 2024, Cymbria amended the credit agreement to allow the Company to borrow up to \$150 million, which is the aggregate of a renewable \$100 million revolving commitment that will mature on June 25, 2029 and two \$25 million term loans that will mature on March 10, 2029 and March 28, 2030.

Interest on the term commitments is charged at 3-month CORRA plus a spread, however, Cymbria has entered into interest rate swap contracts that will fix the interest on each tranche of the term commitment at 3.8% and 5.5% per annum, respectively, until maturity. Interest on the revolving commitment is charged on the outstanding balance based on whether the facility is drawn as CORRA advance or prime loan. When drawn upon, the credit facility is secured by a selection of eligible securities in Cymbria's investment portfolio. 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 may have a financial liability associated with drawn amounts on the credit facility. As at September 30, 2024, cash and cash equivalents less the outstanding balance on the credit facility represents 1.6% of Cymbria's total shareholders' equity. Cymbria's portfolio of securities includes actively traded global stocks that can be readily sold. As at September 30, 2024, the portfolio of public equities that the Manager believes can be readily sold represents 81.6% of Cymbria's total shareholders' equity. Cymbria has drawn \$50 million on its credit facility; however, the Manager does not believe this poses a significant risk to liquidity as it represents only 3.0% of total shareholders' equity. There are no other outstanding debt or contractual obligations that would pose a significant risk to liquidity as at September 30, 2024.

**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 September 30, 2024, management fees totaled \$3.1 million, compared to \$2.7 million for the same period in 2023. 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, 2023, which were prepared in accordance with IFRS Accounting Standards. 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:

|                                    | Classification                    | Measurement    |
|------------------------------------|-----------------------------------|----------------|
| <b>Financial assets</b>            |                                   |                |
| Investments                        |                                   |                |
| Foreign exchange forward contracts | Fair value through profit or loss | Fair value     |
| Interest rate swap contracts       |                                   |                |
| 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 |                                   |                |
| <b>Accrued liabilities</b>         |                                   |                |
| Payable for investments purchased  |                                   |                |
| Credit Facility                    | Amortized cost                    | Amortized cost |
| Income taxes payable               |                                   |                |
| Interest payable on swap contracts |                                   |                |
| 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 three months ended September 30, 2024. 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 28, 2024 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 November 7, 2024.

There were no changes made in the design of internal controls over financial reporting during the three months ended September 30, 2024, that have materially affected, or are reasonably likely to materially affect, Cymbria's internal controls over financial reporting.

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.

## **OFFICERS**

### **Tye Bousada, CFA**

*Co-Chief Executive Officer*

### **Geoff MacDonald, CFA**

*Co-Chief Executive Officer*

### **Diane Rossi**

*Corporate Secretary*

### **Norman Tang, CPA, CA**

*Chief Financial Officer*

## **DIRECTORS**

### **Ugo Bizzarri, CFA**

*Director and member of the Audit Committee*

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

*Director and Chair of the Audit Committee*

### **Patrick Farmer, CFA**

*Chairman*

### **James MacDonald**

*Director and member of the Audit Committee*

### **Edward Waitzer**

*Director and member of the Audit Committee*

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## **AUDITOR**

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Toronto, ON M5H 2S5

## **CUSTODIAN**

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## **MANAGER AND INVESTMENT ADVISOR**

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## **LEGAL COUNSEL**

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Toronto, ON M5L 1B9

## **REGISTRAR AND TRANSFER AGENT**

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Toronto, ON M5J 2Y1

## **TORONTO STOCK EXCHANGE LISTING**

CYB