Carebook

CAREBOOK TECHNOLOGIES INC.

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

BASIS OF PRESENTATION

The following has been prepared for the purposes of providing Management Discussion and Analysis ("**MD&A**") of the consolidated financial and operational condition of Carebook Technologies Inc. ("**Carebook**", the "**Company**", "**us**" and "**our**") as at December 31, 2020. This MD&A 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 April 21, 2021, is intended to improve the interpretation of the Company's audited annual consolidated financial statements for the twelve-month periods ended December 31, 2020 and 2019 (the "**Financial Statements**"), and should therefore be read in conjunction with said document and its accompanying notes.

Carebook Technologies Inc. was formerly known as Pike Mountain Minerals Inc. ("**Pike**") up to the completion of the three-cornered amalgamation described in the *Reverse Takeover Transaction* section below and Note 23 of the Financial Statements. It was determined, based on IFRS 3 and IFRS 10, that Pike was the accounting acquiree and Carebook Technologies (2020) Inc., formerly known as Carebook Technologies Inc. ("**Carebook 2020**"), was the accounting acquirer since the shareholders of the former Carebook 2020 now control Pike. This MD&A and accompanying Financial Statements were prepared as a continuation of the Financial Statements and MD&A of Carebook 2020, but reflecting the equity instruments of Pike as a result of the RTO. As a result, comparative information included herein from the year ended December 31, 2019 is solely that of Carebook 2020. For simplicity, transactions undertaken by Carebook 2020, during 2019 and the first three quarters of 2020, are referred to as being undertaken by the Company. Also for simplicity, for all periods prior to October 1, 2020, references to the Company are references to Carebook 2020, unless the context requires otherwise.

The Financial Statements were prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All financial information included in this MD&A is presented in thousands of Canadian dollars ("**$000s CAD**"), except share and per share amounts, or unless otherwise indicated. 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%.

Additional information relating to the Company is available on SEDAR at www.sedar.com.

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. In addition, this MD&A may contain forward-looking statements attributed to third party industry sources.

Forward-looking statements are necessarily based on estimates and assumptions made by management in light of management's experience and perception of historical trends, current conditions and expected future developments, as well as factors that management believe are appropriate. Forward-looking statements in this MD&A include, but are not limited to the future growth, results of operations, performance and business prospects and opportunities of Carebook, the future international expansion of Carebook, the Company's applications for Class II medical devices in Canada, US and other markets, the Company's M&A strategy, the future growth of the digital health market, and the impacts of the COVID-19 pandemic on the business and operations of Carebook.

These forward-looking statements are based on the beliefs of the management of Carebook as well as on assumptions which management believes to be reasonable, based on information currently available at the time such statements were made. However, there can be no assurance that forward- looking statements will prove to be accurate.

Such assumptions and beliefs include, among other things: that Carebook will be able to execute its business strategy successfully such that the future growth, results of operations, performance and business prospects and opportunities of Carebook will be as anticipated; the Company's ability to obtain regulatory approvals; the demand for the technology of Carebook; the continued growth of the digital health market; the ability for Carebook to maintain existing strategic partnerships and attract new partners; the ability for Carebook to obtain and maintain existing financing on acceptable terms; the ability for Carebook to retain skilled management and staff; the ability for Carebook to commercialize its technologies; the impact of the COVID-19 pandemic on the market demand for the products of Carebook, the ability of Carebook to successfully execute its international expansion, the ability of the Carebook to realize the synergies and benefits of completed and anticipated acquisition; and the ability of Carebook to successfully integrate and consolidate acquired businesses.

Although management of Carebook believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Carebook cannot guarantee future results, levels of activity, performance, or achievements. Some of the risks and other factors, some of which are beyond the control of Carebook, which could cause results to differ materially from those expressed in the forward-looking statements contained in this MD&A include, but are not limited to,: failure to obtain regulatory approvals; market volatility in the Company's common shares; dilution of shareholders from future sales of the Company's securities; dividends; market for the Company's common shares; disclosure controls and procedures and internal controls over financial reporting; discretion over use of proceeds; heavily regulated industry; privacy and security regulations; immature and volatile digital health and telehealth market; dependence on strategic partners; information security breaches and disruptions; growth limitations; additional financing and sources; development and enhancement of new products; competitive environment; attracting and retaining key personnel; limited number of customers; international expansion; international operations; acquisition and expansion; dependence on third party technologies; failure to secure research grants; use of open source software; intellectual property and other proprietary rights; public company status; liquidity; director conflict of interests; ; 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.

This list is not exhaustive of the factors that may affect any of the forward-looking statements regarding Carebook. Forward-looking statements are statements about the future and are inherently uncertain. Actual events or results could differ materially from those projected in the forward-looking statements including as a result of the matters set out in this MD&A generally and certain economic and business factors, some of which may be beyond the control of Carebook. Some of the important risks and uncertainties that could affect forward-looking statements are described under the heading "Item 21 – Risk Factors" in the Listing Application of the Company dated September 28, 2020 and filed on SEDAR under the Company's profile at www.sedar.com. The forward-looking statements herein reflect the Company's expectations as at April 21, 2021, when the Company's Board of Directors approved this document, and are subject to change after this date. Carebook does not intend, and does not assume any obligation, to update any of the forward-looking statements after the date of this MD&A so as to conform such statements to actual results or to changes in the expectations of Carebook, other than as required by applicable securities law. For all these reasons, readers should not place undue reliance on the forward-looking statements contained herein, as Carebook's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect Carebook's estimates or assumptions prove inaccurate. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

COMPANY OVERVIEW

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

Carebook was incorporated on July 11, 2018 under the *Business Corporations Act (British Columbia)* (**"BCBCA"**) under the name Pike Mountain Minerals Inc. On October 1, 2020, the Company (then known as Pike), together with its wholly-owned subsidiary 12235978 Canada Ltd. ("**Subco**"), completed a three-cornered amalgamation with Carebook 2020 to complete a reverse takeover transaction (the "**RTO**"). In connection with the closing of the RTO, the Company changed its name to "Carebook Technologies Inc."

The entirety of Carebook's revenues for the period covered by this MD&A were generated in Canada, and all its assets were held in Canada. Carebook operated in one single reporting segment. The Company intends to secure customers on a global basis in future periods.

Carebook identifies its customers, end-users and platform capabilities in a series of industry "verticals". These market verticals are (1) Pharmacy, (2) Employer, and (3) 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 measurement 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 three verticals has 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; and

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

EXECUTIVE SUMMARY

Operating Highlights

Customer, Market & Product

- ***Pharmacy app launch***: On May 1, 2020, Carebook launched the Be Well app for Rexall Pharmacy in Canada on iOS, Android and web. The launch has been a resounding success with Rexall publicly applauding Carebook's delivery as well as the gains they are realizing in the marketplace. Users have been responding positively to the platform. As at April 2021, App Store ratings (iOS Users) were 4.5/5 stars, and Google Store (Android Users) were 4.6/5 stars. The Be Well app also achieved a Net Promoter Score of 76%, which is well above industry average.
- ***myVitals for Work app:*** 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 is expected to 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. Carebook is not making any express or implied claims that myVitals for Work app product has the ability to effectively detect COVID-19 at this time.

    - Carebook is seeking accreditation as a Class II medical device in Canada, US and other markets. The Company is waiting on validated data sets to meet regulatory agencies requirements. Studies of myVitals are to be conducted in collaboration with the Jewish General Hospital (in Montreal, Quebec), the National Research Council of Canada and HITLAB (Human Interface Technology Lab at Columbia Business School), have been designed to meet the requirements of regulatory agencies. They are expected to commence in the second quarter of 2021.
    - In conjunction with the medical device accreditation process, Carebook is in the process of implementing a Quality Management System for medical devices in order to be ISO 13485 compliant.
- ***myVitals for Work pilots:*** In the first quarter of 2021, the Company conducted two pilots in order to build a user centric solution that will meet employee and employer needs. The pilots were conducted with companies from different industries:
        - A Canadian manufacturer with a facility based in Mexico. Their on-site medical staff tested the vital scan technology on 90 employees.
        - A life insurance company in India. A cohort of 70 employees used the Carebook *myVitals* app from home to assess if they should go to work or not.

    - Feedback and learnings from these pilots are being used for product enhancements.
    - The results of the pilots and the users' perceived value rated very high. Over

80% of participants found the app easy to use, felt safer going to work and also felt better informed about their health status related to COVID-19. Carebook is not making any express or implied claims that myVitals for Work app product has the ability to effectively detect COVID-19 at this time.

- ***myVitals technology*:** The Carebook team is in the process of validating other non-COVID-19 use cases for the vital scan technology in order to leverage additional opportunities.

Corporate Culture and Organizational Performance

- **Human Resources:**
  - Carebook added two senior sales executives during the fourth quarter of 2020:
    - Limor Elbaz was hired as GM for the United States and was promoted to the role of Chief Revenue Officer (CRO) in February 2021. Limor is based in the San Francisco Bay Area and has over 20 years of experience of business development, sales and strategic partnerships. Limor is now working to build a sales team that can deliver scalable and predictable revenue.
    - Howard Fried was hired as a new VP of Sales and is now leading Carebook's sales efforts in the pharmacy business. Howard has extensive experience in the healthtech space and with medical devices.
  - In February 2021, Carebook's VP Product, Mathieu Lampron, was promoted to Chief Product Officer (CPO). He will be overseeing the integration of Carebook's existing product offerings and those of its subsidiaries.
- **Top Employer Montreal 2020 and 2021 -** For the 2nd year in a row, Carebook has been recognized as one of Montréal's Top Employers by Mediacorp Canada Inc., the organizers of the annual Canada's Top 100 employers competition. This special designation recognizes the employers in Greater Montreal that lead their industries in offering exceptional places to work.
- **Canada's Top Small & Medium Employers 2020 and 2021 -** Carebook has once again been recognized as one of Canada's Top Small & Medium Employers by Mediacorp Canada Inc. This editorial competition recognizes the small and medium enterprises (SMEs) that offer the nation's best workplaces and forward-thinking human resources policies.

Reverse Takeover Transaction

- ***Completed RTO Transaction***: On October 1, 2020, the Company (then known as Pike) completed a business combination with Carebook Technologies (2020) Inc. involving a three-cornered amalgamation (the "**Amalgamation**") of the Company (then known as Pike), Carebook 2020, and a wholly-owned subsidiary of the Company which was incorporated under the *Canada Business Corporations Act* for the sole purpose of effecting the Amalgamation. The business combination resulted in, among other things, (i) the reverse takeover of the Company by the former securityholders of Carebook 2020, (ii) the Company changing its name to "Carebook Technologies Inc.", (iii) the entity resulting from the amalgamation of Carebook 2020 and Subco ("Amalco") becoming a wholly-owned subsidiary of the Company, and (iv) the listing of the Company's common shares on the TSX Venture Exchange ("**TSXV**"). These transactions are collectively referred to as the

RTO. The common shares of the Company began trading on the TSXV on October 6, 2020 under the symbol "CRBK".

- ***$21,000 Private Placement:*** In connection with the RTO, Carebook 2020 secured private placement financings for aggregate gross proceeds of $21,000 (the "**Transaction**") comprised of: (i) the issuance of 6,932,000 subscription receipts of Carebook 2020 ("**Carebook Subscription Receipts**") at a price of $2.50 per Carebook Subscription Receipt for aggregate gross proceeds of $17,330, which offering was completed on August 7, 2020, (ii) the issuance of 400,000 units of Carebook 2020 ("**Carebook Units**") to certain members of Carebook 2020 management or affiliates thereof at a price of $2.50 per Carebook Unit for aggregate gross proceeds of $1,000, which subscriptions were completed concurrently with the closing of the RTO, and (iii) the issuance of 1,068,000 Carebook Units to certain arm's length investors at a price of $2.50 per Carebook Unit for aggregate gross proceeds of $2,670 which subscriptions were completed concurrently with the closing of the RTO. As part of the Amalgamation, each Carebook Subscription Receipt and each Carebook Unit was exchanged for one common share of the Company and one half of one warrant entitling the holder thereof to acquire a common share of the Company.

More information regarding the RTO can be found at Note 23 of the Financial Statements.

Financing & Corporate Development

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

- ***OTCPK Listing*:** In December 2020, Carebook began trading on the OTC Market (the "**OTCPK**") under the symbol "CRBKF". As of March 2021, the Company's common shares are eligible for electronic clearing and settlement through The Depository Trust Company in the United States.

- **Carebook is pursuing a disciplined M&A strategy in parallel with organic growth** to expand in the pharmacy vertical and to open both employer and insurance verticals. One of our key strategies for growth is to build out our platform with leading technology and accretive acquisitions. Carebook identified two leading companies, InfoTech and Novus Health, with both companies offering robust products and software platforms, strong management teams and blue-chip client bases.

- **InfoTech Inc. (Employer Vertical) Acquisition:** On November 11, 2020, Carebook announced that it had entered into a letter of intent for the acquisition of an industry-leading B2B enterprise Software-as-a-Service (SaaS) company. On April 6, 2021 Carebook announced the closing of its acquisition of InfoTech Inc., doing business as Wellness Checkpoint® ("**InfoTech**"). This transaction marks Carebook's initial entry into the $37B employer market[1].
    - InfoTech (previously referred to as TargetCo in news releases issued by Carebook), founded by Zorianna Hyworon and based in Winnipeg,

[1] *Source: Grand View Research, Corporate Wellness Market Size, February 2020*

Manitoba, is a recognized global leader in health and productivity risk management.

- InfoTech developed the first online, interactive health risk assessment, Wellness Checkpoint. Wellness Checkpoint has grown to serve close to one million employees and has evolved into a multilingual, web-based service used by many Fortune 500 companies in over 100 countries.
- Delivered as an online, multilingual (26 languages and counting), global hosted Software as a Service, Wellness Checkpoint seamlessly integrates into the business fabric of health, benefits, HR and risk management. Representative clients include multinational companies in the financial, technology, pharmaceutical, manufacturing and resources sectors, many of whom are long-term clients. InfoTech's significant international client base will contribute to the growth of Carebook's global footprint.
- The total purchase price for the acquisition is $14,000 on a cash free and debt free basis, consisting of a combination of $9,000 in cash and $5,000 in common shares of Carebook at a price of $1.21 per share. The purchase price is subject to customary post-closing adjustments for working capital, transaction expenses and net debt. The cash portion of the purchase price for the acquisition of InfoTech is being financed by the recently disclosed $11,000 debt financing (the "**Financing**") with a leading Canadian Schedule 1 bank and one of its affiliates (together, the "**Lenders**").

- **$11,000 Financing:** On April 6, 2021, Carebook secured the following credit facilities from the Lenders**:**
  - $7,000 revolving term facility (the "**Revolving Facility**"); and
  - $4,000 non-revolving term loan facility (the "**Term Loan Facility**", and together, the "Credit Facilities").
  - Under the conditions of the agreement governing the Credit Facilities (the "**Credit Agreement**"), the Revolving Facility will be available for a one year committed term, renewable annually, and bears interest at CDOR plus a variable margin for Canadian variable rate loans. The initial margin will be 8.0% and will be reduced to 4.50% after completion of certain milestones, and further reduced to 3.25% from completion of the Offering (as defined below). The Revolving Facility is subject to a borrowing base equal to six times the monthly recurring revenues of Carebook and its subsidiaries, minus all amounts which could give rise to a claim which ranks or is capable of ranking in priority to the Lenders' security or otherwise in priority to any claim by the Lenders for repayment of any amounts owing under the Credit Agreement. The amount available under the Revolving Facility will be decreased to $4,000 upon the earlier of: (i) August 6, 2021 and (ii) completion of the Offering.
  - The Term Loan Facility will mature on April 6, 2022 and bears interest at CDOR plus a margin of 4.50% for Canadian variable rate loans and was drawn to complete the acquisition of InfoTech. Borrowings under the Credit Facilities may be in either Canadian dollars or U.S. dollars at Carebook's election. Interest on the Credit Facilities is payable monthly in arrears.
  - The Financing is secured by a first-ranking security interest in all of the present and future property and assets of the Company and certain of its subsidiaries. In connection with the Financing, Carebook has agreed, subject to acceptance by the TSXV, to issue to the Lenders 417,646 warrants to purchase common shares of the Company. Each such warrant will entitle

the Lenders to purchase, on or before April 6, 2022, one common share of the Company at an exercise price of $1.22, or as otherwise determined and permitted in accordance with the policies of the TSXV rules. The warrants, and the common shares of the Company issuable upon exercise of the warrants, will be subject to a restriction on resale for a period of 4 months and 1 day following the issuance of the warrants. The issuance of the warrants to the Lenders is subject to prior approval of the TSXV.
    - In addition to financing the acquisition of InfoTech, Carebook plans to use the proceeds of the Financing to finance Carebook's working capital needs and for general corporate purposes of the Company.
    - Pursuant to the terms of the Credit Agreement, Carebook has undertaken to complete, within 120 days following the closing date of the Financing, an offering of common shares of the Company (the "**Offering**") in an aggregate amount of up to $11M in equity, or a lesser amount dependent on certain events.
- **Novus Health (Insurance Vertical) Letter of Intent:** On November 19, 2020, Carebook announced that it had entered into a letter of intent 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 is one of Canada's leading providers of health navigation programs and integrated health and wellness management solutions for insurers, financial institutions and employers. Novus Health has proven themselves to be a leader in the digital health space.
    - 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.
    - Carebook continues its due diligence related to the transaction. There is no assurance that a definitive agreement in respect of this transaction will materialize

FINANCIAL PERFORMANCE ANALYSIS

The financial information presented in the tables below have been derived from the Company's Financial Statements prepared in accordance with IFRS for the years ended December 31, 2020 and 2019. All figures are presented in $000s CAD unless otherwise specified.

Selected Annual Information

	For the years ended December 31,		
	2020	2019	2018
Revenue	$ 3,530	$ 4,286	$ 3,425
Net comprehensive loss	$ (10,893)	$ (3,114)	$ (2,536)
Basic and diluted loss per share (in $)	$ (0.45)	$ (0.15)	$ (0.21)
Total assets	$ 9,192	$ 5,323	$ 6,082
Total non-current liabilities	$ 675	$ 4,237	$ 3,277

Summary of Quarterly Results

The table below presents revenue, net loss, and net loss per share for the last eight quarters:

	Revenue ($000s CAD)	Net Loss ($000s CAD)	Basic and diluted loss per share (in $)
December 31, 2020	$ 844	$ (5,533)	$ (0.18)
September 30, 2020	$ 865	$ (1,632)	$ (0.13)
June 30, 2020	$ 857	$ (2,910)	$ (0.23)
March 31, 2020	$ 964	$ (818)	$ (0.07)
December 31, 2019	$ 1,001	$ (742)	$ (0.03)
September 30, 2019	$ 1,092	$ (1,425)	$ (0.12)
June 30, 2019	$ 1,076	$ (589)	$ (0.05)
March 31, 2019	$ 1,117	$ (358)	$ (0.03)

Revenue

Carebook's contract with its key customer renews annually in March. The decrease in revenue in the first quarter of 2020 and the second quarters of 2020 and 2019 reflects the change in planned revenue commitment related to this contract. Additionally, the development of a web-based solution during the first nine months of 2019 did not recur in 2020.

Net Loss

The Company is a start-up that continues to invest in its growth through research and development projects. The increase in net loss each quarter is attributed to key hires and their related expenses.

In the third quarter of 2019 there was a spike in non-cash expenses, notably the loss on embedded derivatives for the Convertible Debt described in Notes 14 and 18 of the Financial Statements, following an equity raise in the same quarter.

The Company recognized stock option expenses in the second quarter of 2020, in anticipation of the RTO, which triggered the accelerated vesting of employee stock options, and at the time of the RTO, the life of these stock options were extended to their original expiry date. Additional stock options were also granted to the directors and employees of the Company and were partially expensed in the fourth quarter of 2020.

In connection with the RTO, the Company incurred $1,457 in professional fees and other transaction costs, which led to an increase in non-recurring expenses in the latter half of 2020. In addition, the Company recognized a $2,523 reverse acquisition expense in the fourth quarter of 2020.

DISCUSSION OF OPERATIONS

Statements of Comprehensive Loss

For the years ended December 31, 2020 and 2019:

		2020		2019		$ Change	% Change
REVENUE	$	3,530	$	4,286	$	(756)	-17.6%
Cost of revenue	$	291	$	146	$	145	99.4%
Gross profit	**$**	**3,239**	**$**	**4,140**	**$**	**(901)**	**-21.8%**
EXPENSES							
Sales and marketing	$	1,937	$	530	$	1,407	265.5%
Research and development	$	4,853	$	4,194	$	659	15.7%
General and administrative	$	3,921	$	1,292	$	2,629	203.4%
Loss from operations	**$**	**(7,472)**	**$**	**(1,876)**	**$**	**(5,596)**	**298.3%**
Loss (gain) on embedded derivatives	$	(1,110)	$	732	$	(1,842)	N/A
Transaction costs	$	1,457	$	-	$	1,457	N/A
Reverse acquisition costs	$	2,523	$	-	$	2,523	N/A
M&A costs	$	102	$	-	$	102	N/A
Finance costs	$	449	$	506	$	(58)	-11.4%
Net loss	**$**	**(10,893)**	**$**	**(3,114)**	**$**	**(7,779)**	**249.8%**
Total comprehensive loss	**$**	**(10,893)**	**$**	**(3,114)**	**$**	**(7,779)**	**249.8%**

Revenue analysis

Revenue for the year ended December 31, 2020 was $3,530, compared to $4,286 for the year ended December 31, 2019, a decrease of $756 or 17.6%. For these periods, Carebook's total revenue was driven almost entirely by the pharmacy vertical. The decrease in revenue is attributable to a change in planned revenue commitment in March 2020 related to the development of the Be Well application in anticipation of its launch. Additionally, the development of a web-based solution during the first nine months of 2019 did not recur in 2020.

Total comprehensive loss analysis

Total comprehensive loss was $10,893 for the year ended December 31, 2020, compared to a loss of $3,114 for the year ended December 31, 2019, an incremental loss of $7,779, or 249.8%. During the latter half of 2020, the Company incurred significant expenditures related to its RTO. The increase in expenses was primarily driven by the costs related to the reverse acquisition of the Company (then known as Pike) by Carebook 2020, transaction costs in connection with the RTO, and professional services. The stock-based compensation expense booked in the second and fourth quarters of 2020 also contributed to the incremental loss year over year. 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 including increases in sales and marketing related spend. The gain on the embedded derivative partially offset the increase in comprehensive loss.

Cost of revenue

The cost of revenue for the year ended December 31, 2020 was $291 compared to $146 in the same period of 2019. The increase of $145 or 99.4% is attributed to the third-party license of a technology used in the myVitals app and an increase in support costs related to supporting the Be Well app that was initiated in the second quarter of 2020.

Expense analysis

Total operating expenses for the year ended December 31, 2020 were $14,131 compared to $7,254 for the year ended December 31, 2019 for an increase of $6,877, or 94.8%. The increase in expenses was driven by the costs related to the reverse acquisition of the Company (then known as Pike) by Carebook 2020, transaction costs in connection with the RTO, stock-based compensation, professional services, and a higher headcount in 2020 including increased investments in sales and marketing.

Labour and employee benefits increased by $1,558 or 35.6% in 2020. The increase in labour and employee benefits is the result of headcount increasing from 39 employees at the end of 2019 to 49 employees at the end of 2020. The change in headcount was driven by adding additional software developers and key sales personnel to support the Company's growth objectives. These costs have been allocated to their respective functions.

Stock-based compensation totaled $2,583 during the year ended December 31, 2020, compared to $0 in 2019. This is driven by the stock-based compensation expense booked in the second quarter of 2020, in anticipation of the RTO, which triggered the accelerated vesting of employee stock options and at the time of the RTO, the life of these stock options were extended to their original expiry date. Additional stock options were also granted to the directors and employees of the Company in the fourth quarter of 2020. The stock-based compensation has been allocated to the respective functions.

Sales & Marketing Expenses

The Company hired its first business development representative in the third quarter of 2019. Since then, the Company has been investing in establishing a presence in international markets to promote its pharmacy solution through conferences, trade shows, and digital advertising campaigns. During the latter half of 2020, the Company made considerable investments in sales and marketing, including hiring two new sales executives in the fourth quarter of 2020 and revamping its website and sales assets. As a result, sales and marketing expenditures increased by $1,407 from $530 in 2019 to $1,936.

Research & Development Expenses

Research and development expenses increased by $659 or 15.7% from $4,194 in 2019 to $4,853 in 2020. The increase was driven by key developer hires within the department who were brought on to help the Company achieve its growth objectives.

General & Administrative Expenses

General and administrative expenses were $3,921 in 2020, compared to $1,292 in 2019, representing an increase of $2,629 or 203.4%. The increase in expenses was driven by an increase in the stock based compensation expense related to the administrative function of the Company, which includes those granted to Carebook's directors and officers, and professional services.

The Company incurred $640 and $180 in professional fees during the years ended December 31, 2020 and 2019, respectively. The increase of $460 or 255.2% was driven by recruitment fees for new hires and various contract negotiations throughout the year.

Other expenses

In the second half of 2020, the Company incurred expenses in connection to the RTO. The Company also recognized $2,523 in costs related to the reverse acquisition of the Company by Carebook 2020. Transaction costs related to the RTO totaled $1,457 in the year ended December 31, 2020, transaction costs totaled $1,457. The breakdown is as follows:

Fair value of consideration transferred to acquire 1,294,361 common shares and 25,639 broker warrants of Pike	$	2,970
Acquisition date fair value of net assets acquired	$	(447)
Reverse acquisition expense	**$**	**2,523**
Listing costs	$	53
Professional fees	$	1,404
Transaction costs	**$**	**1,457**

The Company also incurred $102 in costs related to due diligence work completed in the fourth quarter of 2020 relating to the acquisition of InfoTech and other potential acquisitions, such as Novus.

These expenditures were offset by the gain on the embedded derivative recorded in the third quarter of 2020 in connection with the convertible debt issued on April 2, 2018 by the Company issued for a principal amount of $2,500 at an annual interest rate of 8% (the "**Convertible Debt**"). Prior to the closing of the RTO, the holder of the Convertible Debt signed a waiver of conversion and consent to prepayment whereby the holder of the Convertible Debt agreed to be repaid the principal and accrued interest in cash and forego its equity conversion option upon completion of the RTO.

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.

Refer to Notes 14 and 18 of the Financial Statements for more information.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow Analysis

	Years Ended December 31,			
	2020	2019	$ Change	% Change
Cash flows generated from (used for):				
Operating activities	$ (5,346)	$ (1,354)	$ (3,992)	294.7%
Investing activities	$ (56)	$ (49)	$ (7)	15.1%
Financing activities	$ 8,913	$ 1,430	$ 7,483	523.5%
Net increase in cash and cash equivalents	$ 3,511	$ 27	$ 3,485	N/A
Cash and cash equivalents - beginning of year	$ 117	$ 90	$ 27	29.4%
Cash and cash equivalents - end of year	**$ 3,628**	**$ 117**	**$ 3,511**	**N/A**

Operating activities

Net cash used for operating activities totaled $5,346 for the year ended December 31, 2020, compared to a use of $1,354 for the same period of 2019, an additional use of $3,992 or 294.7%. The increase is attributed to non-recurring expenses in connection with the RTO, a higher headcount in 2020, and an increase in fees for professional services. The increase in net loss was offset by non-cash items, such as stock based compensation (Note 16 of the Financial Statements), the warrant reserve (Note 17 of the Financial Statements) and depreciation.

Investing activities

Net cash used for investing activities for the year ended December 31, 2020 was $56, compared to $49 in the corresponding period of 2019, an increase of $7, or 15.1%, due to an increased investment in property and equipment during 2020.

Financing activities

Cash generated from financing activities totaled $8,913 in 2020, compared to $1,430 in 2019, an increase of $7,483, or 523.5%. Cash was generated through a $21,000 equity raise in connection with the RTO, but was offset by broker fees related to the private placement, repayment of $5,330 to investors in the secondary portion (the "**Secondary**"), and the repayment of all outstanding debts including repayment of advances due to related parties in the fourth quarter of 2020.

Refer to Notes 8, 15 and 23 of the Financial Statements for more information.

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:

	Payments due by period as at December 31, 2020			
	Less than 1 year	2-3 years	4-5 years	After 5 years
Contractual obligations	$ 127	$ 249	$ 280	$ 212

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

Capital Resources

	Years Ended December 31,			
	2020	2019	$ Change	% Change
Shareholders' equity (deficiency)	$ 6,840	$ (2,981)	$ 9,820	N/A
Total debt	$ -	$ 6,521	$ (6,521)	-100.0%

During 2020, the Company successfully completed a private placement, resulting in a $9,820 increase in shareholder's equity. In connection with the private placement, the Company repaid all of its indebtedness during the fourth quarter of 2020.

Refer to Notes 8, 15 and 23 of the Financial Statements for more information.

Sources of funding

Prior to the RTO, 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 as at December 31 were as follows:

	Years Ended December 31,	
	2020	2019
Sources of funding		
Cash and cash equivalents	**$ 3,628**	**$ 117**
Other sources:		
Debt financing	$ (5,850)	$ 600
Equity investments	$ 22,052	$ 1,103
Total other sources	**$ 16,202**	**$ 1,703**

As at December 31, 2020, all outstanding debts were repaid, using proceeds from the private placement. As of the date hereof, the Company has incurred $9,000 in debt from the $11,000 Credit Facility related to the Financing of the InfoTech acquisition. Details of the financing can be found above, under the heading *The Financing* or Note 24 of the Financial Statements.

Refer to Notes 8, 15 and 23 of the Financial Statements for more information.

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 has acquired InfoTech and continues to invest in the ongoing development and enhancements to its digital platform including entering the employer and insurance verticals.

	Years Ended December 31, 2020	2019	$ Change	% Change
Leasehold improvements	$ 4	$ -	$ 4	N/A
Furnitures and equipment	$ 4	$ 6	$ (2)	-33.9%
Computer hardware	$ 48	$ 42	$ 6	13.8%
Total	**$ 56**	**$ 48**	**$ 8**	**17.5%**

Proceeds from Financing

The Company completed a $21,000 private placement during 2020. The proceeds were used as follows:

	Intended	Actual	$ Variance	% Variance
Secondary Portion	$ 5,330	$ 5,330	$ -	0.0%
Fees and expenses payable in connection with the RTO	$ 2,000	$ 2,898	$ 898	44.9%
Repayment of indebtedness	$ 7,675	$ 7,705	$ 30	0.4%
Working capital	$ 5,995	$ 5,067	$ (928)	-15.5%
	$ 21,000	$ 21,000		

The Company incurred $898 more than anticipated in fees and expenses related to the RTO. This is attributable to professional fees related to the ASPE to IFRS conversion and subsequent audit of the Company's financial statements for the years ended 2019 and 2018, and other transaction related costs. This consequently reduced the amount of proceeds available for working capital.

There was also a small variance in the amount allocated to the repayment of indebtedness, related to the interest accrual payable on the Convertible Debt.

Carebook has obtained $11,000 in debt financing in April 2021. Pursuant to the terms of the Credit Agreement, Carebook has undertaken to complete, within 120 days following the closing date of the Financing, an offering of common shares of the Company in an aggregate amount of up to $11,000 in equity, or a lesser amount dependent on certain events.

The funds from this will be used to repay a portion of the Financing, finance acquisitions, related transaction costs, and support working capital requirements. Combined with the cash at year end 2020, financing, and its planned revenue, the Company 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.

STATEMENTS OF FINANCIAL POSITION

Working Capital

	As at December 31,						
	2020		2019		$ Change		% Change
Current assets	$	3,984	$	179	$	3,806	N/A
Current liabilities	$	1,677	$	4,068	$	(2,390)	-58.8%
Total working capital (deficit)	**$**	**2,307**	**$**	**(3,889)**	**$**	**6,196**	**N/A**

As at December 31, 2020, the Company had a positive working capital of $2,307, compared to a working capital deficit of $3,889 as at December 31, 2019. The increase in working capital of $6,196 was due to the $21,000 private placement equity raise in relation to the RTO net of the Secondary and subsequent repayment of all outstanding debt in the fourth quarter of 2020.

Outstanding Share Data

The authorized share capital of Carebook consisted of an unlimited number of common shares and an unlimited amount of preferred shares. As at December 31, 2020, the following securities of Carebook were issued and outstanding:

(1) 30,522,098 common shares;
(2) 3,425,658 options to purchase common shares; and
(3) 7,920,379 warrants to purchase common shares.

As at the date hereof, the following securities of the Company are issued and outstanding:

(1) 34,654,330 common shares;
(2) 3,426,658 options to purchase common shares; and
(3) 7,920,379 warrants to purchase common shares.

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 21 of its 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 RTO, the Company received short-term advances from certain related parties to cover short-term liquidity needs. As at December 31, 2020 and December 31, 2019, advances due to related parties totaled $0 and $850, respectively. Advances due to related parties are classified as and measured at amortized cost using the effective interest method.

During the third quarter of 2020, the $10 advance to a shareholder was written-off.

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

RELATED PARTY AGREEMENTS

The Company entered into a Consultancy Services Agreement with a related party for the services of its CFO as an independent contractor. In 2020, total expenses related to the services of the CFO were $112.

On July 15, 2020, the Company entered into a Reseller Agreement with a related party, pursuant to which such related party granted the Company a non-exclusive license to integrate a software development kit available for resale by such related party into applications, products, and services provided by the Company to its third party customers and to market, sell, and distribute such applications, products and services in Canada.

In connection with the RTO, the Company entered into a Registration Rights Agreement and an Investors Rights Agreement with a related party who, at closing of the RTO, beneficially owns or has control or direction over 16,702,334 common shares of the Company and principal warrants to acquire an additional 2,974,740 common shares of the Company, representing approximately 53.6% of the issued and outstanding common shares of the Company on a non-diluted basis (and approximately 40.6% on a fully-diluted basis). Under the Investors Rights Agreement and Registration Rights Agreement, and subject to the terms and conditions, such related party was granted, among other things, (i) certain director nomination, subscription rights and other shareholder rights, and (ii) the right to require the Company to quality its common shares for distribution by way of a secondary offering prospectus, and to include its common shares in any qualification or registration of the Company’s common shares under applicable securities laws.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company’s 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 Financial Statements.

CHANGES IN ACCOUNTING POLICIES

Please refer to Note 2 of the Company's 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 key customer

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 RTO. As such, as at December 31, 2020, there was 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 December 31, 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, key customers 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 9 of the Financial Statements. The Company did not hold any collateral as security.

Liquidity risk

The capital structure of the Company includes shareholders' equity (deficit) and borrowings. Management's overriding objectives when managing capital are to have sufficient liquidity to meet the Company's 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. As at December 31, 2020 the Company was 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 “*Note 19 – Risk Management*” of the Financial Statements. In addition, a discussion of the risks to which Carebook is subject is presented in the section entitled "Risk Factors" of the Company’s Listing Application dated September 28, 2020. In addition to the risk factors discussed in the Listing Application, which is available on SEDAR at www.sedar.com. See the section entitled "Forward-Looking Statements" on page 2 of this MD&A Form for a discussion of risks associated with forward-looking statements.

The acquisition of any of the securities of the Company is speculative, involving a high degree of risk and should be undertaken only by persons whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Company should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Shareholders should evaluate carefully the following risk factors associated with the Company's securities described in the Listing Application, along with the risk factors described elsewhere in this MD&A.

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, and insurance markets. From a foundation of health expertise and a core, "people-first" philosophy, Carebook offers turn-key, modular, connected systems that can be white-labeled to increase revenue, engagement, and health outcomes.

- 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 brought opportunities for a greater use of technology (e.g.: e-scheduling for vaccinations, virtual consultation and medication reviews) in the pharmacy market with pharmacies and pharmacists playing a wider role in primary care. 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, employer and insurance verticals. The Company's approach for the pharmacy vertical and other verticals is similar. Its focus has been to develop a tailored digital platform by vertical, which can then be rebranded and offered to multiple clients on a global basis.

- Following the closing on April 6, 2021 of the acquisition of InfoTech, Carebook will be promptly building a roadmap for the employer vertical and assess how Carebook's core solution can add value to InfoTech's existing employer vertical offering. At the same time, the companies have identified opportunities that could accelerate their combined growth over the next 12 months.

- Carebook continues to explore strategic M&A opportunities with a disciplined approach in order to grow its reach in other markets while continuing to propel its organic growth.