

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2019

This Management's Discussion and Analysis ("MD&A") of CIC Capital Ltd. ("CICC or the Company"), prepared as of September 14, 2020, should be read in conjunction with the financial statements and the notes thereto for the year ended December 31, 2019 which were prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

The Board of Directors of CIC Capital Ltd. has approved the disclosure contained in this MD&A. Additional information related to the Company can be found on the Company's website at www.CICCapital.com.

The effective date of this report is September 14, 2020.

FORWARD LOOKING STATEMENTS

This report includes certain statements that may be deemed "forward looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts that address such matters as future events or developments that the Company expects, are forward looking statements and, as such, are subject to risks, uncertainties and other factors of which are beyond the reasonable control of the Company. Such statements are not guarantees of future performance and actual results or developments may differ materially from those expressed in, or implied by, this forward-looking information. With respect to forward looking statements and information contained herein, we have made numerous assumptions including among other things, assumptions about economics and competition surrounding the services provided by the Company, anticipated costs and expenditures and the Company's ability to achieve its goals. Although management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that a forward-looking statement or information herein will prove to be accurate.

Readers can identify many of these statements by looking for words such as “believes”, “expects”, “will”, “intends”, “projects”, “anticipates”, “estimates”, “continues” or similar words or the negative thereof. Examples of forward-looking statements in this Management Discussion & Analysis include that:

- the performance characteristics of the Company's advisory services
- projections of costs;
- future funds from advisory services;
- equity earned in client companies;
- sale of equity in client companies;
- capital programs;
- debt levels;
- treatment under governmental regulatory regimes and tax laws; and
- capital expenditures.

Forward looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or information. Factors that could cause actual results to differ materially from those in forward looking statements include such matters as continued availability of capital and financing and general economic, market or business conditions.

Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward looking statements or information.

Any forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and subject to change after that date and the Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

HISTORY OF THE COMPANY

The Company was incorporated and registered in the Republic of Seychelles on December 13, 2013 under the International Business Companies Act 1994 and the regulations made thereunder as a tax-exempt international business company limited by shares, with the name CIC Capital Ltd. and with registered number 137439.

On March 26, 2019, the Company continued (change of jurisdiction of incorporation) into British Columbia (“BC”) Canada under the Business Corporation Act (British Columbia) with registered number C1202631. The address of the registered office of the Company is 1000 - 409 Granville Street, Vancouver, BC V6C 1T2, Canada and its head office is 22-24 Boulevard Royal, L-2449 Luxembourg.

BUSINESS OF THE COMPANY

The Company is an advisory firm, providing advisory services for client companies. The Company's key strength is ability to provide the advisory services on a fixed cost basis in return for equity and cash. The equity earned may be issued in part or whole as a dividend in *Spécie* to shareholders of the Company.

Board is comprised of a majority of independent directors (5 to 1) to facilitate independence for the benefit of non-controlling and minority shareholders. The Company is not registered, authorized, or regulated by any financial or other authority and no warranties or representations are given by it that any protections will be afforded to the client companies by any such authority nor does the Company engages in, or holding itself out as engaging in, the business of advising clients with respect to investment in or the purchase or sale of securities or exchange contracts.

OVERALL PERFORMANCE

The focus was to change the change of jurisdiction of incorporation from Seychelles to BC Canada and take advantage of client engagements post change of jurisdiction. Despite little or no corporate activity, the Company conducted the following corporate actions:

- Completed the appointment of the Company's advisors in Europe in particular Luxembourg and Germany with the appointment of expanded legal-counsel and regulated corporate finance firms;
- Completed the establishment of specialist securitization advisory service with first client revenues;
- Established legal document depository to support client's corporate actions. The legal document depository is a key strategic advantage of the company saving client time and money in legal document turnaround time;
- Established client relationships in key market segments in Europe and US;
- Maintained future client relationships to ensure a pipeline of deal flow;
- Maintained relationships with the Company's shareholders through direct contact individually. The Company shareholder base is to be offered the clients to establish a sophisticated investor base to create a valuable intangible asset to the Company;
- Reduced all accounts payable and with no loans. The Company's policy is to have no accounts payable in the future such that when invoice is received it is paid promptly or prepaid.

SELECTED ANNUAL INFORMATION

The following table sets forth summary financial information for the Company for the years ended December 31, 2017, 2018 and 2019. This information has been summarized from the Company's financial statements for these periods and should only be read in conjunction with the financial statements, and accompanying notes:

	Dec. 31, 2019	Dec. 31, 2018 (Restated)	Dec. 31, 2017
	\$	\$	\$
Total revenue	715,507	620,000	\$ 1,392,555
Net income for year	2,372,013	818,687	1,376,717
Earnings per share, basic and diluted	0.05	0.01	0.03
Total assets	306,045	–	–
Total long-term liabilities	–	–	–

Results of Operations

During the year ended December 31, 2019, the Company had net income of \$2,372,013 compared to \$818,687 for the year ended December 31, 2018. The net income for the year ended December 31, 2019 includes a gain on write-off of convertible debt of \$2,247,369 and an unrealized loss on marketable securities of \$198,053. During the year ended December 31, 2019, the Company generated revenue of \$715,507 compared to \$620,00 for the year ended December 31, 2018.

The Company focused on:

- maturing its business model with revenues generated from new clients predominantly in US and Europe;
- building the Company's presence in Luxembourg for its Securitisation advisory, creating a foundation to establish a platform to acquire in part CIC Fund Securitisation S.A.;
- Selecting future clients requiring securitization of their illiquid assets for future business;
- Strengthening Luxembourg existing advisors in banking, fiduciary services and law;
- Entering into client advisory agreement selecting in the majority client that hold IP for Securitisation and high value revenue from other corporate advisory services;
- Focusing on clients take-on by way of specific vertical markets namely medical science, technology, and industrials;
- Strengthen high net worth / sophisticated investors shareholder base;
- Maturing skills of existing staff with funding to further development;
- Focusing on corporate governance and director education;
- Building significant equity holdings in clients whom will be listed in the medium term on stock exchanges; and
- Appointed two new directors in corporate law and European finance.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected unaudited financial data for each of the last eight fiscal quarters, prepared in accordance with IFRS:

	Revenues	Net income (loss)	Net earnings (loss) per share (basic and diluted)
	\$	\$	\$
March 31, 2018	–	224,636	–
June 30, 2018	–	(25,949)	–
September 30, 2018	–	–	–
December 31, 2018	620,000	620,000	0.01
March 31, 2019	65,606	2,235,926	0.04
June 30, 2019	114,319	21,400	–
September 30, 2019	535,582	438,569	0.01
December 31, 2019	–	(323,882)	(0.01)

The net income for the quarter ended March 31, 2018 solely consists of the write off of accounts payable. The net income for the quarter ended March 31, 2019 includes \$2,247,369 for the write off of convertible debt. The net loss for the quarter ended December 31, 2019 includes \$198,053 for the unrealized loss on marketable securities and \$99,327 for corporate income taxes.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2019, the Company has current/total assets \$306,045, which includes marketable securities of \$287,493. As at December 31, 2019, the Company has a working capital deficit of \$20,187 (2018: \$2,359,670) and an accumulated deficit of \$2,370,829 (2018: \$4,742,842).

It is anticipated that the Company will be able to generate sufficient cash flow from operating activities.

Capital Management

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through sale of client shares, interest derived from cash in bank, and the number of client agreements or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

As at December 31, 2019, the amount of \$nil (2018 - \$2,212,604 (£1,268,768)) is owed to a company with common officers and directors and is convertible into common shares of the Company at a price of £0.06 per share. The amount of \$2,247,369 was forgiven in 2019.

During the year ended December 31, 2019, the Company earned revenue of \$nil (2018 - \$620,000) from a company with common officers and directors. The revenue amount was offset against the convertible debt owing.

During the year ended December 31, 2019, the Company incurred management fees of \$109,547 (2018 - \$nil) to the Chief Executive Officer of the Company.

FOURTH QUARTER

See Summary of Quarterly Results.

PROPOSED TRANSACTIONS

To acquire in part CIC Fund Securitisation S.A (Luxembourg Securitisation Corporation).

To make application to seek admission to trading on the Toronto Stock Exchange Venture Market by way of a Long Form Non-Offering Prospectus (regulated).

To base our Chief Executive Officer, Stuart J. Bromley, in Europe with a dedicated office in Luxembourg whilst still maintaining office in Asia with existing staff resources. Add new staff to Luxembourg office once completed.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Fair Values

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

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Assets and liabilities measured at fair value on a recurring basis are presented on the Company's statement of financial position as of December 31, 2019 as follows:

	Fair value measurements using			Balance as at December 31, 2019 \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	
Assets:				
Marketable securities	287,493	—	—	287,493

The fair values of financial instruments, which include cash, accounts receivable, accounts payable and accrued liabilities, and convertible debt, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and accounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. Foreign exchange risk arises from purchase transactions. As at December 31, 2019 and 2018, the Company is not exposed to significant currency risk as it did not have material assets or liabilities held in currencies other than its functional currency.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages its interest rate risk by maximizing the interest earned on excess funds while maintaining the liquidity necessary to fund daily operations. The Company is not exposed to significant interest rate risk.

(e) 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 currently settles its financial obligations out of cash. The ability to do this relies on the Company earning sufficient cash flow or raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(f) Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to price risk with its marketable securities.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2019, and have not been applied in preparing the Company's financial statements:

These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company's authorized capital consists of an unlimited number of common shares without par value.

Share Capital

As at September 14, 2020, the Company has 51,712,188 common shares issued and outstanding.

Share Purchase Warrants

As at September 14, 2020, the Company had no share purchase warrants outstanding.

Stock Options

As at September 14, 2020, the Company had no stock options outstanding.

OTHER

Additional disclosures pertaining to the Company's reports, press releases and other information are available on the SEDAR website at www.sedar.com or on the Company's web site www.CICCapital.com.