

CABBAY HOLDINGS CORP.

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

For the three Months Ended March 31, 2017

Overview

This MD&A has been prepared as of May 30, 2017 and the following information should be read in conjunction with the Issuer's un-audited financial statements for the three months ended March 31, 2017 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 holding 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 three month period ended March 31, 2017 the Issuer accomplished the following:

- On January 18th, 2017 the Company issued 25,000 option to purchase common shares to a consultant to the company, the options may be exercised for \$0.10 for a period of five years.
- On January 27, 2017 the Company settled \$126,027 in debt that it had assumed by issuance of 84,017 shares.
- On February 10, 2017 Mr. Mark van der Horst joined the Company's board of directors.

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 the period from inception March 6, 2016 to March 31, 2016 and for the three months ended March 31, 2017 are presented:

Selected Statement of Operations Data

Period ended	Three Months Ended March 31, 2017	From Inception March 6, 2016 to December 31, 2016
Total revenues	\$Nil	\$Nil
Net Income / (Loss)	\$(2,118)	\$5,678
Basic Income/(loss) per share	\$Nil	\$(5,678)
Diluted loss per share (Unaudited)	\$Nil	\$(5,678)
Weighted average shares	1,439,360	1

Selected Balance Sheet Data

Period ended	March 31, 2017	December 31, 2016
Cash & Equivalents	\$3,885	\$88
Current Assets	\$4,285	\$88
Total Assets	\$4,286	\$89
Current liabilities	\$315,430	\$441,187
Non-Current liabilities	\$Nil	\$Nil
Total liabilities	\$315,430	\$441,187
Working Capital	\$(311,145)	\$(441,099)

Comparison of the Quarters ending March 31, 2017, March 31, 2016 and March 31, 2015

Revenues

The Issuer is a holding company. Its major holding is an agreement with ForwoRx Therapeutics Inc. (“ForwoRx”) (see *Business Overview and Strategy*). Under this agreement ForwoRx is to pay to the Issuer \$50,000 per year in maintenance fees. This fee for 2016 has not been paid and the company will not recognize it as revenue until such time that management is confident of its payment.

Expenses

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 3 month period ended March 31, 2017 was \$12,868. The General and administrative costs for the period from incorporation March 6, 2016 ended March 31, 2016 was \$5,678.

Intellectual Property and Intangible Assets

The company has no costs associated with the maintenance of patents or intellectual property under the asset purchase agreement with ForwoRx Therapeutics Inc.

Interest Expense/(Income)

The interest expense in the 3 month period ended March 31, 2017 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 3 month period ended March 31, 2017 stock based compensation was \$335.

Selected Quarterly Information

	Three Months Ended March 31, 2017	Three Months Ended December 31, 2016	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	Nil	Nil
Net Income (Loss)	(2,118)	(441,998)	5,626	(53)	(5,678)
Income (Loss) per Share basic and diluted	Nil	Nil	5,626	(53)	(5,678)
Cash	3,885	88	7	40	93
Total Assets	4,286	89	7	40	93
Current Liabilities	315,430	441,187	111	5,770	5,770

Liquidity and Capital Resources

At March 31, 2017, the Issuer had cash and cash equivalents of \$3,885 and a working capital deficit of \$311,145. Working capital improved by \$129,954 mostly due to the settlement of \$126,027 in current liabilities being settled by the issuance of 84,017 common shares of the Issuer. Working capital is defined as current assets less current liabilities.

The Issuer's Cash flows from financing activities for the three months ended March 31, 2017 consisted of share subscriptions received of \$5,710 and an increase of amounts owed to related parties of \$11,993.

Cash utilized in operating activities during the three months ended March 31, 2017 was \$13,906.

At March 31, 2017 share capital was \$127,027 comprising of 1,463,904 issued and outstanding Common Share.

Warrant and Option Reserves at March 31, 2017, was \$340, an increase of \$335. The increase was due to the issuance of an additional 25,000 options and a change to the Black Scholes estimate inputs. The changes included increasing the current share price from \$0.001 at December 31, 2016 to \$0.025 and a change in the risk free rate to 1.10%.

As a result of the net loss for the three months ended March 31, 2017 of \$2,118 the deficit at March 31, 2017 increased to \$444,221 from \$442,103 for the year ended December 31, 2016.

At present, the Issuer's operations do not generate cash inflows and its financial success after March 31, 2017 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 March 31, 2017 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.
- During period ended March 31, 2017, the Company paid accounting fees of \$4,000 (March 31, 2016: \$nil) and consulting fees of \$4,500 (March 31, 2016: \$Nil) to a director. As of March 31, 2017, the Company has \$12,500 (December 31, 2016: \$4,000) owing to the aforementioned director. The amounts do not bear interest and have no set terms
- As of March 31, 2017 the Company has \$165,696 (December 31, 2016: \$166,201) owing to the CEO and director of the Company, \$19,950 (December 31, 2016: \$19,950) owing to a director of the Company. The amounts do not bear interest and have no set terms of repayment.

Subsequent Events

On April 24, 2017, the Company closed a financing, issuing 725,500 common shares at \$0.02 per share for total proceeds of \$14,510. As at March 31, 2017 the Company had collected \$5,710 cash share subscriptions towards the private placement.

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 March 31, 2017, the Issuer had an unlimited number of authorized common shares with 1,463,904 common share issued and outstanding.

As at March 31, 2017 the issuer had 125,000 options outstanding. Each option has an exercise price of \$0.10.

As at March 31, 2017 the Issuer had 362,333 warrants outstanding. Each warrant has an exercise price of \$3.00