



**Nova Leap Health Corp.**

**Management Discussion & Analysis  
For the three months ended March 31, 2018**

**NOVA LEAP HEALTH CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2018**

**BACKGROUND**

This Management's Discussion and Analysis ("MD&A") of Nova Leap Health Corp. ("Nova Leap" or "the Corporation") is dated May 28, 2018 and provides an analysis of the Corporation's operations for the periods ended March 31, 2018 and 2017. This MD&A should be read in conjunction with the condensed interim consolidated financial statements and accompanying notes for the three months ended March 31, 2018 and 2017 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the audited consolidated financial statements for the year ended December 31, 2017. All amounts are in United States dollars ("USD") unless otherwise specified. The financial statements and additional information relating to Nova Leap are available on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com) under the Corporation's profile. The common shares of Nova Leap are traded on the TSX Venture Exchange under the symbol "NLH".

**FORWARD-LOOKING INFORMATION**

Certain statements in this MD&A are forward-looking statements or information (collectively, "forward-looking statements"). Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook"), including statements regarding Nova Leap's business objectives and strategies, including those described under the headings "Corporation Overview", "Operations Overview" and "Nova Leap's Strategy", expected recurring client service hours, expectations for future financing activities, and intentions relating to the payment of dividends, are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

By their nature, forward-looking statements involve numerous assumptions (including assumptions in connection with the continuance of Nova Leap and its subsidiaries as a going concern, its ability to integrate its acquired businesses and general economic and market conditions), inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors many of which are beyond the control of Nova Leap, that could influence actual results include, but are not limited to: lack of operating history; regulatory risks; substantial capital and liquidity requirements; financing risks and dilution to shareholders; competition; reliance on management and dependence on key personnel; conflicts of interest of management; exposure to potential litigation, and other factors beyond the control of Nova Leap. See "Risk and Uncertainties" and Nova Leap's continuous disclosure materials filed from time to time on SEDAR for more information on risk factors applicable to Nova Leap.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, Nova Leap undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statements are made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of Nova Leap or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Any financial outlook or future-oriented financial information in this MD&A has been approved by management of Nova Leap as of the date of this MD&A. Such financial outlook or future oriented financial information is provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that such outlook or information should not be used for purposes other than for which it is disclosed in this MD&A.

**USE OF NON-IFRS FINANCIAL MEASURES**

This MD&A contains references to certain measures that do not have a standardized meaning under IFRS as prescribed by the International Accounting Standards Board ("IASB") and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement IFRS measures by providing a further understanding of operations from management's perspective. Accordingly, non-IFRS financial measures should not be considered in isolation or as a substitute for analysis of

financial information reported under IFRS. The Corporation presents non-IFRS financial measures, specifically, Gross Margin, EBITDA and Adjusted EBITDA (as each of such terms are hereinafter defined). The Corporation believes these non-IFRS financial measures are frequently used by lenders, securities analysts, investors and other interested parties as measures of financial performance and it is therefore helpful to provide supplemental measures of operating performance and thus highlight trends that may not otherwise be apparent when relying solely on IFRS financial measures.

The Corporation's definitions of Gross Margin, EBITDA and Adjusted EBITDA are as follows:

- Gross margin is service revenue less cost of services; and
- Earnings before interest, taxes, depreciation and amortization ("EBITDA"), is calculated as the net loss, before interest expense, net of interest income, income tax expense and amortization.
- Adjusted EBITDA is defined as EBITDA before acquisition and transaction costs, loss from disposal of assets, impairments, and stock-based compensation expense.

## **CORPORATION OVERVIEW**

The Home Care Providers industry is becoming one of the fastest growing healthcare industries in Canada and the United States. Home care saves patients billions of dollars every year by treating them in their own homes instead of in hospitals. An aging population, the prevalence of chronic disease, growing physician acceptance of home care, medical advancements and a movement toward cost-efficient treatment options from public and private payers have all fostered industry growth. Nova Leap is focused on a highly fragmented market of small privately-held companies providing patients one on one care in their homes. Nova Leap's post acquisition organic growth strategy is to increase annual revenue per location through a combination of increased employee investment, including training, focused sales and marketing efforts, billing rate increases, expansion of geographical coverage, and improved referral sources. As of the date of this MD&A, Nova Leap has operations in Massachusetts, Rhode Island, New Hampshire and Vermont. The Corporation intends to continue its growth strategy through acquisitions, while pursuing organic growth opportunities and implementing operational efficiencies in existing operations.

Nova Leap was incorporated pursuant to the Canada Business Corporations Act ("CBCA") on November 16, 2015 and completed its initial public offering ("IPO") on April 26, 2016. From the date of the IPO until October 13, 2016, the principal business of the Corporation was the identification, evaluation and completion of a Qualifying Transaction ("QT") pursuant to Exchange Policy 2.4 – Capital Pool Companies. The Corporation spent this period investigating prospective acquisitions and devoted all its efforts to securing and establishing a new business. Accordingly, no operating revenue had been derived during the period from November 16, 2015, date of incorporation, to October 13, 2016.

On October 13, 2016, the Corporation completed its QT by acquiring the home care assets of Northern Family Home Care, Inc. ("NFHC") located in New Hampshire, USA for a total purchase price of \$240,000. In relation to the completion of the QT, on October 25, 2016, the Corporation completed a non-brokered private placement by the issuance of convertible debentures for proceeds of \$186,529 (\$250,000 CAD). The debentures were all repaid in cash in 2017.

The consolidated financial statements and MD&A include the accounts of the Corporation and its United States subsidiaries, Nova Leap Health Corp. Holdings, Inc, Nova Leap Health NH, LLC, Nova Leap Health RI, Inc., Nova Leap Health MA, Inc., Nova Leap Health MA II, Inc. and Armistead Home Care, LLC. The registered head office of the Corporation is located at 37 Wentworth Street, Unit 104, Dartmouth, NS B2Y 2S9, Canada.

### ***Highlights for 2018***

- In January 2018, Nova Leap completed a non-brokered private placement for proceeds of \$382,386 USD (\$475,000 CAD) by the sale of units of the Corporation at a price of \$0.20 CAD per unit. Each unit was comprised of one common share of the Corporation and a one-half common share purchase warrant. Two half-warrants entitle the holder to acquire one common share of the Corporation for \$0.35 CAD for a period of 24 months from the closing date of this private placement.
- In January 2018, Nova Leap granted 1,485,000 incentive stock options to directors, officers, employees and consultants of the Corporation. The stock options are exercisable for a period of 10 years at an exercise price of \$0.25 CAD per share and vest 25% immediately and 25% on each anniversary date of the stock option grant date.
- On February 22, 2018, the Corporation closed a brokered private placement and raised gross proceeds of \$1,350,845 (\$1,711,250 CAD) through the issuance of 6,845,000 Units at a price of \$0.25 CAD per unit. Each unit is comprised of one common share of the Corporation and a one-half common share purchase warrant. Two half warrants entitle

the holder to acquire one common share of the Corporation for \$0.375 CAD for a period of 24 months from the closing date. All securities issued pursuant to the private placement are subject to a 4 month hold period that expires on June 21, 2018. The Corporation paid the Agents a corporate finance fee of which \$15,788 (\$20,000 CAD) was paid through the issuance of 80,000 Common Shares at a deemed price of \$0.25 per Common Share.

- In February 2018, Nova Leap completed the acquisition of the business assets of Family Tree Home Care, Inc. (“Family Tree”) located in Shrewsbury, Massachusetts for \$2,100,000. The purchase price for the acquisition was paid with \$450,000 in cash, a demand loan of \$1,350,000 from a Canadian Schedule 1 Bank, and a \$300,000 promissory note issued to the Vendor. Family Tree operates as a private duty home care agency offering non-medical services for families in Massachusetts. Revenues for the years ended 2017 and 2016 were \$3,230,000 and \$3,450,000, respectively.

### ***Highlights Subsequent to March 31, 2018***

- Nova Leap announced that it has appointed Haywood Securities Inc. (“Haywood”) and Gravititas Securities Inc. (“Gravititas”) together as Co-Lead Agents on behalf of a syndicate of agents to be formed (collectively, the “Agents”) to sell, by way of a private placement on a best efforts basis, up to 13,333,333 common shares of the Corporation’s at a price of \$0.30 CAD per common share (the “Issue Price”) for gross proceeds of up to \$4,000,000 CAD (the “Offering”). The Agents have been granted the option to sell up to an additional 3,333,333 Common Shares at the Issue Price, exercisable in whole or in part at any time up to 48 hours prior to the closing of the Offering. The Corporation will, upon the closing of the Offering: 1) pay the Agents a cash commission equal to 8.0% of the gross proceeds of the Offering, except in respect of any subscriptions by purchasers on the President’s List, which will only have a cash commission equal to 2.0% of the gross proceeds from the sale of Common Shares under the Offering; and 2) issue to the Agents compensation options equal to 8.0% of the Common Shares sold to purchasers not listed on the President’s List and 2.0% of the number of common shares sold to purchasers listed on the President’s List, subject to compliance with all required regulatory approvals. The compensation options shall have an exercise price per compensation option that is equal to the Issue Price and have a term of 24 months from the closing date of the Offering.
- Nova Leap closed the first tranche of the brokered private placement on April 13, 2018 for gross proceeds of \$798,643 (\$1,006,050 CAD) by the sale of 3,353,499 common shares of the Corporation at a price of \$0.30 CAD per Common Share
- Nova Leap completed the acquisition of the business assets of Home Health Solutions, Inc. located in Holyoke, Massachusetts for \$1.2 million. The purchase price for the acquisition was paid with \$1 million in cash, partially financed by a demand loan of \$0.75 million from a Canadian Schedule 1 Bank, and a \$0.20 million promissory note issued to the Vendor.
- On March 28, 2018, the Corporation entered into an agreement to acquire all the issued and outstanding share capital of a company in Eastern Canada, for approximately \$2,750,000 CAD plus closing adjustments. The acquisition is expected to close during the Corporation’s second quarter and will be paid for in cash, and partially financed by proceeds from the sale of common shares and debt financing.

### **NOVA LEAP’S STRATEGY**

Nova Leap will continue with its strategy of acquiring home care companies and will consider opportunities in both the United States and Canada. Nova Leap now plans to complete up to five acquisitions in 2018 and has completed two acquisitions as of the date of this MD&A (see “Highlights Subsequent to March 31, 2018”). Achieving the Corporation’s plans remains dependent on Management’s ability to acquire profitable home care businesses and to raise adequate funds to complete such acquisitions.

Post-acquisition, Nova Leap’s strategy is to enhance all businesses through the following:

- 1) Enhancement of sales and marketing strategies;
- 2) Implementation of efficiencies around payroll, scheduling, billing and accounting and human capital;
- 3) Increased investment in staff and staff training;
- 4) Expansion of services, partnerships and existing geographical coverage;
- 5) In-State organic expansion by increased office location footprint; and
- 6) Implementation of risk management policies.

## OPERATIONS OVERVIEW

The Corporation through its subsidiaries provides the following services to clients and families:

- Companionship;
- Cooking and meal preparation;
- Light housekeeping;
- Respite care;
- Transportation service;
- Personal care;
- Medication reminders; and
- Medication administration by nursing staff.

The Corporation currently services clients in the states of Rhode Island, New Hampshire, Vermont and Massachusetts from six office locations under various brands.

Services are generally paid directly by clients, the Department of Veteran Affairs or through long term care insurance coverage. Services are provided in private homes, assisted living communities, hospitals, nursing homes and rehabilitation centers.

### *Client service hours*

Consolidated actual client service hours of the Corporation were as follows (by quarter):

<b>Mar 31, 2018</b>	<b>Dec 31, 2017</b>	<b>Sep 30, 2017</b>	<b>Jun 30, 2017</b>
49,797	33,698	3,506	1,780
<b>Mar 31, 2017</b>	<b>Dec 31, 2016</b>	<b>Oct 31, 2016</b>	<b>Jul 31, 2016</b>
1,636	1,227	630	-

The client service hours include those of Littleton, New Hampshire for the period from October 13, 2016 onward, from its operations in Rhode Island for the period from September 22, 2017 onward, from its operations in South Burlington, Vermont and Lebanon, New Hampshire for the period from October 6, 2017, and from its operations in Shrewsbury, Massachusetts for the period from February 23, 2018 onward.

Based on the first quarter 2018 actual hours, the expected annualized recurring client service hours for current operations are approximately 280,000. The acquisition of Home Health Solutions, when combined with existing Nova Leap subsidiaries, is expected to result in 350,000 annualized recurring client service hours.

## SELECTED ANNUAL INFORMATION

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Service revenue	1,059,845	39,991
Loss from operating activities	(907,150)	(515,240)
EBITDA	(871,559)	(511,996)
Adjusted EBITDA	(649,247)	(310,022)
Net loss	(851,609)	(489,519)
Net loss per share – basic and diluted	(0.04)	(0.04)
Total assets	2,914,446	391,466
Total current liabilities	1,092,898	67,804
Long-term financial liabilities	-	178,280

*Reconciliation of Non-IFRS Measures*

	2017	2016
	\$	\$
<b>Loss from operating activities</b>	<b>(907,150)</b>	<b>(515,240)</b>
Amortization	35,591	3,244
<b>EBITDA</b>	<b>(871,559)</b>	<b>(511,996)</b>
Acquisition costs	218,421	56,604
Impairment	3,891	51,056
Stock-based compensation	-	94,314
<b>Adjusted EBITDA</b>	<b>(649,247)</b>	<b>(310,022)</b>

**RESULTS OF OPERATIONS**

For the periods ended March 31, 2018 and 2017, the Corporation reported a net loss of \$438,742 and \$158,809, respectively. This represents a loss of \$0.01 per share for each of the periods. The operating results include the results of operations for the periods ended March 31, 2018 and 2017 for the parent company, Nova Leap Health Corp., but only the results from operations from the operations in Littleton, New Hampshire for the period from October 13, 2016 onward, from its operations in Rhode Island for the period from September 22, 2017 onward, from its operations in South Burlington, Vermont and Lebanon, New Hampshire for the period from October 6, 2017, and from its operations in Shrewsbury, Massachusetts for the period from February 23, 2018 onward.

	March 31,	
	2018	2017
	\$	\$
<b>Service revenue</b>	<b>1,265,021</b>	40,131
<b>Cost of service revenue</b>	<b>820,477</b>	26,607
<b>Gross margin</b>	<b>444,544</b>	13,524
<b>Corporate and administrative expenses</b>	<b>704,360</b>	177,972
<b>Loss from operating activities</b>	<b>259,816</b>	164,448
<b>Net finance and acquisition related expenses</b>	<b>200,004</b>	4,101
<b>Deferred income tax recovery</b>	<b>(21,078)</b>	(9,740)
<b>Net loss</b>	<b>438,742</b>	158,809

Nova Leap generates home care revenues by providing services directly to clients. The Corporation receives payments for providing services from private individuals, the Department of Veteran Affairs or through long term care insurance coverage. Revenue is recognized at an hourly rate specified in client agreements and recognized as revenue at the time services are rendered. The Corporation earned \$1,265,021 and \$40,131 for the periods ended March 31, 2018 and 2017.

In the home care industry, cost of services is comprised of employee compensation which is generally variable where caregivers are paid on an hourly basis along with related payroll expenses and workers compensation expense. Cost of services for the Corporation was \$820,477 and \$26,607 for the periods ended March 31, 2018 and 2017, respectively.

The corporate and administrative expenses include professional fees, consulting fees and salary for officers and employees, regulatory and transfer agent fees related to costs associated with operating a public company along with costs related to the ongoing management of home care operations and costs related to the continued efforts for identification and evaluation of additional acquisitions.

**The Corporation's business activities are conducted through three segments:**

The three operating segments are Rhode Island ("RI"), Vermont/New Hampshire ("VT/NH"), and Massachusetts ("MA"). In identifying operating segments, management generally follows the Corporation's geographic regions for which discrete financial information is available and regularly evaluated by the chief operating decision maker. Currently the three locations are operated and evaluated separately until further locations are added.

Corporate assets which are not directly attributable to the business activities of the operating segment are not allocated to the segment. This primarily applies to the Corporation's head office.

*For the period ended March 31, 2018*

	VT/NH	RI	MA	Corporate	Total
	\$	\$	\$	\$	\$
Segment revenues (all from external customers)	457,565	434,587	372,869	-	1,265,021
Cost of services	264,993	279,383	276,101	-	820,477
Gross Profit	192,572	155,204	96,768	-	444,544
General & administrative	238,137	153,612	63,891	(248,720)	704,360
Segment operating income (loss)	(45,565)	1,592	32,877	(248,720)	(259,816)
EBITDA	(32,003)	20,085	64,438	(248,720)	(196,200)
Adjusted EBITDA	(27,988)	22,776	64,438	(172,520)	(113,294)

*Reconciliation of Non-IFRS Measures*

	VT/NH	RI	MA	Corporate	Total
	\$	\$	\$	\$	\$
Segment operating income (loss)	(45,565)	1,592	32,877	(248,720)	(259,816)
Amortization	13,562	18,493	31,561	-	63,616
EBITDA	(32,003)	20,085	64,438	(248,720)	(196,200)
Stock-based compensation	2,690	2,691	-	76,200	81,581
Impairment/ Loss	1,325	-	-	-	1,325
Adjusted EBITDA	(27,988)	22,776	64,438	(172,520)	(113,294)

The operating segments in VT/NH and MA both had an operating loss for the three months ended March 31, 2018 but Adjusted EBITDA was positive for the MA segment when adjusting for non-recurring acquisition costs. The loss for VT/NH was expected as the operations were in a loss position when Nova Leap acquired the assets. Management is making strategic changes in the VT/NH segment and expects to see positive Adjusted EBITDA by the fourth quarter. Nova Leap is beginning to realize economies of scale in the operations and will continue to do so as new operations are integrated through shared resources.

*For the period ended March 31, 2017*

	VT/NH	Corporate	Total
	\$	\$	\$
Segment revenues (all from external customers)	40,131	-	40,131
Cost of services	26,607	-	26,607
Gross Profit	13,524	-	13,524
General & administrative	37,874	140,098	177,972
Segment operating loss	(24,350)	(140,098)	(164,448)
EBITDA	(23,691)	(140,098)	(163,789)
Adjusted EBITDA	(20,865)	(140,098)	(160,963)

### Reconciliation of Non-IFRS Measures

	VT/NH	Corporate	Total
	\$	\$	\$
Segment operating loss	(24,350)	(140,098)	(164,448)
Amortization	659	-	659
EBITDA	(23,691)	(140,098)	(163,789)
Impairment	2,826	-	2,826
Adjusted EBITDA	(20,865)	(140,098)	(160,963)

Operating activities began for the Corporation after it completed its QT on October 13, 2016 and it incurred an operating loss for the NH segment but had positive Adjusted EBITDA.

### SUMMARY OF QUARTERLY RESULTS

A summary of quarterly results is included in the table below. The financial information is extracted from or derived from the Corporation's unaudited interim consolidated financial statements and conform with IFRS. In 2016, the Board of Directors changed the Corporation's fiscal year end from October 31 to December 31 to facilitate efficiencies in the administration, accounting and production of the annual audited financial statements.

For details regarding the length and ending dates of the financial periods, including the comparative periods, of the interim and annual financial statements to be filed for the Corporation's transition year and its new financial year, reference is made to the Notice of Change of Fiscal Year End filed by the Company on SEDAR pursuant to National Instrument 51-102.

	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017
	\$	\$	\$	\$
Revenue	1,265,021	891,196	88,682	39,836
Net loss	438,742	260,742	268,004	164,063
Net loss per share				
- Basic and diluted	0.01	0.01	0.01	0.01
	Mar 31, 2017	Dec 31, 2016	Oct 31, 2016	Jul 31, 2016
	\$	\$	\$	\$
Revenue	40,131	26,603	13,388	-
Net loss	158,800	118,142	187,874	79,792
Net loss per share				
- Basic and diluted	0.01	0.01	0.01	0.01

The Corporation's QT closed in October 2016 and active operations began with the acquisition of Northern Family Home Care resulting in revenues recorded for the later part of October 2016 through March 31, 2018. The Corporation also recorded revenues from AAHC for the period from acquisition date, September 22, 2017 to March 31, 2018, for Armistead for the period from October 6, 2017 to March 31, 2018 and for Family Tree for the period from the acquisition date, February 23, 2018 to March 31, 2018 which results in significantly higher revenue for the fourth quarter of 2017 and the first quarter of 2018. The net loss to date primarily relates to the ongoing Head Office expenses, acquisition expenses and expenses related to ongoing evaluation of opportunities.

### CASH FLOWS, LIQUIDITY AND CAPITAL RESOURCES

#### Operating Activities

The Corporation's cash used in operating activities was \$706,123 for the three months ended March 31, 2018 as compared to \$53,358 for the three months ended March 31, 2017. The operating activities for the periods ended March 31, 2018 and 2017 were primarily corporate and administrative costs (professional fees, consulting fees and salary, regulatory and transfer agent fees, etc.) related to costs associated with operating a public company and acquisition expenses along with the ongoing management of home care operations, the continued efforts for identification, evaluation and completion of the additional acquisitions.



### *Financing Activities*

The Corporation's cash provided by financing activities was \$2,812,243 for the three months ended March 31, 2018. Financing activities for the period was the issuance of Units through private placements, for aggregate proceeds net of issue costs of \$1,551,372, proceeds from the exercise of Agents options of \$27,075 and proceeds from a demand loan for proceeds net of transaction costs of \$1,299,291 offset by principal and interest payments on the demand loan of \$65,495.

The Corporation's cash provided by financing activities for the three months ended March 31, 2017 was \$471,978. Financing activities for the period were proceeds from the issuance of shares, net of share issue costs offset by repayment of convertible debentures.

### *Investing Activities*

The Corporation's cash used in investing activities for the three months ended March 31, 2018 was \$1,800,000 for the acquisition of Family Tree and \$19,422 related to the purchase of an automobile at the VT/NH location.

### *Liquidity*

The consolidated financial statements have been prepared on the basis of International Financial Reporting Standards applicable to a going concern, which assumes the realization of assets and settlement of liabilities in the normal course of business. Continuing operations as intended are dependent on management's ability to raise required funding through future issuances of equity or debt, its ability to acquire targets or business interests and develop profitable operations or as combination thereof, which is not assured.

As at March 31, 2018, the Corporation had negative working capital of approximately \$1.4 million including a \$1.8 million demand loan that is classified as a current liability due to its demand feature. The Corporation raised an additional \$798,643 through a non-brokered private placement that closed in April 2018 which was used to partially fund the purchase of Home Health Solutions and for working capital purposes. The Corporation also has a brokered private placement open for an additional \$3 million CAD that is expected to close in the second quarter of 2018. The Corporation currently has enough cash to meet its obligations as they come due including scheduled loan payments but will require financing for future acquisitions and to fund head office working capital.

The Corporation's expectations assume that the Corporation will realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or, if available, that such financing will be on acceptable terms. If adequate financing is not available when required, the Corporation may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Corporation may seek such additional financing through debt or equity offerings. Any equity offering will result in dilution to the ownership interests of the Corporation's shareholders and may result in dilution to the value of such interests.

The Corporation's future revenues are expected to be from home care-based businesses.

### *Capital Resources*

The Corporation had 1,721,250 stock options exercisable and 11,827,350 warrants outstanding at March 31, 2018, which could, potentially bring in additional financing upon exercise. There is no certainty that the Corporation will receive these stock option or warrant proceeds over time as not all stock options or warrants may be exercised.

## **TRANSACTIONS WITH RELATED PARTIES**

Transactions with related parties were in the normal course of operations and are measured at the exchange amount, which is the amount agreed to by the parties.

Legal services were provided by a firm of which a shareholder of the Corporation is the sole lawyer practitioner. The cost of these services was as follows:

	Period ended	
	March 31, 2018	March 31, 2017
	\$	\$
Share issue costs	1,064	6,416
Professional fees	3,455	2,217
	4,519	8,633

During the periods ended March 31, 2018 and 2017, a company controlled by the CEO billed a total \$4,682 and \$4,475, respectively for the rental of office space.

#### *Key management personnel*

Key management personnel of the Group are members of the Board of Directors, as well as the Chief Executive Officer, the Chief Financial Officer and the Corporate Secretary. Key management personnel remuneration for the periods include the following expenses:

	Period ended	
	March 31, 2018	March 31, 2017
	\$	\$
Consulting fees	95,466	64,425
Directors fees	15,219	-
Stock-based compensation	70,698	-
	181,383	64,425

As at March 31, 2018, there was \$5,102 included in Accounts payable and accrued liabilities for amounts owed to officers of the Corporation (December 31, 2017 – \$167,073) for expense reimbursements and \$15,219 for amounts due to directors for director fees.

#### **OFF BALANCE SHEET ITEMS**

The Corporation has no off-balance sheet arrangements.

#### **OUTSTANDING SHARE DATA**

Authorized capital stock consists of an unlimited number of common shares without nominal or par value.

As at the date of the Management Discussion & Analysis, there were 42,725,599 common shares of the Corporation issued and outstanding of which 4,500,000 were held in escrow. There were also 12,053,829 warrants outstanding and 2,835,000 stock options outstanding as at the date of the MD&A.

#### **ACCOUNTING CHANGES**

The Corporation has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2018. These changes were made in accordance with the applicable transition provisions.

##### *IFRS 15, Revenue from Contracts with Customers*

IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities. The Corporation adopted IFRS 15 in its financial statements for the annual period beginning on January 1, 2018. The Corporation has elected to apply the modified retrospective method on transition, which means that comparative periods have not been restated. On transition, cumulative impacts related to adoption are required to be recognized in opening retained earnings; however, no adjustments were required for the Corporation.

### *IFRS 9, Financial Instruments*

In July 2014, the IASB published IFRS 9 which replaces IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). The replacement of IAS 39 is a three-phase project with the objective of improving and simplifying the reporting for financial instruments. The issuance of IFRS 9 provides guidance on the classification and measurement of financial assets and financial liabilities, and a new hedge accounting model with corresponding disclosures about risk management activity. The Company adopted IFRS 9 in its financial statements for the annual period beginning on January 1, 2018. The adoption of this standard has no financial impact to the Corporation.

### **FUTURE ACCOUNTING STANDARDS ISSUED BUT NOT YET APPLIED**

Several new standards and amendments to standards and interpretations are effective for annual periods beginning on or after January 1, 2019 and have not been applied in preparing the condensed interim consolidated financial statements. Accordingly, the Corporation expects to adopt these standards as set forth below.

### *IFRS 16, Leases*

IFRS 16 was issued by the IASB in January 2016 and supersedes IAS 17, Leases. The new standard brings most leases on the balance sheet for lessees under a single model and eliminates the distinction between operating and finance leases. Lessor accounting remains largely unchanged. IFRS 16 becomes effective for annual periods beginning on or after January 1, 2019. The Corporation is currently evaluating the impact of IFRS 16 on its consolidated financial statements.

### **RISKS AND UNCERTAINTIES**

The following are certain factors relating to the business of the Corporation. These risks and uncertainties are not the only ones facing the Corporation. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently deems immaterial, may also impair operations of the Corporation. If any such risks actually occur, the financial condition, liquidity and results of operations of the Corporation could be materially adversely affected and the ability of the Corporation to implement its plans could be adversely affected.

#### **Lack of Operating History**

The Corporation is a relatively new company with limited operating history. The Corporation was incorporated in November 2015 and completed its first home care business acquisition on October 13, 2016. It has yet to generate a profit from its activities. The Corporation will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Corporation anticipates that it may take several years to achieve positive cash flow from operations.

#### **Substantial Capital Requirements**

Substantial additional funds for the establishment of the Corporation’s planned operations will be required. No assurances can be given that the Corporation will be able to raise the additional funding that may be required for such activities. To meet such funding requirements, the Corporation may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Corporation or at all. If the Corporation is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

#### **Financing Risks and Dilution to Shareholders**

The Corporation has limited financial resources and is in early stages of operations. If the Corporation’s business plan is successful, additional funds will be required. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or that such financing will be available on favorable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Corporation’s shareholders.

#### **Price Volatility of Public Stock**

In recent years, securities markets have experienced extremes in price and volume volatility. The market price of securities of many early stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Corporation’s shares will be subject to market trends generally and the value of the

Corporation's shares on a stock exchange may be affected by such volatility.

### **Economic Conditions**

Unfavorable economic conditions may negatively impact the Corporation's financial viability because of increased financing costs and limited access to capital markets.

### **Dependence on Management**

The Corporation is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Corporation could result, and other persons would be required to manage and operate the Corporation.

### **Conflicts of Interest**

The Corporation's directors and officers may serve as directors and officers or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Corporation may participate, the directors and officers of the Corporation may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Corporation will follow the provisions of the CBCA in dealing with conflicts of interest. These provisions state, where a director/officer has such a conflict, that the director/officer must at a meeting of the board, disclose his interest and refrain from voting on the matter unless otherwise permitted by the CBCA. In accordance with the applicable laws, the directors and officers of the Corporation are required to act honestly, in good faith and in the best interest of the Corporation.

### **Litigation**

The Corporation and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

### **Operations**

#### *Renewal of Home Care License*

To operate a Home Care Service Provider agency in the States of New Hampshire and Rhode Island, a company is required to have a license that is in compliance with the applicable state rules. Such a license is subject to periodic renewal, and as a result there is no assurance or guarantee that the Corporation will pass any future license renewal processes. If the license is not renewed it will impact the ability to generate future profits. The Corporation currently operates under valid licenses.

#### *Competition*

The health care industry is intensely competitive. The Corporation competes with other companies that have greater financial resources. Competition could adversely affect the Corporation's ability to expand in the future.

## **FINANCIAL INSTRUMENTS**

The Corporation has classified its financial instruments as follows:

- Cash and cash equivalents / sales tax recoverable – Loans and receivables
- Accounts receivable – Loans and receivables
- Accounts payable and accrued liabilities - other liabilities
- Demand loan – other liabilities
- Convertible debentures – other liabilities

Loans and receivables, and other liabilities are subsequently measured at amortized cost using the effective interest rate method.

The Corporation is exposed to various risks in relation to financial instruments. The main types of risks are credit risk, liquidity risk and market risk. The Corporation is exposed to the same risk in the current year as it was exposed to in the prior year and in addition is exposed to interest rate risk because of the demand loan that has variable rate interest. The most significant financial risks to which the Corporation is exposed are described below.

### Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example by granting receivables to customers and placing deposits. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the end of the reporting period, as summarized below:

Classes of financial assets – carrying amounts	March 31, 2018	December 31, 2017
Cash and cash equivalents	423,518	\$136,820
Accounts receivable	598,988	269,947
	1,022,506	\$406,767

In respect of trade account receivables, the Group is exposed to a certain level of credit risk as the amounts are uncollateralized. Credit risk for accounts receivable is the risk of loss associated with a client's inability to fulfil its payment obligations. The largest exposure to credit risk is in relation to receivables. The Group mitigates credit risk by both collecting client deposits prior to service for certain clients and actively monitoring the aging of accounts receivable and regularly follows up on overdue accounts. As at March 31, 2018, the Group had \$87,022 collected for client deposits (approximately 15% of outstanding accounts receivable, billed and accrued) (December 31, 2017 - \$99,463). Management believes that counterparty concentrations are in the normal course of business and are not unusual.

The credit risk for cash and cash equivalents is considered low as the Group maintains the majority of its cash with a Schedule I bank in Canada.

### Liquidity risk

Liquidity risk is the risk that the Group might be unable to meet its current and future obligations. The Group's approach to managing liquidity risk is to closely monitor working capital balances as compared to budgeted upcoming expenses and expected due diligence and acquisition expenses. During the current and previous period, the Group raised funds, primarily through private placement or convertible debt. As at March 31, 2018, the Group had a cash and cash equivalents balance of \$423,518. The Group has a working capital shortfall at March 31, 2018 and the Group's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on the growth of the home care business acquired as well as future support of shareholders through public or private equity offerings. Refer to note 1, Going Concern.

The following table shows the timing of cash outflows relating to its liabilities:

	< 1 year	1-2 years	3-5 years	> 5 years
	\$	\$	\$	\$
Account payable and accrued liabilities	523,606	-	-	-
Demand loan	411,493	406,553	1,113,654	467,735
Promissory note	159,000	154,500	-	-

### Market risk

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, which result from both its operating and financing activities.

#### Foreign currency sensitivity

The Group's operations are carried out in USD. Exposure to currency exchange rates arise from the fact that the Group's equity offerings have been denominated in CAD and will be denominated in CAD for the foreseeable future as the Corporation's shares are listed on a Canadian stock exchange. The Group's exposure to CAD dollar currency risk was as follows:

	March 31, 2018 (CAD)	December 31, 2017 (CAD)
	\$	\$
Cash and cash equivalents	244,360	72,346
Accounts payable & accrual liabilities	(271,123)	(274,793)
	(26,763)	(202,447)

Sensitivity to a plus or minus 1.0% change in the CAD dollar exchange rate would affect net loss and comprehensive loss and deficit by approximately \$200.

#### *Interest rate sensitivity*

As at March 31, 2018, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. Sensitivity to a plus or minus 10% change in the interest rates would affect net loss and comprehensive loss and deficit by approximately \$228,000 over the remaining term of the debt.

#### **Fair value**

All financial assets and liabilities except for the demand loans are short-term. The carrying values of short-term financial assets and liabilities are a reasonable approximation of fair value. The fair value of the demand loans is approximately \$1,885,819 as at March 31, 2018.

#### **Dividends**

The Corporation has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for corporate development. Any future determination to pay dividends will be at the discretion of the board of directors and will depend on the Corporation's financial condition, results of operations, capital requirements and such other factors as the board of directors deem relevant.

#### **Management's Responsibility for Financial Statements**

The information provided in the Corporation's consolidated financial statements, is the responsibility of management. In the preparation of the statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109") for non-venture issuers, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing the certificate are not making any representations relating to the establishment and maintenance of:

- i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Corporation's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

#### **Nature of the Securities**

The purchase of the Corporation's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Corporation's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

#### **Approval**

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Corporation. The Board of Directors of the Corporation has approved the consolidated financial statements and the disclosure contained in this MD&A. A copy of this MD&A may be obtained upon request to the Corporation or on SEDAR.

Dated: May 28, 2018