TIMIA CAPITAL CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion and analysis is for the year ended November 30, 2020. This MD&A was approved by the Board of Directors on March 11, 2021.

INTRODUCTION

The Management's Discussion and Analysis (MD&A) for the year ended November 30, 2020 provides detailed information on the operating activities, performance and financial position of TIMIA Capital Corp. "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 November 30, 2020 consolidated Financial Statements and related Notes (the "Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All monetary amounts are expressed in Canadian dollars unless otherwise indicated. 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. was incorporated under the Business Corporations Act of British Columbia on October 26, 2007 under the name Angelwest Capital Corp. The Company changed its name to GreenAngel Energy Corp. on October 27, 2009 and then to TIMIA Capital Corp. on September 23, 2015 and is listed on the TSX Venture Exchange (the "TSX-V") trading under the symbol "TCA".

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.

BUSINESS OVERVIEW

TIMIA Capital Corporation has developed a proprietary loan origination platform that services private market, high-yield loan opportunities, thereby earning recurring fees and a share of the profit. While focusing on the fast growing, global, business-to-business Software-as-a-Service (or SaaS) segment, TIMIA's automated loan origination system is applicable to multiple technology sectors, thereby creating scalable and profitable growth for TIMIA's stakeholders. Other sources of revenue include income from the settlement of loans as well as transaction fees from due diligence and similar services. Specific investee financings are contracted for various expected durations typically between 3 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.

The capital for all of TIMIA's investments comes from private investors through a Limited Partnership fund, lender finance arrangements, co-investor syndication, and issuances of preferred and common shares.

TIMIA'S BUSINESS AND STRATEGY

The Company targets companies seeking capital in the following three subsectors: 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. The key contributors to growth in value to the shareholders are recurring revenue, continued improvement in efficiency at originating deals, acceleration in number of deals originated and maintaining economies of scale. TIMIA has demonstrated origination efficiencies with a 3 year increase of 400% in value of deals originated, while only increasing operating expenses by 147%. 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.

Key Statistics

- Gross Return 24.6% since inception

	Year ended November 30, 2020	Date from inception (August, 2015) to November 30, 2020
Loan Facilities Issued	$26,342,210	$78,736,000
Loan Funds Disbursed	$16,756,814	$48,827,500
Loans Settled, Disbursed Value	$10,167,044	$21,221,000
Income from Settlement of Loans	$1,711,306	$3,495,000
Realized Credit Losses	$138,196	$155,196

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. 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; and
- On July 15, 2020, the Company established its third Limited Partnership ("LP II").

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 12.39% and 6.96% of total units as at November 30, 2020, 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 year ended November 30, 2020 discussed in this MD&A include results of operations of TIMIA Capital Corp., TIMIA Capital Residual Partner Inc., TIMIA Capital GP Inc., TIMIA Capital II GP Inc., LP I, TIMIA Capital Holdings Limited Partnership and LP II.

RESULTS OF OPERATIONS

TIMIA continues to build the value and size of its portfolio by expanding the number of companies in its loan portfolio, making follow-on investments in existing portfolio companies and actively assisting in the growth plans of the companies in their portfolio.

FINANCIAL HIGHLIGHTS

For the year ended November 30, 2020, the Company had the following highlights:

- Total revenue increased 85% to $6,088,016 from $3,288,263 in the prior year;
- Net income was $1,901,180, an increase of $2,988,747 from a net loss of $1,087,567 in the prior year. The improvement in net income was due to growth in size of the portfolio and relative increase in revenue and $1,711,306 income from settlement of loans resulting from seven successful exits of its loan portfolio investments as compared to $nil in the prior year;
- Interest income from investments increased 34% to $4,075,578 compared to $3,046,608 in the prior year;
- Total assets grew 55% to $41,923,767 from $27,107,384 in the year ended November 30, 2019;
- Net income and comprehensive income was $1,355,611 compared to a net and comprehensive loss of $1,087,567 for the last year;
- Loan portfolio increased by 29% in the last twelve months from $21,147,512 to $27,247,297, with loan advances of $16,756,814 being made to nine new investments and five follow-on investments, and inclusive of seven loan exits totalling repayments of $12,016,546.;
- Completed the issuance of $3,070,000 of Class A units in LP I in the year;
- Completed US$14,785,000 financing in launching LP II; and

For the three months ended November 30, 2020, the Company had the following highlights:

- Total revenue increased 76% to $1,756,853 from $998,431 in the same period last year;
- Interest income from investments increased 1% to $1,011,433 compared to $998,431 in the same period last year;
- Net income was $645,182 and the comprehensive income was $506,440 compared to a net loss and comprehensive loss of $287,071 for the same period last year; the improvement of $932,253 in net income was due to the growth in size of the portfolio and relative increase in revenue;
- Loan portfolio increased by 1% in the last three months from $26,938,898 to $27,247,297, inclusive of four loan buyouts being replaced by three new investments; and
- Disbursed $6,849,000 in new investments and received $6,267,216 in loan exits.

PORTFOLIO RETURNS AND STATISTICS

From August, 2015 through to the year end of November 30, 2020, the Corporation has completed 33 Financing transactions, either directly, through its subsidiaries or through the LP Funds. The Company has earned a cumulative gross IRR of 24.6%. Of these 35 transactions, the Corporation settled 13 of these loans due to merger or other re-financing activity and 20 facilities remain in effect at year end.

REVENUE

Total revenue for the three months ended November 30, 2020 increased 76% to $1,756,853 compared to $998,431 for the three months ended November 30, 2019. Total revenue for the year ended November 30, 2020 increased 85% to $6,088,016 compared to $3,288,263 for the year ended November 30, 2019. Chart 1 shows the increase in revenue since Q1 2016.

Interest income in the three and twelve months were $1,011,433 and $4,075,578, respectively, compared to $998,431 and $3,046,608 in the three and twelve months ended November 30, 2019, a 1% increase and 34% increase respectively. During the year ended November 30, 2020, the Company continued to expand its loan portfolio by completing nine new loan transactions, disbursing capital of US$8,250,000 to four US companies, CAD$4,375,000 to five Canadian companies and five follow-on investments of CAD$775,000 to three Canadian companies and US$550,000 to two US companies.

Other sources of revenue include income from the settlement of loans as well as transaction fees from due diligence and similar services. Specific investee financings are contracted for various expected durations typically between 3 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.

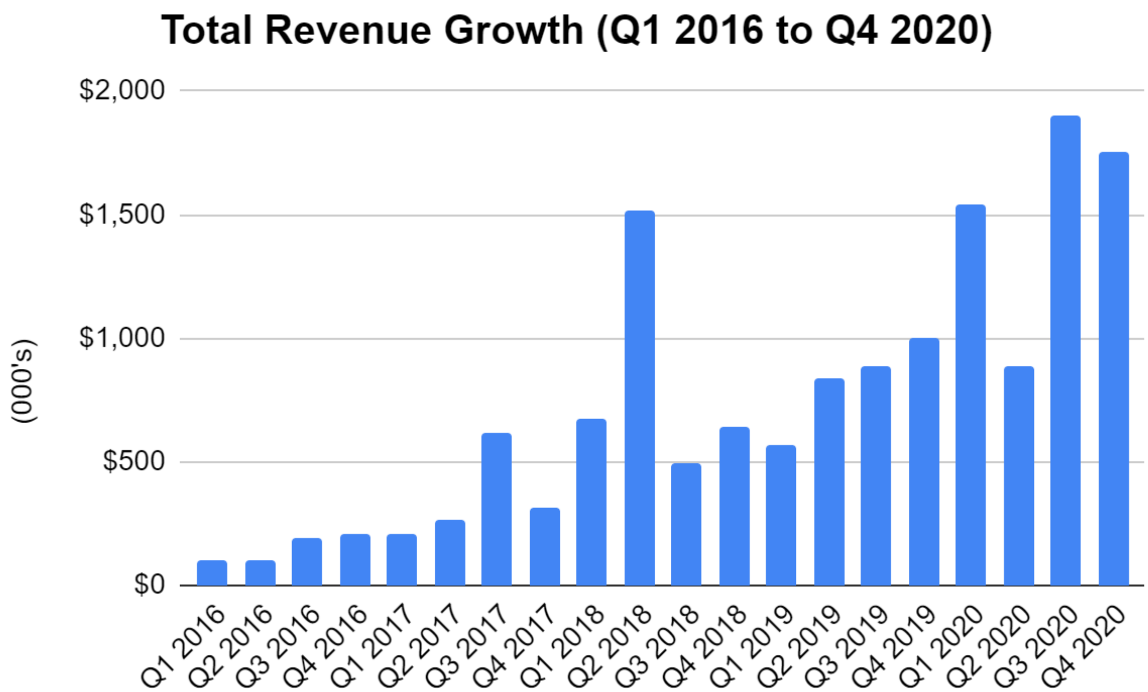
The Company's revenue is primarily interest income generated from the loan portfolio. As the Company loan portfolio grows, interest revenue increases. Interest revenue also includes changes in amortized cost of loan values included in the Portfolio.

Approximately 20% of TIMIA's loans are structured such that the timing of future monthly cash payments, but not the total amount repayable, are impacted by the underlying revenue growth rate of the borrower. In this group of Revenue Finance loans, management must estimate the expected rate of return for each loan on a quarterly basis, based upon the expected period of repayment as well as other terms such as minimum monthly payments, maximum term, and other terms provided in the underlying loan agreement. This is not a reduction in monthly payments, but rather a change in the estimate of period of repayment and resulting rate of return for this basket of loans, based on recent economic developments.

Income from transaction and other fees was $71,739 in the three months ended November 30, 2020 compared to $nil for the three months ended November 30, 2019. Income from transaction and other fees was $301,132 in the year ended November 30, 2020 compared to $241,655 in the year ended November 30, 2019.

Income from settlement of loans for the year ended November 30, 2020 was $1,711,306 compared to nil in the prior year. This income is derived from gains on 7 exits in the loan portfolio during the year (2019 - 1). 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.

Chart 1



EXPENSES

During the year ended November 30, 2020, 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 :

Years ended November 30,	2020	2019
Operational Expense, not including Finance Costs and Expected Credit Loss	$2,716,176	$2,401,864
Finance Costs and Expected Credit Loss	$1,410,582	$1,482,025
Total Expenses	$4,126,758	$3,883,889

Operational Expense

- The Company has demonstrated growth in origination, and therefore profitability, with controlled growth in operating expenses. Loans originated have increased from $3,400,000 in 2017 to $16,992,000 in 2020, an increase of approximately 400%. In the same period, operational expenses have increased approximately 147%.
- Administrative, management and directors' wages and fees increased $236,876 from $907,697 to $1,144,573. Of this increase, approximately $124,000 relates to salary increases and changes in headcount, and $59,800 relates to one-time compensation payments made to a retiring officer of the Company. The remaining $52,900 of increase can be attributed to various items, including new service provider fees in the current year related to monthly reporting and increase in director fees;
- Office, travel, systems, and miscellaneous increased $147,688 from $342,717 to $490,405 due to additional IT systems, office and support costs as well as increased volume of due diligence work resulting from increased deal volume;
- Accounting and legal increased $10,048 from $320,996 to $331,044 as a result of TIMIA I LP audit fees which were new in the current year amount as well as legal fees associated with launching LP II and general corporate matters;

- IR, communications and regulatory fees decreased $110,992 from $349,826 to $238,834. The higher cost in the comparative year in this area was a result of increased external investor relations services for fund raising performed in prior year.

Finance and Expected Credit Loss (ECL) Expense

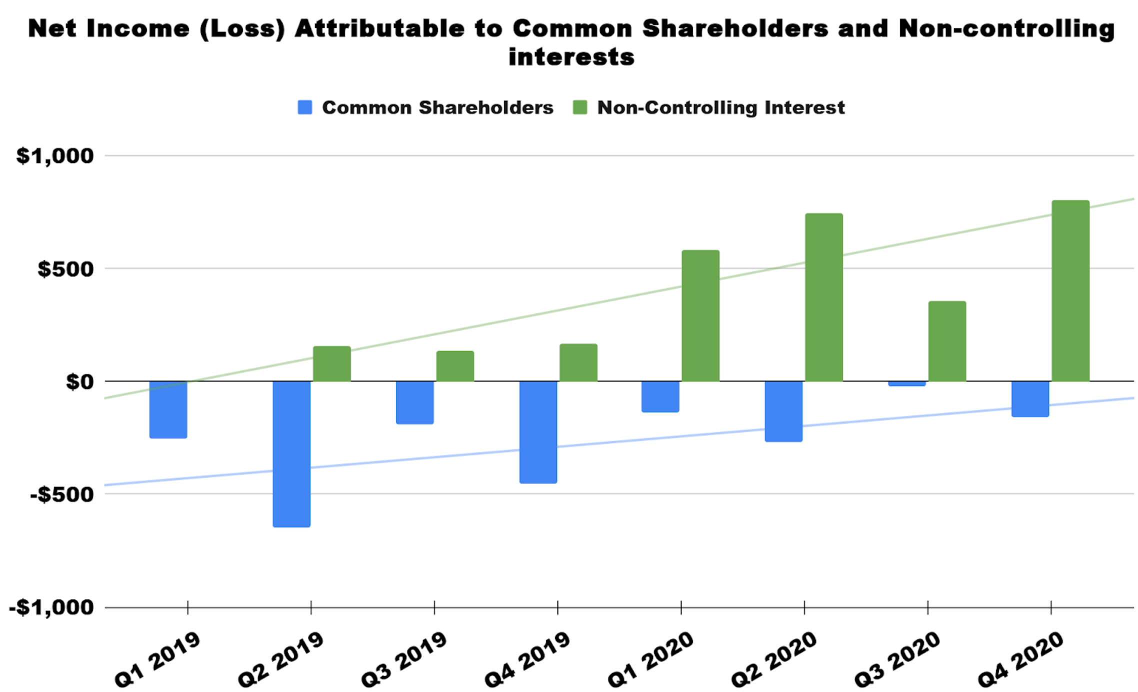
- Interest expense was $1,492,324 of the total expense amount of $4,126,758 for the year, an increase of $85,998 over the last year.
- There was a recovery of ECL this year of $81,742 and the loan loss accrued balance of $366,783 as at November 30, 2020. The decrease in expected credit loss expense is a result of ECL recoveries due to net movement of investments from stage 2 to stage 1.

Foreign currency expense and foreign currency translation

- Foreign exchange loss increased $136,314 from $150,660 to $286,974. This is driven entirely by movement in the US exchange rate during the year. The Company has loans receivable of $18,176,300 relating to US based companies.
- Foreign currency translation adjustment was a loss of $545,569 for the year ended compared to $nil in the comparative. This translation adjustment is a result of consolidation of LP II, a new US dollar-based partnership formed in the current year. Majority of this translation difference arises due to the fluctuation in USD to CAD exchange rates from the date of LP II capital closings to November 30, 2020. The average exchange rate based on dates of LP II closings was 1.34 compared to a year end close rate of 1.29.

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 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.

The Net Income (Loss) and Comprehensive Income (Loss) for the year ended was allocated as follows**:**

- Net income attributable to non-controlling interests of $2,487,524 representing income from investments held by the Limited Partnerships (LP I and LP II), 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 $1,979,929 includes foreign currency translation adjustments arising from the consolidation of LP II, a US denominated fund with a functional currency of US dollars.
- Net loss and comprehensive loss of $586,344 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. The loss allocated to the common share equity holders is primarily attributable to the first two quarters of the year.

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.

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 year the US dollar was trading at 1.32 Canadian Dollars. By the end of the year the US dollar had fallen to 1.30 Canadian dollars.

Foreign exchange losses result from the conversion to Canadian dollars of investments that are denominated in US dollars. During the year, $286,974 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 income (loss) and comprehensive Income (loss). During the year translation adjustment losses were $545,569.

A significant portion of the foreign exchange 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 $2.5m USD that resulted in an offsetting gain in the year of $252,500. 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 LPII.

Attribution of FX Gains/(Losses) For the 12 months ended November 30, 2020	Common Shareholders	Non-Controlling Interests	Total
Forward contract gain/(loss)	$252,500	-	$252,500
Foreign exchange gain/(loss)	($167,245)	($119,729)	($286,974)
Foreign exchange gain/(loss) in Net Income	$85,255	($119,729)	($34,474)
Foreign currency translation adjustment	($37,972)	($507,597)	($545,569)
Foreign exchange gain/(loss) in Comprehensive Income	$47,283	($627,326)	($580,043)

INTEREST PAYMENTS TO CO-INVESTORS

The Company has syndicated a portion of its loan portfolio to external investors in exchange for cash payments. The consolidated financial statements of the Company at November 30, 2020 include a $279,350 co-investment obligation liability and an interest payment to co-investors expense related to this co-investor program. On September 30, 2020, the Company repaid $785,141 in settlement of three outstanding co-investment agreements.

Interest payments to co-investors recovered during the three months ended November 30, 2020 were $62,923 as compared to expense of $126,261 during the three months ended November 30, 2019. Interest payments to co-investors expensed during the year ended November 30, 2020 was $84,381 compared with $409,962 in the prior year. The interest payments to co-investors expensed represents management's estimate of the expense portion of the total payments paid to co-investors during the year.

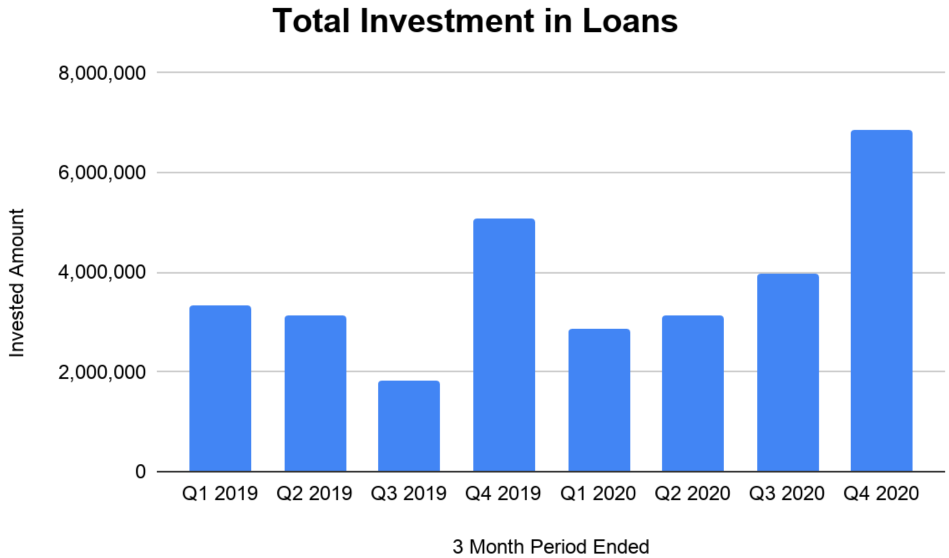
BALANCE SHEET

LOANS RECEIVABLE

TIMIA's current portfolio has 20 unique deals with an aggregate facility size of $46,922,500. Current disbursements extended under those facilities totals $27,614,080. The Company completed nine new loan investments for the year ended November 30, 2020 for a total investment of $15,234,314 (2019: $13,180,920, nine new loan investments) and completed follow-on investments of $1,522,500 (2019: $1,961,081). In addition, seven loans investments were exited for gross proceeds of $10,718,661. The following table shows the movement in the loan receivable balance, excluding expected credit loss provisions for the years ended:

	November 30, 2020	November 30, 2019
Opening balance	$21,596,037	$9,680,390
Advances on loans receivable	16,756,814	13,355,921
Net: interest revenue (expense) and principal payments	(149,051)	402,421
Settlement of investments	(10,167,044)	(1,765,021)
Foreign exchange	(422,676)	(77,674)
Closing balance	$27,614,080	$21,596,037

The following chart shows gross investments made each quarter based on cash disbursed:



The Company implemented a reduction in investing activity in Q2 2020 due to the COVID-19 pandemic, as it evaluated the impact of the pandemic on its operations and portfolio. In June, 2020, after reviewing portfolio performance, the Company re-engaged in investing operations, completing two new deals in August, 2020.

In addition, during the year ended November 30, 2020, TIMIA saw above average exit activity with seven investments being exited, primarily in the August to October period. This resulted in a substantial portion of the Company's portfolio being converted back to cash.

As with TIMIA's demonstrated historical performance, management expects continued loan buyouts from a portion of the remaining underlying investee companies to remain an important part of its business model.

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.

TIMIA also manages two equity investments obtained through its prior business model as GreenAngel Energy Corp. The Company is actively managing its equity positions to optimize returns to shareholders however it is no longer making new equity investments or follow-on investments in the existing portfolio. From time to time, TIMIA may acquire new equity holdings as a function of its lending activity.

NON-CONTROLLING INTEREST

TIMIA Capital LP I

On March 11, 2019, eight financing facility agreements were transferred at fair value for $8,230,132 from the Company's existing portfolio to the TIMIA Capital I Limited Partnership fund. Consideration for this transaction was $5,830,132 in cash and $2,400,000 in Class B partnership units held by the TIMIA Residual Partner Inc. Limited Partners including TIMIA receive monthly distributions of a pro rata portion of monthly payments from the loan investments in the LP I. As the Manager of the fund, the Company receives a 1.5% Management fee on Committed Capital of $10,500,000 for the first six years and 0.75% thereafter as well as a monthly operating expense fee. In addition, the LP I reimburses TIMIA for certain expenses incurred on its behalf.

On September 18, 2019, the Company has received limited partner approval to expand its LP from a limit of $12,000,000 to a limit of $20,000,000. From July 2019 to January 2020 an additional $7,920,000 of Class A units was completed, bringing the LP's capital position to $18,420,000 out of a possible $20,000,000.

The equity value of the LP I is recorded as a non-controlling interest on the Company's consolidated statements of financial position. As at November 30, 2020, the non-controlling interest is $9,031,885. The non-controlling interests of $2,348,044 under Net Income (Loss) and Comprehensive Income on the consolidated statements of net income (loss) and comprehensive income (loss) represents the portion of the Net Income (Loss) attributable to the LP I activity for the year ended November 30, 2020.

TIMIA Capital LP II

On July 14, 2020, the Company completed a $9,211,224 (US$6,765,000) financing in launching its second Limited Partnership ("LP II"). Under the terms of the LP, the Company will invest and own not less than $500,000 of the LP units and act as LP II's manager. TIMIA may transfer certain existing credit agreements to the fund at fair value.

On October 2, 2020, an additional $1,377,585 (US$1,035,000) and $9,181,783 (US$6,985,000) on November 3, 2020 were completed bringing the LP II's capital position to $19,770,592 (US$14,785,000).

TIMIA 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.

The equity value of the LP II is recorded as a non-controlling interest on the Company's consolidated statements of financial position. As at November 30, 2020, the non-controlling interest is $17,762,911. The non-controlling interests of $368,115 under Net Income (Loss) and Comprehensive Income on the consolidated statements of net income (loss) and comprehensive income (loss) represents the portion of the Net Income (Loss) attributable to the LP II activity as well as foreign currency translation impact for the year ended November 30, 2020.

SUMMARY OF QUARTERLY RESULTS

	Q4-2020	Q3-2020	Q2-2020	Q1-2020	Q4-2019	Q3-2019	Q2-2019	Q1-2019
Revenue	$1,756,853	$1,899,780	$891,186	$1,540,197	$998,431	$884,231	$835,038	$570,563
Net income (loss)	$645,182	$333,243	$478,611	$444,144	($287,071)	($54,658)	($490,358)	($255,480)
Net income and Comprehensive income (loss)	$506,440	($73,584)	$478,611	$444,144	($287,071)	($54,658)	($490,358)	($255,480)
Net loss attributable to shareholders of the Company	($155,953)	($23,580)	($269,127)[1]	($137,684)	($452,992)	($189,781)	($645,627)	($255,480)
Net income attributable to non-controlling interests	$801,135	$356,823	$747,738	$581,828	$165,921	$135,123	$155,269	n/a
Basic and diluted loss per share	($0.01)	($0.00)	($0.01)	($0.00)	($0.01)	($0.00)	($0.02)	($0.01)
Total assets	$41,923,767	$37,015,223	$31,894,045	$29,995,311	$27,107,384	$22,300,299	$22,332,091	$14,617,521
Total liabilities	$7,569,075	$12,705,377	$14,744,095	$12,996,351	$12,809,235	$12,060,304	$11,486,282	$11,246,188

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 current 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	Q2-2019	Q1-2019
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)	(645,627)	(255,480)
Non-controlling interests **Adjusted**	$801,135	(19,966)	604,738	640,828	249,921	135,123	155,269	n/a

Management will continue to focus on improving the net income (loss) attributable to the common shareholders by increasing its assets under management (or loan book), while maintaining the historically strong investment performance, and thereby earning more fees and share of profit.

LIQUIDITY AND SOLVENCY

As at November 30, 2020, the Company's cash balance was $12.9 million and working capital was positive $11.1 million, compared with $4.7 million and $4.6 million, respectively, as of November 30, 2019. During the year, a portion of the convertible debentures were settled with cash payments, a portion of holders opted to delay the maturity to partake in the preferred share offering, and the remainder was extinguished with the issuance of common shares. Management intends to use the proceeds of the preferred share issuance to settle other current series of debentures coming due over the next 12-month period.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The Company may have transactions 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 had the following related party transactions:

(a) Certain directors, officers, family members of directors and officers and a company controlled by a family member of a director and officer identified as key management personnel invested in the Company's convertible debentures. As at November 30, 2020, there was $nil (2019: $598,095) due to directors, officers, family members of directors and officers and a company controlled by a family member of a director.

(b) Debentures of $1,107,500 (2019: $1,382,500) were issued to directors, officers, family members of directors and officers and a company controlled by a family member of a director and officer identified as key management personnel. As at November 30, 2020, there was $1,123,010 (2019: $1,402,825) due to directors, officers, family members of directors and officers and a company controlled by a director.

(c) During the year ended November 30, 2020, $180,283 (2019: $182,873) of interest from both debentures and convertible debentures were accrued or paid to certain directors, officers, family members of directors and officers and a company controlled by a director.

(d) Accounts payable of $24,053 (2019: $27,979) was due to directors and/or officers identified as key management personnel as at November 30, 2020.

(e) Rent expense of $16,800 (2019: $18,500) was accrued or paid during the year ended November 30, 2020 to a third party company controlled by the CFO.

(f) Investments by directors, and their family accounts or companies controlled by them, for $5,731,418 (2019: $2,500,000) of Limited Partner contributions as at November 30, 2020.

The Company considers the Chief Executive Officer, Chief Financial Officer, Chief Investment Officer, Chief Credit Officer, and Directors as key management personnel. Key management compensation for the years ended November 30, 2020 and 2019 were as follows:

(a) Directors fees of $72,680 (2019: $57,527) were accrued or paid during the year ended November 30, 2020.

(b) Management compensation of $475,271 (2019: $483,677) were accrued or paid during the year ended November 30, 2020.

(c) Share-based payments of $122,164 (2019: $127,187) were recorded for directors and certain officers identified as key management personnel for the year ended November 30, 2020.

OUTLOOK & COVID-19

The following discussion is qualified in its entirety by the caution regarding forward-looking statements at the beginning of this MD&A. The outlook for TIMIA's businesses is contingent on its ability to navigate the current and future impact of COVID-19 on its business.

The Company focuses its investments on SaaS and technology based service companies with healthy financial outlooks and a proven record of growth, and intends to fund investment opportunities with a combination of limited partnerships, debt, equity, and operating profits. To facilitate the origination of these investments, the Company is planning continued investment in it's origination platform to source potential investees and assess and evaluate opportunities. Management has developed a scalable process to allow for growth in the portfolio in a cost efficient method, an approach management believes is unmatched by its current competitors.

The Company has not experienced significant adverse effects of the COVID-19 pandemic and management focus continues to be on growth in the loan portfolio. Management believes that recurring revenue software companies offer security and stability. The Company utilizes a proprietary credit scoring process that focuses on high customer retention rates as well as a well-diversified customer base. These two factors, along with other key attributes such as size and cash runway, are structured to provide downward protection in an uncertain economic environment. Many of our portfolio companies have been agile in this environment, including in many instances transitioning employees to work remotely. At this time, none of the Company's investments are in arrears. Management proactively reviewed revised and updated forecasts for each of the portfolio companies post March 2020 and continue to work with them to determine the best way to support them through the pandemic

TIMIA has been a remote-friendly environment since its formation. Our employees have been able to transition seamlessly to working from home, and have been able to maintain close contact and relationships with current portfolio companies and new and exciting SaaS investment opportunities.

SUBSEQUENT EVENTS

On January 29, 2021, the Company originated two investment facilities for growing software companies for an aggregate value of approximately $4,800,000.

One investment facility is in the amount of $3,200,000 (US$2,500,000) made to a United States-based software-as-a-service (SaaS) company and includes an initial disbursement of $1,400,000 (US$1,100,000), which has been advanced. The second investment facility of $1,600,000 (US$1,250,000) has been extended to a U.S.-based software company which is an existing client of the Company that wanted to modify its existing facility. The initial disbursement of $960,000 (US$750,000) has been advanced and is in addition to retaining its existing fully disbursed facility of US$750,000. In both cases, additional disbursements will be made upon certain milestones being met over the term of the agreement. The source of non-dilutive capital for the two investment facilities is the Company's LP II.

Subsequent to year-end, the Company announced that its Board of Directors has approved the grant of 490,000 stock options to staff and officers which are exercisable into common shares of the Company at a price of $0.19 per common share. Of the 480,000 options, officers received 200,000 with the staff receiving the remainder. The options have a term of five years and will expire on January 18, 2026.

Subsequent to November 30, 2020, the Company successfully completed one Canadian investment exit for total proceeds of $1,582,186.

On February 24, 2021, the Company announced its intention to commence a normal course issuer bid to repurchase, for cancellation, up to 3,313,699 common shares of the Company.

On February 25, 2021, the Company repaid $1,853,206.75 of Series D debentures.

On March 1, 2021, the Company completed a closing for an additional $1,575,000 (USD $1,250,000) of Class A units in LP II. This third close brings the total capital invested to $20,204,100 (USD $16,035,000).

On March 9, 2021, the Company declared a $0.0211 dividend payable to preferred shareholders.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial Instruments

The following table summarizes information regarding the carrying values and classification of the Company's financial instruments as of the years ended November 30, 2020 and 2019:

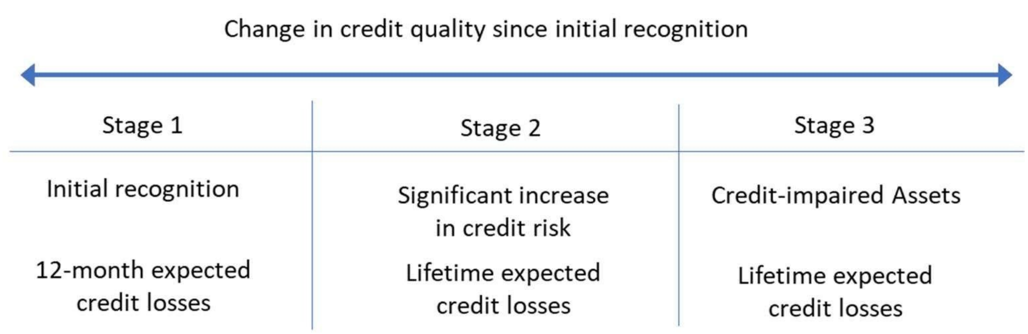
		2020		2019
Cash – FVTPL	$	12,872,769	$	4,662,156
Accounts receivable – Amortized cost		413,239		284,326
Loans receivable – Amortized cost		27,247,297		21,147,512
Equity investments – FVTPL		965,100		965,100
Forward contract receivable – FVTPL		252,500		-
Accounts payable – Amortized cost		300,967		305,665
Revolving credit facility – Amortized cost		2,510,320		1,405,270
Convertible debentures – Amortized cost		-		2,047,696
Debentures – Amortized cost		4,134,400		6,076,930
Co-investment obligations – Amortized cost	$	279,350	$	2,575,708

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, convertible debentures, co-investment obligations, revolving credit facility, and debentures are carried at amortized cost.

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 investments. 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 and loan receivable.

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, which was adopted December 1, 2018, the Company calculates an expected credit loss (ECL) based on the 'three stage' model outlined in the diagram below.



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. In the current period, post-model adjustments were recorded due to specific circumstances relating to the underlying loans. The ECL recovery this year is $81,742 and the loan loss accrued is $366,783 as at November 30, 2020.

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. The Company is not invested in any asset backed commercial paper.

	Carrying amount	Contractual cash flows	Within 1 year	Within 2 years	Within 5 years
	$	$	$	$	$
Accounts payable	300,967	300,967	300,967	-	-
Revolving credit facilities	2,510,320	2,510,320	2,510,320	-	-
Debentures	4,134,400	4,134,400	54,903	2,889,595	1,189,902
Co-investment obligations	279,350	279,350	32,952	-	246,398
Total	7,225,037	7,225,037	2,899,142	2,889,595	1,436,300

Co-investment obligations, having a carrying value of $279,350, do not contain a contractual cash flow. Co-investors are only entitled to a percentage of revenue, if and when received.

Foreign Exchange Risk

The Company's foreign exchange risk is due to the Company's ten loan investments totaling US$14,050,000 which are currently valued at $18,176,300. 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 the year, 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.

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.

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 years ended November 30, 2020 and 2019, together with other financial information included in the Company's annual 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 November 30, 2020, the Company had 45,776,225 common shares outstanding, 4,075,000 stock options, 6,311,480 share purchase warrants outstanding and 238,759 brokers' warrants outstanding. As of the date of this MD&A, the Company had 45,776,225 common shares outstanding, 4,565,000 stock options, 6,311,480 share purchase warrants outstanding and 238,759 brokers' warrants outstanding.

ON BEHALF OF THE BOARD:

"Michael Walkinshaw"

Chief Executive Officer

TIMIA CAPITAL CORP.