TIMIA CAPITAL CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion and analysis is for the thirteen month period ended December 31, 2021 compared with the year ended November 30, 2020. All amounts are in Canadian dollars unless otherwise indicated. This MD&A was approved by the Board of Directors on April 20, 2022.

This Management's Discussion and Analysis (MD&A) provides review of TIMIA Capital Corporation's ("TIMIA") consolidated financial results for the thirteen months ended December 31, 2021 and provides detailed information on the operating activities, performance and financial position of TIMIA. "TIMIA", the "Company", "we", "us" or "our" refer to TIMIA Capital Corp. and its consolidated entities. This analysis of the operating results and financial position of the Company should be read in conjunction with the December 31, 2021 consolidated Financial Statements and related Notes (the "Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This discussion and analysis may contain forward-looking statements about the Company's future prospects, and the Company provides no assurance that actual results will meet management's expectations. Additional information relating to TIMIA Capital Corp. is available on SEDAR at www.sedar.com. TIMIA Capital Corp. is listed on the TSX Venture Exchange (the "TSX-V") trading under the symbol "TCA". TIMIA Capital Corp. preferred shares trade under the ticker symbol TCA.PR.A.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking information" and "forward-looking statements", collectively "forward looking statements". All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "designed", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements. Based on current available information, the Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that those expectations will prove to be correct. The forward-looking statements in this MD&A are expressly qualified by this statement, and readers are advised not to place undue reliance on the forward-looking statements.

FINANCIAL HIGHLIGHTS

For the thirteen months ended December 31, 2021 and twelve months ended November 30, 2020. **see Non-GAAP measures section for details of calculation.*

Financial Highlights	2021	2020
Revenue	9,727,652	6,088,016
Loans receivable - net of ECL	106,117,801	27,247,297
Net income before income tax	2,443,810	1,936,448
Net income (loss) attributable to shareholders	(759,870)	(586,344)
Adjusted net income	2,962,099	2,084,398
Adjusted net income attributable to shareholders	(239,472)	(403,126)
Earnings per common share	(0.03)	(0.01)
Adjusted net income per common share	(0.02)	(0.01)

For the four months ended December 31, 2021, compared to the three months ended November 30, 2020 the Company had the following highlights:

- Acquisition of Pivot Financial Inc ("Pivot") closed on September 20, 2021 for total consideration of $5,966,953.
- Total revenue increased $3,338,603 or 190% from $1,756,853 to $5,095,456.
- Interest income from investments was up $3,016,666 to $4,028,099 for the four month period compared to $1,011,433 for the three month period last year. This increase is primarily driven by the acquisition of Pivot.
- Similarly, Income from transaction and other fees increased $471,399 to $543,138 from $71,739 due to acquisition of Pivot;
- Income from settlements of loans decreased $149,462 to $524,219 as a result of less portfolio exits in the current period compared to significant exit activities in Q4 2020;
- Net income increased 119% or $764,874 to $1,410,056 compared to $645,182 in prior year. Net income excluding one-time acquisition costs of $146,761 was $1,556,817;
- The Company also delivered positive net income attributable to common shareholders in the fourth quarter for the first time.

For the thirteen months ended December 31, 2021, compared to the twelve months ended November 30, 2020 the Company had the following highlights:

- Total revenue increased $3,639,636 or 60% from $6,088,016 to $9,727,652;
- Interest income from investments was up $3,551,251 to $7,626,829 for the thirteen month period compared to $4,075,578 to the twelve month period last year. This increase is primarily driven by the acquisition of Pivot;
- Similarly, Income from transaction and other fees increased $645,746 to $946,878 from $301,132 due to acquisition of Pivot;
- Income from settlements of loans decreased $673,389 to $1,037,917 from $1,711,306 as a result of less portfolio exits in the current period compared to prior year;
- Net income increased 28% or $540,521 to $2,441,701 compared to $1,901,180 in prior year. Net income excluding one-time acquisition costs of $272,136 was $2,713,837;

- Total loans receivable increased $78,870,504 to $106,117,801 from $27,247,297 at November 30, 2020 due to growth and the loan portfolio acquired in the Pivot acquisition.

BUSINESS OVERVIEW

The Company builds and manages private credit limited partnerships that have focused investing strategies for the institutional and accredited investors markets. In the technology space TIMIA utilizes a proprietary loan origination platform to originate, underwrite and service private-market, high-yield loan opportunities through two operating divisions: TIMIA Capital which offers revenue-based investment to fast growing, business-to-business Software-as-a-Service (or SaaS) businesses in North America, and Pivot Financial which specializes in asset-based private credit targeting mid-market borrowers in Canada.

Sources of revenue include interest income from loans receivable, as well as income from the settlement of loans and transaction fees from due diligence. In addition, Pivot earns loan servicing fees and performance fee income for loan management services performed.

The Company's business principally involves managing invested capital and earning fee-related revenues from assets under management. TIMIA builds shareholder value by increasing the assets invested, through limited partnerships, as well as growth in assets managed under service agreements.

The capital for all of TIMIA's investments comes from institutions and private investors through Limited Partnerships, lender finance arrangements, notes payable, and co-investor syndication. TIMIA's corporate capital needs are met through the issuance of preferred and common shares.

The key contributors to growth in value to the shareholders of the Company are fee related earnings from our investing activity, continued improvement in efficiency at originating deals, acceleration in number of deals originated and maintaining economies of scale. Management currently believes value for common shareholders is best created by growing capital under management through limited partnerships as it provides income while providing non-dilutive capital.

TIMIA'S INVESTMENT STRATEGY

TIMIA targets companies seeking capital primarily in the following three subsectors: Software-as-a-Service (SaaS), software enabled service companies and hardware enabled service companies. Using proprietary software, the Company is able to efficiently originate transactions, automate underwriting as well as manage the loan portfolio and investors on an ongoing basis.

PIVOT'S INVESTMENT STRATEGY

Pivot addresses the borrowing needs of small to mid-sized enterprises in Canada with bespoke term debt structures, bridge loans, asset-based revolving loan facilities, and accounts receivable factoring facilities. Pivot portfolio companies typically have 1-100 employees and $1-$100 million in revenue.

Structure and basis of consolidation

Our capital sourcing strategy has evolved from raising capital directly in the form of debt and equity, to raising non-dilutive capital in the form of limited partnerships and lender finance arrangements. Management expects to continue to use non-dilutive sources of capital to increase per share profitability for shareholders as well as improve our ability to scale with growth.

Basis of consolidation

To date the following partnerships have been established:

- On March 6, 2019, the Company established its first Limited Partnership ("LP I");
- On November 28, 2019, the Company established TIMIA Capital Holdings Limited Partnership for purposes of facilitating a lender finance arrangement to help fund growth in a warehouse format for future limited partnerships;
- On July 15, 2020, the Company established its third Limited Partnership ("LP II");
- In September 2021, the Company established Pivot Financial I Limited Partnership ("Pivot LP") for purposes of the acquisition of Pivot Financial Inc.; and
- In January 2022 the Company established its fourth Limited Partnership ("LP III")

TIMIA Capital GP Inc. and TIMIA Capital II GP Inc. (wholly owned subsidiaries of the Company) each act on behalf of the general partners for LP I and LP II (together the limited partnerships). The Company owns 12.4% and 7.0% of total units as at December 31, 2021, respectively of LP I and LP II, while TIMIA Capital Holdings is 100% owned. All the benefits and rewards of ownership of the limited partnership flow to the limited partners; the external parties that funded the limited partnership. The Company earns a management fee and a performance fee for managing the business activities of the limited partnerships. In addition, this capital is non-dilutive to the common shareholders of TIMIA Capital Corp. while providing the common shareholders with a share of the profit (loss) of the limited partnership.

LP II has a functional currency of US dollars. On consolidation the results are translated to the Company's presentation currency of Canadian dollars. As a result, exchange differences arising on consolidation from this translation are recorded in other comprehensive income.

The financial results of the Company as at and for the fourth months ended August 31, 2021 discussed in this MD&A include results of operations of TIMIA Capital Corp., TIMIA Capital GP Inc., TIMIA Capital II GP Inc., LP I, TIMIA Capital Holdings Limited Partnership and LP II.

NON GAAP MEASURES

In addition to the IFRS prepared results and balances presented in the Financial Statements, the Company uses a number of other financial measures to monitor its performance and some of these are presented in this MD&A. These measures may not have standardized meanings or computations as prescribed by IFRS that would ensure consistency and comparability between companies using them and are, therefore, considered to be non-IFRS measures. The Company primarily derives these measures from amounts presented in its Statements which were prepared in accordance with IFRS. The Company's focus continues to be on IFRS measures and any other information presented herein is purely supplemental to help the reader better understand the key performance indicators used in monitoring its operating performance and financial position. This Management Discussion and Analysis refers to the following Non-GAAP measure:

Adjusted net earnings and Adjusted net earnings per common share - adjusted net earnings presents shareholders' net earnings before stock-based compensation, business acquisition expenses and amortization of intangible assets. Management feels this metric is useful to understand the operating income of the Company's lending business before non-cash and expenses that are not directly related to lending activities.

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Reconciliation of adjusted net income:	Thirteen months ended December 31, 2021	Twelve months ended November 30, 2020
IFRS reported net income	2,441,701	1,901,180
IFRS reported net income attributable to shareholders	(759,870)	(586,344)
Add:		
Acquisition costs	272,136	-
Share-based payments	149,662	183,218
Amortization	98,600	-
Adjusted net earnings	2,962,099	2,084,398
Adjusted net income attributable to shareholders	(239,472)	(403,126)
Adjusted net income per common share	(0.02)	(0.01)

Nature of revenue - Revenue for the Company is earned from a variety of sources. The table below summarizes the revenue earned by virtue of the operating activities and interest income earned by the investment vehicles (the limited partnerships). Management uses this information to better understand the sources of revenue attributed to common shareholders. The following selected financial information agrees in total to consolidated revenue per the financial statements.

	Operational entities	Limited Partnerships	Intercompany eliminations	Total consolidated
Interest income	1,296,753	6,330,076	0	7,626,829
Income from transaction and other fees	924,459	22,419	0	946,878
Income from settlement of loans	(22,875)	1,060,792	0	1,037,917
Performance/management fee income	1,300,130	0	(1,184,102)	116,028
Income from investment in LP's	298,711	0	(298,711)	0
	3,797,178	**7,413,287**	**(1,482,813)**	**9,727,652**

REVENUE

Total consolidated revenue for the thirteen months ended December 31, 2021 increased $3,639,636 or 60% from $6,088,016 to $9,727,652.

Operational entities consist of TIMIA Capital Corp (parent company standalone), TIMIA Capital GP Inc., TIMIA Capital II GP Inc., 2862454 Ontario Inc. and Pivot Financial Services Inc.

Limited partnerships consist of LP I, LP II, TIMIA Holdings Limited partnership (wholly owned) and Pivot LP (wholly owned).

Interest income in the thirteen months ended December 31, 2021 was $7,626,829, compared to $4,075,578 for the twelve months ended in the prior year, an 87% increase. This increase is largely driven by the acquisition of Pivot and significantly increasing the loan portfolio. In addition, TIMIA continued to expand its loan portfolio completing 15 new loan transactions, disbursing funds of $20,464,000.

Specific investee financings are contracted for various expected durations typically between 1 and 5 years. Payments are received monthly and each investment's value is assessed for impairment at each reporting date based on the performance of the investee's gross revenue and other financial performance measures.

Other sources of revenue include income from the settlement of loans. The current period had less loans exit early compared to prior year, which had an unprecedented number of portfolio early exits, therefore a decrease of 39% in income from settlements from $1,711,306 to $1,037,917. Income realized on loan exits is classified as revenue. While income from early repayment of loans is not the primary focus of the Company's revenue growth forecast, the Company does expect some loans to be repaid prior to maturity either due to change in business needs of the company invested in or as a result of change in ownership through acquisition.

The Company's revenue is primarily interest income generated from the loan portfolio, held within the limited partnerships. As the Company loan portfolio grows, interest revenue increases. Interest revenue also includes changes in amortized cost of loan values included in the portfolio.

Income from transaction and other fees was $946,878 in the thirteen months ended December 31, 2021 compared to $301,132 in the twelve month comparative period. The growth in portfolio activity with the acquisition of Pivot as well as new revenue streams acquired in the Pivot transactions have contributed to this growth. Pivot has two customer relationships earning revenue for sub-advisor and portfolio servicing fees. These fees are earned and recognized on a monthly basis.

EXPENSES

During the thirteen month period ended December 31, 2021, the Company significantly reduced interest expense as a result of the redemption of the Series B, C and D debentures throughout 2020 and 2021. This reduction is partially offset by increased finance costs associated with additional draws on the revolving credit facility during the period. The Company continued to invest into the growth of both the origination of deals and the underlying automated platform, as well as general corporate expenses related to portfolio management and public company expenses:

	2021 - Thirteen months ended	2020 - year ended
Operational Expense, not including Interest expense and Expected credit loss	3,878,083	2,716,176
Debenture interest expense	276,678	954,018
Interest expenses and Expected Credit Loss	2,496,904	456,564
Total Expenses	**6,651,665**	**4,126,758**

Overall expenses have increased year over year for two main reasons: current period is longer due to change in year end, and the acquisition of Pivot has increased expenses since September 2021. Operational Expenses for the thirteen and twelve month period ended December 31, 2021 and November 30, 2020:

- Administrative, management and directors' fees increased $557,998 or 49% to $1,702,571 from $1,144,573. This increase is mainly driven by acquisition-related headcount and bringing salary costs in line with industry.

- Office, travel, systems, and miscellaneous expenses increased $113,351 or 23% from $490,405 to $603,756. Increased expense levels in the current period relating to new website launch, increased office and CAM costs, IT servicing costs with respect to loan origination process and increases related to acquiring Pivot;
- Marketing services and promotion expenses increased $232,428 or 71% from $328,102 to $560,530. This increase is driven by increased use and expansion of online marketing tools.
- Accounting and legal expenses decreased $60,881 or 18% from $331,044 to $270,163. Prior year comparative included additional costs related to prospectus filing preparation and additional audit related expenses.
- Investor relations, communications and regulatory fees increased $253,967 or 106% from $238,834 to $492,801. In March 2021 the Company entered into an agreement with a Toronto based company that connects public issuers with the investment community. Pursuant to the terms of the agreement, the company will assist TIMIA with aspects of its investor awareness strategy including assisting with TIMIA'S investor marketing strategy, utilizing online technology platforms, and contacting capital market participants. This resulted in a $126,000 increase in IR expenses. In addition, additional fees were incurred during the period related to preferred share closing and LP II capital raised.

Interest and Expected Credit Loss (ECL) Expense

- Total interest expense was $2,716,498 compared to $1,492,324, an increase of $1,224,174. The increase is mainly driven by additional loans payable acquired as part of the Pivot acquisition offset by a decrease in debenture interest paid from settlement of debentures throughout 2020/2021.

- ECL expense was $57,084 compared to a recovery of $81,742 in the prior year. ECL is assessed at each period end and is expected to increase relative to the loan portfolio size. The recovery in the prior year was driven by investments exited and loan provision releases.

FOREIGN EXCHANGE AND FORWARD CONTRACTS

US dollar denominated investments and subsidiaries are converted to Canadian dollars quarterly at the then prevailing quarter end exchange rates. At the start of the Company's fiscal year, December 1, 2020, the US dollar was trading at 1.30 Canadian Dollars. By the end of the second quarter the US dollar had fallen to 1.21 Canadian dollars and by the fourth quarter rebounded to 1.27. Common Shareholder income was affected by movements in foreign exchange rates in several ways including the recognition of unrealised gains/losses on US denominated assets owned directly by TIMIA, and also through the recognition of carried interest income earned by the Company in its capacity as the manager of the limited partnerships.

Foreign exchange losses result from the conversion to Canadian dollars of investments that are denominated in US dollars. During the thirteen month period, $353,457 of foreign exchange losses were recognized in the consolidated net income.

Foreign currency translation adjustment is a result of the conversion of the Company's US dollar denominated subsidiary, LP II. These adjustments are included within net comprehensive income. During the thirteen month period translation adjustment was a loss of $429,178 (2020 - loss of $545,569). This translation adjustment is a result of consolidation of LP II, a US dollar-based partnership formed in July 2020. Majority of this translation difference arises due to the fluctuation in USD to CAD exchange rates from the date of LP II capital initial closings in 2020. The average exchange rate based on dates of LP II closings was

1.34 compared to a period end close rate of 1.27.

A significant portion of the foreign exchange gains/losses and all of the translation adjustments are unrealized, meaning that increases in the value of the US dollar may result in a reversal of these losses in future periods.

Forward Contracts can be used to manage exposure to foreign exchange losses. TIMIA Capital Corp holds forward contracts to buy $2,500,000 USD that resulted in an offsetting gain in the thirteen month period of $38,000, fully attributable to income allocated to the shareholders of TIMIA, for a net amount receivable under the contract of $290,500. The decision to use forward contracts to manage foreign currency fluctuation as it relates to the non-controlling interests is made by the investors in LP I and LP II. LP II functions in USD. As such, other than as seen in the consolidated entity, translation adjustments do not have an impact on the results of LP II.

Attribution of FX Gains/(Losses) For the thirteen months ended December 31, 2021	**Common Shareholders**	**Non-Controlling Interests**	**Total**
Forward contract gain/(loss)	38,000	-	38,000
Foreign exchange gain/(loss)	(126,242)	(227,215)	(353,457)
Foreign exchange gain/(loss) in Net Income	**(88,242)**	**(227,215)**	**(315,457)**
Foreign currency translation adjustment	(6,123)	(423,055)	(429,178)
Foreign exchange gain/(loss) in Comprehensive Income	**(94,365)**	**(650,270)**	**(744,635)**

NON-CONTROLLING INTEREST

TIMIA Capital LP I

Since inception the Company completed a total of $18,420,000 ("Committed Capital") in financing in its first Limited Partnership ("LP I"). In addition to holding units in LP I, TIMIA is entitled to receive a management fee of 1.5% of Committed Capital for the first six years and 0.75% thereafter. In addition, LP I reimburses TIMIA for operating expenses incurred on its behalf.

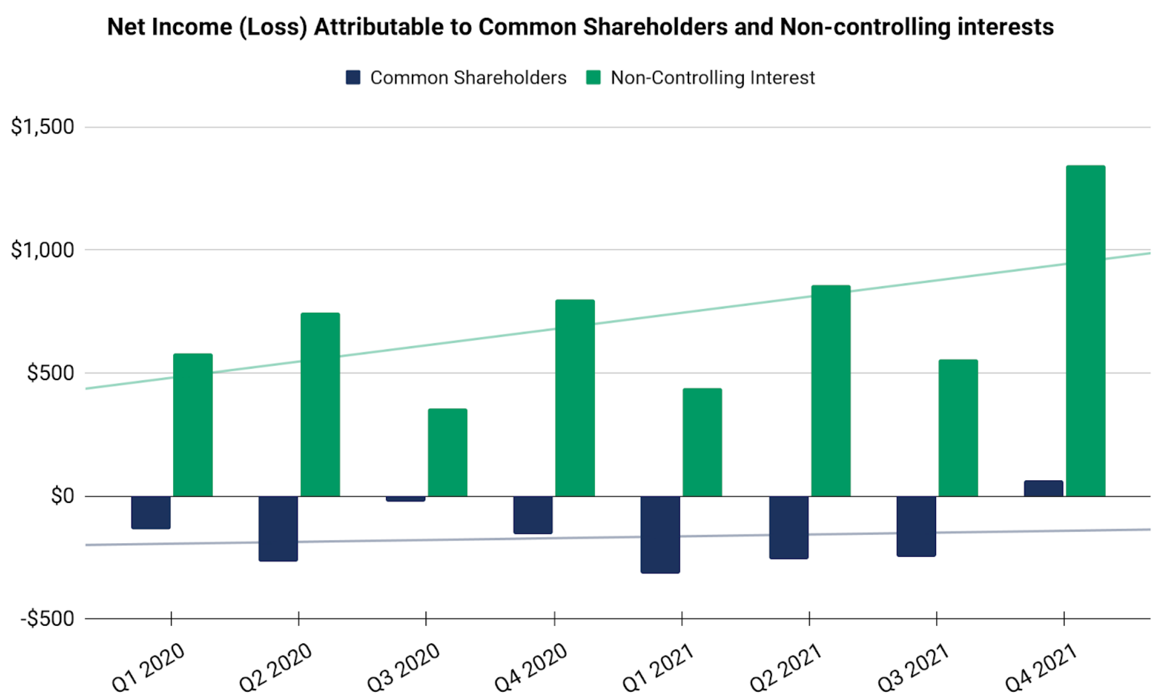
TIMIA Capital LP II

Since inception of LP II, the Company closed financings of $27,146,565 (US $16,215,000). The Company is invested in LP II and is entitled to receive a management fee of 1.5% of Invested Capital and a performance fee based upon the profit of LP II for the life of the fund. In addition, LP II reimburses TIMIA for operating expenses incurred on its behalf.

In preparing the Company's consolidated financial statements for the 13 months ended December 31, 2021, the Company identified that its non-controlling interests in LP I and LP II do not meet the requirements in IFRS to be classified within equity because of the limited lives of the partnership. The term of LP I is ten years plus 3 optional 1 year extensions and the term of LP II is five years with 2 optional 1 year extensions. As a result, the Company has concluded that non-controlling interests should not have been presented within equity, but should be presented within liabilities. The Company has corrected the presentation by reclassifying non-controlling interests to liabilities from equity. This reclassification did not have an impact on Net Loss Attributable to Shareholders of the Corporation of $586,344, Net Loss per common share (basic and diluted) of $0.01 or on the Company's cash flows from operating activities, investing activities or financing activities as reported in its Consolidated Statement of Cash Flows for the 12 months ended November 30, 2020.

ATTRIBUTION OF NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

Transactions among LP I, LP II and the Company, including management and administration fees and performance fees earned, are fully eliminated on consolidation. The income statement shows an attribution of income (loss) between shareholders of the Company and the non-controlling interest (in this case, TIMIA's Limited Partners in both LP I and LP II). The following chart shows the progression of the attribution of income (loss) between the shareholders of the Company and the non-controlling interest over the last eight quarters:



Net Income (Loss) attributable to common shareholders improves in tandem with both increases in the size of TIMIA's investment portfolio and continued satisfactory rates of return, as well as the acquisition of Pivot which resulted in increased profits attributable to shareholders. As the Company has maintained its loan performance, it has attracted new limited partner investors, thereby increasing its investment portfolio and improving common shareholder Net Income (Loss). In addition to holding investments through Limited Partnerships, the Company holds investments directly as well. Interest income and any gains or losses that relate to these investments are attributed directly to common shareholders.

While Net Income (Loss) attributable to common shareholders includes foreign exchange gain/loss, a significant portion is unrealized and driven by US dollar loans receivable. Foreign exchange gains/loss will continue to fluctuate until the investments are exited. Management is specifically focused on Operating Income attributable to common shareholders as a key performance measurement. The following chart illustrates Operating Income attributable to common shareholders before foreign exchange gains/losses and forward contract gains over the last 8 periods:

The Net Income (Loss) and Comprehensive Income (Loss) for the thirteen months ended December 31, 2021 and twelve months ended November 30, 2020 was attributed as follows**:**

Non-controlling Interests

- Net income attributable to non-controlling interests of $3,201,571 represents income from investments held by the Limited Partnerships (LP I and LP II) for the thirteen months ended, less allowable costs as defined under the Limited Partnership Agreement, including fees to the manager and expected credit losses.
- Comprehensive income attributable to non-controlling interests of $2,778,517 for the thirteen months ended includes foreign currency translation adjustments arising from the consolidation of LP II, a US denominated fund with a functional currency of US dollars.

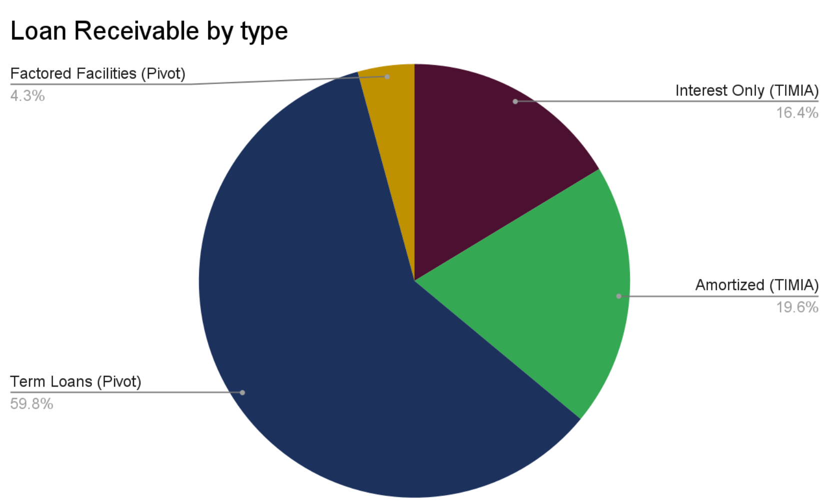
Shareholders of the Company

- Net loss attributable to shareholders of the Company of ($759,870) and net loss and comprehensive loss of ($765,994) for the thirteen months ended was allocated to the common share equity holders representing income (loss) from investments held by the Company, all transaction fee income, fees and carry earned from the Limited Partnerships and all expenses not incurred by the Limited Partnership as well as the Company's proportionate interest in LP I and LP II.

When the LP's cumulative returns indicate that carried interest is earned by the Company, the LP's recognize an allocation of capital to the Company.

REVIEW OF FINANCIAL POSITION

Total assets increased by 198% to $125,076,969 at December 31, 2021 compared to $41,923,767 at November 30, 2020. This increase was largely driven by the acquisition of PIvot which contributed total assets of $68,627,043 on the date of acquisition. Total assets acquired consist mainly of the Loans Receivable. Gross loans receivable before ECL are broken down as follows at December 31, 2022:



The following chart illustrates movement in the loan receivable balance from November 30,2020 to December 31, 2021:

	December 31, 2021
Opening balance	27,614,080
Loans acquired in Pivot acquisition	66,303,932
Advances on loans receivable	60,491,923
Net: interest revenue and principal payments	(31,976,063)
Settlement of investments	(15,354,934)
Foreign exchange	(162,007)
Closing balance	106,916,931

TIMIA'S INVESTMENT STRATEGY

TIMIA's loan portfolio has 29 unique deals with an aggregate facility size of $72,357,800. Current disbursements extended under those facilities total $37,810,460. During the year, the Company has noted an increase in both growth equity financings, and merger and acquisitions activity. This has impacted both the existing portfolio in terms of loan buyouts and financings, as well as loan originations via increased competition in the marketplace.

The Company continues to evaluate new investment opportunities and has capital ready to deploy to new and follow-on investments. Management evaluates these investments in terms of their current revenue, future expected revenue growth, gross margins, earnings, cash flow, market position, and management quality. Furthermore, every month TIMIA monitors each investment in its portfolio in terms of its growth against plan and financial performance on various key financial metrics. Management continues to evaluate the significant liquidity in the marketplace and its impact on credit quality and yields.

PIVOT'S INVESTMENT STRATEGY

Pivot's term loan portfolio has 13 unique deals with an aggregate loans receivable of $60,768,463. The most significant investment is a loan due from a related party in the amount of $43,344,472. This loan to a related party is security to the secured loans payable for $49,850,000 as of December 31, 2021. The loan payable is designated as FVTPL to ensure measurement consistency with the credit risk associated with the related loan receivable that is security to the loan. In addition, Pivot's factored facilities portfolio includes 18 facilities with total disbursements of $4,051,268.

SUMMARY OF QUARTERLY RESULTS

	Q4 2021 (4M)	Q3 2021	Q2 2021	Q1 2021	Q4-2020	Q3-2020	Q2-2020 (note 1)	Q1-2020
Revenue	5,095,456	1,407,679	1,837,674	1,270,815	1,756,853	1,899,780	891,186	1,540,197
Net income (loss)	1,410,056	307,161	602,034	124,559	645,182	333,243	478,611	444,144
Net income and Comprehensive income (loss)	1,545,938	1,218,910	(407,229)	(345,096)	506,440	(73,584)	478,611	444,144
Net loss attributable to shareholders of the Company	60,906	(249,774)	(255,576)	(315,426)	(155,953)	(23,580)	(269,127)	(137,684)
Adjusted Net Income (Loss)* attributable to shareholders	343,141	(102,769)	(209,157)	(270,687)	(112,870)	19,243	(221,588)	(87,911)
Net income attributable to non-controlling interests	1,347,041	556,935	857,610	439,985	801,135	356,823	747,738	581,828
Basic and diluted loss per share	0.00	(0.01)	(0.01)	(0.01)	(0.01)	-	(0.01)	-
Adjusted Net Income (Loss) per share*	0.01	(0.00)	(0.00)	(0.01)	(0.00)	0.00	(0.01)	(0.00)
Total assets	125,079,969	46,087,453	39,463,518	38,950,912	41,923,767	37,015,223	31,894,045	29,995,311
Total liabilities	111,952,707	6,939,295	6,669,109	5,579,992	7,569,075	12,705,377	14,744,095	12,996,351

*see Non-GAAP measures section

Note 1: During the three months ended May 31, 2020, income of $143,000 was re-allocated to Net Income (Loss) attributable non-controlling interest from Net Income (Loss) Attributable Shareholders. This adjustment reflects the cumulative effect of a misallocation of income during the consolidation process during prior periods. As the misallocation is not material to any previous period reported, this has been adjusted in the prior period. The chart below reflects the adjusted allocations for the prior periods had this adjustment had been made:

	Q4-2020	Q3-2020	Q2-2020	Q1-2020	Q4-2019	Q3-2019
Net income (loss) and comprehensive income attributable to shareholders of the Company Adjusted	$ (155,953)	$ (53,618)	$ (126,127)	$ (196,684)	$ (536,992)	$ (189,781)
Non-controlling interests Adjusted	$ 801,135	$ (19,966)	$ 604,738	$ 640,828	$ 249,921	$ 135,123

LIQUIDITY AND SOLVENCY

As at December 31, 2021, the Company's cash balance was $9,314,526 and working capital was positive $1,804,078, compared with $14,326,845 as of November 30, 2020. During the thirteen month period, a portion of the debentures were settled with cash payments. Subsequent to December 31, 2021 the revolving credit facility was repaid in January and a new revolving credit facility was established with a new lender in March 2022. See subsequent events for more information.

The secured loans payable is a revolving credit facility from a senior lender and has a combined authorized limit of $50,000,000. The security on the secured loan payable to the lender is a general security agreement and directly related to a specific loan receivable. The loan is designated as FVTPL to ensure measurement consistency with the credit risk associated with the related loan receivable that is security to the loan.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Related party transactions are all in the normal course of business with individuals (as well as their family members or entities they control) who are related to the Company either as key management personnel or a member of the board of directors. Any such transactions are in the normal course of operations and are measured at market based on exchange amounts.

The Company has loaned funds (loans receivable) on a secured basis to companies whereby an officer of the Company is also a significant shareholder and/or director. Of the total Loans Receivable of $106,117,801, $48,395,641 was receivable from a related party.

The Financial Statements include related party note disclosure detailing the nature of transactions, the following chart is a summary:

	2021	2020	Relationship
Debentures payable	150,000	1,107,500	Directors, officers and corporations controlled by/family members of directors/officers
Accrued interest on Debentures payable	1,529	1,123,010	
Interest expense paid	30,160	180,283	
Accounts payable	586	24,053	Director/Officers
Rent expense paid	18,647	16,800	Corporation controlled by family member of management
Investment in Limited Partnerships	4,824,909	5,731,418	Directors, officers and corporations controlled by/family members of directors/officers
Loans receivable from related parties	48,398,641	-	Company officer has an ownership interest in investee of the Company
Fees recognized from related parties	117,178	-	Company officer has an ownership interest in investee of the Company

OUTLOOK

The Company has had significant growth in loans disbursed, both organically and through acquisition over the last year. To support growth, the Company anticipates further utilization of debt facilities as well as growth through its launch of LP III.

The Company develops, raises and manages focused private credit strategies that generate attractive risk-adjusted returns with loan structures that limit credit losses. The Company intends to continue funding investment opportunities through special purpose vehicles, such as Limited Partnerships, that are funded by institutional and accredited investors. Subsequent to year end, the Company introduced its first limited partnership designed to be distributed to accredited investors through Canadian wealth advisors.

The Company identifies opportunities with healthy financial outlooks and proven records of growth. The Company invests heavily in its origination platform to source and evaluate potential additional to the portfolio. This scalable technology-forward approach allows for growth in the portfolio in a cost efficient manner, an approach management believes is unmatched by its current competitors.

SUBSEQUENT EVENTS

On January 10, 2022, the Company formed TIMIA Capital III GP Inc., an Ontario corporation, and its third fund, TIMIA Capital III Preferred Return Fund Limited Partnership. On January 26, 2022 the Company launched a trust, TIMIA Capital III Preferred Return Fund (the “Trust”).

The Trust was established for the purposes of investing in TIMIA Capital III Preferred Return Fund Limited Partnership. The Limited Partnership’s purpose is to generate returns for its partners, principally through long-term capital appreciation, collecting cash flows and earning income, by identifying, evaluating, acquiring, holding and disposing of privately negotiated loans for technology companies located in North America. The trustee is TIMIA Capital III GP Inc. Since formation the Limited Partnership has closed $6,300,000 ($4,920,000 USD) of invested capital.

On February 2, 2022, the Company announced that its Board of Directors has approved the grant of 700,000 stock options to staff and officers which are exercisable into common shares of the Company at a price of $0.42 per common share. Of the 700,000 options, officers received 240,000 with the staff receiving the remainder. The options have a term of five years and will expire on February 2, 2027.

On February 24, 2022 the Company’s board of directors declared a quarterly cash dividend of $0.02 per Series A Preferred Shares, payable on March 31, 2022, to Series A preferred shareholders of record as at March 15, 2022.

On March 9, 2022 the Company secured a demand revolving line of credit grid promissory note from a lender. The amount that is available to be drawn under the facility is $6,300,000 ($5,000,000 USD) and due on demand of the lender. The initial principal drawn on the facility is $1,890,000 ($1,500,000 USD) and will bear an interest rate equal to the greater of 10.25% or prime +6.3%. A utilization fee of 2.45% is owing on the unutilized portion of the loan commitment. The Credit Facility contains general covenants and financial reporting requirements to be reported by the Company on a monthly basis.

On March 31, 2022 the Company repaid all issued and outstanding Series E debentures ahead of the scheduled maturity date. Total repayment amount including principal and interest was $1,103,864.

FINANCIAL INSTRUMENTS AND RISK

Financial instruments

The following table summarizes information regarding the carrying values and classification of the Company's financial instruments as of the periods ended December 31, 2021 and November 30, 2020:

	December 31, 2021	November 30, 2020
Cash & restricted cash - FVTPL	$ 9,758,032	$ 12,872,769
Accounts receivable - Amortized cost	687,596	413,239
Loans receivable - Amortized cost	106,117,801	27,247,297
Equity investments - FVTPL	1,333,618	965,100
Forward contract receivable - FVTPL	290,500	252,500
Accounts payable - Amortized cost	5,674,751	300,967
Loans payable (Note 13) - Amortized cost	26,810,891	-
Loans payable (Note 13) - FVTPL	41,000,000	-
Revolving credit facilities - Amortized cost	4,485,129	2,510,320
Debentures & co-investment obligations - Amortized cost	1,468,518	4,413,750
Non-controlling interests - Amortized cost	30,513,576	26,794,796

The estimated fair values of cash and accounts payable approximate their respective carrying values due to their nature and short terms to maturity. Equity investments and forward contract receivable are carried at their fair value. Loans receivable, accounts receivable, co-investment obligations, revolving credit facility and debentures are carried at amortized cost.

The fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
(a) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The following table presents the Company's financial instruments, measured at fair value on the consolidated statements of net assets and categorized into levels of the fair value hierarchy:

	Balance at December 31, 2021	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Cash	9,758,032	9,758,032	-	-
Forward contract receivable	290,500	-	290,500	-
Equity investments	1,333,618	85,714	-	1,247,904

There were no transfers from Level 1 to 2 or Level 2 to 1 during the period.
The investment operations of the Company's business involve the purchase and sale of securities, and accordingly, a portion of the Company's assets are currently comprised of financial instruments. The use of financial instruments can expose the Company to several risks, a discussion of which is provided below.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company maintains sufficient cash balances to meet current working capital requirements. The Company is dependent on obtaining regular financings in order to continue as a going concern. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash consists of cash deposited in business accounts held by high credit quality financial institutions.

	Carrying amount	**Contractual cash flows**	**Within 1 year**	**Within 2 years**	**Within 5 years**
	$	$	$	$	$
Accounts payable	5,119,508	5,119,508	5,119,508	-	-
Loans payable	67,810,891	67,810,891	-	-	
Revolving credit facility	4,485,129	4,485,129	4,485,129	-	-
Non-controlling interests	30,513,576	30,513,576	5,308,684	16,166,433	9,038,459
Debentures & Co-investment obligations	1,468,518	1,468,518	105,488	1,205,897	157,133
Total	**109,397,622**	**109,397,622**	**15,018,809**	**17,372,330**	**9,195,592**

Cash flows relating to non-controlling interests are based on expected cash flows. The Company is obligated to return the net assets attributable to limited partners at the end of each partnership agreement. Timing in the above table is based on estimated cash flows and expected maturities of the investments held.

Foreign exchange risk

The Company's foreign exchange risk is due to the Company's twelve loan investments totaling US$24,717,056 which are currently valued at $31,336,283. In addition, the Company has entered into a forward contract which commits the Company to buy US$2,500,000 at a fixed exchange rate. Changes in the foreign exchange rate could impact the gain (loss) realized on this contract.

During 2020 and 2021, the Company also completed a close in a second Limited Partnership ("LP II") which has a functional currency of US dollars. Changes in US and Canadian dollar exchange rates will give rise to foreign currency translation adjustments that may have a material impact on the other comprehensive income recognized by the Company. A 10% movement in the US dollar exchange rate would increase/decrease the accumulated other comprehensive translation adjustment on the statement of financial position by $2,675,545.

Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on its cash. The Company's practice has been to invest cash at floating rates of interest in order to maintain liquidity, while achieving a satisfactory return for shareholders. A 10% change in the interest rate would not result in a material impact on the Company's operations.

Market risk

Market risk is the risk that the fair value of, or future cash flows from the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices. Additionally, the Company adjusts its investments to fair value at the end of each reporting period. This process could result in significant write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability, which could have a significant unfavourable effect on the Company's financial position.

The Company manages market risk by having a portfolio of investments not singularly exposed to any one issuer; however, its investment activities are currently concentrated primarily in the technology and energy sectors. The Company also manages its market risk by reviewing commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and loan receivables. The Company limits exposure to credit risk by maintaining its cash with financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. The

Company's maximum exposure to credit risk at the reporting date is the carrying value of cash, restricted cash, accounts receivable, forward contract and loans receivable.

Credit risk measurement

In monitoring credit risk, the Company performs ongoing credit evaluations of its investees' financial condition. The evaluation considers delinquency trends, sales volumes and the investee's ability to maintain its financial condition. In accordance with IFRS 9, the Company calculates an expected credit loss as outlined below.

Expected credit loss measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarized below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

The following diagram summarizes the impairment requirements under IFRS 9:

Change in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
Initial recognition	Significant increase in credit risk	Credit-impaired Assets
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

The Company assigns each loan in the portfolio to a credit quality stage of Stage 1, Stage 2 or Stage 3. This credit quality staging is then used to calculate the lifetime ECL. The lifetime ECL is the maximum loss in default adjusted for the probability of loss. At each reporting period, the ECL is calculated for each loan receivable. The Company periodically reviews the ECL model to determine if industry trends or macro-economic factors have changed, causing a need to adjust the ECL model. The expected credit loss expense recorded in the statement of net income (loss) is $57,084 for the thirteen months ended December 31, 2021 and the expected credit loss accrued on the consolidated statement of financial position is $799,130 as at December 31, 2021.

Significant increase in credit risk (SICR)

The Company considers a financial instrument to have experienced a SICR when one or more of the following quantitative or qualitative criteria have been met:

- The investment is more than 30 days but less than 90 days in arrears on its contractual payment obligations;
- The Company's management believes the cash resources available to the investment may not be sufficient to meet ongoing needs; or
- The investment has significantly underperformed with respect to revenue growth and expense control.

A loan is considered to be in stage 3 if:

- The borrower is 90 days past due on contractual payments;
- The borrower is in long term forbearance;
- The borrower is insolvent; or
- The borrower is in material breach of financial covenants.

Expected credit loss model

The Company determines the lifetime expected credit loss to be the maximum loss in a default adjusted for the probability of loss. At each reporting period, the ECL is calculated for each loan receivable. The maximum default loss is a function of the relative exposure of the Company to a particular investment. The Company assesses this as a ratio of the enterprise value of the underlying entity to the amortized loan balance. Based on this ratio, the Company assigns the loan receivable to a maximum default loss band. Each band has a loss percentage based on historic experience.

The probability of default represents the likelihood that the borrower defaults on its financial obligation. As such it is dependent on the stage of the investment at the measurement date. An investment in stage 3 is in default by definition so the likelihood of default is 100%. Stage 1 and stage 2 credits are assigned default probabilities based on historic experience and an assessment of forward looking macro-economic trends. If Company management determines that a segment of the portfolio is facing macro-economic trends that differ from other investments in the portfolio, the probability of default will be adjusted accordingly for that segment.

The Company reviews the stage of each loan receivable and recalculates the ECL every reporting period. Changes to the ECL are recognized on the Statement of Income (Loss) and Comprehensive Income or Loss in the period of the change.

Credit risk exposure

The Company's credit risk exposure by ECL staging is included in a table in Note 3 Loans receivable.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

In compliance with the requirements of National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, the Certifying Officers have reviewed and certified the Financial Statements for the thirteen month period ended December 31, 2021 and the twelve month period ended November 30, 2020, together with other financial information included in the Company’s interim securities filings. The Certifying Officers have also certified that disclosure controls and procedures have been designed to provide reasonable assurance that material information relating to the Company is made known within the Company and that they operated effectively during the year.

OUTSTANDING SHARE DATA

As of December 31, 2021, the Company had 53,041,463 common shares outstanding, 10,485,994 preferred shares outstanding, 4,830,000 stock options, 431,667 share purchase warrants outstanding. As of the date of this MD&A, the Company had 59,598,674 common shares outstanding, 10,485,994 preferred shares outstanding, 5,320,000 stock options, 431,667 share purchase warrants outstanding.

ON BEHALF OF THE BOARD:

“Michael Walkinshaw”

Chief Executive Officer
TIMIA CAPITAL CORP.