



Canso Select Opportunities Corporation

April 13, 2020

CSOC Shareholders,

It is my pleasure to provide you with the 2019 Annual Report of Canso Select Opportunities Corporation.

This is CSOC's second Annual Report operating as a publicly traded company. Its publication comes as the world deals with the physical, emotional and economic challenges and devastation of COVID-19. The ultimate human and economic toll exacted by the Coronavirus will only crystallize months, if not years, from now. At CSOC, working remotely and self isolating, we continue to focus on the execution of our mission, creating long-term value for CSOC's shareholders.

Consistent with this mission the Corporation's Investment Committee evaluates potential investments in debt, public and private equity and other securities. The deployment of funds to new investments depends on the valuation of new investment opportunities and the availability of capital generated from the realization of proceeds from existing portfolio investments. The generation of capital through portfolio sales, combined with interest and dividend income earned should permit the eventual return of capital to shareholders through dividends over the long-term.

CSOC's corporate structure provides a permanent capital base allowing the realization of value from its existing portfolio over time. In 2019 we continued the long-term value creation process. The sale of a portion of CSOC's investment in BZ Holdings at the end of 2018 and Hubba in mid-2019 generated proceeds of \$3.3 million. CSOC deployed these proceeds across a range of investments. These investments included preferred shares of high-quality companies BCE, Enbridge and Manulife, bonds of Ford Credit Canada, Kraft Heinz, Maxar Technologies and Stuart Olsen and common shares of private companies Brill Power, HashTag Paid and Reformulary Group.

At our upcoming Annual General and Special Meeting we are asking minority shareholders to approve the sale of additional shares of Hubba for proceeds of U.S.\$1.8 million. Completion of this transaction would accomplish two critical objectives. First, the reduction of Hubba's proportionate share of the CSOC portfolio to 6% from 25%, a prudent risk management measure. Secondly, the release of capital, which when combined with proceeds from the exercise of Xplornet warrants, and subsequent proposed sale of Xplornet shares, provides capital to continue the execution of CSOC's long-term value creation strategy.

I would like to thank the Officers and Directors of CSOC for their efforts on behalf of CSOC and CSOC shareholders this year. I would like to thank shareholders for their continued patience and support of CSOC's management team.



I am confident that in the months and years to come the marketplace will come to value CSOC's shares commensurate with the value and potential value of CSOC's investment holdings. Importantly Officers and Directors of CSOC, through direct and indirect holdings, comprise the most significant shareholder group of CSOC aligning their interests with all shareholders. Our focus is creating value over the long- term and as such while not pleased with CSOC's current share price we are not despondent either.

We made progress during 2019. We look forward to continuing this progress during 2020. I thank all of you for your interest in, and support of, Canso Select Opportunities Corporation.

On behalf of CSOC's Board of Directors

Sincerely,

Brian Carney
President and CEO

Forward-Looking Statements

Certain information contained in this Annual Report constitutes forward-looking information, which is information relating to possible events, conditions or results of operations of CSOC, which are based on assumptions about future economic conditions and courses of action and which are inherently uncertain. All information other than statements of historical fact may be forward-looking information. For important information regarding forward-looking statements, please refer to CSOC's most recently filed MD&A under the heading "Forward-Looking Statements".