

**Bold Capital Enterprises Ltd.**  
**(Capital Pool Company)**

Management's Discussion and Analysis  
For the year ended December 31, 2020

## Background

The following management's discussion and analysis ("**MD&A**") should be read in conjunction with Bold Capital Enterprises Ltd (the "**Corporation**")'s audited financial statements and notes thereto for the year ended December 31, 2020. Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com).

The effective date of this report is April 22, 2021.

This MD&A was prepared by management of the Corporation, and was approved by the Board of Directors on April 28, 2020. All amounts are in Canadian dollars unless otherwise stated. The financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"), and the interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**").

## Forward-Looking Statements

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", used by any of the Corporation's management, are intended to identify forward-looking statements. Such statements reflect the Corporation's forecasts, estimates and expectations, as they relate to the Corporation's current views based on their experience and expertise with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Corporation's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Corporation does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments unless required by law.

## Description of the Business

The Corporation was incorporated on May 16, 2018, under the *Canada Business Corporations Act* under the name "10785512 Canada Inc." to become a Capital Pool Company listed on the TSX Venture Exchange Inc. (the "**Exchange**"), according to the provisions of Policy 2.4 of the *TSX Venture Exchange Corporate Finance Manual* (the "**Manual**"). On June 18, 2018, the Corporation filed articles of amendment in order to change its name for "Bold Capital Enterprises Ltd."

The address of the Corporation's registered office is 70, Dalhousie Street, Suite 300, Québec, QC G1K 4B2, Canada.

The principal business of the Corporation is the identification and evaluation of assets or business with a view to completing a Qualifying Transaction (as defined in Policy 2.4 of the Manual). The Corporation must complete a Qualifying Transaction, which is subject to the approval of the Exchange within the next 24 months of incorporation.

## Financing Activities

During the period from the incorporation on May 16, 2018, to December 31, 2018, the Corporation issued 3,800,000 common shares of the capital of the Corporation (the "**Common Shares**") for an amount of \$190,000.

During the period ended December 31, 2019, the prospectus for the initial public offering ("**IPO**") of the Corporation's Common Shares was receipted by the regulatory authorities.

The IPO closed on April 16, 2019, and a total of 3,464,500 Common Shares were issued at a price of \$0.10 per Common share.

More precisely, on April 16, 2019, the Corporation completed its IPO of (i) 3,464,500 Common Shares, at a price of \$0.10 per Common Share (the "**Offering**"), for gross proceeds of \$346,450 (ii) the grant of non-transferable options to the agent, Leede Jones Gable Inc. and PI Financial Corp., entitling the holders to acquire 346,450 Common Shares at a price of \$0.10 per Common Share, up to April 16, 2021, and (iii) the grant of 726,450 stock options to the directors and officers of the Corporation to purchase an aggregate number of 726,450 Common Shares, at a price of \$0.10 per Common Share, during a period of 5 years from the date of grant.

The purpose of this Offering is to provide the Corporation with a minimum amount of funds with which to identify and evaluate potential acquisitions or businesses, and once identified and evaluated, to negotiate an acquisition.

The Corporation's Common Shares commenced trading on the Exchange on April 23, 2019, under the symbol "BOLD.P".

The Corporation had no financing activities for the period ended December 31, 2020.

## Overall Performance

The Corporation was incorporated on May 16, 2018. The Corporation does not have any operations and, until it completes a Qualifying Transaction, will not conduct any business other than the identification and evaluation of businesses and assets for potential acquisition.

As at December 31, 2020, the Corporation has accumulated deficits of \$386,693. The Corporation's potential acquisition of a Qualifying Transaction and recurring operating losses and working capital needs may require that it obtain additional capital to continue its operation. Such outside capital may include the sale of additional Common Shares.

There can be no assurance that capital will be available as necessary to meet the Corporation's needs or, if the capital is available, that it will be on terms acceptable to the Corporation. The issuances of additional equity securities by the Corporation may result in a significant dilution in the equity interests of its current shareholders.

## Selected Financial Information

The Corporation's date of its fiscal year end is December 31.

The following selected financial data is derived from the financial statements of the Corporation prepared within acceptable limits of materiality and are in accordance with IFRS. The Corporation's expenditures mainly include costs to maintain its public company status in good

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standing and expenses to identify and evaluate acquisitions of companies, businesses, assets or properties.

**Selected Annual Information**

<b>For the Year Ended</b>		
	December 31, 2020 (audited)	December 31, 2019 (audited)
Cash in trust	\$137,214	\$314,753
Total current assets	\$137,214	\$314,753
Total long –term assets	-	-
Total current liabilities	\$46,982	\$20,823
Total shareholders' equity	\$90,232	\$293,930

**Selected Quarterly Information**

	Q1 ended March 31, 2019	Q2 ended June 30, 2019	Q3 ended Sept. 30, 2019	Q4 ended Dec. 31, 2019	Q1 ended March 31, 2020	Q2 ended June 30, 2020	Q3 ended Sept. 30, 2020	Q4 ended Dec. 31, 2020
Expenses	\$3,030	\$55,524	\$3,363	(\$8,944) <sup>1</sup>	\$11,152	\$94,635	\$41,683	\$56,228
Stock-based compensation	\$-	\$54,000	\$-	\$-	\$-	\$-	\$-	\$-
Net loss for the period	\$3,030	\$109,524	\$3,363	(\$8,944) <sup>1</sup>	\$11,152	\$94,635	\$41,683	56,228
Basic loss per share	\$0.001	\$0.02	\$0.00	(\$0.001) <sup>1</sup>	\$0.002	\$0.013	\$0.006	\$0.008
Average number of shares outstanding	3,800,000	6,687,083	7,264,500	7,264,500	7,264,500	7,264,500	7,264,500	7,264,500

<sup>1</sup> The negative expenses number and the resulting net profit per share are due to adjustments of the Corporation's expenses which took place during the fourth quarter ended December 31, 2019.

The Corporation does not have any operations and will not conduct any business other than the identification and evaluation of business and assets for potential acquisition.

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**Selected Statement of Operations Data**

<b>For the Q4 Period Ended</b>		
	December 31, 2020 (unaudited)	December 31, 2019 <sup>1</sup> (unaudited)
Expenses	\$56,228	(\$8,944) <sup>2</sup>
Stock-based compensation	\$-	\$-
Net loss for the period	\$56,228	(\$8,944) <sup>2</sup>
Basic loss per share	\$0.008	(\$0.001) <sup>2</sup>
Average Number of shares outstanding <sup>1</sup>	7,264,500	7,264,500

<sup>1</sup> On April 16, 2019, the Corporation completed its IPO with the aggregate number of Common Shares issued and outstanding now amounting to a total of 7,264,500.

<sup>2</sup> The negative expenses number and the resulting net profit per share are due to adjustments of the Corporation's expenses which took place during the fourth quarter ended December 31, 2019.

Expenses during the fourth quarter ended December 31, 2020 were principally composed of professional fees from our lawyers and accountants and listing and maintenance expenses totalling \$56,228.

<b>For the Year Ended</b>		
	December 31, 2020 <sup>1</sup> (audited)	December 31, 2019 <sup>1</sup> (audited)
Expenses		
Listing and maintenance expenses	\$19,399	\$14,293
Professional Fees	\$184,299	\$38,680
Stock-based compensation	\$-	\$54,000
Net loss for the year	\$203,698	\$106,973
Basic loss per share	\$0.03	\$0.02
Average Number of shares outstanding <sup>1</sup>	7,264,500	6,277,355

<sup>1</sup> On April 16, 2019, the Corporation completed its IPO with the aggregate number of Common Shares issued and outstanding now amounting to a total of 7,264,500.

Expenses during the year ended December 31, 2020 were principally composed of professional fees from our lawyers and accountants totalling \$184,299 and the balance totalling \$19,399 being associated with listing and maintenance expenses.

## Liquidity, Capital Resources and Outlook

The Corporation's ability to meet its obligations and its ability to finance its operations depends on being able to complete the Corporation's Qualifying Transaction and to obtain additional funding in the future. We expect to generate negative cash flow from operating activities in the future until at least our Qualifying Transaction is completed and we commence revenue generation.

Management intends to ensure that the operational and administrative costs are minimal prior to the completion of a Qualifying Transaction to preserve the Corporation's working capital.

### Capital Resources

The Corporation completed its IPO on April 16, 2019.

Even if the Corporation has concluded an agreement in principle with a Qualifying Transaction, there can be no assurance that the Corporation will be able to complete the transaction.

Furthermore, it may be necessary for the Corporation to seek additional financing. Capital markets may not always be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings, under terms that would be acceptable for the Corporation.

Under Exchange Policy 2.4 in effect until December 31, 2020 the Company is restricted in its use of proceeds raised from the issuance of common shares. The proceeds 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 issuing the common shares or administrative and general expenses of the Company.

As at December 31, 2020 the Company incurred costs of issuing common shares or administrative or general expenses the total of which exceeds the maximum permitted by Policy 2.4. However, the restriction that no more than 30% of the gross proceeds from the issuance of shares or \$210,000 may be used was withdrawn on January 1, 2021.

### Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as of December 31, 2020.

### Proposed Transactions

The Corporation is seeking a Qualifying Transaction. On April 29, 2020, the Corporation announced the conclusion of an agreement in principle with Dymedso for the realization of a Qualifying Transaction. On October 16, 2020, the Corporation and Dymedso extended the agreement in principle signed on April 29, 2020, to December 15, 2020. As at December 31, 2020, the agreement in principle had not been extended and is currently not in force as of the date herein. The Corporation is actively engaged in seeking a new Qualified Transaction.

## **About Dymedso**

Dymedso is a medical device corporation using sound (acoustics) to treat patients with airway clearance issues. Its flagship product, the Frequencer V2x, provides airway clearance therapy and promotes bronchial drainage by inducing vibration through chest walls.

## **Summary of the Terms of the Agreement in Principle**

According to the terms of the agreement in principle which has expired as of December 15, 2020 and as of this date has not been renewed, the Corporation proposed to acquire all the issued and outstanding securities of Dymedso by the issuance of Common Shares and, upon the closing of the acquisition, the shareholders of the Corporation and Dymedso will hold respectively 12% and 88% of all the issued and outstanding Common Shares of the Corporation, calculated prior to any additional financing. The Qualifying Transaction is subject to various conditions such as its approval by the board of directors of the Corporation and Dymedso, the hiring of a brokerage firm and the completion of a concurrent private or public placement of a minimum of \$2,000,000 and a maximum of \$5,000,000.

*Completion of a qualified transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements, majority of the minority shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that any transaction will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon.*

*The Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the content of the announcement and related press release.*

## **Critical Accounting Estimates and Policies**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reported years. Actual results could differ from those estimates.

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information related to critical judgments in applying accounting policies and estimates that have the most significant impact on the financial statements relates to deferred income taxes and fair value of stock options.

## **Financial Instruments and Other Instruments**

The Corporation's financial instruments consist of cash and account payable. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising

from these financial instruments and that the fair value of these financial instruments approximates their carrying values, as applicable.

### Disclosure of Outstanding Share Data

As at the date of this MD&A, the following is a description of the outstanding equity securities and convertible securities previously issued by the Corporation:

	<b>Authorized</b>	<b>Outstanding</b>
Voting or equity issued and outstanding	Unlimited Common Shares	7,264,500 Common Shares <sup>1</sup>
Securities convertible or exercisable into voting or equity securities – stock options and warrants	Directors' and officers' stock options to acquire up to 10% of the issued and outstanding Common Shares	726,450 <sup>1</sup>
	Agent's warrants to acquire up to 10% of the Common Shares issued in connection with the initial public offering	346,450 <sup>1</sup>
Voting or equity securities issuable on conversion or exchange of outstanding securities	As above	As above

<sup>1</sup> On April 16, 2019, the Corporation completed its IPO with the total amount of Common Shares outstanding now amounting to a total of 7,264,500 of which 3,800,000 Common Shares are held in escrow. As of April 16, 2019, a total 726,450 stock options were granted to directors and officers of the Corporation for a period of 5 years and 346,450 non-transferable options were granted to the agent for a period up to April 16, 2021, entitling the holders to acquire 726,450 and 346,450 Common Shares respectively at \$0.10 per Common Share. The Corporation did not issue Common Shares, or stock options during the period ended December 31, 2020.

## Risks and Uncertainties

The Corporation has a limited history of existence. There can be no assurance that a Qualifying Transaction will be completed. Equity or debt financing may be required to complete a Qualifying Transaction. There can be no assurance that the Corporation will be able to obtain adequate financing to continue. The securities of the Corporation should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Corporation's securities:

- a) until completion of a Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;
- b) the Corporation has had no business activity and has not acquired any material assets since its incorporation other than cash;
- c) the Corporation does not have a history of earnings, nor has paid any dividends and will not generate or pay dividends until at least after the completion of the Qualifying Transaction;
- d) the Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction;
- e) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction;
- f) the Qualifying Transaction may be financed in all or in part by the issuance of additional securities by the Corporation and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Corporation;
- g) there can be no assurance that an active and liquid market for the Common Shares will develop and an investor may find it difficult to resell its Common Shares;
- h) if the Corporation fails to complete a Qualifying Transaction within 24 months of listing, the Exchange could suspend or delist the Common Shares and an interim cease trade order may be issued against the Corporation's securities by an applicable securities commission if its Common Shares are suspended from trading on or delisted from the Exchange or otherwise; and
- i) the Corporation competes with many Capital Pool Companies that are seeking suitable Qualifying Transactions. In addition, other Capital Pool Companies may have substantially greater financial and technical resources than the Corporation.

## Other Information

The policies of the Exchange prohibit Capital Pool Companies from carrying on formal investor relations activities. Corporate communications and investor inquiries are handled by the Directors of the Corporation. Additional information about the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## Corporate Directory

Trading Symbol – BOLD.P  
Exchange – TSX-V

### Head Office

Bold Capital Enterprises Ltd.  
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Quebec, QC G1K 4B2  
T: 418-640-4427

### Legal Counsel, Canada

Stein Monast LLP  
#300, 70 rue Dalhousie  
Quebec, QC G1K 4B2  
T: 418-640-4427

### Officers and Directors

Peter Rona, Chief Executive Officer  
Nabil Ishak, Chief Financial Officer  
Octavio Soares  
John Paradias  
Jean-Robert Pronovost  
Richard Provencher, Corporate Secretary

### Auditors

Mallette S.E.N.C.R.L.  
#200, 3075 chemin des Quatre-Bourgeois  
Québec, QC G1W 5C4  
T : 418-653-4455

### Audit Committee

John Paradias, Chairman  
Nabil Ishak

### Transfer Agent

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