

CABBAY HOLDINGS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Period from Inception March 6, 2016 to June 30, 2016

Overview

This MD&A has been prepared as of September 30, 2016 and the following information should be read in conjunction with the Issuer's (the Company) audited financial statements for the quarter ended March 30, 2016 together with the notes thereto. The Issuer's financial statements for the period have been prepared in accordance with International Financial Reporting Standards (IFRS).

This discussion contains forward-looking statements that involve certain risks and uncertainties. Statements regarding future events, expectations and beliefs of management and other statements that do not express historical facts are forward-looking statements. In this discussion, the words "believe", "may", "will", "estimate", "continue", "anticipate", "intend", "expect", "plan", "predict", "potential" and similar expressions, as they relate to the Issuer, its business and management, are intended to identify forward looking statements. The Issuer has based these forward-looking statements largely on its current expectations and projections about future events and financial trends affecting the financial condition of the business. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements.

Except as may be required by applicable law or stock exchange regulation, the Issuer undertakes no obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events. Accordingly, readers should not place undue reliance on forward-looking statements. If the Issuer updates one or more forward-looking statements, no inference should be drawn that additional updates will be made with respect to those or other forward-looking statements. Additional information relating to the Issuer, is available by accessing the SEDAR website at www.sedar.com.

Business Overview and Strategy

The Issuer is a holding company. Its major asset is an agreement with ForwoRx Therapeutics Inc. regarding the development of therapies to treat fibrosis and pulmonary arterial hypertension. The agreement covers the lead compound for Fibrosis, PTL-202 is a combination of already approved drugs which have well established safety profiles. PTL-202 has completed a phase 1 drug/ drug interaction clinical trial.

Overall Performance

The Issuer's plan is to continue as a holding company.

Corporate Highlights

During the period from inception, March 6, 2016 to June 30, 2016 the Issuer accomplished the following:

- The company was incorporated on March 6, 2016
- The Company announced that it has entered into an arrangement agreement dated April 18, 2016 in order to effect the plan of arrangement between the Company and Pacific Therapeutics Ltd. under the Business Corporations Act (British Columbia).
- May 31, 2016 the British Columbia Supreme Court granted final approval of the plan of arrangement to transfer the Pacific Therapeutics Ltd. asset purchase agreement relating to its biotechnology assets for the development of therapies for fibrosis and erectile dysfunction to Cabbay Holdings Corp.

Selected Financial Information

The financial information reported here has been prepared in accordance with IFRS. The Issuer uses the Canadian dollar (CDN) as its reporting currency. Selected un-audited financial data for interim operations of the Issuer for from inception and for the three months ended June 30, 2016:

Selected Statement of Operations Data

Period ended	Three Months Ended June 30, 2016	From Inception March 6, 2016 to June 30, 2016
Total revenues	\$Nil	\$Nil
Net and Comprehensive loss	\$(53)	\$(5,73)
Basic loss per share	\$(53)	\$(5,731)
Diluted loss per share (Unaudited)	\$(53)	\$(5,731)
Weighted average shares	1	1

Selected Balance Sheet Data

Period ended	June 30, 2016
Cash & Equivalents	\$40
Current assets	\$40
Property and equipment (net of depreciation)	\$Nil
Patents & Licenses (net of amortization)	\$Nil
Total Assets	\$40
Current liabilities	\$5,770
Non-Current liabilities	\$Nil
Total liabilities	\$5,770
Working Capital	\$(5,730)

Comparison of the Quarters ending June 30, 2016, June 30, 2015 and June 30, 2014

Revenues

There are no comparables as the company was only incorporated on March 6, 2016.

Expenses

There are no comparables as the company was only incorporated in March 6, 2016.

Research & Development Expense

The company does not conduct any research or development.

General and Administrative Expenses

General and administrative costs consist primarily of accounting costs and other professional and administrative costs associated with general corporate activities.

The General and administrative costs for the period from inception March 6, 2016 to June 30, 2016 was \$5,731.

Intellectual Property and Intangible Assets

The company has no costs associated with the asset purchase agreement with ForwoRx Therapeutics Inc.

Interest Expense/(Income)

The interest expense in the the period from inception to June 30, 2016 was \$Nil.

Profits

At this time, the Issuer is not anticipating profit from operations. Until such time as the Issuer is able to realize profits from the asset purchase agreement with ForwoRx Therapeutics Inc., the Issuer will report an annual deficit and quarterly deficit and will rely on its ability to obtain equity/or debt financing to fund on-going operations. For information concerning the business of the Issuer, please see “*Business Overview and Strategy*”.

Stock Based Compensation

For the period from inception March 6, 2016 ended June 30, 2016 stock based compensation was \$Nil

Selected Quarterly Information

	Three Months Ended June 30, 2016	From Inception March 6, 2016 to March 31, 2016,
	\$	\$
Total Revenues	Nil	Nil
Net Loss	(53)	(5,678)
Loss per Share basic and diluted	(53)	(5,678)
Cash	40	93
Total Assets	40	93
Current Liabilities	5,770	5,770

Liquidity and Capital Resources

At June 30, 2016, the Issuer had cash and cash equivalents of \$40 and a working capital deficit of \$5,730. Working capital is defined as current assets less current liabilities.

The Issuer’s Cash flows from financing activities during the period from inception March 6, 2016 to June 30, 2016 consisted of the issuance of one common share for \$1 and an increase in cash due to related parties of \$100.

Cash utilized in operating activities during the period from inception March 6, 2016 to June 30, 2015 was \$(61).

At June 30, 2016 share capital was \$1 comprising of 1 issued and outstanding Common Share.

Warrant and Option Reserves at June 30, 2016, is \$Nil.

As a result of the net loss for the period from inception March 6, 2016 ending June 30, 2016 of \$5,371 the deficit at June 30, 2016 increased to \$5,371 from \$Nil at incorporation on March 6, 2016.

At present, the Issuer's operations do not generate cash inflows and its financial success after June 30, 2016 is dependent on the asset purchase agreement with ForwoRx Therapeutics Inc. The research and development process can take many years and is subject to factors that are beyond the Issuer's control.

In order to finance the Issuer's future administrative and overhead expenses in the coming years the Issuer may raise money through equity sales. Many factors influence the Issuer's ability to raise funds, including the Issuer's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of research activities at ForwoRx Therapeutics Inc. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control. Should those risks fully materialize, it may not be able to raise adequate funds to continue its operations.

Off Balance Sheet Arrangements

There are currently no off balance sheet arrangements which could have an effect on current or future results or operations or the financial condition of the Company.

Transactions with Related Parties

Included in accounts payable and accrued liabilities on June 30, 2016 is \$100 advanced to the Company by Nick Horsley the Issuer's president and a director. The advance does not bear interest and has no set terms of repayment.

Subsequent Events

None

Proposed Transactions

As at the date of this MD&A there are no transactions currently contemplated by the Issuer.

Financial Instruments and Other Instruments

The Issuer's financial instruments consist of cash. Unless otherwise noted, it is management's opinion that the Issuer is not exposed to significant interest, currency or credit risks arising from financial instruments.

Disclosure of Outstanding Share Data

As at June 30, 2016, the Issuer had an unlimited number of authorized common shares with 1 common share issued and outstanding.

As at June 30, 2016 the issuer had Nil options outstanding.

As at June 30, 2016 the Issuer had Nil warrants outstanding.