

FOCUSED CAPITAL II CORP.

(A Capital Pool Company)

“INTERIM MANAGEMENT’S DISCUSSION AND ANALYSIS”

FOR THE THREE MONTHS ENDED

SEPTEMBER 30, 2017

(EXPRESSED IN CANADIAN DOLLARS)

Introduction

The following interim Management's Discussion & Analysis ("Interim MD&A") of Focused Capital II Corp. ("Focused II" or the "Company") for the three months ended September 30, 2017 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion & analysis, being the Management's Discussion & Analysis ("Annual MD&A") for the fiscal year ended June 30, 2017. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations*. This discussion should be read in conjunction with the Annual MD&A, audited annual financial statements of the Company for the years ended June 30, 2017, and June 30, 2016, together with the notes thereto, and unaudited condensed interim financial statements of the Company for the three months ended September 30, 2017, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of October 25, 2017, unless otherwise indicated.

Further information about the Company and its operations is available on SEDAR at www.sedar.com.

Description of Business

Focused II was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Ontario) on July 13, 2011. The authorized share capital of the Company consists of an unlimited number of common shares, without nominal or par value.

The Company's head office and registered and records office address is 1 Adelaide Street East, 21st Floor, Toronto, Ontario, Canada, M5C 2V9.

The Company's financial year ends on June 30.

The Company is classified as a Capital Pool Company as defined in Policy 2.4 – Capital Pool Companies ("Policy 2.4") of the TSX Venture Exchange ("Exchange"). The Company has not commenced commercial operations and has no assets other than cash and prepaids and other assets. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a transaction where the Company acquires significant assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means (a "Qualifying Transaction"). Any proposed Qualifying Transaction must be accepted by the Exchange.

There is no assurance that the Company will identify a business or asset that warrants acquisition or participation.

The Company has a diversified base of investors. To the knowledge of the Company, there were no shareholders who held or controlled more than 10% of the Company's common shares.

The Company has not conducted commercial operations and it is focused on the identification and evaluation of businesses or assets to acquire. Until completion of the Qualifying Transaction, the

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Discussion Dated: October 25, 2017

Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a Qualifying Transaction. Except as described in the Company’s prospectus dated December 5, 2011, the funds raised by the Company will be utilized only for the identification and evaluation of potential Qualifying Transactions and, to the extent permitted by Policy 2.4, for general and administrative expenses. While the Company has commenced the process of identifying potential acquisitions, it has not yet entered into a definitive agreement for any particular transaction.

Cautionary Note Regarding Forward-Looking Information

This Interim MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this Interim MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
The Company expects to complete a Qualifying Transaction	The Company expects to identify an asset or business to acquire and close a Qualifying Transaction, on terms favourable to the Company	The Company’s inability to find a target to complete a Qualifying Transaction, resulting in the Company remaining as a public shell on the NEX trading board of the Exchange
The Company’s ability to meet its working capital needs at the current level for the twelve-month period ending September 30, 2018	The operating activities of the Company for the twelve-month period ending September 30, 2018, and the costs associated therewith, will be consistent with the Company’s current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; regulatory compliance and changes in regulatory compliance and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Focused II’s ability to predict or control. Please also make reference to those risk factors referenced in the “Risk Factors” section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ,

and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Focused II's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Operational Highlights

During the quarter, the Company continued its search for a suitable business or asset to merge with or acquire. These activities did not lead to the execution of any agreements for a Qualifying Transaction and the Company's search continues.

Trends

The Company plans to continue to search for suitable assets or businesses to acquire or merge with in order to maximize value for shareholders.

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Strong equity markets are favourable conditions for completing a public merger or acquisition transaction. Apart from these and the risk factors noted under the heading "Risk Factors", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Major Operating Milestones

None

Financial Highlights

Financial Performance

The Company's net loss totaled \$7,275 for the three months ended September 30, 2017, with basic and diluted loss per share of \$0.01, versus a loss of \$4,768 for the three months ended September 30, 2016, with basic and diluted loss per share of \$0.00. Activities for the three months ended September 30, 2017, principally related to administrative of \$566, professional fees and disbursements of \$4,303 and transfer agent, listing and filing fees of \$2,406. In the 2016 comparative period, net loss principally related to administrative of \$471, professional fees and disbursements of \$1,981 and transfer agent, listing and filing fees of \$2,316.

At September 30, 2017, the Company had assets of \$419,795 and total equity of \$407,602. This compares with assets of \$424,535 and total equity of \$414,877 at June 30, 2017. At September 30, 2017, the Company had \$12,193 of current liabilities, compared to \$9,658 of current liabilities at June 30, 2017.

Cash Flow

At September 30, 2017, the Company had a working capital of \$407,602, compared to a working capital of \$414,877 at June 30, 2017. The Company had cash of \$418,382 at September 30, 2017, compared to \$423,122 at June 30, 2017, a decrease of \$4,740, primarily due to ongoing public company reporting costs and proposed Qualifying Transaction costs. Management believes the Company's working capital is sufficient for the Company to meet its ongoing obligations and meet its objective of completing a Qualifying Transaction.

Liquidity and Financial Position

The Company manages its capital structure and makes adjustments to it, based on available funds to the Company. Pursuant to the policies of the Exchange, the proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of its initial public offering or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange.

Management believes the Company's working capital is sufficient for the Company to meet its ongoing obligations and meet its objective of completing its Qualifying Transaction.

Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's Annual MD&A for the fiscal year ended June 30, 2017, available on SEDAR at www.sedar.com.