Carebook

Carebook Technologies Inc.
Interim Management's Discussion & Analysis ("MD&A")
For the three and nine months ended September 30, 2020

BACKGROUND

The following MD&A for Carebook Technologies Inc. ("**Carebook**", the "**Company**", "**us**" and "**our**"), (TSXV: CRBK) is designed to provide the reader with a greater understanding of the financial performance of Carebook, its business strategy and how well it manages risk and capital resources. This MD&A, prepared as of November 19, 2020, is intended to improve the interpretation of the Company's unaudited condensed interim financial statements for the three-month and nine-month periods ended September 30, 2020 and 2019 (the "**Interim Financial Statements**"), and should therefore be read in conjunction with said document and its accompanying notes. This MD&A should also be read alongside the annual Management's Discussion and Analysis dated September 16, 2020 ("**2019 Annual MD&A**"), as updated by the Management's Discussion and Analysis of the first two quarters of 2020 dated September 16, 2020 ("**Q2/20 MD&A**") and the annual audited consolidated financial statements and accompanying notes for the years ended December 31, 2019 and December 31, 2018, as updated by the unaudited condensed interim financial statements for the period ending June 30, 2020, all of which can be found in the appendices of the Company's listing application ("**Listing Application**") which was filed on SEDAR September 29, 2020. The information within this MD&A contains forward-looking statements and assumptions and should be read together with the text in the section "*Cautionary Statement Regarding Forward-Looking Statements*" below.

The condensed interim financial statements have been prepared in accordance with International Accounting Standard ("**IAS**") 34 Interim Financial Reporting as issued by the International Accounting Standards Board ("**IASB**") on a basis consistent with the accounting policies disclosed in the audited consolidated financial statements for the fiscal year ended December 31, 2019. All financial information included in this MD&A is presented in thousands of Canadian dollars, except share and per share amounts, or unless otherwise indicated. Certain totals, subtotals and percentages may not reconcile due to rounding. Not applicable ("**N/A**") is used to indicate that the percentage change between the current and comparative figures is not meaningful, or if the percentage change exceeds 1,000%.

COMPANY OVERVIEW

Carebook is a leading Canadian digital health company offering innovative digital health and virtual care solutions for pharmacies, insurers, employers and governments. Built on a powerful health platform, Carebook creates highly engaging, customer-centric digital solutions to empower businesses and people on their health journey.

Carebook operates in one single reporting segment. Carebook identifies its customers, end-users and platform capabilities in a series of industry "verticals". These market verticals are (1) Pharmacy, (2) Employer, (3) Government and (4) Insurance. Each of these verticals are integrated with and sit on top of the Carebook core platform - an innovative and engaging consumer health platform with vital signs/COVID-19 risk assessment capabilities.

Carebook is focused on growing each of these verticals both organically and through a disciplined M&A strategy, leveraging the significant global experience of the Company's board and management team.

Each of the four verticals have diversified product offerings, dedicated marketing approaches and tailored features. The primary product offerings by vertical are described as follows:

- **Pharmacy:** customer engagement and loyalty programs, medication management and a communication platform for healthcare professionals and patients

- **Employer:** employee self-assessment including COVID-19 survey, vital scan and health guidance as well as an employer dashboard to track employee readiness for work

- **Government:** triage, healthcare management, COVID-19 risk assessment and vitals scanning

- **Insurance:** remote underwriting, virtual care and personalized health insurance

Carebook was incorporated under the *Canada Business Corporations Act* on February 12, 2015. Following the closing of the reverse takeover Transaction (as described below), on October 1, 2020, Carebook was amalgamated pursuant to the *British Columbia Business Corporations Act*. The entirety of its revenues for the period covered by this MD&A were generated in Canada, and all its assets are held in Canada. The Company intends to secure customers on a global basis in future periods.

EXECUTIVE SUMMARY

Operating Highlights

The Company's operating highlights in 2020 include:

<u>*Customer, Market & Product*</u>

- ***Pharmacy app launch***: On May 1, 2020 Carebook launched the Rexall Be Well Pharmacy app in Canada on iOS, Android and web. The launch has been a resounding success with Rexall publicly applauding our delivery as well as the gains they are realizing in the marketplace.

- ***myVitals scanning technology***: In response to the evolving COVID-19 pandemic, Carebook developed an easy-to-use, accessible smartphone app known as "Carebook myVitals" that uses cutting-edge technology (remote photoplethysmography) to provide a powerful vital signs scan that measures heart rate and oxygen saturation. With the integration of third-party technology, the app uses the reflection of light from a person's cheeks to detect vital signs with no external devices except a smartphone. The app will empower businesses in their back to work strategy as the global COVID-19 pandemic continues to evolve as well as with their ongoing management of their workforces' health and wellness; additionally, it will assist governments in addressing the same late-pandemic and ongoing needs for their workforces as well as their citizens.
    - Carebook has submitted an application for accreditation as a Class II medical device in Canada and is preparing applications for the US and other markets. A study of the myVitals vital scan technology, being conducted in collaboration with the Jewish General Hospital and the National Research Council of Canada, is expected to commence in the last quarter of 2020.
    - Late stage discussions with a Canadian insurer have been temporarily postponed due to the impact of COVID-19 on the insurer's business.

<u>*Financing & Corporate Development*</u>

- ***Completed RTO Transaction and $21 million financing***: On October 1, 2020, the Company completed its previously announced $21 million financing and business combination with Pike Mountain Minerals Inc. ("**Pike**") involving a three-cornered amalgamation of Carebook, Pike, and 12235978 Canada Ltd. The business combination resulted in, among other things, (i) the reverse takeover of Pike by the former securityholders of Carebook, (ii) Pike changing its name to "Carebook Technologies Inc." and (iii) the listing of Carebook's common shares on the TSX Venture Exchange (the **"TSX-V"**) (the **"Transaction"**). The Company's common shares began trading at the opening of the market on October 6, 2020 under the symbol "CRBK". Please refer to Note 17 - Subsequent Events in the Interim Financial Statements for more details on the Transaction.

- ***XETR Listing:*** On October 13, 2020, Carebook began trading on the Frankfurt Stock Exchange (the "**XETR**") under the symbol "PMM1".

- ***Employer Vertical Acquisition:*** On November 11, 2020, Carebook announced that it had entered into a letter of intent ("**LOI**") for the acquisition of an industry-leading B2B enterprise Software-as-a-Service (SaaS) company ("**TargetCo**"). TargetCo's proprietary software platform, IP and metrics are supported by advanced analytics and focus on corporate health and well-being, which the Company believes will be highly complementary to Carebook's current offerings.
  - TargetCo's clients are a mix of direct clients, typically multinational companies, including several in the Fortune 500 and partners/resellers who incorporate the product into their corporate and consumer offerings. TargetCo's significant international client base will contribute to the growth of Carebook's global footprint.
  - This transaction will mark Carebook's initial entry into the $37B employer market[1].
  - Carebook expects to close the transaction in Q1/21, subject to customary conditions, and pursuant to applicable securities laws.

- ***Novus Health (Insurance Vertical) Acquisition:*** On November 19, Carebook announced that it had entered into an LOI to acquire Health Care Services International Inc., doing business as Novus Health ("**Novus Health**"). Novus Health is Canada's leading provider of health navigation programs and integrated health and wellness management solutions for insurers, financial institutions and employers.
  - Novus Health's main product is a customizable, white-labelled, cloud-based health and wellness portal that its insurance and financial institution customers provide to their clients or employees. The portal allows users to aggregate all of their health resources in one place as well as allow customers insight into user behaviour and trends through detailed reporting and analytics. In addition, the portal provides cross-selling opportunities by providing customers the ability to push product and service suggestions based on usage behaviour.
  - This transaction will mark Carebook's initial entry into the $8B insurance technology market[2].
  - Carebook expects to close the transaction in Q1/21, subject to customary conditions, and pursuant to applicable securities laws.

FINANCIAL PERFORMANCE ANALYSIS

The financial information presented in the tables below have been derived from the Company's Interim Financial Statements prepared in accordance with IFRS for the three-month and nine-month periods ended September 30, 2020 and 2019.

[1] *Source: Grand View Research, Corporate Wellness Market Size, February 2020*
[2] *Source: Mordor Intelligence, Global Insurtech Market (2020 - 2025)*

Statements of Comprehensive Loss

CAREBOOK TECHNOLOGIES INC.
CONDENSED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

		Three Months Ended September 30,		Nine Months Ended September 30,	
(Expressed in CDN $000's)	Note	2020	2019	2020	2019
Revenue	*3*	$ 880	$ 1,100	$ 2,723	$ 3,308
Expenses					
Labour and employee benefits	*4*	$ 1,449	$ 1,146	$ 3,747	$ 3,217
Software development costs		$ 103	$ 106	$ 348	$ 276
General and administrative	*5*	$ 333	$ 179	$ 1,002	$ 493
Depreciation and amortization	*6*	$ 297	$ 198	$ 370	$ 593
Stock-based compensation	*12*	$ (93)	$ -	$ 2,020	$ -
Loss from operations		**$ (913)**	**$ (332)**	**$ (4,394)**	**$ (678)**
Loss (gain) on embedded derivative	*13*	$ (1,027)	$ 767	$ (1,110)	$ 708
Transaction costs		$ 1,320	$ -	$ 1,320	$ -
Finance costs	*2*	$ 129	$ 128	$ 386	$ 379
Net loss		**$ (1,632)**	**$ (1,425)**	**$ (5,360)**	**$ (2,357)**
Total comprehensive loss		**$ (1,632)**	**$ (1,425)**	**$ (5,360)**	**$ (2,357)**
Basic and diluted loss per share (in $)	*2*	$ (0.13)	$ (0.12)	$ (0.43)	$ (0.19)
Weighted average number of basic and diluted common shares	*2*	12,742,685	12,289,067	12,594,972	12,252,960

Revenue analysis

Revenue in the third quarter of 2020 was $880 compared to $1,100 in the corresponding quarter of 2019, a decrease of $220, or 20.0%. Revenue for the nine months ended September 30, 2020 was $2,723, compared to $3,308 for the nine months ended September 30, 2019, a decrease of $585 or 17.7%. For these periods, Carebook's total revenue was driven almost entirely by the pharmacy vertical, with the decrease partially attributed to lower development activities related to the pharmacy application following a change in revenue commitment in March 2020. Additionally, the development of a web-based solution for a client in the pharmacy vertical that generated revenue during the first nine months of 2019 did not recur in 2020.

Total comprehensive loss analysis

Total comprehensive loss was $1,632 for the three months ended September 30, 2020, compared to a loss of $1,425 for the three months ended September 30, 2019, an incremental loss of $207, or 14.5%. For the nine-month period ending September 30, 2020, the total comprehensive loss was $5,360, compared to $2,357 for the comparable period in 2019. During the quarter, the increase in the net and comprehensive losses was attributed primarily to professional service expenses and transaction costs incurred in relation to the Transaction. Other expenses that contributed to the increase in the net and comprehensive losses were attributable to labour and employee benefits as the Company increased its staffing levels in pursuit of and in preparation for revenue growth in future periods. The gain on the embedded derivative partially offset the increase in comprehensive loss. For the nine months ending September 30, the stock-based compensation expense booked in the second quarter also contributed to the incremental loss year over year.

Expense analysis

Total expenses for the three months ended September 30, 2020 were $2,512 compared to $2,525 for the three months ended September 30, 2019 for a decrease of $13, or 0.5%. During the quarter, the Company incurred $152 in professional fees and $1,320 in costs related to the Transaction, compared to professional fees of $26 during the same quarter in 2019, an increase of $1,446. Labour and employee benefits also increased by $303, or 26.4%, from $1,146 in the three months ended September 30, 2019 to $1,449 in the comparable period of 2020. As mentioned above, this was driven by an increase in headcount.

These expenditures were offset by the gain on the embedded derivative recorded in the period ending September 30, 2020. Prior to the closing of the Transaction, the convertible debt holder signed a waiver of conversion and consent to prepayment whereby the convertible debt holder agreed to be repaid the principal and accrued interest in cash and forego its equity conversion option upon completion of the Transaction. This resulted in the acceleration of the depreciation of the debt to its face value and a reversal of the embedded derivative gain to nil.

Total expenses for the nine-month period ended September 30, 2020 were $8,083, compared to $5,665 in the corresponding period of 2019, an increase of $3,247, or 134.3%. The increase is primarily due to the share-based compensation expense recorded in the second quarter of 2020, coupled with roughly $1,320 in expenses related to the Transaction. Professional fees increased from $150 for the nine months ended September 30, 2019, to $610 in the equivalent period of 2020, an increase of $460, resulting largely from costs associated with client contract negotiations, and recruitment fees for new hires. Labour and employee benefits increased by $530, from $3,217 to $3,747 for the nine-month periods ended September 30, 2019 and September 30, 2020, respectively, driven by an increase in employee headcount as discussed above.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow Analysis

(Expressed in CDN $000's)	Nine Months Ended September 30, 2020	2019
Cash flows generated from (used for):		
Operating activities	$ (1,996)	$ (1,126)
Investing activities	(23)	(38)
Financing activities	22,933	1,670
Net increase (decrease) in cash and cash equivalents	20,913	507
Cash and cash equivalents—beginning of year	117	90
Cash and cash equivalents—end of year	$ 21,030	$ 597

Operating activities

Net cash used for operating activities totaled $1,996 for the first nine months of 2020, compared to a use of $1,126 for the same period of 2019, an additional use of $871, or 77.4%.

Net cash used for operating activities before changes in non-cash working capital items totaled $4,112 for the nine months ended September 30, 2020, compared with $853K for the same period in 2019, an increase of $3,259, or 382.1%. The increase is due primarily to the higher net loss and gain on the embedded derivative.

Changes in non-cash working capital items totaled a source of $2,116 in the first nine months of 2020, compared to a use of $272 in the first nine months of 2019. The change is explained primarily by the increase in costs associated with the Transaction.

Investing activities

Net cash used for investing activities for the nine-month period ended September 30, 2020 was $23, compared to $38 in the corresponding period of 2019, a decrease of $15, or 39.5%, due to lower purchases of property and equipment.

Financing activities

Cash generated from financing activities totaled $22,933 for the first nine months of 2020, compared to $1,670 in the corresponding period of 2019, an increase of $21,263. Cash was generated through non-interest-bearing advances from related parties, the issuance of $21,000 worth of subscription receipts contingent on the Transaction, and the issuance of a term loan.

Contractual Obligations

In the normal course of business, the Company has various contractual obligations. The following table provides a summary of Carebook's future contractual commitments specifically related to short-term borrowings and long-term debt repayments:

(Expressed in CDN $000's)	Payments due by period as of September 30, 2020			
	Less than 1 year	2 - 3 years years	4 - 5 years years	After 5 years
Contractual obligations	$ 127	$ 245	$ 280	$ 1,039

The contractual obligations above relate to the contractual payments due under the Company's lease arrangements associated with its office space.

Capital Resources

(Expressed in CDN $000's)	As at September 30, 2020	As at December 31, 2019	$ Change	% Change
Deficiency	$ (5,671)	$ (2,982)	$ (2,690)	90.2%
Total debt	$ 8,458	$ 6,521	$ 1,937	29.7%

Sources of funding

Prior to the Transaction, which was completed on October 1, 2020, the Company had financed its development operations and met its capital requirements primarily through revenue from customers, debt financing and equity investments. The details of the debt and equity financing were as follows:

Sources of funding (in CDN $000's)	**2020**	**2019**
Cash and cash equivalents (as at September 30 and December 31)	**$ 21,030**	**$ 117**
Other sources:		
Debt financing (nine months ended September 30)	$ 1,325	$ 600
Equity investments (nine months ended September 30)	21,650	1,100
Total other sources	**$ 22,975**	**$ 1,700**

As of the date hereof, the Company has no outstanding debt owing.

Capital expenditures

Capital expenditures are financed from cash from operations. Carebook expects that capital expenditures related to the development of its technology and service offerings, recruitment of personnel and expansion of office premises will increase over the next 12 months, as the Company continues to invest in the ongoing development and enhancements to its digital platform including entering the employer and government verticals.

(Expressed in CDN $000s)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Computer hardware	$ 9	$ 7	$ 23	$ 38
Total	**$ 9**	**$ 7**	**$ 23**	**$ 38**

Proceeds from the Transaction

In addition to the above sources of funding, the Company has, as a result of the Transaction, approximately a combined $5,710 in available funds, and coupled with its planned revenue is expected to have sufficient capital resources to meet its planned growth, to fund development activities and meet all of its working capital requirements and planned capital expenditures for the next twelve months. Furthermore, having repaid all of its indebtedness with proceeds from the Transaction, the Company expects, if necessary, to have the ability to raise additional capital through new debt or equity sources.

The following table summarizes the expenditures anticipated by Carebook required to achieve its business objectives during the 12 months following the Transaction:

Principal Purpose	Estimated amount
Sales and marketing efforts	2,000
Working capital and general corporate purposes	3,710
Total (Expressed in CDN $000s)	**$ 5,710**

STATEMENTS OF FINANCIAL POSITION

Working Capital

	As at			
(Expressed in CDN $000s)	September 30, 2020	December 31, 2019	$ Change	% Change
Current assets	$ 21,106	$ 179	20,927	N/A
Current liabilities	31,464	4,068	27,396	673.5%
Working capital deficit	**$ (10,358)**	**$ (3,889)**	**$ (6,469)**	166.3%

As at September 30, 2020, the Company had a working capital deficit of $10,358, compared to a working capital deficit of $3,889 as at December 31, 2019. The decrease in working capital of $6,469 was due to costs associated with the Transaction, advances due to related parties, and the reclassification of Convertible Debt to a current liability, pending repayment on completion of the Transaction.

Share Capital

Prior to the Transaction, the authorized share capital of Carebook consisted of an unlimited number of Carebook shares. As at September 30, 2020, the Company had 12,746,733 common shares and 2,250,000 preferred shares issued and outstanding.

Following the completion of the Transaction, the authorized share capital of Carebook consists of an unlimited number of common shares. As of the date hereof, the following securities of Carebook are issued and outstanding:

(1) 30,510,628 common shares;
(2) 2,789,976 options; and
(3) 7,680,379 warrants.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

RELATED PARTY TRANSACTIONS

The Company discloses information on its related party transactions, as defined in *IAS 24, Related party disclosures*, in Note 2 to its Q3/20 Interim Financial Statements.

Related party transactions that took place during 2020 were limited to changes to the balances of *"Advances to a shareholder"*, *"Advances due to related parties"*, and "*Accrued Liabilities"* all of which were concluded in the normal course of its operations.

Prior to the Transaction, the Company received short-term advances from certain related parties to cover short-term liquidity needs. As at September 30, 2020 and December 31, 2019, advances due to related parties totaled $1,975 and $850, respectively. Advances due to related parties are classified as and measured at amortized cost using the effective interest method.

During the quarter, the $10 advance to a shareholder was written-off.

In the three months ended September 30, 2020, the Company also accrued $48 in labour expenses for its interim CFO, which is payable to a related party.

As of the date hereof, there are no outstanding related-party transactions. All amounts due to related parties have been repaid.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's Interim Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period; however, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described in detail in Note 2 of the Company's Q3/20 Interim Financial Statements.

CHANGES IN ACCOUNTING POLICIES

Please refer to Note 2 of the Company's Q3/20 Interim Financial Statements for more information regarding the Company's significant accounting policies and changes.

RISKS AND UNCERTAINTIES

The Company is subject to certain risks and uncertainties in carrying out its activities. Carebook has measures in place to identify, monitor and, to a certain extent, mitigate such risks and uncertainties. Such measures include, among others, creating and marketing a viable software product for sale and distribution, the work performed by the Board and management levels, as well as the enforcement of numerous policies and procedures. Additional risks not currently known or that the Company currently believes are immaterial may also impair its business, results of operations, financial condition and liquidity.

Risks related to the Company's Operations

Dependence on third parties

The Company has a significant commercial relationship with McKesson and considers them as an anchor client. As such, the Company may place more reliance on McKesson than it would on other clients. If for any reason McKesson experiences financial difficulties or finds it difficult to obtain sufficient financing to fund its own operations, there is no assurance that they will be able to continue the relationship with Carebook. These risks may be intensified during an economic downturn.

Information systems and data

The integrity, reliability and security of information in all forms are critical to the Company's daily and strategic operations. Despite the Company's efforts to create security barriers, the Company is susceptible to operational, financial and information security risks resulting from cyber-attacks and/or technological malfunctions. Successful cyber-attacks, security breaches and/or technological malfunctions affecting the Company or its products or services can result in, among other things, litigation, governmental audits or investigations, financial penalties or losses, unauthorized release of customer information or confidential information, loss of confidence in the Company's products and services and significant reputational risk, each of which could adversely affect its business, financial condition and results of operations.

Qualified and key personnel

The success of the Company is dependent on its workforce and its ability to recruit and retain key personnel in a competitive work environment. The experience and expertise of the Company's Board and management team including business development and its skilled product development and technical personnel are critical to successfully executing its business strategy.

Risks related to the Company's liquidity, capital resources and financial position

Market risk

Interest rate risk

Interest rate risk refers to the risk that the value of financial instruments held by the Company and that are subject to variable rates will fluctuate, or the cash flows associated with such instruments will be impacted due to changes in market interest rates. The Company has repaid all of its indebtedness following the completion of the Transaction. As such, as of the date hereof, there is no interest rate risk.

Foreign exchange risk

The Company has minimal risk attributable to certain U.S. dollar-denominated transactions pertaining to purchases of products and services. The Company manages its exposure to currency fluctuations by monitoring its level of cash in foreign currencies. Management did not hedge these exposures as at September 30, 2020.

Credit risk

Credit risk pertains to the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk with financial institutions and other parties as a result of cash-in-bank and customer trade receivables arising from the Company's operating activities. The maximum exposure to credit risk at the reporting date was the carrying value of each class of financial asset as described in Note 12 of the Q3/20 Interim Financial Statements. The Company did not hold any collateral as security.

Liquidity risk

The capital structure of the Company included shareholders' equity (deficit) and borrowings. Management's overriding objectives when managing capital are to have sufficient liquidity to meet its liabilities when due, safeguard the business as a going concern, and create value through market growth and future returns. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating investing and financing activities. The Company is not subject to any externally imposed capital requirements.

The reader is cautioned that the foregoing list is not exhaustive of the factors that may affect the Company's forward-looking statements. The Company's business is subject to certain risks and uncertainties. Readers are encouraged to review and carefully consider the risk factors discussed under the heading "*Item 21 – Risk Factors*" of the Listing Application.

OUTLOOK

❖ The digital health market is growing rapidly, driven by a comprehensive transformation in how patient care is being delivered (accelerated, in part, by the global pandemic), and an evolution in the application of digital solutions to a broader set of customers and industries. In particular, the pharmacy industry has a need for innovation in the area of digital transformation making it ripe for disruption and new entrants. Carebook leverages its medical and engagement expertise across a core technology platform in order to address these opportunities. The Company began by focusing on the pharmacy vertical by securing an anchor customer and is now expanding that base platform to serve the employer, government and insurance markets. The Company empowers its clients to create a digital presence and stay relevant with their customers.

- ❖ The Company has remained operationally stable during the COVID-19 pandemic, with minimal impact on current revenue and employees. The Company's principal customer, which is in the pharmacy vertical, has not been broadly affected by COVID-19 in a manner that would negatively impact the Company. The pandemic caused some disruption to the Company's business development and global expansion initiatives for the pharmacy vertical, restricting the sales process which has resulted in fewer than expected sales in 2020. However, the pandemic has also prompted the development of the Company's government vertical, and our entry into the employer market with the myVitals for Work solution for employers. Therefore, notwithstanding any additional changes in the general economic environment due to the pandemic, the overall financial impact on the Company is expected to be a positive one. While the Company cannot predict with certainty the effect and ongoing spread of COVID-19, management does not expect it will impact the Company's ability to meet financial and other reporting disclosure requirements on a timely basis.

- ❖ Carebook is currently building a growing pipeline of opportunities as it relates to the pharmacy, insurance, employer, and government verticals. The Company's approach for the pharmacy vertical and other verticals is similar. Its focus has been to enter each market with an anchor client and develop a tailored digital platform by vertical, which can then be rebranded and offered to similar clients on a global basis.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

- ❖ This 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 growth, results of operations, performance and business prospects and opportunities of Carebook. All statements other than statements of historical fact are forward-looking statements. Such 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. These statements are only predictions. As such, undue reliance should not be placed on such forward-looking statements.

- ❖ The assumptions and important risk factors made in this MD&A that may affect these expectations include, but are not limited to, the factors described particularly in the sections "*Risks and Uncertainties*" and "*Outlook*", as well as those discussed in greater detail under the heading "*Item 21 – Risk Factors*" of the Listing Application.. Such statements include, but are not limited to, assumptions about: competitive environment; operating risks; the Company's management and employees; capital investment by the Company's customers; customer project implementations; liquidity; current global financial conditions; implementation of the Company's commercial strategic plan; credit; potential product liabilities and other lawsuits to which the Company may be subject; additional financing and sources; development of new products; intellectual property and other proprietary rights; acquisition and expansion; foreign currency; interest rates; technology and regulatory changes; internal information technology infrastructure and applications; cyber security; and COVID-19.

❖ The forward-looking statements herein reflect the Company's expectations as at November 19, 2020, when the Company's Board of Directors approved this document, and are subject to change after this date. The Company undertakes no obligation to update publicly any forward-looking information whether as a result of new information, future events or otherwise other than as required by applicable law.