Lorne Park Capital Partners Inc.

Management's Discussion and Analysis
For the Three Months Ended March 31, 2024

Introduction

This Management's Discussion and Analysis ("MD&A") document, prepared on April 30, 2024, should be read in conjunction with the unaudited interim condensed consolidated financial statements of Lorne Park Capital Partners Inc. ("LPCP" or "the Company") as at March 31, 2024, and with the audited consolidated financial statements as at December 31, 2023.

This MD&A and the consolidated financial statements are expressed in Canadian dollars and prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The information in this MD&A is presented on a consolidated basis. The Canadian dollar is the Company's functional and reporting currency for purposes of preparing the financial statements. Accordingly, all dollar references in this MD&A are in thousands of Canadian dollars, unless otherwise specified. The use of the term "prior period" refers to the quarter ended March 31, 2023.

The offices of LPCP are at 1295 Cornwall Road, Unit A3, Oakville, Ontario, L6J 7T5 and further inquiries regarding the Company may be directed to its Chief Executive Officer, Robert Sewell, at (905) 337-2227 or by email at investor.relations@lpcp.ca.

Forward-Looking Statements

This MD&A contains forward-looking statements concerning anticipated future events, results, circumstances, performance or expectations with respect to LPCP and its products and services, including its business operations, strategy and financial performance and condition. When used in this MD&A, such statements use such words as "may", "will", "expect", "believe", and other similar terms. These statements are not historical facts but instead represent management beliefs regarding future events, many of which by their nature are inherently uncertain and beyond management control. Although management believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, such statements involve risks and uncertainties. Factors that could cause actual results to differ materially from expectations include, among other things, general economic and market conditions, including interest rates, global financial markets, changes in government regulations, industry competition, technological developments and other factors described under "Risk Management" or discussed in other materials filed with applicable securities regulatory authorities from time to time. The material factors and assumptions applied in reaching the conclusions contained in these forward-looking statements include that interest rates will remain relatively stable.

Non-IFRS Measures

The Company uses certain measures to evaluate and assess the performance of its business, which are not defined within IFRS. These measures are EBITDA, Adjusted EBITDA, and Adjusted EBITDA per share. Non-IFRS financial measures do not have standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. However, the Company believes that most shareholders, creditors, investment analysts and other stakeholders prefer to utilize these measures in their analysis of our results.

We define EBITDA as net earnings before financing costs, income taxes, depreciation and amortization. Adjusted EBITDA is calculated as EBITDA, adjusted for acquisition, restructuring, integration, and share-based compensation expenses. Adjusted EBITDA per share is calculated using the same average shares outstanding that are used in calculating net earnings per share. The Company believes these are important measures as they allow management to assess the operating profitability of our business and to compare it with other investment management companies, without the distortion caused by the impact of non-core business items, different financing methods, levels of income taxes, the amount of net earnings attributable to non-controlling interests and the level of capital expenditures. The most comparable IFRS measure is "net earnings", which is disclosed in the Company's Consolidated Statements of Operations and Comprehensive Income, and a reconciliation to that measure is provided within the section below entitled Net Earnings, Comprehensive Income, and Adjusted EBITDA.

Business Overview and Highlights

Lorne Park Capital Partners Inc. is a public company listed on the TSX-V as "LPC-V". As at March 31, 2024, the Chief Executive Officer and a member of the Board of Directors held 43.5% of LPCP's common shares.

LPCP has three wholly owned subsidiaries: Bellwether Investment Management Inc. ("Bellwether"), Bellwether Estate and Insurance Services Inc. ("Bellwether Estate") and Bellwether Investment Management USA, Inc. ("Bellwether USA"). Bellwether and Bellwether Estate are incorporated and domiciled in Canada. Bellwether USA was incorporated on October 4, 2022 and is domiciled in Delaware, USA. Bellwether USA holds an 80% interest in Promus Asset Management, LLC ("Promus"), and a 100% interest in Fulcrum Equity Management, LLC ("Fulcrum").

Bellwether is registered with the Ontario Securities Commission, its primary regulator, as a Portfolio Manager, Exempt Market Dealer and Investment Fund Manager, and its principal business is the provision of discretionary portfolio management services to affluent Canadian investors, estates, trusts, endowments and foundations. Bellwether Estate is registered as an insurance agent corporation with the Financial Services Commission of Ontario. Promus is a Texas limited liability company, registered with the Securities and Exchange Commission as an investment advisor. Fulcrum is a Texas limited liability company, registered with the Securities and Exchange Commission as an investment advisor.

Awards and Recognitions

The Americas' Fastest Growing Companies 2024

On April 4, 2024, the Company was recognized as part of The Financial Times ("FT") list of The Americas' Fastest Growing Companies 2024, which ranks companies with the strongest compounded annual revenue growth between 2019 and 2022. The award was presented by FT and Statistica Inc., the world-leading statistics portal and industry ranking provider. This is the third year in a row that LPCP was recognized on this listing.

Senior Leadership

On March 11, 2024, the Company appointed Georges Nasr as Vice-President of Corporate Development of Bellwether. Georges holds an MBA joint degree from Kellogg School of Management, Northwestern University, and Schulich School of Business, York University. He has over 15 years of experience in private equity and investment management, with a focus on acquisitions.

Dividends

Dividends are only payable as and when declared by the Board and there is no entitlement to any dividends prior thereto. On January 3, 2024, the Board declared a dividend of $0.007 per share on each of its common shares, and such dividend was paid on January 31, 2024. On April 2, 2024, the Board declared a dividend of $0.007 per share on each of its common shares, and such dividend was paid on April 30, 2024 to the shareholders of record on April 16, 2024.

Business Outlook

The Company has established an excellent long-term investment track record in its core investment solutions and is positioned to continue to rapidly accelerate its business growth. Our creation of Bellwether USA and our investments in Promus and Fulcrum provide footprints to further expand our service offerings into the USA.

Our primary focus for 2024 is on the continued development of our portfolio management team and business development in Canada and the USA. The priorities include four objectives in this context:

1. Continue to make strides in the performance, management, and marketing of our branded investment solutions via our existing network.
2. Continue to provide our affluent clients with excellent investment returns through our tailored investment solutions approach.
3. Continue to actively pursue the addition of established advisors and portfolio managers and their client bases to further enhance the depth of our team and accelerate AUM and revenue growth.
4. Develop alternative distribution channels to market our established investment solutions and rapidly accelerate AUM growth.

Financial Highlights

- AUM as at March 31, 2024 was $3,124,072, an increase of $112,411 or 3.7% compared to $3,011,661 as at December 31, 2023. This increase was primarily due to market appreciation and foreign exchange, with partial offset from net outflows.
- Revenues increased $1,051 or 14.6% during the three months ended March 31, 2024, compared to the same period in the prior year, mainly due to higher average AUM and higher AUM in our pooled funds during the current year period.
- Total expenses increased $901 or 14.2% during the three months ended March 31, 2024, compared to the same period in the prior year. This was primarily due to higher expenses relating to increased AUM and revenues, higher amortization resulting from additional intangible assets, and higher financing costs arising from additional debentures and the fair value adjustment charges relating to the Fulcrum deferred consideration, with partial offset from lower share-based compensation charges.
- Net earnings was $127 during the three months ended March 31, 2024, compared to $33 during the same period in the prior year. Adjusted EBITDA[1] also improved to $1,930, compared to $1,632 during the same period in the prior year.
- Cash and cash equivalents and short-term investments decreased $1,840 or 51.5% during the three months ended March 31, 2024, with an ending balance of $1,733. This decrease was primarily due to a payment relating to a previous acquisition, dividends paid, and interest paid, with partial offset from net cash generated from operating activities.

[1] Refer to 'Non-IFRS Measures'

In $000s, Except Share Data and Unless Otherwise Specified

Summary Financial Information

Key Performance Indicators	As at and for the three months ended March 31, 2024	March 31, 2023
Assets under management	**$ 3,124,072**	$ 2,773,865
Revenue	**8,270**	7,219
Expenses	**7,825**	6,921
Net earnings	**126**	33
Comprehensive income	**298**	39
Net earnings attributable to Company's shareholders	**536**	369
Net earnings per common share:		
Basic	**0.010**	0.007
Diluted	**0.010**	0.007
EBITDA[1]	**1,868**	1,419
Adjusted EBITDA[1]	**1,930**	1,632
Adjusted EBITDA per common share[1]:		
Basic	**0.035**	0.030
Diluted	**0.035**	0.030
Dividends per common share	**0.007**	0.006

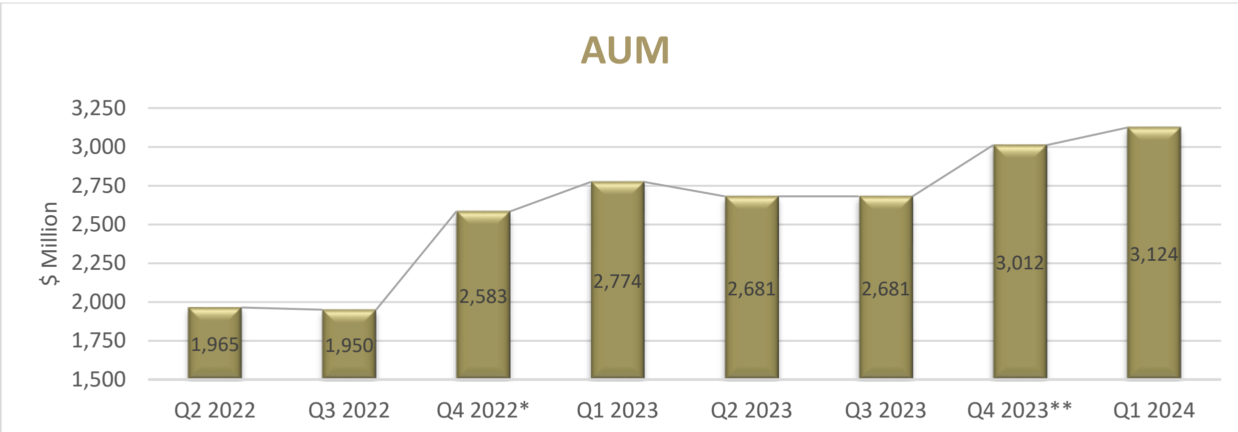
Summary Balance Sheet	As at March 31, 2024	December 31, 2023
Cash, cash equivalents and short-term investments	**$ 1,733**	$ 3,573
Total assets	**48,728**	51,236
Total long term liabilities	**9,627**	10,236
Total shareholders' equity	**30,349**	30,531

In $000s, Except Share Data and Unless Otherwise Specified

Results of Operations

Assets Under Management and Revenues

AUM was $3,124,072 as at March 31, 2024, for an increase of $112,411 or 3.7% compared to $3,011,661 as at December 31, 2023. The main reason for this increase was due to market appreciation and foreign exchange translation gains, with partial offset from net cash outflow.



*Q4 2022 included $562 million of AUM arising from the acquisition of Promus on December 30, 2022.
**Q4 2023 included $248 million of AUM arising from the acquisition of Fulcrum on December 15, 2023.

The following is a summary of the change in AUM during the three-month periods ended March 31, 2024 and 2023, as well as the average AUM during the respective periods:

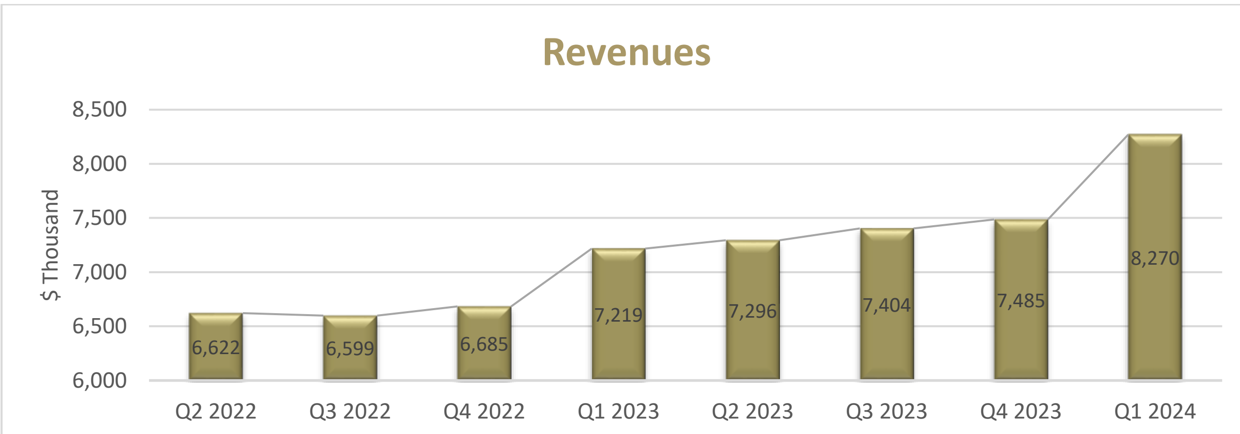
	Three months ended March 31, 2024	March 31, 2023
AUM, beginning of period	**$ 3,011,661**	$ 2,582,535
Net additions (outflows)	**(32,387)**	132,712
Market movement and foreign exchange	**144,798**	58,618
AUM, end of period	**$ 3,124,072**	$ 2,773,865
Average AUM	**$ 3,081,066**	$ 2,721,594

During the three months ended March 31, 2024, there was net outflows of $28,333 compared to net additions of $132,712 during the same period in the prior year. The net outflows in the current year period arose primarily due to client cash management. The net additions in the prior year period were attributable to the addition of new clients, and existing clients entrusting the Company with additional assets to manage.

The market movement and foreign exchange translation resulted in an appreciation of $140,744 during the three months ended March 31, 2024, compared to $58,618 during the same period in the prior year.

The average AUM was $3,081,066 during the three months ended March 31, 2024, an increase of $359,471 or 13.2% compared to $2,721,594 during the same period in the prior year. Our average AUM was impacted by the acquisition of Fulcrum on December 15, 2023, as well as other net additions, market movement and foreign exchange.

Revenues were $8,270 during the three months ended March 31, 2024, an increase of $1,051 or 14.6% from $7,219 during the same period in the prior year. The main reasons for the increase were due to the growth in average AUM, and higher AUM within our pooled funds.



In $000s, Except Share Data and Unless Otherwise Specified

Expenses

Expenses consist of the following:

	Three months ended March 31, 2024	Three months ended March 31, 2023
Operating Expenses		
Salaries and benefits	**$ 5,339**	$ 4,745
Professional fees	**191**	126
Investment research fees	**243**	111
Direct fund costs	**322**	300
Rent and facility	**34**	34
Marketing and client retention	**60**	62
Depreciation and amortization	**999**	829
Other administrative costs	**136**	205
	7,324	6,412
Other Expense (Income)		
Public company expenses	**22**	32
Financing costs	**423**	292
Investment income	**(8)**	(2)
Share-based compensation	**62**	188
	$ 7,823	$ 6,922

Total expenses increased $901 or 13.0% from $6,922 for the three months ended March 31, 2023, to $7,823 for the three months ended March 31, 2024, with the main variances as follows:

- An increase in salaries and benefits of $594. Included in salaries and benefits are salaries, benefits, wages, bonuses, and commissions owing to employees, contractors, and consultants. The main reasons for the increase were due to additional compensation arising on the acquisition of Fulcrum in December 2023 and due to increased variable compensation resulting from higher revenues and additional resources to support and achieve higher AUM.
- An increase in investment research fees of $132, arising primarily from the addition of Fulcrum.
- An increase in depreciation and amortization of $170. As a result of the investments in partnerships and the acquisition of Fulcrum, additional client relationship intangible assets were identified and are being amortized in 2024.
- An increase in financing costs of $131 resulting mainly from fair value adjustment charges relating to the Fulcrum deferred consideration, and higher interest charges due to additional debentures payable and borrowings under the loan facility.
- A decrease in share-based compensation of $126. The main reason for the decrease was due to a grant of stock options during the three months ended March 31, 2023, but none were granted during the three months ended March 31, 2024.

In $000s, Except Share Data and Unless Otherwise Specified

Net Earnings, Comprehensive Income, and Adjusted EBITDA[1]

Net earnings increased $92 to $126 during the three months ended March 31, 2024, compared to $34 during the same period in the prior year. The main reason for the increase was due to higher revenues, with partial offset from higher expenses and higher income tax expense. Comprehensive income increased $259 to $298 during the three months ended March 31, 2024, compared to $39 during the same period in the prior year. During the three months ended March 31, 2024, there was a gain arising from foreign currency translation of $171, compared to a gain of $5 during the prior year period, which impacted comprehensive income.

During the three-month period ended March 31, 2024, income tax expense was $320, compared to $264 during the same period in the prior year. Income tax expense is estimated after adjusting for non-deductible items and differences between accounting and tax values.

The following table outlines how EBITDA[1] and Adjusted EBITDA[1] were determined:

	Three months ended	
	March 31, 2024	March 31, 2023
Net earnings	**$ 126**	$ 34
Adjustments		
Financing costs	**423**	292
Depreciation and amortization	**999**	829
Income tax expense	**320**	264
EBITDA[1]	**1,868**	1,419
Other adjustments		
Non-cash share-based compensation	**62**	188
Non-recurring expenses related to:		
Establishment of loan facility	**-**	25
Adjusted EBITDA[1]	**$ 1,930**	$ 1,632

During the three-month period ended March 31, 2024, we incurred $62 in non-cash share-based compensation. During the three-month period ended March 31, 2023, we incurred $188 in non-cash share-based compensation, and $25 in non-recurring expenses related to the establishment of the loan acquisition facility.

After adjusting for non-recurring and non-cash expenses, Adjusted EBITDA[1] for the three months ended March 31, 2024 increased $298 to $1,930 compared to $1,632 during the prior year period.

[1] Refer to 'Non-IFRS Measures'

In $000s, Except Share Data and Unless Otherwise Specified

Statement of Financial Position

Cash and cash equivalents and short-term investments decreased $1,840 or 51.5% from $3,573 as at December 31, 2023, to $1,733 as at March 31, 2024. The main contributors for the three-month periods ended March 31, 2024 and 2023 were as follows:

	Three months ended March 31, 2024	Three months ended March 31, 2023
Additions		
Net cash generated by operating activities	$ 794	$ 339
Investment income received	8	2
Proceeds on issuance of shares on account of ESSP	-	122
	802	463
Usage		
Payment arising from acquisition of Promus	(1,753)	-
Dividends paid	(381)	(323)
Interest paid	(237)	(129)
Payment of dividends to non-controlling interests	(161)	-
Payment of lease obligations	(54)	(54)
Repayments under loan facility	(29)	-
Investment in other intangible assets	(21)	(7)
Acquisition of property and equipment	(4)	(5)
Net cash outflow from exercise of options	-	(150)
	(2,642)	(668)
Net change	$ (1,840)	$ (205)

Other current assets, which consists of prepaid expenses and other current recoverable amounts, increased $148 from $641 as at December 31, 2023, to $789 as at March 31, 2024. The main reason for the increase was due to payments made relating to other current recoverable amounts.

Intangible assets decreased $790 or 2.1% from $37,382 as at December 31, 2023, to $36,592 as at March 31, 2024. Included in intangible assets is the cost of acquired client relationships, net of accumulated amortization. The reason for this decrease was due to amortization recognized during the three months ended March 31, 2024.

Goodwill increased $103 from $5,874 as at December 31, 2023, to $5,977 as at March 31, 2024, due to foreign exchange translation.

Accounts payable and accrued liabilities decreased $1,702 or 28.6% from $5,948 as at December 31, 2023, to $4,246 as at March 31, 2024, mainly due to the payment of the Promus deferred consideration.

Other long term liabilities decreased $486 or 13.0% from $3,729 as at December 31, 2023 to $3,243 as at March 31, 2024. The main reason for this decrease was due a portion of the Fulcrum deferred consideration moving from long term to current.

In $000s, Except Share Data and Unless Otherwise Specified

Non-controlling interest decreased $571 or 3.0% from $19,202 as at December 31, 2023, to $18,631 as at March 31, 2024. Non-controlling interest exists due to investments made in partnerships and the acquisition of 80% of the membership interests in Promus. The main reasons for the decrease were due to the recognition of the non-controlling interest portion of the intangible asset amortization recognized in the partnerships and the payment of dividends by Promus to the non-controlling interests, with partial offset from the recognition of the non-controlling interest portion of the Promus net earnings.

Liquidity and Capital Resources

The following is a summary of the cash flows of the Company for the three-month periods ended March 31, 2024 and 2023:

	Three months ended	
	March 31, 2024	March 31, 2023
Cash provided by (used in)		
Operating activities	**$ 794**	$ 339
Financing activities	**(863)**	(534)
Investing activities	**(1,771)**	(10)
Net increase (decrease) in cash and cash equivalents	**(1,840)**	(205)
Cash and cash equivalents, beginning of period	**3,518**	2,206
Cash and cash equivalents, end of period	**$ 1,678**	$ 2,001

The Company generated $794 during the three months ended March 31, 2024, compared to $339 during the same period in the prior year, mainly due to higher earnings during the current year period.

The Company used $863 in financing activities during the three months ended March 31, 2024, compared to a usage of $534 during the same period in the prior year. The main reasons for the increased usage were due to the current year period including higher interest paid, higher dividends, repayments under the loan facility and payments to Promus non-controlling interests.

The Company used $1,771 in investing activities during the three months ended March 31, 2024, compared to a usage of $10 during the same period in the prior year. The main reason for the increased usage was due to the current year period including a payment of $1,753 arising from the acquisition of Promus.

In $000s, Except Share Data and Unless Otherwise Specified

Summary of Quarterly Results

	As at and for the three months ended							
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Assets under management	**$ 3,124,072**	$ 3,011,661	$ 2,680,983	$ 2,680,518	$ 2,773,865	$ 2,582,535	$ 1,949,837	$ 1,964,702
Revenue	**$ 8,270**	$ 7,485	$ 7,404	$ 7,296	$ 7,219	$ 6,685	$ 6,599	$ 6,622
Operating Expenses								
Salaries and benefits	**5,339**	4,519	4,674	4,741	4,745	4,241	4,261	4,330
Professional fees	**191**	345	179	172	126	599	79	106
Investment research fees	**243**	89	97	94	111	66	85	84
Direct fund costs	**322**	316	322	321	300	292	306	307
Rent and facility	**34**	34	35	32	34	30	30	30
Marketing and client retention	**60**	142	63	83	62	49	61	29
Depreciation and amortization	**999**	943	898	825	829	735	735	676
Other administrative costs	**136**	223	149	178	205	137	106	128
	7,325	6,611	6,418	6,446	6,411	6,150	5,663	5,690
Other Expense (Income)								
Public company expenses	**22**	23	27	39	32	27	24	23
Financing costs	**423**	350	350	293	292	165	165	168
Investment income	**(8)**	(27)	(11)	(4)	(2)	(17)	(6)	(8)
Share-based compensation	**62**	75	79	79	188	54	54	55
	7,824	7,032	6,862	6,852	6,921	6,379	5,900	5,928
Earnings before income taxes	**446**	453	543	444	298	306	699	694
Provision for (recovery of) taxes								
Current	**390**	438	363	323	272	370	310	308
Deferred	**(70)**	(19)	(13)	(6)	(8)	(72)	3	11
	320	420	350	317	264	298	313	319
Net earnings	**$ 126**	$ 33	$ 193	$ 127	$ 34	$ 8	$ 386	$ 375
Other Comprehensive income (loss)	**171**	(176)	(25)	28	5	(25)	-	-
Comprehensive income (loss)	**$ 298**	$ (142)	$ 167	$ 155	$ 39	$ (16)	$ 386	$ 375
Net earnings (loss) attributable to:								
Company's shareholders	**$ 536**	$ 422	$ 581	$ 467	$ 369	$ 367	$ 744	$ 718
Non-controlling interest	**(409)**	(388)	(388)	(340)	(336)	(359)	(358)	(343)
	$ 126	$ 33	$ 193	$ 127	$ 34	$ 8	$ 386	$ 375
Weighted-average number of common shares								
Basic	**54,474,770**	54,474,722	54,397,137	54,367,762	53,843,600	53,788,034	53,575,910	53,291,624
Diluted	**55,362,757**	55,378,222	55,313,231	55,283,856	54,803,408	55,220,765	55,070,009	54,633,082
Net earnings per common share								
Basic	**$ 0.010**	$ 0.008	$ 0.011	$ 0.009	$ 0.007	$ 0.007	$ 0.014	$ 0.013
Diluted	**$ 0.010**	$ 0.008	$ 0.011	$ 0.008	$ 0.007	$ 0.007	$ 0.014	$ 0.013

In $000s, Except Share Data and Unless Otherwise Specified

Segmented Information

Business Segments

The Company has determined that there is one reportable business segment, asset management services.

Geographic Segments

The Company operates in Canada and the USA. For geographic reporting purposes, transactions are primarily recorded in the location that corresponds with the underlying subsidiary's country of domicile. The following table discloses certain information about the Company's activities by geography:

	Canada		USA		Consolidated	
For the three months ended	**March 31, 2024**	March 31, 2023	**March 31, 2024**	March 31, 2023	**March 31, 2024**	March 31, 2023
Net revenue from external parties	**$ 7,316**	$ 6,851	**$ 954**	$ 368	**$ 8,270**	$ 7,219
As at	**March 31, 2024**	December 31, 2023	**March 31, 2024**	December 31, 2023	**March 31, 2024**	December 31, 2023
Non-current assets						
Property and equipment	**$ 115**	$ 118	**$ 4**	$ 4	**$ 119**	$ 123
Right-of-use assets	**446**	477	**0**	15	**446**	492
Intangible assets	**31,063**	31,867	**5,530**	5,515	**36,592**	37,382
Goodwill	**1,685**	1,685	**4,292**	4,189	**5,977**	5,874

In $000s, Except Share Data and Unless Otherwise Specified

Related Party Transactions

The Company considers its related parties to consist of members of its Board of Directors and officers, including their close family members and companies controlled or significantly influenced by such individuals, and reporting shareholders and their affiliates which may exert significant influence over the Company's activities.

Total compensation and other benefits paid or owing to directors and employees classified as key management, being individuals having authority and responsibility for planning, directing, and controlling the activities of the Company, are included as related party transactions.

The following is a summary of the transactions which occurred with related parties during the three months ended March 31, 2024 and 2023:

	Three months ended March 31, 2024	Three months ended March 31, 2023
Transactions with key management		
Salaries, commissions, bonuses and net fees	**$ 892**	$ 904
Debenture interest expense*	**19**	19
Share-based compensation	**54**	157
	$ 965	$ 1,080
Other transactions with entities related to directors		
Legal services	**$ 14**	$ 25
	$ 14	$ 25

The following balances were outstanding with related parties as at March 31, 2024 and December 31, 2023:

	March 31, 2024	December 31, 2023
Amounts payable to key management, due on demand	**$ 329**	$ 485
Amounts payable to entities related to directors, due on demand	**$ 1**	$ 10
Debentures payable to key management:		
August 15, 2019 offering*	**450**	450
June 15, 2022 offering*	**550**	550

* The debenture transactions were made on the same terms, including interest rate, maturity, and security, as provided to third parties.

Stephen Meehan is a member of the Board of Directors of the Company, and as at March 31, 2024 holds, directly or indirectly, 11.2% of the Company's outstanding shares (December 31, 2023 – 11.2%). Mr. Meehan, directly or indirectly, has a controlling interest in JDI Bancorp Inc. ("JDI"), Glen Road Capital Partners Inc. ("GRCP"), and Glen Road Management Inc. ("GRM"), and is also a Trustee of Glen Road Trust ("GRT"). As such, the Company considers Mr. Meehan, JDI, GRCP, GRM and GRT related parties. Mr. Meehan does not receive any director fees for his role as a director of the Company. During the three months ended March 31, 2024, the Company incurred expenses of $38 through JDI to perform business development services for the Company (March 31, 2023 – $143). GRM occupies a portion of the head office of the Company, and the Company recovers from GRM an amount based on the space occupied and the resources used. During the three months ended March 31, 2024, the Company recovered $9, respectively (March 31, 2023 – $2). GRT and Bellwether entered into a distribution agreement whereby Bellwether acts as an agent to offer for sale by way of private placement units of GRT. In consideration of the services performed by Bellwether, GRT pays Bellwether a fee of up to 2% of the offering proceeds. During the three months ended March 31, 2024, the Company charged GRT $0 (March 31, 2023 – $13). As at March 31, 2024, $0 remains within accounts payable and accrued liabilities to JDI (December 31, 2023 – $nil), $0 remains recoverable from GRM (December 31, 2023 – $nil), and $nil remains recoverable from GRT (December 31, 2023 – $nil). On March 1, 2023, the Company granted Mr. Meehan 75,000 stock options. On March 27, 2023, Mr. Meehan exercised 500,000 stock options at an exercise price of $0.30; these options were exercised through a net exercise and resulted in the issuance of 278,863 shares and no cash proceeds. During the three months ended March 31, 2024, the share-based compensation expense recognized on option grants to Mr. Meehan was $7 (March 31, 2023 – $20).

Robert Sewell is a member of the Board of Directors of the Company and is also the President and Chief Executive Officer of the Company. As at March 31, 2024, Mr. Sewell holds, directly or indirectly, 32.3% of the Company's outstanding shares (December 31, 2023 – 32.3%). As such, the Company considers Mr. Sewell to be a related party. Mr. Sewell does not receive any director fees for his role as a director of the Company. During the three months ended March 31, 2024, the Company incurred $231 in salary, commissions, ESSP Company contributions and estimated bonus (March 31, 2023 – $201). As at March 31, 2024, $109 remains within accounts payable and accrued liabilities to Mr. Sewell (December 31, 2023 – $353). On March 1, 2023, the Company granted Mr. Sewell 175,000 stock options. During the three months ended March 31, 2024, the share-based compensation expense recognized on option grants to Mr. Sewell was $14 (March 31, 2023 – $41). On September 15, 2023, pursuant to the ESSP, Mr. Sewell subscribed to 5,127 shares at a price of $1.25 for total proceeds to the Company of $6. On March 1, 2023, pursuant to the ESSP, Mr. Sewell subscribed to 4,506 shares at a price of $1.30 for total proceeds to the Company of $6. As at March 31, 2024, Mr. Sewell, directly or indirectly, is subscribed to $400 in Company debentures (December 31, 2023 – $400). During the three months ended March 31, 2024, the debenture interest expense relating to the debentures held by Mr. Sewell was $7 (March 31, 2023 – $7).

Carlo Pannella is Chief Financial Officer of the Company, and as such the Company considers Mr. Pannella to be a related party. During the three months ended March 31, 2024, the Company incurred $109 in salary, ESSP Company contributions and estimated bonus (March 31, 2023 – $106). As at March 31, 2024, $35 remains within accounts payable and accrued liabilities to Mr. Pannella (December 31, 2023 – $nil). On March 1, 2023, the Company granted Mr. Pannella 50,000 stock options. On March 27, 2023, Mr. Pannella exercised 100,000 stock options at an exercise price of $0.40 for total cash proceeds to the Company of $40. During the three months ended March 31, 2024, the share-based compensation expense recognized on option grants to Mr. Pannella was $5 (March 31, 2023 – $15). On September 15, 2023, pursuant to the ESSP, Mr. Pannella subscribed to 7,987 shares at a price of $1.25 for total proceeds to the

Company of $10. On March 1, 2023, pursuant to the ESSP, Mr. Pannella subscribed to 7,619 shares at a price of $1.30 for total proceeds to the Company of $10.

Susan Schulze is VP of Practice Management, and as such the Company considers Ms. Schulze to be a related party. During the three months ended March 31, 2024, the Company incurred $78 in salary, ESSP Company contributions and estimated bonus (March 31, 2023 – $59). As at March 31, 2024, $25 remains within accounts payable and accrued liabilities to Ms. Schulze (December 31, 2023 – $66). On March 1, 2023, the Company granted Ms. Schulze 20,000 stock options. During the three months ended March 31, 2024, the share-based compensation expense recognized on option grants to Ms. Schulze was $1 (March 31, 2023 – $4). On September 15, 2023, pursuant to the ESSP, Ms. Schulze subscribed to 4,178 shares at a price of $1.25 for total proceeds to the Company of $5. On March 1, 2023, pursuant to the ESSP, Ms. Schulze subscribed to 4,623 shares at a price of $1.30 for total proceeds to the Company of $6. As at March 31, 2024, Ms. Schulze, directly or indirectly, is subscribed to $150 in Company debentures (December 31, 2023 – $150). During the three months ended March 31, 2024, the debenture interest expense relating to the debentures held by Ms. Schulze was $3 (March 31, 2023 – $3).

Julianna Varpalotai-Xavier is Chief Operating Officer and Chief Compliance Officer, and as such the Company considers Ms. Varpalotai-Xavier to be a related party. During the three months ended March 31, 2024, the Company incurred $116 in salary, ESSP Company contributions and estimated bonus (March 31, 2023 – $110). As at March 31, 2024, $38 remains within accounts payable and accrued liabilities to Ms. Varpalotai-Xavier (December 31, 2023 – $nil). On March 1, 2023, the Company granted Ms. Varpalotai-Xavier 75,000 stock options. During the three months ended March 31, 2024, the share-based compensation expense recognized on option grants to Ms. Varpalotai-Xavier was $6 (March 31, 2023 – $17). On September 15, 2023, pursuant to the ESSP, Ms. Varpalotai-Xavier subscribed to 6,640 shares at a price of $1.25 for total proceeds to the Company of $8. On March 1, 2023, pursuant to the ESSP, Ms. Varpalotai-Xavier subscribed to 6,651 shares at a price of $1.30 for total proceeds to the Company of $9. As at March 31, 2024, Ms. Varpalotai-Xavier, directly or indirectly, is subscribed to $100 in Company debentures (December 31, 2023 – $100). During the three months ended March 31, 2024, the debenture interest expense relating to the debentures held by Ms. Varpalotai-Xavier was $2 (March 31, 2023 – $2).

Craig Ellis is Vice President and Portfolio Manager, and as such the Company considers Mr. Ellis to be a related party. During the three months ended March 31, 2024, the Company incurred $162 in salary, commissions, ESSP Company contributions and estimated bonus (March 31, 2023 – $155). As at March 31, 2024, $52 remains within accounts payable and accrued liabilities to Mr. Ellis (December 31, 2023 – $27). On March 1, 2023, the Company granted Mr. Ellis 50,000 stock options. During the three months ended March 31, 2024, the share-based compensation expense recognized on option grants to Mr. Ellis was $5 (March 31, 2023 – $14). On September 15, 2023, pursuant to the ESSP, Mr. Ellis subscribed to 2,113 shares at a price of $1.25 for total proceeds to the Company of $3. On March 1, 2023, pursuant to the ESSP, Mr. Ellis subscribed to 2,339 shares at a price of $1.30 for total proceeds to the Company of $3. As at March 31, 2024, Mr. Ellis, directly or indirectly, is subscribed to $250 in Company debentures (December 31, 2023 – $250). During the three months ended March 31, 2024, the debenture interest expense relating to the debentures held by Mr. Ellis was $5 (March 31, 2023 – $5).

Wayne Wiggins is Vice President and Portfolio Manager, and as such the Company considers Mr. Wiggins to be a related party. During the three months ended March 31, 2024, the Company incurred $110 in salary, commissions, ESSP Company contributions and estimated bonus (March 31, 2023 – $106). As at March 31, 2024, $38 remains within accounts payable and accrued liabilities to Mr. Wiggins (December

31, 2023 – $16). On March 1, 2023, the Company granted Mr. Wiggins 10,000 stock options. During the three months ended March 31, 2024, the share-based compensation expense recognized on option grants to Mr. Wiggins was $2 (March 31, 2023 – $5). On September 15, 2023, pursuant to the ESSP, Mr. Wiggins subscribed to 3,802 shares at a price of $1.25 for total proceeds to the Company of $5. On March 1, 2023, pursuant to the ESSP, Mr. Wiggins subscribed to 3,633 shares at a price of $1.30 for total proceeds to the Company of $5. As at March 31, 2024, Mr. Wiggins is subscribed to $50 in Company debentures (December 31, 2023 – $50). During the three months ended March 31, 2024, the debenture interest expense relating to the debentures held by Mr. Wiggins was $1 (March 31, 2023 – $1).

Georges Nasr was appointed Vice-President of Corporate Development of Bellwether on March 11, 2024 and as such the Company considers Mr. Nasr to be a related party. During the three months ended March 31, 2024, the Company incurred $25 in salary and estimated bonus. As at March 31, 2024, $8 remains within accounts payable and accrued liabilities to Mr. Nasr.

Christopher Dingle is Chairperson of the Board of the Company and holds a controlling interest in Qi Development Corporation. As such the Company considers Mr. Dingle and Qi Development Corporation to be related parties. During the three months ended March 31, 2024, the Company incurred $27 in director fees (March 31, 2023 – $28). As at March 31, 2024, $17 remains within accounts payable and accrued liabilities to Qi Development Corporation (December 31, 2023 – $17). On March 1, 2023, the Company granted Mr. Dingle 75,000 stock options. During the three months ended March 31, 2024, the share-based compensation expense recognized on option grants to Mr. Dingle was $6 (March 31, 2023 – $19).

James Williams is a member of the Board of Directors of the Company, and as such the Company considers Mr. Williams to be a related party. During the three months ended March 31, 2024, the Company incurred $2 in director fees (March 31, 2023 – $6). As at March 31, 2024, $2 remains within accounts payable and accrued liabilities to Mr. Williams (December 31, 2023 – $1). On March 1, 2023, the Company granted Mr. Williams 20,000 stock options. On March 27, 2023, Mr. Williams exercised 50,000 stock options at an exercise price of $0.30; these options were exercised through a net exercise and resulted in the issuance of 27,420 shares and no cash proceeds. During the three months ended March 31, 2024, the share-based compensation expense recognized on option grants to Mr. Williams was $2 (March 31, 2023 – $5).

David Brown is a member of the Board of Directors of the Company, and a Partner with a law firm, Weirfoulds LLP ("Weirfoulds"). Mr. Brown also holds a controlling interest in Keiller Capital ("Keiller"). As such the Company considers Mr. Brown, Weirfoulds and Keiller to be related parties. Mr. Brown foregoes any director fees for his role as a director of the Company. During the three months ended March 31, 2024, the Company incurred $14 in legal fees with Weirfoulds (March 31, 2023 – $25). As at March 31, 2024, $1 remains within accounts payable and accrued liabilities to Weirfoulds (December 31, 2023 – $10). On March 1, 2023, the Company granted Keiller 30,000 stock options. During the three months ended March 31, 2024, the share-based compensation expense recognized on option grants to Keiller was $3 (March 31, 2023 – $7).

Peter Patchet is a member of the Board of Directors of the Company, and holds a controlling interest in 2615054 Ontario Inc. As such the Company considers Mr. Patchet and 2615054 Ontario Inc. to be related parties. During the three months ended March 31, 2024, the Company incurred $5 in director fees (March 31, 2023 – $5). As at March 31, 2024, $5 remains within accounts payable and accrued liabilities to 2615054 Ontario Inc. (December 31, 2023 – $5). On March 1, 2023, the Company granted Mr. Patchet

35,000 stock options. During the three months ended March 31, 2024, the share-based compensation expense recognized on option grants to Mr. Patchet was $3 (March 31, 2023 – $9). As at March 31, 2024, Mr. Patchet, directly or indirectly, is subscribed to $50 in Company debentures (December 31, 2023 – $50). During the three months ended March 31, 2024, the debenture interest expense relating to the debentures held by Mr. Patchet was $1 (March 31, 2023 – $1).

Risk Management

The Company's business is subject to the risks of the competitive discretionary portfolio management industry and management has identified certain risks pertinent to its business including: credit risks, liquidity risks, market risks, concentration risks, capital requirements, dependence on senior management, the investment performance of the Company's investment solutions, sufficiency of insurance, competition from other discretionary portfolio management firms, significant redemptions of AUM, general business risks and liabilities, and future regulatory changes. Management attempts to assess and mitigate these risks by retaining experienced professional staff and assuring that the Board of Directors and senior management are monitoring these risks on a continual basis.

The disclosures below provide an analysis of the risk factors affecting the Company's business operations:

Credit Risk

Credit risk is predominantly related to cash balances held at financial institutions and the recovery of accounts receivable. The maximum exposure to credit risk approximates the amount recognized on the consolidated statement of financial position of such financial assets.

The Company mitigates this risk by dealing only with what management believes to be financially sound counterparties, and by holding its cash and cash equivalents with major financial institutions where the Company conducts its business. As at March 31, 2024 and December 31, 2023, there are no accounts receivable past due for more than 90 days. Based on its practices and processes around charging and collecting fees, its credit policies, its previous experience, and its assessment of the current economic environment and financial condition of the counterparties, as at March 31, 2024 and December 31, 2023, the Company does not believe any allowances for expected credit losses are required.

Liquidity Risk

The Company's exposure to liquidity risk is dependent on the collection of accounts receivable and the raising of funds to meet commitments and sustain operations. To mitigate this risk, the Company has a planning and budgeting process in place to determine funds required to support its ongoing operations, investments and capital expenditures. The Company controls liquidity risk by management of working capital, cash flows, the issuance of share capital and debentures and the usage of the Company's loan facility.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk.

1. Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates. The Company is exposed to currency risk primarily from its investments in foreign subsidiaries operating in the United States and from long-term debt denominated in US dollars.

   As at and for the three months ended March 31, 2024, we estimate that a 10% strengthening of the US dollar would have resulted in a decrease in net earnings of $151 and an increase in other comprehensive income ("OCI") of $205. As at and for the year ended December 31, 2023, we estimate that a 10% strengthening of the US dollar would have resulted in an increase in net earnings of $20 and an increase in OCI of $479.

2. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The debentures payable and the borrowings under the loan facility are at fixed rates of interest. The Company is exposed to interest rate risk with respect to its short-term investments invested in money market funds, however, the sensitivity of this risk is not significant as at March 31, 2024 and December 31, 2023 due to the small balance and the short-term nature of those investments.

3. Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

   The Company's revenues are primarily related to the market value of the investments that its investment management subsidiaries are managing for clients, and as such a change in market indices could have a significant impact on the Company's revenues, which could reduce cash flow and ultimately impact its ability to manage its capital. As at March 31, 2024, a 10% change in the Company's consolidated AUM of $3,124 million (December 31, 2023 – $3,012 million) could impact future annual revenues by approximately $3,350 (December 31, 2023 – $3,250). For the twelve-month period ended March 31, 2024, a 10% change in the Company's consolidated average AUM of $2,834 million (December 31, 2023 – $2,744 million) would have impacted the annual revenues by approximately $3,050 (December 31, 2023 – $2,950).

Management of market risk within Bellwether's AUM is the responsibility of the Chief Investment Officer, who has established a control environment that ensures risks are reviewed regularly and that risk controls throughout Bellwether are operating in accordance with regulatory requirements. Exposure to interest rate risk, foreign currency risk and other price risk is monitored by the Chief Investment Officer. When a particular market risk is identified, portfolio managers of the Company's investment solutions are directed to mitigate the risk by reducing their exposure.

Capital Requirements

Bellwether is subject to minimum regulatory capital requirements requiring the Company to keep sufficient cash or liquid assets on hand to maintain capital levels. Failure to maintain required regulatory capital may result in fines, suspension, or revocation of registration. A significant operating loss or an unusually large charge against regulatory capital could adversely affect the ability of the Company to expand or even maintain its present level of business and create a material adverse effect on Bellwether's business, results of operations and/or financial position.

Dependence on Senior Management

The success of the Company and its strategic focus is dependent to a significant degree upon the contributions of senior management. The loss of any of these individuals, or an inability to attract, retain and motivate sufficient numbers of qualified senior management personnel on the part of LPCP or its subsidiaries, could adversely affect the Company's business. This risk is partially mitigated by the fact that the senior management team are significant shareholders in the Company. Further mitigation has been attained through the implementation of key employee compensation packages composed of monetary short-term compensation and long-term stock-based compensation designed for the retention of key employees.

Investment Performance of our Investment Solutions

If the investment solutions managed by Bellwether, Promus or Fulcrum are unable to achieve investment returns that are competitive with or superior to those achieved by other comparable investment products offered by competitors, such solutions may not attract new client AUM or may experience client attrition, which may have a negative impact on assets under management. This would have a negative impact on revenue and profitability.

Sufficiency of Insurance

The Company maintains various types of insurance which may include financial institution bonds, errors and omissions insurance, directors', trustees' and officers' liability insurance, and general commercial liability insurance. There is no assurance that claims will not exceed the limits of available coverage, that any insurer will remain solvent or willing to continue providing insurance coverage with sufficient limits or at a reasonable cost, or, that any insurer will not dispute coverage of certain claims due to ambiguities in the policies. A judgment against the Company or its subsidiaries in excess of available coverage could have a material adverse effect on the Company in terms of damages awarded and the impact on the reputation of the Company.

Competition

Bellwether, Promus and Fulcrum compete with a large number of portfolio managers and other investment advisors as well as financial institutions. Many of these competitors have greater capital and other resources, and offer more comprehensive lines of products and services.

The success of Bellwether, Promus and Fulcrum is largely dependent on the ability of the firms to compete in the current wealth management environment in both Canada and the USA. The Company's success will be based upon a number of factors including the range of products and solutions offered, brand recognition, investment performance, business reputation, financing strength, management and sales relationships, quality of service, level of fees charged, and other compensation paid.

Competitors seek to expand market share by offering different products and services than those offered by Bellwether, Promus and Fulcrum. There can be no assurance that Bellwether, Promus or Fulcrum will maintain the current standing, and that may adversely affect the business, financial condition, or operating results of the respective firms.

Risks of Significant Redemptions of Assets under Management

The Company's revenues depend largely on the value of its AUM, which is influenced by sales, redemption rates and investment performance. Sales and redemptions may fluctuate depending on market and economic conditions, investment performance, and other factors. Increased competition and market volatility has contributed to redemptions and diminished sales for participants in the Canadian and US wealth management industry.

General Business Risk and Liability

Given the nature of the Company's business, it may from time to time be subject to claims or complaints from investors or others in the normal course of business. The legal risks facing the Company, its directors, officers, employees, or agents in this respect include potential liability for violations of securities laws, breach of fiduciary duty and misuse of investors' funds. Some violations of securities laws and breach of fiduciary duty could result in civil liability, fines, sanctions, or the suspension or revocation of Bellwether's right to carry on their existing business. LPCP may incur significant costs in connection with such potential liabilities.

Regulation

Bellwether, Promus and Fulcrum are heavily regulated in all jurisdictions where they carry on business. Laws and regulations, applied generally, grant government agencies and self-regulatory bodies broad administrative discretion over the activities, including the power to limit or restrict business activities as well as impose additional disclosure requirements on products and services. Possible sanctions include the revocation or imposition of conditions on licenses to operate certain businesses, the suspension or expulsion from a particular market or jurisdiction of any of its key personnel or financial advisors, and the imposition of fines and censures. To the extent that existing or future regulations affect the sale or offering of products or services in any way, the Company's assets under management and its revenues may be adversely affected.

Risks Related to Acquisitions

The Company regularly reviews potential acquisition opportunities to support its strategic objectives. The Company's ability to successfully grow through additional acquisitions will be dependent on several factors, including the identification of suitable acquisition targets, the negotiation of purchase agreements on satisfactory terms, securing attractive financing arrangements, and, where applicable, the integration of newly acquired operations into the existing business.

In pursuing a strategy of acquiring other businesses or interests, the Company will face risks commonly encountered with growth through acquisitions. These risks include, but are not limited to, incurring higher capital expenditures and operating expenses than expected, entering new unfamiliar markets, incurring undiscovered liabilities at acquired businesses, disrupting ongoing business, diverting management resources, failing to maintain uniform standards, controls and policies, impairing relationships with employees, suppliers and clients as a result of changes of ownership, causing increased expenses for accounting and computer systems and incorrectly valuing acquired entities.

The Company may not adequately anticipate all the demands that its growth will impose on its personnel, procedures, and structures, including its financial and reporting control systems, data processing systems and management structure. Moreover, the Company's failure to retain qualified management personnel at any acquired business may increase the risk associated with integrating the businesses. If the Company cannot adequately anticipate and respond to these demands, it may fail to realize the expected operating performance and its resources will be focused on incorporating new operations into its structure rather than on areas that may be more profitable. In addition, although the Company conducts what it believes to be a prudent level of investigation regarding the operating condition of the businesses it purchases, in light of the circumstances of each transaction, an unavoidable level of risk remains regarding the actual operating condition of these businesses.

The Company conducts business, legal and financial due diligence investigations in connection with its acquisitions and the purchase and sale agreements pursuant to which the Company directly or indirectly acquires a business or interest will generally contain customary representations and warranties with respect to the applicable business and related indemnities from the vendors regarding corporate matters, taxes, litigation, operations, employee matters and financial statements, among other things. However, there can be no assurance the Company will uncover all risks associated with the investment through its due diligence investigations, that the representations and warranties given by such vendors will adequately protect against such risks or that the Company will recover any losses incurred in the event of a breach of a representation or warranty.

With respect to acquired companies, there can be no assurance that the operating performance and financial results of those companies after they have been acquired by the Company will reflect the past operating performance or financial results of such companies. In addition, while the Company seeks to identify and exploit potential synergies among its various subsidiaries, there can be no assurance that the Company will successfully identify potential synergies or exploit such synergies.

Litigation

The Company may be subject to litigation from time to time and such litigation has the potential to materially adversely affect the business and/or financial performance of the Company.

Reliance on Technology and Information Systems

The Company's reliance on technology and information systems to manage its business exposes the Company to potential risks related to cybersecurity attacks and unauthorized access to the Company's clients, suppliers, counterparties and employees sensitive or confidential information (which may include personally identifiable information and credit information) through hacking, viruses or otherwise (collectively "cybersecurity threats"). Through the normal course of business, the Company also collects, processes, and retains sensitive and confidential client, supplier, counterparty and employee information. Cybersecurity threats are continually growing and changing and require continuous monitoring and detection efforts to address. While the Company has security measures in place, its systems, assets and information could be vulnerable to cybersecurity attacks and other data security breaches that could cause system failures, disrupt operations, result in loss of service to clients and result in the release of sensitive or confidential information. Despite such security measures, there is no assurance that cybersecurity threats can be fully detected, prevented or mitigated. Should such threats materialize, the Company could suffer costs, losses and damages such as corruption of data, lower earnings, reduced cash flow, third party claims, fines and penalties; all or some of which may not be recoverable.

Trading Volatility of Common Shares

The common shares of the Company are listed for trading on the TSX Venture Exchange. There can be no assurance as to the price at which the Company's common shares will trade and there can be no assurance that an active trading market for its common shares will be sustained. The market price of and trading in the Company's common shares could be subject to significant fluctuations in response to a number of factors, including variations in financial results, and could potentially be subject to extreme price and volume fluctuations which have been experienced by the securities markets from time to time.

Dilution Risk

The authorized share capital of the Company is comprised of an unlimited number of common shares. The Company may issue additional common shares, or securities which are convertible, exchangeable or exercisable into common shares, for consideration and on those terms and conditions as are established by the Company without the approval of shareholders of the Company. The Company intends to pursue further acquisitions which may require the issuance of additional common shares.