

Disclaimer

This management's discussion and analysis is filed by Symcare ML, LLC ("Symcare") pursuant to the undertaking (the "Undertaking") of Invesque Inc (f/d/b/a Mainstreet Health Investments Inc) ("Invesque") to applicable securities regulatory authorities dated May 26, 2016.

The accompanying management's discussion and analysis (MD&A) relates to the unaudited interim financial statements of Symcare, and has been prepared by, and is solely the responsibility of Symcare, and not of Invesque, Invesque's management nor Invesque's directors.

Although Invesque has no reason to believe that the MD&A contain a misrepresentation, Symcare is a private company that is independent of, and unrelated to, Invesque and, consequently, neither Invesque, its management nor its directors (in their capacities as such) have been involved in the preparation of the MD&A. Readers are cautioned, therefore, not to place undue reliance on that information.

Management Discussion & Analysis

Reader Advisories

The Management's Discussion & Analysis ("MD&A") was prepared as of November 14, 2018 to assist readers in understanding Symcare's financial performance for the three months and nine months ended September 30, 2018 and 2017, and significant trends that may affect Symcare's future performance. The following discussion and analysis should be read in conjunction with the interim combined financial statements and accompanying notes to the combined financial statements of Symcare Portfolio for the three months and nine months ended September 30, 2018 and 2017. Those interim combined financial statements were reviewed. Results are reported in U.S. dollars, and are prepared using generally accepted accounting principles of the U.S. ("U.S. GAAP"). References to notes are to the notes of the interim combined financial statements of Symcare, unless otherwise stated.

Overview of Symcare

Symcare is a privately owned company whose primary business is the operation of skilled nursing facilities in the state of Illinois. Symcare's registered office is located at 7257 N. Lincoln Ave Lincolnwood, IL 60712.

Symcare is comprised of 11 nursing centers in Illinois.

Overall performance

Symcare, with the exception of one facility, were formed April 23, 2015 and commenced operations on October 30, 2015. Hanover Park was formed on April 23, 2015 and commenced operations on May 1, 2016.

For the quarter ended September 30, 2018, Symcare recorded a net loss of approximately (\$4,659,000) vs net loss of approximately (\$2,075,000) for the quarter ended September 30, 2017. Symcare, as well as other post-acute/skilled nursing operators continue to be adversely impacted by downward pressure on census, revenues and operating income. The growth of Managed Care plans, increased competition from alternative healthcare providers, increased regulatory scrutiny on government reimbursements and increased wage pressure in a tightening labor market have all lead to the continuing decrease in operating margins from 2017 to 2018.

Discussion of Operations

Operating Revenues

Combined revenue for the quarter was approximately \$48.8M, or approximately \$249 on a per patient day (PPD) basis.

Total Expenses

Combined expenses (included general and administrative and capital expense) for the quarter ending September 30, 2018 were approximately \$53.9M, or approximately \$276 per patient day (PPD). Excluding deferred rent, operating expenses were approximately \$53.2M or \$272 PPD. Bad debt expense for the quarter ending September 30, 2018 totaled approximately \$4.5M, or 9.3% of revenue, primarily caused by continued delays in payment processing from the State of Illinois and various Medicaid Managed Care payors.

Risk Factors

Symcare faces a number of business risks that could cause our actual results to differ materially from those disclosed in this MD&A. If any of the business risks identified were to occur, our business, financial condition, results of operations, cash flows or prospects could be materially adversely affected. Additional risks and uncertainties not presently known to Symcare or that we currently deem immaterial may also adversely affect our business and operations.

Risks, uncertainties and other factors, many of which are beyond control of Symcare, could influence actual results. These include, but are not limited to:

- Changes to and delays in government reimbursement programs;
- Reform to the U.S. Healthcare system will impose new requirements that adversely impact our results;
- Increased competition or shortage of nursing labor or other skilled costs could lead to increased labor costs;
- Increased civil and criminal enforcement efforts of government agencies against skilled nursing facilities could harm our business, and could preclude us from participating in federal healthcare programs;
- State efforts to regulate or deregulate the healthcare services industry or the construction or expansion of healthcare facilities could impair our ability to expand our operations, or could result in increased competition;
- Changes in federal and state employment laws could increase our overall costs;
- Changes to our third-party payors, payor mix and levels of acuity could result in adverse impact to our revenue, financial condition and results of operations;
- Litigation costs from legal suits brought against us could result in significant adverse results to operations;

- Cost containment pressures of the Medicaid program;
- Competition from other healthcare providers and may not be successful in attracting patients and residents to our affiliated facilities;
- Inability to access the financial markets could inhibit our ability to provide the necessary liquidity to fund our operations and growth;
- Our self-insurance program may lead to unexpected and significant losses and costs; and
- Other legislative developments.

Symcare's activities are exposed to a variety of financial risks of varying degrees of significance which could affect Symcare's ability to achieve its strategic objectives. The overall risk management program focuses on the unpredictability of financial and economic markets and seeks to reduce potential adverse effects on financial performance. Risk management is carried out by financial management in conjunction with overall corporate governance. Details of Symcare's risks and uncertainties are included in notes to the interim combined financial statements for the three months and nine months ended September 30, 2018 and 2017.

The principal financial risks to which Symcare is exposed are described below:

Interest rate risk

Symcare is exposed to interest rate cash flow risk on its floating rate borrowings. Interest rate cash flow risk is the risk that cash flows will fluctuate due to changes in the market interest rates. The revolving line of credit bears a floating rate of interest.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Symcare is exposed to credit risk in the event of non-performance by counterparties in connection with its cash and accounts receivable. Symcare does not obtain collateral or other security to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance. Symcare's primary payment sources are the federal government of the United States, the state government of the state of Illinois, and managed care providers, all of which the Company believes to be creditworthy and present a low risk of non-performance. Included in accounts receivable is an allowance for doubtful accounts in the amount of approximately \$18.0 million dollars (December 31, 2017 – \$11.7 million dollars).

Liquidity risk

Liquidity risk is the risk that Symcare will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk includes that, as a result of operational liquidity requirements, Symcare will not have sufficient funds to settle transactions on the due date; will be forced to sell financial assets at a value which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from bank indebtedness, accounts payable and accrued liabilities, and scheduled repayments of long-term debt. Symcare's ability to meet obligations depends on the receipt of funds from its ongoing operations, and the availability of funds on the revolving line of credit.

Given Symcare's available liquid resources as compared to the timing of payments and liabilities, Symcare considers liquidity risk, including the risk of both ability to meet financing obligations and obtain financing, to be low.

Symcare actively manages its working capital to ensure that it can meet its liabilities as they become due.

Liquidity

The principal uses of funds are for meeting the operating needs of the day to day operations, repayment of debt, and funding routine capital spending. These requirements are met by using cash generated from operating activities and through short term indebtedness.

The following tables detail Symcare's remaining maturity for its financial liabilities. The amounts below have been determined based on the undiscounted maturities of the financial liabilities. Contractual interest payable includes interest that will accrue to these liabilities except where Symcare is entitled and intends to repay the liability before its maturity.

September 30, 2018 (Dollars in 000's)	
Bank indebtedness	\$26,563
Trade and other payables	71,518
Checks issued in excess of bank balance	186
Deferred rent	17,137
Due to related parties	3,847
Total financial liabilities	\$119,251

Capital Resources

Capital expenditures primarily consist of patient care equipment, computer equipment, leasehold improvements, office equipment, service equipment and signs. Management expects that annual capital expenditures will approximate depreciation expense to replace equipment when it reaches the end of its useful life. Planned capital expenditures are expected to be funded through operations.

Off Balance Sheet arrangements

Symcare has entered into a master operating lease with Invesque Inc (f/d/b/a Mainstreet Health Investments Inc) with a lease term of 15 years for the use of the 11 facilities. Symcare has three renewal options of the master lease of five years each. At September 30, 2018, Symcare is committed to leases in the amount of \$353,373,687.

Related party transactions

Note 7 of the Notes to the financial statements of Symcare for the quarter ended September 30, 2018 summarizes the transactions between Symcare and its' related parties.

Significant transactions with Symcare:

(Dollars in 000's)	9/30/2018
Due from Related Parties	\$30,868
Management Fee Payable	<\$1,633>
Insurance Services	<\$6,284>
Accounts Payable Medical Supplies	<\$982>
Accounts Payable Dialysis	<\$443>
Accounts Payable Management Company	<\$1,680>
Note Payable, Pharmacy	<\$2,896>
Other	<\$484>
Due to Related Parties	<\$534>
	\$15,932

These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties. There are no key management personnel or board of directors that are directly paid out of Symcare.

Critical Accounting Estimates, Judgments & Measurement Uncertainty

A complete listing of critical accounting estimates, judgements and measurement uncertainty can be found in the notes to the interim combined financial statements for the three and nine months ended September 30, 2018 and 2017.