

CABBAY HOLDINGS CORP.

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

From Inception March 6, 2016 to September 30, 2016

Overview

This MD&A has been prepared as of November 29, 2016 and the following information should be read in conjunction with the Issuer's un-audited financial statements for the period from inception March 6, 2016 ended September 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 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. It's 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 September 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.
- September 12, 2016, three new directors, Derick Sinclair, Robert Charlton and Douglas Unwin were appointed to the Issuer's board of Directors. Mr. Unwin was appointed president and CFO to replacer Nick Horsley who had resigned.

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 September 30, 2016:

Selected Statement of Operations Data

Period ended	Three Months Ended September 30, 2016	From Inception March 6, 2016 to September 30, 2016
Total revenues	\$Nil	\$Nil
Net Income / (Loss)	\$5,626	(\$105)
Basic Income/(loss) per share	\$5,626	(\$105)
Diluted loss per share (Unaudited)	\$5,626	(\$105)
Weighted average shares	1	1

Selected Balance Sheet Data

Period ended	September 30, 2016
Cash & Equivalents	\$7
Current Assets	\$7
Total Assets	\$7
Current liabilities	\$111
Non-Current liabilities	\$Nil
Total liabilities	\$111
Working Capital	\$(104)

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 September 30, 2016 was \$5,764. The General and administrative costs for the 3 month period ended September 30, 2016 was \$33.

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 period from inception to September 30, 2016 was \$Nil. The interest expense in the 3 month period ended September 30, 2016 was \$Nil.

Profits

At this time, the Issuer is not anticipating profit from operations. The Issuer will report an annual deficit and quarterly deficit and will rely on its ability to obtain equity/or debt financing and maintenance fees

from the Asset Purchase Agreement 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 September 30, 2016 stock based compensation was \$Nil

Selected Quarterly Information

	Three Months Ended September 30, 2016	Three Months Ended June 30, 2016	From Inception March 6, 2016 to March 31, 2016,
	\$	\$	\$
Total Revenues	Nil	Nil	Nil
Net Loss	(33)	(53)	(5,678)
Loss per Share basic and diluted	(5,626)	(53)	(5,678)
Cash	7	40	93
Total Assets	7	40	93
Current Liabilities	111	5,770	5,770

Liquidity and Capital Resources

At September 30, 2016, the Issuer had cash and cash equivalents of \$7 and a working capital deficit of \$104. 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 September 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 September, 2015 was \$6.

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

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

As a result of the net loss for the period from inception March 6, 2016 ending September 30, 2016 of \$5,626 the deficit at September 30, 2016 increased to \$104 from \$Nil at incorporation on March 6, 2016.

At present, the Issuer's operations do not generate cash inflows and its financial success after September 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 September 30, 2016 is \$100 advanced to the Company by Nick Horsley the Issuer's past president and a former director. The advance does not bear interest and has no set terms of repayment.

Subsequent Events

On October 3, 2016, the Plan of Arrangement with PT (note 1) was completed. The Company acquired \$1,000 and the asset purchase agreement with Forge and issued 1,379,887 to shareholders of PT. In connection with the arrangement, \$435,360 of indebtedness was assigned to and assumed by the Company.

On October 31, 2016, the company issued 100,000 options to purchase common shares to the Company's directors. Option holders may purchase common shares in the capital stock of the Company at an exercise price of \$0.10 per share, such options being exercisable for a period of five years from the date of grant with immediate vesting.

Proposed Transactions

As at the date of this Management Discussion and Analysis there are no transactions currently contemplated by the Issuer.

Financial Instruments and Other Instruments

The Issuer's financial instruments consist of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities and amounts due to shareholders. 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. The fair value of cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities approximates their carrying value due to their short-term maturity or capacity for prompt liquidation.

Disclosure of Outstanding Share Data

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

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

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