



**Management's Discussion and Analysis**  
For the nine months ended March 31, 2021

This Management's Discussion and Analysis ("MD&A") is provided to enable a reader to assess the financial position and results of operations of Axiom Capital Advisors Inc. (the "Company", or "Axiom") for the period ended March 31, 2021.

This MD&A should be read in conjunction with Axiom's financial statements for the period ended March 31, 2021, together with the accompanying notes found therein.

This document presents the views of management as at May 25, 2021. Additional information on Axiom can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

Information contained in the Management Discussion and Analysis ("MD&A") is presented on the same basis as the financial statements and was prepared in accordance with International Financial Reporting Standards ("IFRS") and is presented in Canadian dollars, Axiom's functional currency.

## **FORWARD-LOOKING STATEMENTS**

The MD&A contains certain forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management's expectations regarding the Company's financial condition, growth, results of operations, performance, financial needs, business prospects and opportunities. Forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target" or the negative of these terms or other comparable terminology intended to identify forward-looking statements.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward looking statements included in this MD&A, the Company has made various material assumptions, including but not limited to ongoing CRA policies that are favourable to the Company's business model, current market competition, general business and economic conditions, and the Company's ability to successfully execute its plans and intentions. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and we cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, readers should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including, among other things, changes in government monetary, fiscal and economic policies; changes in general economic conditions; legislative and regulatory developments; competition.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements.

There have been no events or circumstances that have occurred during the period to which the MD&A relates, or to a period that is not yet complete, that are reasonably likely to cause actual results to differ materially from the forward-looking information identified in this MD&A.

The Company's forward-looking statements are based on the reasonable beliefs, expectations and opinions of management on the date of this Prospectus (or as of the date they are otherwise stated to be made). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. We do not undertake to update or revise any forward-looking statements, except as, and to the extent required by, applicable securities laws in Canada.

## **COMPANY BACKGROUND AND DESCRIPTION OF THE BUSINESS**

Axiom was incorporated on January 28, 2020 pursuant to the provisions of the Business Corporations Act (Alberta), with its head office and registered office located at 210, 2020 – 4 Street SW, Calgary, Alberta, T2S 1W3. The Company's first fiscal year end was June 30, 2020. The Company is a subsidiary of Axiom Advisors Inc.

The Company listed its shares on the Canadian Securities Exchange (CSE) on August 13, 2020 (Symbol "ACA").

The main business of the Company is to sell a minority interest in the subsidiaries it forms to arms-length purchasers ("Purchasers"), which allows debt securities of the subsidiaries to be eligible for registered savings plans. The Company refers to this process as "Rent-A-Subco" in its marketing materials. A registered savings plan is a registered retirement savings plan, registered education savings plan, registered retirement income fund, a locked-in retirement account or a tax-free savings account. The Purchasers use the capital raised at their own discretion, without reliance on the management or resources of the Company. The Company's management and capital are not committed to these subsidiaries, nor does the Company receive any economic benefit from the operations of the subsidiaries.

Although Axiom's legal control over the subsidiaries is not restricted, agreements with subsidiaries define the permissible fees that the Company may charge. Additionally, the agreements forbid the Company from receiving additional compensation, including but not limited to dividends, from the subsidiaries and any change to such an agreement would require approval by the minority shareholders of the subsidiary. As the Company cannot use its power over the subsidiaries to affect the amount of its return, it does not meet the definition of control under IFRS 10, and therefore it does not consolidate or otherwise report the financial statements of its subsidiaries.

Axiom also offers administrative services to companies raising capital, which involves the management of the fund-raising process, processing of securities documents and payments to the investors. Axiom does not raise capital for these companies.

## RESULTS OF OPERATIONS

Axiom has one administrative contract with Pacific Pier Projects Inc. The contract is for 36 months, with an effective date of February 1, 2020 and pays the Company \$5,000 per month for its services. The Company acquired the administration agreement from Axiom Advisors Inc., a corporation controlled by officers and directors of the Company, for \$125,000. The Company issued 5,000,000 Class A shares at a price of \$0.025 per share as consideration. Pacific Pier Projects Inc. has had its project delayed and so the parties have agreed to delay the payments to the Company for up to six months. The Company expects to continue the monthly billing for specified services on or before July 1, 2021.

During the quarter ending December 31, 2020, the Company sold its first Subco under its Rent-a-Subco program and has entered into discussions with other groups interested in this program, however no additional Subcos have been sold.

Having obtained its listing on the CSE on August 13, 2020, Axiom is focused on marketing its services through webinars, video and other electronic formats, including direct contact with lawyers, accountants and similar groups that advise companies in the capital raising process. Based on the response, the webinars and the direct contacts appear to be achieving the goal of raising interest in the Company's products and services.

The Company has not declared any dividends or made any distributions since incorporation. It is the Board's plan, subject to future financial growth and profitability, to pay annual dividends. The amount will be determined annually by the Board. Furthermore, the Company has not paid any executive salaries.

## SIGNIFICANT ACCOUNTING POLICIES

A complete summary of the Company's significant accounting policies is provided in the consolidated financial statements for the year ended June 30, 2020. The accounting policies in the unaudited condensed interim consolidated financial statements for the nine months ended March 31, 2021 are consistent with those applied in the consolidated financial statements for the year ended June 30, 2020.

## CRITICAL JUDGEMENTS AND ESTIMATES

The preparation of the condensed interim consolidated financial statements requires that the Company's Management to make assumptions and estimates of effects of uncertain future events on carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual future outcomes could differ from present estimates and assumptions, potentially having material future effects on the Company's consolidated financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The Company is also required to make critical judgements in applying certain accounting policies. The critical judgements and estimates applied in the preparation of the Company's condensed interim consolidated financial statements for the nine months ended March 31, 2021 are consistent with those applied and disclosed in its audited consolidated financial statements for the year ended June 30, 2020.

## SELECTED FINANCIAL INFORMATION

The following selected financial information is derived from the financial statements of the Company for the period ended March 31, 2021 and June 30, 2020 (balances only); no other prior period comparison activity has been provided since the Company was not incorporated during the reporting period in the prior year.

### Balance sheet highlights

	As at March 31, 2021	As at June 30, 2020
Net working capital	(\$6,734)	\$2,666
Total current assets	\$26,133	\$47,727
Total assets	\$102,525	\$155,367
Total current liabilities	\$32,867	\$45,061
Total shareholders' equity	\$69,658	\$110,306

The purchase of the administration agreement is recorded as an intangible asset on the financial statements. As of March 31, 2021, the intangible asset is carried at cost of \$125,000 less accumulated amortization of \$48,608 for a net asset value of \$76,392 and is amortized on a straight-line basis over the estimated useful life of 36 months.

### Cash flow highlights

	For the nine months ended March 31, 2021	For the six months ended December 31, 2020	For the three months ended September 30, 2020
Net cash provided (used) by:			
Operating activities	\$(44,430)	\$(44,924)	\$(38,017)
Financing activities	-	-	-
Investing activities	-	-	-
Increase (decrease) in cash	(44,430)	(44,924)	(38,017)
Cash beginning of period	47,727	47,727	47,727
Cash at end of period	\$3,297	\$2,803	\$9,710

### Income statement highlights

	For the nine months ended March 31, 2021	For the six months ended December 31, 2020	For the three months ended September 30, 2020
Revenue	<b>\$40,000</b>	\$40,000	\$15,000
Expenses	<b>80,648</b>	58,362	29,380
Net and comprehensive loss	<b>\$(40,648)</b>	\$(18,362)	\$(14,380)
Income per share basic and diluted	<b>\$(0.006)</b>	\$(0.003)	\$(0.002)

#### ***Three Month Period Ended March 31, 2021***

There was no revenue during this three month period.

Expenses include amortization of intangible asset of \$10,416, professional fees of \$11,846, regulatory fees of \$3,450 incurred by the Company in connection with it's listing on the CSE, and rent costs of \$5,100.

The Company did not pay any executive salaries for this three month period.

#### ***Nine Month Period Ended March 31, 2021***

Revenue of \$40,000 is comprised of \$30,000 from the administration agreement with Pacific Pier Projects Inc. and \$10,000 from the sale of a Subco.

Expenses include amortization of intangible asset of \$31,248, professional fees of \$11,846, regulatory fees of \$13,295 incurred by the Company in connection with it's listing on the CSE, and rent costs of \$15,300.

The Company did not pay any executive salaries for the period.

### SHARE CAPITAL

The Company is authorized to issue an unlimited number of voting Class A Common Shares. As at March 31, 2021 the Company has 6,472,100 voting Class A Common Shares; no shares were issued during the three month period ending March 31, 2021.

As of March 31, 2021, there are 5,043,690 Class A Common Shares owned by the directors that are held in escrow.

**RELATED PARTY TRANSACTIONS****Key management compensation**

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and includes both executive and non-executive directors. The Company considers all of its directors and executive management team members to be key management personnel. The Company paid \$nil in management compensation for the nine month period ended March 31, 2021.

**BUSINESS RISKS****Executive Management**

Axiom is dependent on members of its senior management and non-executive directors. A loss of one or more of these individuals could adversely affect Axiom's business. Axiom has minimized the impact of losing any one individual by cross-training senior management to assume a variety of roles within the Company.

**Regulation**

The Company is subject to various laws and regulations; any changes to these statutes, or court decisions, regarding their application could negatively impact the Company. Specifically, Axiom's business model and shared ownership of its subsidiaries with third party Purchasers is reliant on regulations under the Income Tax Act, and there can be no assurance that the governments or regulators will not adopt laws or regulatory requirements that could adversely affect this line of business.

**Credit risk**

Credit risk arises from the potential that a counterparty will fail to perform its contractual obligations and arises principally from the Company's receivables from customers and cash bank balances. The carrying amount of accounts receivable represents the maximum credit exposure. As of March 31, 2021, the Company had \$22,836 in accounts receivable.

At period end, the Company had \$3,297 in cash bank balances. The Company manages the credit exposure related to cash by selecting financial institutions with high credit ratings. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure it will have sufficient liquidity to meet its liabilities when due. The Company's ongoing liquidity will be impacted by various external events and conditions. Management regularly reviews future cash requirements to ensure adequate funds are available.

At period end, the Company had \$5,290 in accounts payable and accrued liabilities and a working capital deficit of \$6,734.

### **COMMITMENTS**

The Company has no lease agreements or commitments for the period ended March 31, 2021.

### **SUBSEQUENT EVENTS**

There were no subsequent events to report.