

VM HOTEL ACQUISITION CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS

Three Months Ended September 30, 2023

(Expressed in U.S. Dollars)

VM HOTEL ACQUISITION CORP.

Management's Discussion and Analysis – Three Months Ended September 30, 2023

MANAGEMENT'S DISCUSSION & ANALYSIS

The following discussion of performance, financial condition and prospects should be read in conjunction with the condensed consolidated interim financial statements of VM Hotel Acquisition Corp. (the “**Corporation**”) for the three months ended September 30, 2023 and the accompanying notes thereto (the “**Financial Statements**”). The Financial Statements have not been reviewed by an auditor.

This Management's Discussion and Analysis (“**MD&A**”) is dated as of November 13, 2023 and was prepared with information available at this date. The Financial Statements have been prepared by management in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board. The Corporation's financial information is expressed in United States dollars unless otherwise specified. In addition to reviewing this MD&A, readers are encouraged to read the Corporation's public information filings available on the Corporation's profile on the System for Electronic Document Analysis and Retrieval Plus (“**SEDAR**”) at www.sedarplus.ca.

SIGNIFICANT EVENT – LIQUIDITY AND GOING CONCERN

The Corporation is in a negative working capital position. Accordingly, the Corporation's ability to continue as a going concern is dependent upon the continued support of its Sponsors (as defined below), and/or the completion of the qualifying acquisition (as defined below). There can be no assurance that the Corporation will be successful in completing the qualifying acquisition. In the event a qualifying acquisition does not occur, the escrowed cash proceeds from the Offering (as defined below) will be returned to holders of the Class A Restricted Voting Shares (as defined below). The creditors of the Corporation and the Sponsors will have no recourse against the escrowed cash.

These uncertainties cast significant doubt upon the Corporation's ability to continue as a going concern and the ultimate appropriateness of using accounting principles applicable to a going concern for the Corporation. The Financial Statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Corporation be unable to continue as a going concern. If the Corporation is unable to continue as a going concern, the Corporation may be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the Financial Statements, which could be material.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute “forward-looking statements” for the purpose of applicable Canadian securities legislation (“**forward-looking statements**”).

These forward-looking statements reflect management's expectations with respect to future events, the Corporation's financial performance and business prospects. All statements other than statements of historical fact are forward-looking statements. The use of the words “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intends”, “may”, “might”, “plan”, “possible”, “potential”, “predict”, “project”, “should”, “would”, and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not a forward-looking statement. These statements involve known and unknown risks, uncertainties, and other factors that may cause actual results or events to differ materially from those anticipated or implied in such forward-looking statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon. Unless otherwise indicated, these statements speak only as of the date of this MD&A.

These forward-looking statements relate to future events or future performance including with respect to the Corporation's objectives and priorities for fiscal year 2023 and beyond, and strategies or further actions with respect to the Corporation, the qualifying acquisition and the Corporation's business operations, financial performance and condition.

Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. By their very nature, forward-looking statements involve inherent risks and uncertainties,

both general and specific, and many factors could cause actual events or results to differ materially from the results discussed in the forward-looking statements. In evaluating forward-looking statements, readers should specifically consider various factors that may cause actual results to differ materially from any forward-looking statements. These factors include, but are not limited to, market and general economic conditions and the risks and uncertainties discussed in the section entitled “Risk Factors” in the Corporation’s prospectus dated February 23, 2021 (the “**Prospectus**”), the Corporation’s prospectus dated November 11, 2022 (the “**QA Preliminary Prospectus**”) and the Corporation’s annual information form dated March 24, 2023, available on SEDAR at www.sedarplus.ca.

The forward-looking statements contained in this MD&A are presented for the purpose of assisting investors in understanding business and strategic priorities and objectives of the Corporation as at the periods indicated and may not be appropriate for other purposes. Forward-looking statements contained in this MD&A are not guarantees of future performance and, while forward-looking statements are based on certain assumptions that the Corporation considers reasonable, actual events and results could differ materially from those expressed or implied by forward-looking statements made by the Corporation. Prospective investors are cautioned to consider these and other factors carefully when making decisions with respect to the Corporation and not place undue reliance on forward-looking statements. Circumstances affecting the Corporation may change rapidly. Except as may be expressly required by applicable law, the Corporation does not undertake any obligation to update publicly or revise any such forward-looking statements, whether as a result of new information, future events or otherwise.

NATURE OF ACTIVITIES

The Corporation is a special purpose acquisition corporation incorporated under the laws of the Province of British Columbia for the purpose of effecting, directly or indirectly, an acquisition of one or more businesses or assets, by way of a merger, amalgamation, arrangement, share exchange, asset acquisition, share purchase, reorganization, or any other similar business combination involving the Corporation (a “**qualifying acquisition**”).

The Corporation was incorporated on November 16, 2020 under the *Business Corporations Act* (British Columbia), and is domiciled in Canada. The registered office of the Corporation is located at 1600-925 West Georgia Street, Vancouver, BC V6C 3L2.

The Financial Statements were authorized for issuance by the board of directors of the Corporation (the “**Board of Directors**”) on November 13, 2023.

INITIAL PUBLIC OFFERING AND QUALIFYING TRANSACTION

On March 1, 2021, the Corporation closed its initial public offering (the “**Offering**”) of 10,000,000 Class A restricted voting units (each, a “**Class A Restricted Voting Unit**”) at an offering price of \$10.00 per Class A Restricted Voting Unit for gross proceeds of \$100,000,000 pursuant to the Prospectus and the Class A Restricted Voting Units commenced trading on the Toronto Stock Exchange (the “**Exchange**”) under the symbol “VMH.V”.

Each Class A Restricted Voting Unit consisted of one Class A restricted voting share (each, a “**Class A Restricted Voting Share**”) and one-half of a share purchase warrant (each whole share purchase warrant, a “**Warrant**”). On April 12, 2021 the Class A Restricted Voting Shares and the Warrants comprising the Class A Restricted Voting Units were listed separately and commenced trading separately on the Exchange under the symbols “VMH.U” and “VMH.WT.U”, respectively. On or immediately following the closing of the Corporation’s qualifying acquisition (the “**QA Closing**”), each Class A Restricted Voting Share (unless previously redeemed) will be automatically converted into one common share (each, a “**Common Share**”) and each Class B share of the Corporation (each, a “**Class B Share**”) will be automatically converted on a 100-for-1 basis into proportionate voting shares of the Corporation (the “**Proportionate Voting Shares**”), as set forth in the notice of articles and articles of the Corporation. The Warrants will become exercisable, at an exercise price of \$11.50, commencing 65 days after the completion of the Corporation’s qualifying acquisition and will expire at 5:00 p.m. (Toronto time) on the day that is five years after the completion of a qualifying acquisition or earlier, as described in the Prospectus. Once the Warrants become exercisable, the Corporation may accelerate the expiry date of the outstanding Warrants (excluding the Warrants held by the Sponsors issued as part of the Class B units of the Corporation (the “**Class B Units**”), as described in the Prospectus) by providing 30 days’ notice, if and only if, the closing price of the Common Shares equals or exceeds \$18.00 per

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Common Share (as adjusted for stock splits or combinations, stock dividends, extraordinary dividends, reorganizations and recapitalizations and the like) for any 20 trading days within a 30-trading day period. If the Corporation accelerates the expiry of the Warrants, the Board of Directors has the option to require all holders that wish to exercise their Warrants to do so, in whole or in part, on a cashless basis.

Simultaneously with the closing of the Offering (the “**Closing**”), VM HA Sponsor Corp. and VM HA Sponsor LP (together, the “**Sponsors**”), our sponsors, along with certain third parties purchased 350,000 Class B Units at an offering price of \$10.00 per Class B Unit (for an aggregate purchase price of \$3,500,000). Each Class B Unit consisted of one Class B Share and one-half of a Warrant. On April 12, 2021 the Class B Units separated into the underlying Class B Shares and Warrants.

In connection with the Offering, the Sponsors and certain of our directors, John Andrew, Tracy Sherren and Charles Suddaby (referred to as our “**Founders**”), along with certain third parties, purchased 2,970,000 Class B Shares (referred to as the “**Founders’ Shares**”) for an aggregate price of \$25,000, or approximately \$0.0084 per Founders’ Share. On May 7, 2021, the Sponsors relinquished 382,500 of the Founders’ Shares without compensation.

If the Corporation is unable to consummate a qualifying acquisition within the permitted timeline of 18 months from the Closing (or 21 months from the Closing if the Corporation has executed a letter of intent, agreement in principle or definitive agreement for a qualifying acquisition within 18 months from the Closing but has not completed the qualifying acquisition within such 18-month period) (the “**Permitted Timeline**”), subject to any extensions as described below, the Corporation will be required to redeem each of the outstanding Class A Restricted Voting Shares for an amount per share, payable in cash, equal to the pro-rata portion (per Class A Restricted Voting Share) of: (a) the escrowed funds available in the escrow account, including any interest and other amounts earned thereon, less (b) an amount equal to the total of (i) any applicable taxes payable by the Corporation on such interest and other amounts earned in the escrow account, (ii) any taxes of the Corporation (including under Part VI.1 of the *Income Tax Act* (Canada)) arising in connection with the redemption of the Class A Restricted Voting Shares, and (iii) up to a maximum of \$50,000 of interest and other amounts earned from the proceeds in the escrow account to pay actual and expected winding-up expenses and certain other related costs, each as reasonably determined by the Corporation. The underwriters for the Offering (the “**Underwriters**”) will have no right to the Deferred Underwriting Commission (as defined below) held in the escrow account in such circumstances.

The Permitted Timeline can be extended to up to 36 months with the approval of only the holders of the Class A Restricted Voting Shares, by ordinary resolution, and with approval by the Board of Directors. If such approvals are obtained, holders of the Class A Restricted Voting Shares, irrespective of whether such holders voted for or against, or did not vote on, the extension of the Permitted Timeline, would be permitted to deposit all or a portion of their Class A Restricted Voting Shares for redemption as described in the Prospectus.

The Class A Restricted Voting Shares may be considered “restricted securities” within the meaning of such term under applicable Canadian securities laws. Prior to the completion of a qualifying acquisition, holders of the Class A Restricted Voting Shares will not be entitled to vote at (or receive notice of or meeting materials in connection with) meetings held only to consider the election and/or removal of directors and auditors of the Corporation. The holders of the Class A Restricted Voting Shares will, however, be entitled to vote on and receive notice of meetings on all other matters requiring shareholder approval (including the qualifying acquisition, if required under applicable law, and any proposed extension to the Permitted Timeline). In lieu of holding an annual meeting prior to the QA Closing, the Corporation is required to provide an annual update on the status of identifying and securing a qualifying acquisition by way of a press release.

Upon the QA Closing, the Class B Shares will convert on a 100-for-1 basis into Proportionate Voting Shares. Prior to the QA Closing, the Corporation will not issue any Common Shares or Proportionate Voting Shares. Following the QA Closing, the Corporation will not issue any Class A Restricted Voting Shares or Class B Shares.

The Founders (including the Sponsors) have agreed pursuant to an exchange agreement and undertaking not to transfer any of their Founders’ Shares or Class B Units (or any Class B Shares or Warrants forming part of the Class B Units) until after the QA Closing, in each case other than transfers required due to the structuring of the qualifying acquisition

or unless otherwise permitted by the Exchange. Any Class A Restricted Voting Shares purchased by our Founders would not be subject to the restrictions set out in such agreement.

The Founders' Shares purchased by the Founders and certain third parties and the Class B Shares which formed part of the Class B Units (or any shares acquired upon exercise of the Warrants which formed part of such Class B Units) purchased by the Sponsors and certain third parties will not be subject to relinquishment based on performance.

Upon the Closing, an aggregate of \$100,000,000 from the sale of the Class A Restricted Voting Units, or \$10.00 per Class A Restricted Voting Unit sold to the public, was deposited with TSX Trust Company, as escrow agent, in an escrow account in Canada at a Canadian chartered bank or subsidiary thereof, in accordance with an escrow agreement. Subject to applicable law and payment of certain taxes, permitted redemptions and certain expenses, as further described in the Prospectus, none of the funds held in the escrow account will be released to the Corporation prior to the QA Closing.

Following the potential QA Closing, the Corporation will use the portion of the escrow account representing consideration for the Class A Restricted Voting Shares that have not been redeemed (less tax liabilities on amounts earned on the escrowed funds and certain expenses directly related to redemptions) subject to availability, failing which any shortfall shall be made up from other sources, to pay the Underwriters the Deferred Underwriting Commission (as defined below). The per share amount the Corporation will distribute to holders of Class A Restricted Voting Shares who properly redeem their shares will not be reduced by the Deferred Underwriting Commission that the Corporation will pay to the Underwriters.

As 100% of the gross proceeds of the Offering and any additional equity raised pursuant to a rights offering are held by the escrow agent in the escrow account, shareholder approval of a qualifying acquisition is not required pursuant to the Exchange rules. As such, and unless shareholder approval is otherwise required under applicable law, we will: (a) prepare and file with applicable securities regulatory authorities a prospectus containing disclosure regarding the Corporation and its proposed qualifying acquisition; (b) mail a notice of redemption to the holders of the Class A Restricted Voting Shares and make the final prospectus publicly available; and (c) send by prepaid mail or otherwise deliver the prospectus to the holders of the Class A Restricted Voting Shares, as described in the Prospectus.

The escrowed funds are held to enable the Corporation to: (a) satisfy redemptions made by holders of Class A Restricted Voting Shares (including in the event of a qualifying acquisition or an extension to the Permitted Timeline, or in the event a qualifying acquisition does not occur within the Permitted Timeline); (b) fund the qualifying acquisition with the net proceeds following payment of any such redemptions and the Deferred Underwriting Commission; and/or (c) pay taxes on amounts earned on the escrowed funds and certain permitted expenses. Such escrowed funds and all amounts earned thereon, subject to such obligations and applicable law, will be assets of the Corporation. As noted above, the escrowed funds will also be used to pay the Deferred Underwriting Commission, which (subject to availability, failing which any shortfall shall be made up from other sources) will be payable by the Corporation to the Underwriters upon the QA Closing provided that a discretionary portion of the Deferred Underwriting Commission may be used to pay other parties of the Corporation's choosing, as described in the Prospectus.

Consummation of the qualifying acquisition will require approval by a majority of the Corporation's directors unrelated to the qualifying acquisition. In connection with seeking to complete a qualifying acquisition, the Corporation will provide holders of Class A Restricted Voting Shares with the opportunity to redeem all or a portion of their Class A Restricted Voting Shares, provided that they deposit their shares for redemption prior to the deadline specified by the Corporation, following public disclosure of the details of the qualifying acquisition and prior to the QA Closing, of which prior notice had been provided to the holders of the Class A Restricted Voting Shares by any means permitted by the Exchange, not less than 21 days nor more than 60 days in advance of such deadline, in each case, with effect, subject to applicable law, immediately prior to the QA Closing, for an amount per share, payable in cash, equal to the pro-rata portion (per Class A Restricted Voting Share) of: (a) the escrowed funds available in the escrow account at the time immediately prior to the redemption deposit deadline, including interest and other amounts earned thereon; less (b) an amount equal to the total of (i) any applicable taxes payable by the Corporation on such interest and other amounts earned in the escrow account, and (ii) actual and expected expenses directly related to the redemption, each as reasonably determined by the Corporation, subject to the limitations described in the Prospectus.

Notwithstanding the foregoing redemption rights, each holder of Class A Restricted Voting Shares, together with any affiliate of such holder or other person with whom such holder or affiliate is acting jointly or in concert, will not be permitted to redeem a number of Class A Restricted Voting Units that is more than 15% of the aggregate number of Class A Restricted Voting Shares issued and outstanding following the Closing. This limitation will not apply in the event a qualifying acquisition does not occur within the Permitted Timeline, or in the event of an extension to the Permitted Timeline.

If approval of the qualifying acquisition by shareholders is otherwise required under applicable law, holders of Class A Restricted Voting Shares shall have the option to redeem their Class A Restricted Voting Shares irrespective of whether they vote for or against, or do not vote on, the qualifying acquisition. Holders of Class A Restricted Voting Shares will be given not less than 21 days' notice of the shareholders meeting (if such meeting is required under applicable law) and of the corresponding redemption deposit deadline if such meeting is required. Participants through CDS Clearing and Depositary Services Inc. ("**CDS**") may have earlier deadlines for beneficial holders to make deposits of Class A Restricted Voting Shares for redemption. If a CDS participant's deadline is not met by a holder of Class A Restricted Voting Shares, such holder's Class A Restricted Voting Shares may not be eligible for redemption.

Following completion of the qualifying acquisition, the Proportionate Voting Shares into which the Founders' Shares and Class B Shares which formed part of the Class B Units are convertible, the Warrants which formed part of the Class B Units, and the shares issuable on exercise of such Warrants may be subject to certain sale or transfer restrictions in accordance with applicable securities laws.

Our Founders and other holders of the Founders' Shares and/or Class B Shares will not be entitled to redeem the Founders' Shares or Class B Shares in connection with a qualifying acquisition or an extension to the Permitted Timeline or entitled to access the escrow account should a qualifying acquisition not occur within the Permitted Timeline, as further described in the Prospectus. Our Founders and other holders of the Founders' Shares and/or Class B Shares will, however, participate in any liquidation distribution with respect to any Class A Restricted Voting Shares they may acquire in connection with or following the Offering through possible purchases on the secondary market.

On December 7, 2021, the Corporation announced a proposed qualifying acquisition (the "**Former Proposed Qualifying Acquisition**") of a portfolio of five premier hotels consisting of 2,079 keys in four cities and two countries – (1) the Battery Wharf in Boston, Massachusetts, (2) the Hyatt Regency in Cleveland, Ohio, (3) the Renaissance in Cleveland, Ohio, (4) the Sheraton Centre in Montreal, Quebec and (5) the Sheraton Golf & Spa in Panama City Beach, Florida – to create an initial cross-border North American portfolio of high-quality hotel properties (the "**Former Proposed Initial Portfolio**"), which was to constitute the Corporation's qualifying acquisition.

On February 23, 2022, the Corporation announced that it had determined not to proceed with the acquisition of the Battery Wharf and the Sheraton Centre hotels. Subsequently, on March 14, 2022, the Corporation also terminated its agreement with respect to the Sheraton Golf & Spa hotel. On May 30, 2022, the Corporation announced that it had determined not to proceed with the acquisition of the remaining assets comprising the Former Proposed Initial Portfolio, being the Hyatt Regency and the Renaissance hotels.

On July 25, 2022, the Corporation announced that it had executed a non-binding letter of intent in connection with a potential transaction, which would, if consummated, qualify as the Corporation's qualifying acquisition. Accordingly, the Corporation's Permitted Timeline in which to close a qualifying acquisition was automatically extended to November 30, 2022.

On September 22, 2022, the Corporation announced that it had entered into a business combination agreement (the "**Business Combination Agreement**") with The Pyure Company Inc. ("**Pyure**"), HGI Industries, Inc., a predecessor entity and majority shareholder of Pyure, and TCPI Mergersub, Inc., a wholly owned subsidiary of the Corporation, pursuant to which the Corporation intends to acquire, through a series of transactions, all of the issued and outstanding shares of Pyure (the "**Business Combination**").

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In connection with the Business Combination, the Corporation filed the QA Preliminary Prospectus. As of February 12, 2023, the QA Preliminary Prospectus had lapsed. Accordingly, a notice of withdrawal of the QA Preliminary Prospectus was filed with the Ontario Securities Commission on behalf of the Corporation. The Corporation intends to re-file a preliminary prospectus in connection with the Business Combination in due course.

On November 28, 2022 the Corporation held a special meeting of Class A Restricted Voting Shareholders to vote on a resolution to approve an extension of the Corporation's Permitted Timeline to consummate the qualifying acquisition from November 30, 2022 to March 31, 2023 (the **"First Extension"**). The First Extension was approved by affirmative vote of 87.32%. In connection with the First Extension, 8,344,658 Class A Restricted Voting Shares were deposited for redemption for approximately \$10.05 per Class A Restricted Voting Share, representing redemption levels of 83.4% of the Class A Restricted Voting Shares and 82.8% of funds in the escrow account at the time.

On March 16, 2023, the Corporation held an additional special meeting of Class A Restricted Voting Shareholders to vote on a resolution to approve an extension of the Corporation's Permitted Timeline to consummate the qualifying acquisition from March 31, 2023 to September 30, 2023 (the **"Second Extension"**). The Second Extension was approved by affirmative vote of 100%. In connection with the Second Extension, 1,608,700 Class A Restricted Voting Shares were deposited for redemption for approximately \$10.11 per Class A Restricted Voting Share, representing redemption levels of 97.1% of the Class A Restricted Voting Shares and 93.9% of funds in the escrow account at the time.

On April 5, 2023, in connection with the expiry of the outside date under the Business Combination Agreement, the Corporation entered into an amending agreement (the **"Amendment"**) to amend the Business Combination Agreement to allow the parties to appropriately renegotiate its terms. The Business Combination Agreement was amended to, among other things, allow Pyure to seek alternative financing arrangements with third parties that are not listed on a recognized stock exchange. In addition, the Amendment also provides that the parties will continue negotiations to come to mutually agreeable amendments to the financial terms of the Business Combination Agreement in order to reduce the aggregate consideration payable to Pyure's shareholders under the agreement. Unless revised terms are successfully negotiated, the Business Combination Agreement may be terminated by either party at their discretion.

On September 28, 2023, the Corporation held an additional special meeting of Class A Restricted Voting Shareholders to vote on a resolution to approve an extension of the Corporation's Permitted Timeline to consummate the qualifying acquisition from September 30, 2023 to February 29, 2024 (the **"Third Extension"**). The Third Extension was approved by affirmative vote of 98.594%. In connection with the Third Extension, 3,000 Class A Restricted Voting Shares were deposited for redemption for approximately \$10.21 per Class A Restricted Voting Share, representing redemption levels of 6.4% of the Class A Restricted Voting Shares and 3.4% of funds in the escrow account at the time.

There can be no assurances that the Corporation will successfully negotiate appropriate amendments to the Business Combination Agreement or that the transactions under the Business Combination or another qualifying acquisition will be completed within the term of the Third Extension.

SELECTED FINANCIAL INFORMATION

As at September 30, 2023 the Corporation had total assets of \$938,801, consisting of restricted cash held in escrow of \$901,182 and cash of \$33,043, and liabilities of \$5,547,815 consisting primarily of accounts payable and accrued liabilities of \$3,652,744 and a note payable due to a related party of \$1,233,378.

As at September 30, 2022, the Corporation had total assets of \$101,386,434 and liabilities of \$105,440,461, consisting primarily of liabilities associated with Class A Restricted Voting Shares subject to redemption of \$100,009,192, Warrant liabilities of \$621,000, accounts payable and accrued liabilities of \$3,581,760 and a note payable due to a related party of \$1,110,850. Included in total assets is restricted cash held in escrow of \$100,841,474 and cash of \$298,929.

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As at December 31, 2022, the Corporation had total assets of \$17,912,285, consisting of restricted cash held in escrow of \$17,529,312 and cash of \$97,499, and liabilities of \$22,544,359, consisting primarily of liabilities associated with Class A Restricted Voting Shares subject to redemption of \$16,562,602, Warrant liabilities of \$724,500 and accounts payable and accrued liabilities of \$3,624,543.

As at December 31, 2021, the Corporation had total assets of \$100,874,620 consisting of restricted cash held in escrow of \$100,067,087, deposits of \$385,000 and cash of \$192,905, and liabilities of \$104,272,825, consisting primarily of liabilities associated with Class A Restricted Voting Shares subject to redemption of \$98,252,482, Warrant liabilities of \$2,846,250 and accounts payable and accrued liabilities of \$2,511,368.

The following sets out summary information and financial results for the eight most recently completed fiscal quarters since the Corporation's IPO prepared in accordance with IFRS.

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Revenue	12,236	11,792	160,624	621,209	552,889	191,473	30,023	20,175
Expenses	198,162	185,611	(363,420)	1,199,256	1,646,031	(19,176)	(196,648)	4,711,003
Income (loss) and comprehensive income (loss)	(185,926)	(173,819)	524,044	(578,047)	(1,093,142)	210,649	226,671	(4,750,828)
Income (loss) and comprehensive income (loss) per share, basic and diluted	(0.06)	(0.06)	0.13	(0.20)	(0.37)	0.07	0.08	(1.62)
Weighted average number of Class B share outstanding – Basis and Diluted	2,937,500	2,937,500	2,937,500	2,937,500	2,937,500	2,937,500	2,937,500	2,937,500
Assets	938,801	1,138,275	1,358,707	17,912,285	101,386,434	100,780,513	100,725,932	100,874,620
Liabilities	5,547,815	5,561,363	5,607,976	22,544,359	105,440,461	103,741,398	103,897,466	104,272,825

RESULTS OF OPERATIONS

The following sets out financial results for the three months ended September 30, 2023 and for the three months ended September 30, 2022.

	Three months ended September 30, 2023	Three months ended September 30, 2022	Change
Revenue:			
Interest.....	\$ 12,236	\$ 552,889	\$ (540,653)
Expenses and other:			
Interest.....	48,849	583,761	(534,912)
Net unrealized loss (gain) on change in value of Warrant liabilities.....	-	-	-
General and administrative.....	37,197	77,813	(40,616)
Transaction costs.....	94,116	550,557	(456,441)
Foreign exchange (gain) loss.....	18,000	-	18,000
Amortization of issuance costs on Class A Restricted Voting Shares	-	433,900	(433,900)
	<u>198,162</u>	<u>1,646,031</u>	<u>(1,447,869)</u>
Income (loss) before income taxes	(185,926)	(1,093,142)	907,216
Income taxes	<u>-</u>	<u>-</u>	<u>-</u>
Income (loss) and comprehensive income (loss).....	<u>\$ (185,926)</u>	<u>\$ (1,093,142)</u>	<u>\$ 907,216</u>
Income (loss) and comprehensive income (loss) per share:			
Basic and diluted.....	\$ (0.06)	\$ (0.37)	\$ 0.31
Weighted average number of Class B Shares outstanding:			
Basic and diluted.....	2,937,500	2,937,500	-

During the three months ended September 30, 2023 and 2022, the Corporation did not conduct commercial activities and was focused on identifying and evaluating potential businesses and assets to acquire.

During the three months ended September 30, 2023, the Corporation realized a net loss of \$185,926 (\$0.06 per share) compared to a net loss of \$1,093,142 (\$0.37 per share) in the comparative 2022 period, as summarized in the above table.

Interest income was earned on the restricted cash balance held in escrow from the issuance of Class A Restricted Voting Shares with corresponding amounts, net of applicable Part VI.1 income tax (see below), recognized as an

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expense as interest income is due to holders of the Class A Restricted Voting Shares. Interest revenue decreased during the three months ended September 30, 2023 relative to three months ended September 30, 2022, due to the decrease in the restricted cash balance due to the redemption of Class A Restricted Voting Shares, offset slightly by higher interest rates. Interest accrues on the restricted cash balance held in escrow at a rate of US Prime Rate less 3.17%. Interest expense decreased for the same reason and in the same amount, net of applicable Part VI.1 income tax (see below), as interest revenue decreased given its attribution to the liability for the Class A Restricted Voting Shares subject to redemption.

In addition, during the three months ended September 30, 2023 and September 30, 2022, the Corporation incurred interest expense of \$30,881 and \$30,881, respectively, on the note payable to a related party. Also, during the three months ended September 30, 2023, the Corporation incurred interest expense of \$5,733 on a note payable to a third party, whereas during the three months ended September 30, 2022 there was no interest expense incurred on the note payable as the note was advanced in September 2022.

The net unrealized loss (gain) on the change in value of Warrant liabilities reflects the change in the fair value determined using the last trading price on or prior to period end of the outstanding Warrants over the three months ended September 30, 2023 and 2022. During the three months ended September 30, 2023 and September 30, 2022, the Corporation incurred transaction costs of \$94,116 and \$550,557, respectively, with respect to identifying and evaluating businesses and assets to acquire as part of a proposed qualifying acquisition.

The Corporation had the following general and administrative expenses for the three months ended September 30, 2023 and for the three months ended September 30, 2022:

	Three months ended September 30, 2023	Three months ended September 30, 2022
Retainer and administrative fees	\$ 30,000	\$ 30,000
Fees to escrow agent	2,220	3,884
Professional fees.....	3,200	18,749
Other.....	1,777	25,150
	<u>\$ 37,197</u>	<u>\$ 77,813</u>

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The following sets out financial results for the nine months ended September 30, 2023 and for the nine months ended September 30, 2022.

	Nine months ended September 30, 2023	Nine months ended September 30, 2022	Change
Revenue:			
Interest.....	\$ 184,652	\$ 774,385	\$ (589,733)
Expenses and other:			
Interest.....	151,971	863,538	(711,567)
Net unrealized loss (gain) on change in value of Warrant liabilities.....	(672,750)	(2,225,250)	1,552,500
General and administrative.....	281,478	242,869	38,609
Transaction costs.....	268,654	792,350	(523,696)
Foreign exchange gain.....	(9,000)	-	(9,000)
Amortization of issuance costs on Class A Restricted Voting Shares	-	1,756,700	(1,756,700)
	<u>20,353</u>	<u>1,430,207</u>	<u>(1,409,854)</u>
Income (loss) before income taxes	164,299	(655,822)	820,121
Income taxes	<u>141,239</u>	<u>-</u>	<u>141,239</u>
Income (loss) and comprehensive income (loss).....	<u>\$ 23,060</u>	<u>\$ (655,822)</u>	<u>\$ 678,882</u>
Income (loss) and comprehensive income (loss) per share:			
Basic and diluted.....	\$ 0.01	\$ (0.22)	\$ 0.23
Weighted average number of Class B Shares outstanding:			
Basic and diluted.....	2,937,500	2,937,500	-

During the nine months ended September 30, 2023 and 2022, the Corporation did not conduct commercial activities and was focused on identifying and evaluating potential businesses and assets to acquire.

During the nine months ended September 30, 2023, the Corporation realized net income of \$23,060 (\$0.01 per share) compared to a net loss of \$655,822 (\$0.22 per share) in the comparative 2022 period, as summarized in the above table.

Interest income was earned on the restricted cash balance held in escrow from the issuance of Class A Restricted Voting Shares with corresponding amounts, net of applicable Part VI.1 income tax (see below), recognized as an expense as interest income is due to holders of the Class A Restricted Voting Shares. Interest revenue decreased during the nine months ended September 30, 2023 relative to the nine months ended September 30, 2022, due to the decrease in the restricted cash balance due to the redemption of Class A Restricted Voting Shares, offset slightly by higher interest rates. Interest accrues on the restricted cash balance held in escrow at a rate of US Prime Rate less 3.17%.

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Interest expense decreased for the same reason and in the same amount, net of applicable Part VI.1 income tax (see below), as interest revenue decreased given its attribution to the liability for the Class A Restricted Voting Shares subject to redemption.

In addition, during the nine months ended September 30, 2023 and September 30, 2022, the Corporation incurred interest expense of \$91,647 and \$89,162, respectively, on the note payable to a related party. Also, during the nine months ended September 30, 2023, the Corporation incurred interest expense of \$16,913 on a note payable to a third party, whereas during the nine months ended September 30, 2022 there was no interest expense incurred on the note payable as the note was advanced in September 2022.

The net unrealized loss (gain) on the change in value of Warrant liabilities reflects the change in the fair value determined using the last trading price on or prior to period end of the outstanding Warrants over the nine months ended September 30, 2023 and 2022. During the nine months ended September 30, 2023 and September 30, 2022, the Corporation incurred transaction costs of \$268,654 and \$792,350, respectively, with respect to identifying and evaluating businesses and assets to acquire as part of a proposed qualifying acquisition.

The income taxes recognized for the nine months ended September 30, 2023 are taxes payable under Part VI.1 of the Income Tax Act attributable to the deemed dividend component of the redemptions proceeds paid to those shareholders holding the Class A Restricted Voting Shares that redeemed Class A Restricted Voting Shares in March and September, 2023.

The Corporation had the following general and administrative expenses for the nine months ended September 30, 2023 and for the nine months ended September 30, 2022:

	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Retainer and administrative fees	\$ 90,000	\$ 90,000
Fees to escrow agent	7,696	6,472
Professional fees.....	93,504	66,254
Other.....	90,278	80,143
	<u>\$ 281,478</u>	<u>\$ 242,869</u>

CAPITAL MANAGEMENT

The Corporation defines the capital that it manages as its cash and restricted cash held in escrow.

The Corporation's primary objective in managing capital is to ensure capital preservation in order to benefit from acquisition opportunities as they arise and to fund redemptions should they occur.

To the extent that the Corporation requires additional funding for general ongoing expenses and expenditures incurred or in connection with completing a qualifying acquisition, the Corporation may seek funding by way of unsecured loans from the Sponsors and/or their affiliates. The lender under the loans would not have recourse against the funds held in the escrow account, and thus the loans will not reduce the value thereof. Such loans will collectively be subject to a maximum aggregate principal amount equal to 10% of the initially escrowed funds and may be repayable in cash no earlier than the QA Closing. Such loans may only be convertible into shares and/or Warrants in connection with the QA Closing.

An affiliate of one of our Sponsors and a related party of the Corporation (the "**Lender**") agreed to provide unsecured loan advances (the "**Loan Advances**") to the Corporation as discussed below under Related Party Transactions.

In the future, the Corporation may seek to raise additional funds through a rights offering in respect of shares available to its shareholders, in accordance with the requirements of applicable securities legislation and the Exchange's rules, and subject to the consent of the Underwriters and to the conditions outlined further in the Prospectus.

SHARE CAPITAL

The Corporation, as at the date of this MD&A had 43,642 Class A Restricted Voting Shares, 2,937,500 Class B Shares and 5,175,000 Warrants issued and outstanding.

RELATED PARTY TRANSACTIONS

In 2021, the Lender agreed to provide the Loan Advances to the Corporation for the purpose of satisfying obligations related to general ongoing expenses and expenditures incurred in connection with the Corporation's sourcing of a qualifying acquisition. The Loan Advances bear interest of 12% per annum and the Lender has no recourse against the restricted cash held in an escrow account by the Corporation. The Loan Advances and accrued interest are payable in cash or may be converted into shares and/or warrants as agreed upon by the Corporation and the Lender, however no such payment or conversion shall occur prior to the QA Closing. During the year ended December 31, 2022 the Corporation received \$360,000 of Loan Advances. In 2021, the Corporation received \$650,000 in Loan Advances. The Corporation has accrued interest on the notes payable due to a related party totaling \$223,378 since issuance of these advances. For the three months ended September 30, 2023 and September 30, 2022, the Corporation accrued interest of \$30,881 and \$30,881, respectively. For the nine months ended September 30, 2023 and September 30, 2022, the Corporation accrued interest of \$91,647 and \$89,162, respectively.

The Corporation pays \$10,000 (plus applicable taxes) per month to an affiliate of one of our Sponsors for administrative and related services. The Corporation further reimburses an affiliate of one of our Sponsors for any out-of-pocket expenses incurred that relate to certain activities on the Corporation's behalf, including identifying and negotiating a qualifying acquisition. For the three months ended September 30, 2023 and 2022, the Corporation accrued \$30,000 in each period for administrative and related services. For the nine months ended September 30, 2023 and 2022, the Corporation accrued \$90,000 in each period for administrative and related services. As at September 30, 2023, the fees were paid except for \$40,000, which remains outstanding. The Sponsors incurred regulatory, filing, and other fees, in the normal course, on behalf of the Corporation prior to the successful completion of the Offering, of which \$1,037 was repaid in 2022. These amounts were non-interest bearing.

The grant of the Founder Shares by the Corporation to the Founders is in the scope of IFRS 2 – Share-based Payment. These shares have been designated as with equity-classified awards and is measured at fair value upon the grant date, with the associated value and to be recognized over the requisite service period. These Founder Shares were granted subject to a non-market performance condition. Compensation expense related to these Founder Shares is recognized only when the performance condition is deemed probable of occurrence. As of September 30, 2023, the Corporation determined that the performance condition was not considered probable, and, therefore, no share-based compensation expense has been recognized during the period ended September 30, 2023. Unrecognized share-based compensation expense of approximately \$23,000,000 would be recognized at the date a qualifying acquisition is considered probable, which is expected to be at or close to completion of the transaction.

CONTINGENCY

Pursuant to the underwriting agreement for the Offering, the Corporation's Underwriters were entitled to an underwriting commission equal up to \$5,500,000 or 5.5% of the gross proceeds of the Class A Restricted Voting Units issued under the Offering. The Underwriters and the Corporation agreed that the commission payable on Closing would be reduced as mutually agreed between the Underwriters and the Corporation for certain investors in the Class A Restricted Voting Units. The Corporation paid \$1,926,050 to the Underwriters at the Closing. The balance of the agreed underwriting commission, being \$3,370,588, or 3.5% of the gross proceeds of the Class A Restricted Voting Units as reduced for certain investors as mutually agreed between the Underwriters and the Corporation, (the "**Deferred Underwriting Commission**") has been deferred and will only be payable upon successful completion of a qualifying acquisition. In addition, 30% of the Deferred Underwriting Commission is payable by the Corporation to such parties as it sees fit, including the Underwriters or to advisors who have assisted with the qualifying acquisition. If no qualifying acquisition is consummated within the Permitted Timeline, such amounts shall not be payable. Due to its association with an uncertain future qualifying acquisition, the contingent liability of the Deferred Underwriting Commission balance has not been recorded in the Financial Statements. Transaction costs were prorated between Class A Restricted Voting Shares, Warrants and Class B Shares by the amount of proceeds received.

SUBSEQUENT EVENTS

The Corporation evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the financial statements were issued. The Corporation did not identify any subsequent events that would have required adjustment or disclosure in the financial statements except as noted below.

There can be no assurances that the Corporation will successfully negotiate appropriate amendments to the Business Combination Agreement or that the transactions under the Business Combination or another qualifying acquisition will be completed within the term of the Second Extension or the Third Extension if approved by the holders of Class A Restricted Voting Shares.

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

For further information about the accounting policies used by the Corporation, please refer to the Financial Statements and notes thereto as at and for the three and nine months ended September 30, 2023. The Financial Statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("**IASB**"). In addition, the Financial Statements have been prepared on a historical cost basis, except for certain financial instruments, which are carried at fair value.

The preparation of Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Certain assumptions were used in determining the fair value of the Class A Restricted Voting Shares and the Warrants at inception.

Critical accounting estimates represent estimates made by management that are, by their very nature, uncertain. Management evaluates its estimates on an ongoing basis. Such estimates are based on assumptions that management believes are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amounts of revenues and expenses that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. A summary of the significant accounting policies used by management in the preparation of its financial information is provided in Note 2 to the Financial Statements.

CONTROLS AND PROCEDURES

Disclosure controls and procedures (as defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, “**DC&P**”) are designed to ensure that information required to be disclosed by the Corporation in the reports it files or submits under securities legislation is recorded, processed, summarized and reported on a timely basis and that such information is accumulated and reported to management, including the Corporation's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow required disclosures to be made in a timely fashion. Internal controls over financial reporting (“**ICFR**”) are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

In the design of its ICFR, the Corporation used the principles set out in the Internal Control – Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission. The Corporation did not make any changes in its ICFR during the quarter ended September 30, 2023 that have had, or are reasonably likely to have, a material effect on its ICFR.

Management recognizes that DC&P, regardless of how well they are designed, cannot provide absolute assurance that desired objectives will be achieved. If an unforeseen event occurs in the future relating to DC&P or ICFR, the Corporation intends to take the necessary actions to minimize potential consequences. The Corporation also intends to continue to review and evaluate its DC&P on an ongoing basis, and to implement revisions with respect thereto that it deems appropriate.

MANAGING RISK

Except as otherwise disclosed in this MD&A, the Financial Statements and the most recently filed Annual Information Form of the Corporation, there have been no significant changes to the nature and scope of the risks faced by the Corporation as described in the Prospectus, which is available on the Corporation's profile on SEDAR at www.sedarplus.ca. Such business risks should be considered by interested parties when evaluating the Corporation's performance and its outlook.