

JUSTERA HEALTH LTD.

Management Discussion and Analysis

For the nine months ended September 30, 2024

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For the Nine Months Ended September 30, 2024

This Management's Discussion and Analysis ("MD&A") provides a detailed analysis of the business of Justera Health Ltd. (the "Company") and compares its financial results for the nine months ended September 30, 2024. The MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the nine months ended September 30, 2024 and the audited consolidated financial statements of the Company for the year ended December 31, 2023 and related notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars.

This MD&A contains certain statements that may constitute "forward looking statements". Forward looking statements include but are not limited to, statements regarding future anticipated business developments and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company's ability to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

This MD&A is current as at November 29, 2024.

Caution on Forward-Looking Statements

The MD&A contains certain forward-looking statements concerning anticipated developments in the Company's operation in future periods. Forward-looking statements are frequently, but not always identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements in the MD&A may include statements regarding budgets, capital expenditures, timelines, strategic plans, or other statements that are not statements of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in disputes, arbitration and litigation; uncertainty of estimates of capital and operating costs, the need to obtain additional financing to develop products and contents; uncertainty as to the availability and terms of future financing; the possibility of delay in research or development programs and uncertainty in meeting anticipated milestones; uncertainty as to timely availability of permits and other government approvals and other risks and uncertainties disclosed in other information released by the Company from time to time and filed with the appropriate regulatory agencies.

Overview

Justera Health Ltd. was incorporated under the laws of the Province of Ontario. The Company's common shares are listed on the Canadian Securities Exchange (CSE) under the trading symbol "VTAL".

On February 28, 2021, the Company entered into a definitive agreement with ScreenPro Security Ltd. ("ScreenPro") related to a proposed reverse-takeover transaction ("RTO"). Pursuant to the definitive agreement, the parties completed a three-cornered amalgamation whereby a newly incorporated subsidiary of the Company amalgamated with ScreenPro, and the Company acquired all the issued and outstanding ScreenPro shares. The shareholders of ScreenPro received common shares in the Company in exchange for their ScreenPro shares, resulting in a reverse takeover of the Company by ScreenPro shareholders. In March 2021, the Company completed the RTO.

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Business History

ScreenPro was incorporated on May 6, 2020, under the *Business Corporations Act* (British Columbia).

The head office of ScreenPro is located at 2300 Yonge Street, Suite 2802, Toronto, Ontario M4P 1E4. The registered office of ScreenPro is located at Suite 1500, 1050 West Georgia Street, Vancouver, British Columbia V6E 4N7.

In November 2021, the Company acquired Concierge Medical Consultants Inc. ("Concierge") offering home and business visit care starting in Vancouver to capitalize on the lucrative custom care management market. In conjunction with the Company's clinic in Vancouver, ScreenPro offers concierge medical services with accredited physicians and nurses and can provide corporate wellness and executive health including urgent concierge medical care, medical advisory, and preventive screenings to determine the presence or absence of disease.

In February 2022, the Company acquired Add Biomedical Inc. ("AddBio"), a biomedical screening company with the initial focus on breast cancer detection. In March 2022, the Company completed the acquisition of all of the issued and outstanding shares of Add Biomedical.

In May 2022, the Company acquired NatureVan Nutrition Ltd. ("NatureVan"), a natural health supplement company with e-commerce and retail presence in the wellness industry. In October 2022, NatureVan launched its first batch of vitamin supplements on Amazon.

In May 2023, the Company changed its name from ScreenPro Security Inc. to Justera Health Ltd. and changed its stock symbol from SCRN to VTAL, to better align with the Company's commitment to the health and wellness industry.

In July 2023, the Company acquired Juillet Wellness Centre ("Juillet") located in British Columbia, Canada to expand its health and wellness businesses, and in November 2023, the Company acquired Trinitri Trading Corporation ("Trinitri"), an authorized distributor of TonyMoly skin care products in Canada.

In September 2024, the Company acquired Port North Extracts Inc. ("Port North"), a cannabis brand in Canada.

The Company is currently focusing its limited resources in revenue producing entities, such as NatureVan, Juillet and Trinitri.

EBITDA and Adjusted EBITDA

Management believes that EBITDA and Adjusted EBITDA are effective measures for analyzing the performance of the Company. The term "EBITDA" refers to earnings before deducting interest, taxes, depreciation and amortization. The Company calculates Adjusted EBITDA as earnings before deducting interest and accretion, taxes, depreciation and amortization, impairment charges, listing expense, other reverse takeover fees, acquisition related costs, and share based compensation. "EBITDA", "EBITDA per share", "Adjusted EBITDA", and "Adjusted EBITDA per share" are non-GAAP measures. The Company believes that EBITDA and Adjusted EBITDA are useful additional information to management, the Board and investors as it provides an indication of the operational results generated by its business activities prior to taking into consideration how those activities are financed and taxed and also prior to taking into consideration asset depreciation and amortization and it excludes items that could affect the comparability of our operational results and could potentially alter the trends analysis in business performance. Excluding these items does not necessarily imply they are non-recurring, infrequent or unusual. EBITDA and Adjusted EBITDA are also used by some investors and analysts for the purpose of valuing a company. Investors are cautioned that EBITDA and Adjusted EBITDA should not be construed as an alternative to operating earnings or net earnings determined in accordance with IFRS as an indicator of the Company's financial performance or as a measure of the Company's liquidity and cash flows. EBITDA and Adjusted EBITDA does not take into account the impact of working capital changes, capital expenditures, debt principal reductions and other sources and uses of cash, which are disclosed in the consolidated statements of cash flows.

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The following table reconciles net loss to EBITDA and Adjusted EBITDA for the nine months ended September 30, 2024 and 2023:

	September 30, 2024 \$	September 30, 2023 \$
Net loss	(3,623,860)	(2,881,118)
Accretion and interests	18,177	-
Depreciation and amortization	110,287	386,665
EBITDA	(3,495,396)	(1,533,161)
Share-based compensation	-	68,826
Excess consideration paid	1,673,203	489,945
Adjusted EBITDA	(1,822,193)	(1,464,335)

FINANCIAL POSITION

As at September 30, 2024, the Company had current assets of \$1,971,934 and current liabilities of \$5,244,576. At September 30, 2024, the Company had working capital deficit of \$3,272,642.

The Company had cash of \$4,650 at September 30, 2024. During the nine months ended September 30, 2024, the Company used cash of \$284,419 (2023 - \$359,978) in operations.

Cash flows used in investing activities for the nine months ended September 30, 2024 was \$550,622 (2023 - \$Nil) mainly due to the purchase of marketable securities.

Cash flows from financing activities during the nine months ended September 30, 2024 was \$744,998 (2023 - \$67,200) as a result of shares to be issued for the acquisition of Port North and finance lease payments.

SUMMARY OF QUARTERLY RESULTS

	September 30, 2024 \$	June 30, 2024 \$	March 31, 2024 \$	December 31, 2023 \$
Financial results:				
Net loss	(3,470,551)	(122,691)	(30,618)	(122,691)
Basic loss per share	(0.02)	(0.00)	(0.00)	(0.00)
	September 30, 2023 \$	June 30, 2023 \$	March 31, 2023 \$	December 31, 2022 \$
Financial results:				
Net loss	(1,093,436)	(915,423)	(872,259)	(915,423)
Basic loss per share	(0.00)	(0.01)	(0.01)	(0.01)

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RESULTS OF OPERATIONS

Nine Months Ended September 30, 2024 compared to Nine Months Ended September 30, 2023

The Company reported a net loss of \$3,623,860 (2023 - \$2,881,118).

Total operating expenses for the nine months ended September 30, 2024 was \$2,912,165 (2023 - \$3,337,818) which is a reduction compared to 2023. All expenses, except consulting fees and general and administrative, decreased as a result of significant reduction in business operations due to the stoppage of COVID testing. The Company has been actively looking for other business opportunities in the health and wellness sector and acquired two new businesses in July 2023 and November 2023, incurring additional consulting fees for the year.

Depreciation significantly decreased to \$110,288 for the nine months ended September 30, 2024 compared to \$386,665 as a result of disposals and impairment write-offs of certain COVID-related equipment.

As the Company completed the acquisition of Port North in September 2023, significant general and administrative expenses related to the acquisition were incurred during the year. An excess consideration of \$1,673,203 paid was also recorded as the result of the acquisition.

Other expenses, including marketing and professional fees all decreased compared to 2023, as these are now solely related to ongoing maintenance and other operating costs required for continued business operations.

The Company also terminated two leases resulting in a loss totalling \$5,454.

There were no share-based compensation for the nine months ended September 30, 2024 since no new options were granted, as opposed to \$68,826 recorded for the same period in 2023.

Quarter Ended September 30, 2024 compared to Quarter Ended September 30, 2023

The Company reported a net loss of \$3,470,551 (2023 - \$1,093,436).

All expenses except consulting fees and general and administrative decreased, as discussed above, due to the significant reduction in business operations. The acquisition of Port North is within this quarter.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2024, the Company had working capital deficit of \$3,272,642 and had a cash balance of \$4,650.

In October, the Company issued 80,000,000 common shares and 7,500,000 warrants as consideration for the acquisition of Port North. The transaction was completed without the payment of any cash consideration, and there were no finders' fees associated with the transaction.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuation of the Company as a going concern is dependent on its ability to obtain necessary equity financing for its commitments. There is no guarantee that management will be successful in securing future equity financing due to current market conditions.

Future Cash Requirements

The Company's future capital requirements will depend on many factors, including, among others, its ability to earn cash flow from operations. Should the Company wish to pursue current and future business opportunities, additional funding may be required. If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced and such equity securities may have rights, preferences, or privileges senior to those of the holders of the Company's common stock. No assurance can be given that additional financing will be available, or that it can be obtained on terms acceptable to the Company and its shareholders. If adequate funds are not available, the Company may not be able to meet its contractual requirements.

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On October 14, 2023, the Company issued 33,973,336 common shares at \$0.03 per share for gross proceeds of \$1,019,200. The Company paid finder's fees of \$33,672 and other share issue costs of \$29,280.

In September 2024, the Company acquired Port North using shares and warrants of the Company and assumption of outstanding liabilities.

FINANCIAL INSTRUMENTS

Classification of financial instruments

	September 30, 2024	December 31, 2023
	\$	\$
Financial assets		
Amortized costs ⁽¹⁾	1,187,351	1,042,769
Financial liabilities		
Amortized costs ⁽²⁾	5,267,278	1,798,756

(1) Consists of cash and accounts receivable

(2) Consists of accounts payable and accrued liabilities and loans payable.

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Management of Industry and Financial Risk

The Company is exposed to credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's management is supported by the Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company policies and the Company risk appetite.

Credit risk

Credit risk is the risk of unexpected loss if a customer of third party to a financial instrument fails to meet its contractual obligations. Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash, and accounts receivable. The cash consists of money held in a reputable Canadian bank. To reduce its credit risk from its accounts receivable, the Company reviews a new client and share subscriber's credit history before extending credit.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages liquidity risk through obtaining financing from its shareholders. At September 30, 2024, the Company had a working capital deficiency of \$3,272,642 (December 31, 2023 – working capital deficiency of \$575,751) and, as a result, the Company will need additional financing in the future.

Capital management

The Company's objectives when managing capital are to maintain a strong capital base so as to maintain investor, creditor and market confidence and sustain future development of the business. The capital of the Company consists of equity.

The Company manages its capital structure and makes adjustments in light of the changes in its economic environment and the risk characteristics of the Company's assets. To effectively manage the Company's capital requirements, the Company has in place planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. There were no externally imposed capital requirements to which the Company is subject as at September 30, 2024.

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Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions between Related Parties

Related party transactions, with entity with common management and shareholders, are as follows:

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Salaries paid to current and former officers and directors	\$ -	\$ 90,000
Consulting fees paid to current and former officers and directors	212,250	45,000

Included in accounts receivable as at September 30, 2024 are \$436,688 (December 31, 2023 - \$359,452) receivable from current and former officers and directors of the Company.

Included in accounts payable and accrued liabilities as at September 30, 2024 are \$1,362,833 (December 31, 2023 - \$377,580) payable to current and former officers and directors of the Company.

OUTSTANDING SHARE DATA

The following share capital data is current as of the date of this MD&A:

	Balance
Shares issued and outstanding	240,805,583

Critical Accounting Estimates

Critical accounting estimates have not changed since the Company's fiscal year ended December 31, 2023.

Other Information

Additional information regarding the Company is available on SEDAR+ at www.sedarplus.ca.