JACK NATHAN HEALTH

JACK NATHAN MEDICAL CORP.
(formerly Woodbridge Ventures Inc.)

Management's Discussion and Analysis
For the year ended
January 31, 2023

This Management's Discussion and Analysis (MD&A) of Jack Nathan Medical Corp. and its subsidiaries (collectively referred as to the "Company" or "JNH") is dated May 31, 2023 and provides information concerning the Company's financial condition and results of operations. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results, performance and achievements could differ materially from those implied by these forward-looking statements as a result of various factors, see section "Forward-Looking Statements".

BASIS OF PRESENTATION

This MD&A should be read in conjunction with the audited financial statements and accompanying notes for the years ended January 31, 2023, and 2022, which have been prepared in accordance with International Financial Standards ("IFRS").

All amounts are in Canadian dollars unless otherwise specified.

This MD&A contains non-IFRS measures, including Adjusted EBITDA. See section "Selected Financial Information" for information on the calculation of Adjusted EBITDA.

The MD&A has been prepared by reference to the MD&A disclosure requirements established under National Instrument 51-102 - *Continuous Disclosure Obligations* ("NI 51-102") of the Canadian Securities Administrators. Additional information and the MD&A regarding the Company are available on our website at https://jacknathanhealth.com/ or through the Sedar website at www.sedar.com.

FORWARD-LOOKING STATEMENTS

Except for the historical statements contained herein, this Management's Discussion and Analysis presents "forward-looking statements" within the meaning of Canadian securities legislation that involve inherent risks and uncertainties. Forward-looking statements include but are not limited to: future developments; use of funds; and the business and operations of the issuer after completion of the business combination. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "proposed" "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of JNH to be materially different from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; delay or failure to receive board, shareholder or regulatory approvals; and the results of continued development, marketing and sales; as well as those factors disclosed in the Company's publicly filed documents. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Although management of JNH believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. JNH does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

COMPANY OVERVIEW

Jack Nathan Medical Corp. ("Jack Nathan Health" or "JNH") is an omni-channel healthcare network, improving access to medical services for millions of patients throughout Canada and Mexico. The Company does this by co-locating physician and ancillary medical services in conveniently located state-of-the-art medical clinics inside Walmart® stores, as well as through digital channels, providing a seamless patient experience. JNH aims to improve access to high quality healthcare and patient healthcare outcomes through an integrated approach that focuses on proactive and preventative care.

In collaboration with Walmart, the Company builds turnkey, barrier-free medical clinics in high-density centers in Canada and Mexico today, with a goal to expand internationally in future years. As of January 31, 2023, JNH had 75 clinics across Canada, 18 of which were corporate owned and operated. Also as of January 31, 2023, the Company had 114 medical clinics in Mexico, including servicing Walmart associates at four clinics inside Walmart's Distribution Centres and provides COVID-19 testing at select Mexico locations. In May 2022, the Company embarked on a new strategic plan with Walmart Canada by way of a Credit Agreement related to each new clinic that will provide financing for significant capital expenditures to build out each location. Eleven new medical clinic locations within Walmart Canada retail stores are scheduled to be built in 2022 in addition to two of three remaining new clinics announced in May 2021, with an accelerated plan in the coming years for additional locations. Jack Nathan's clinics will provide family and urgent care medical services as well as an array of specialty medical programs and paramedical services including MedSpa and Rehab in key market locations or strategic clinical locations.

During the year ended January 31, 2022, the Company, through acquisitions and expansion, grew rapidly, even during the restrictive effects of the Covid pandemic, on all clinic operations and continued to execute its strategy of expanding its footprint, reach and portfolio of medical services. JNH completed 5 acquisitions during the fiscal year including 12 medical clinics and two MedSpas *Hamilton – 4, 1081Flagship – 1, Campbell River – 1, Comox – 1, and Bridger– 5)* as well as a prescription management technology platform. The Company also opened over 100 new clinics in Mexico.

JNH has been able to successfully grow into one of Canada's largest healthcare networks, with an expanding business in Mexico, by addressing the needs of its three key stakeholders: patients, practitioners, and Walmart. Patients gain easy access to barrier-free high quality medical care services while practitioners reduce their operating costs and the difficulties associated with starting a new practice. Walmart benefits from an improved customer experience and potential follow-on purchases, including those made at Walmart pharmacies.

Historically, JNH built a recurring license fee model with physicians and allied service partners inside Walmart locations. This legacy model will continue to evolve as the Company builds new clinics or acquires clinics that it owns and operates. The recent new strategic relationship with Walmart provides JNH with a significant pipeline of new locations to expand and operate bigger clinics with direct exterior access. This Credit Agreement between the two companies is a catalyst for rapid expansion and growth, by infusing capital expenditures to build medical clinics, in a sector that is currently underserviced in many parts of the country. Walmart Canada has 402 locations and Jack Nathan is currently present in 75 locations, which provides immediate opportunity for several new clinics to open. In addition, there are significant opportunities to build out paramedical services in existing clinics with available rooms adjacent to the ongoing family medical practices. This is a key element of the Company's strategy as it looks to become a multi-disciplinary medical destination, providing one-stop medical solutions to populations in need of better medical care and access.

- Through its JNH medical clinics, the Company provides family practice, walk-in and urgent care services, telemedicine, specialist health care services, travel medicine, allied health services, dental, and more.
- Through its JNH MedSpa's, the Company provides hair restoration, skin rejuvenation, laser hair removal, hair restoration, belkyra, facials, chemical peels, injectables, and more.

- Through its JNH Rehab clinics, the Company provides physiotherapy, chiropractic, massage therapy, chiropody, orthotics, custom bracing, compression therapy, acupuncture, and more.

MARKET OVERVIEW

Jack Nathan Medical Corp. currently licenses, owns and operates medical clinics throughout Canada and Mexico, providing high-quality medical care services administered in Walmart Supercentres. The Company also provides Rehab, Paramedical, Dental, Laboratory, Chiropodist and MedSpa services at select locations, expanding to become a one-stop multi-disciplinary medical solution.

Canada

The Canadian healthcare system is a large and growing industry. According to the Canadian Institute for Health Information (CIHI), total health expenditures in Canada were expected to reach $308 billion, or $8,019 per person in 2021, and health spending represented 12.7% of Canada's gross domestic product (GDP), increasing consistently in recent years. With the global pandemic, more government resources in Canada have been allocated to support the COVID-19 health system, with the 2021 budget focused on keeping Canadians healthy and to finish the fight against COVID-19.

The Canadian population is estimated to be 38.1 million as of June 30, 2021, an increase of 6.0% over the past five-years. It is also aging, which can make a difference in the cost of health care. For example, according to The Conference Board of Canada, Statistics Canada, and the Canadian Institute for Health Information, the average per-person spending on health care for Canadians aged 64 and below is $2,700, whereas the average per-person spending on Canadians aged 65 and over is more than four times higher at $12,000. Although Canadians aged 65 and over are currently less than one-fifth of the population, they consume nearly half of all health care dollars and will make up a greater share of the population over the next decade, increasing healthcare costs.

In addition to the growing burden placed on the healthcare system by an aging Canadian population, there are 4.6 million Canadians aged 12 and older who do not have a regular health care provider they see or talk to when they need care of advice for their health. These Canadians resort to using hospital emergency rooms for visits that could be addressed by a family care physician, resulting in increased strain on the healthcare system and higher costs to the province. Jack Nathan Health sees a significant opportunity to capitalize on the growing demand for easy-access medical care and address the ongoing strain on healthcare throughout Canada.

Another key factor to impact the future of the healthcare market in Canada is the growing, and aging, Millennial generation. The 2021 Census highlights that the Millennials, those born between 1981 and 1996, who are now between 25 and 40 years old, are the fastest-growing generation due to immigration efforts. By 2029 the Millennial generation is projected to become the largest generation in the country. Millennials now have their own families, and also take on the responsibility of their aging parents how they interact with the healthcare system. They are looking for healthcare with the speed, convenience, and personalized experiences that fit in with their busy lifestyles. Telemedicine, online booking, personalized Omni-channel medical services and convenient Walmart locations in Canada, makes JNH at the forefront or the Millennial healthcare consumer.

Canada will also experience tremendous growth in the Medical Esthetics market. Vantage Market Research values the 2021 global Medical Esthetics market at $10.46B USD and predicts that to grow to $22.14B USD by 2028. Canada, the second largest consumer of Medical Esthetic services is expected to see a 11.3% CAGR growth in the market. The technology in the industry continues to improve offering better outcomes for consumers. JNH MedSpa's offers the latest is non-surgical cosmetic technology, including being the first in Canada to bring the Luvu Darwin into a clinical setting.

Mexico

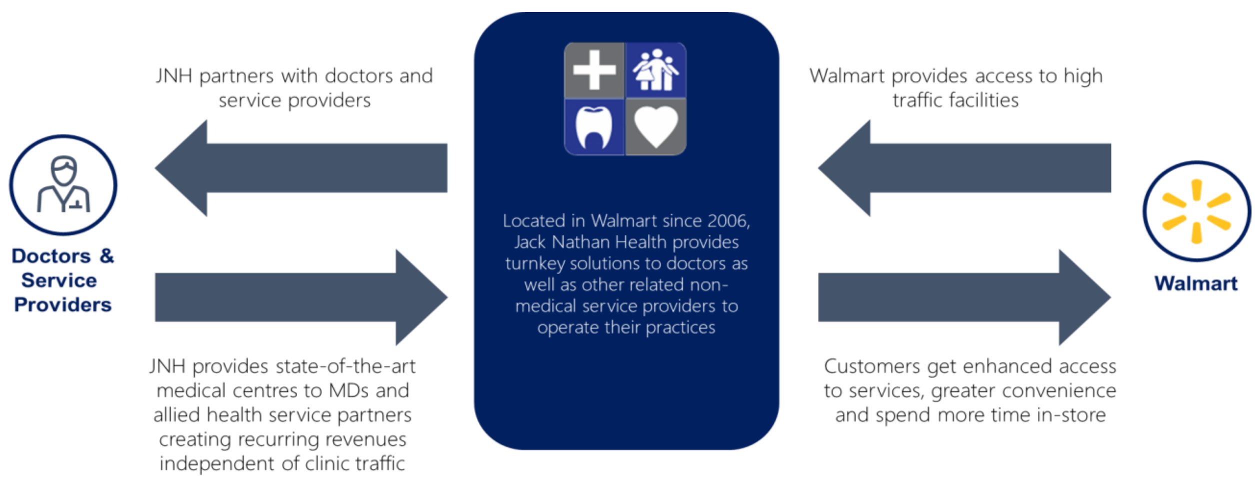
In 2020, the population of Mexico was estimated to be 128.9 million compared to 123.3 million five-years ago, an increase of 4.5%. It has risen steadily every year according to The World Bank since 1960. Of this current figure, approximately 7.6% of the population in Mexico is aged 65 or order, which has also increased steadily throughout the years. With an aging and growing population, coupled with escalating costs to combat the COVID-19 pandemic, health care costs are anticipated to rise throughout the country.

It is estimated that close to 70 percent of the Mexican population is covered under one of the country's public health insurance programs. However, a significant share of the population is still considered vulnerable due to inadequate access to health services.

While improvements have been made and more initiatives are underway by government and health care service companies, Mexico's health system has struggled with inefficiencies and remains vastly fragmented. Jack Nathan Health sees a significant opportunity to enhance access to high-quality medical care and successfully address a critical market gap and population need, working with Walmart Mexico.

The availability and supply of health care professionals has not kept up with demand and access to care across both countries has remained challenging. JNH is already part of a solution to the needs of medical practitioners with its growing network of doctors and other healthcare professionals to serve patients, virtually and in modern, barrier-free clinics across Canada and Mexico.

The Jack Nathan Health Platform



JNH connects patients and medical professionals through both bricks and mortar locations as well as an integrated telemedicine platform. This combination ensures citizens in Canada and Mexico can get medical service no matter where they live. Residents in communities where JNH has established a clinic can conveniently see a physician and receive ancillary health services while more rural and time-constrained patients can receive virtual care and/or visit a local medical centre. By integrating telemedicine with one of Canada's largest physical clinic footprints and a rapidly growing footprint in Mexico, JNH ensures continuous and uniform care creating better healthcare outcomes for patients.

JNH is well positioned to capitalize on a significant growth opportunity, given the overstressed healthcare markets it serves, the rapid expansion underway and planned and with the start of its corporate owned and operated, practice management. Practice Management will continue to be the future of how medical clinics operate. As more physicians retire, the younger physicians who are looking to join practices, are looking to do so while being able to maintain a work-life balance and raise their families. While there are competitors in the market who also offer turn-key practice management locations, only JNH offers this inside a high traffic location, a Walmart Supercenter. JNH is aiming to build out its current Walmart network with multi-disciplinary healthcare services, overseen by r Chief Executive Officer and Dr. Glenn Copeland. Dr. Copeland brings over 45 years of proven leadership in building and managing clinic operations, including his previous position as Chairman and CEO of Cleveland Clinic Canada. The Company is focused on offering the most comprehensive distribution of patient care and allied service across Canada and Mexico, with potential opportunities to expand internationally in future years.

JNH takes a seamless and holistic approach to healthcare, integrating family physicians and ancillary health services like chiropractor and physiotherapy to create continuous care and better healthcare outcomes for patients. By offering many medical services under the same banner and often in the same clinic, JNH can offer patients continuous care as they take advantage of multiple avenues to address their healthcare needs. Having multiple healthcare services in the same building as Walmart allows patients to have multiple appointments, fill prescriptions, and handle their grocery shopping all in one trip saving valuable time.

JNH benefits from lower patient acquisition costs than the typical clinic or telemedicine provider with the customer traffic in every Walmart. The Company's clinic network and its relationship with Walmart typically leads to a steady stream of referrals and new telemedicine patients, which is especially important in the current COVID-19 environment and as the global pandemic continues.

Growth Strategy

Over the coming years, Jack Nathan Health plans to drive top-line and bottom-line growth through five strategic objectives:

1. Open larger multi-disciplinary clinics inside Walmart stores.
2. Expand number of corporate owned and operated medical centres in a strategic plan with Walmart.
3. Diversify service offering to provide more value to patients and partners and create new revenue streams.
4. Leverage the JNH platform to introduce new technologies that drive patient and practitioner engagement, while concurrently working with Walmart to develop and implement the most effective digital strategy.
5. Improve the overall patient experience.

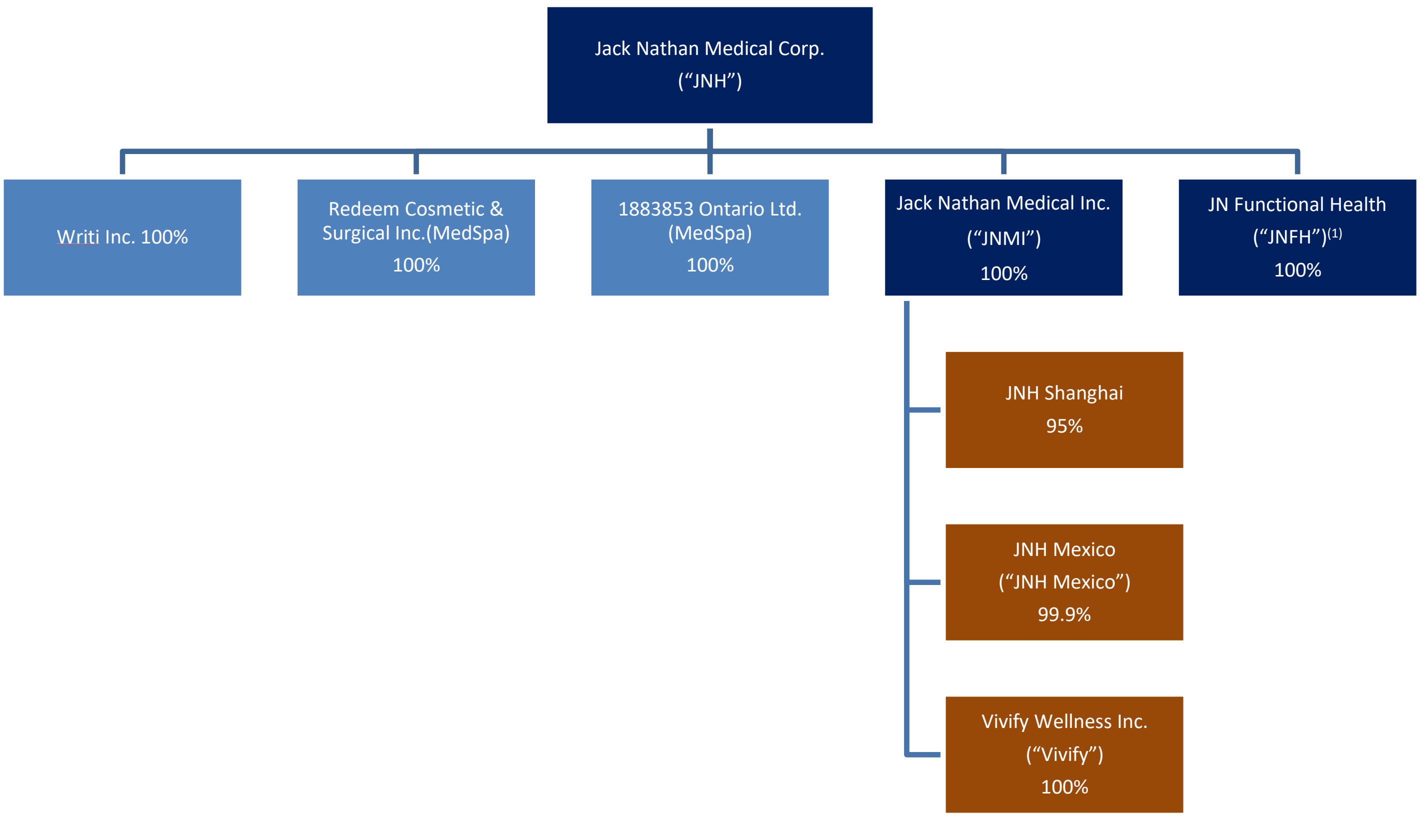
Walmart, one of the world's largest retailers, is a perfect platform to offer needed medical care services. In our current markets of Canada and Mexico, Walmart has a very strong brick-and-mortar presence, with over 400 retail units in Canada and over 2,650 retail units in Mexico, servicing millions of in-store shoppers per day. This is in addition to an e-commerce platform that collectively has over 1 million online shoppers per day.

As of January 31, 2023, JNH had 75 medical clinics in Canada. With over 400 Walmart locations across Canada that have a pharmacy and could be ideal expansion locations for JNH, the Company believes this remains a relatively untapped market with significant growth potential. In Canada, JNH historically built smaller format clinics that contained walk-in and family physicians. Based on the success of these smaller clinics and the increasing need for access to healthcare, JNH and Walmart have started building larger format clinics that in addition to walk-in and family physicians, host a variety of ancillary health services such as medically supervised Medspa, physiotherapy and chiropractor, among others. Walmart continues to reposition its physical store footprint as its goal of growing online sales becomes prevalent and in doing so it will have new and more space for customer services including clinic operations. This bodes well for the future expansion of JNH and should lead to new and higher revenue streams.

As of January 31,2023, JNH had 114 corporate owned and operated medical clinics inside Walmart Mexico Supercenters and 4 clinics inside Walmart's Distribution Centres servicing Walmart Associates. Clinics in Mexico are traditionally smaller format clinics offering family practice and walk-in services, though discussions are underway to launch larger-format multi-disciplinary medical centres that would enhance the patient-practitioner relationship and overall patient experience.

Expanding on introducing new technologies into the Company's network, in January 2021, JNH announced the acquisition of Writi Inc. Writi is a cloud-based medication-management software platform, available on mobile devices and web platforms. The platform supports the secure digital communication, record maintenance and workflow of resident-related orders and documentation. Information flows seamlessly into the patient's health record and is securely accessible by local and remote healthcare partners. Writi has created a fast-growing virtual healthcare platform with potential for large scale success and adoption from the heavily regulated Long-Term Care (LTC) industry. Even with Covid delays through 2021, Writi has increased its installation base from 15 LTC Homes and 1,598 resident beds when acquired, to 24 LTC homes and 2,691 resident beds currently served on their platform. Additional new LTCs are also committed to install Writi in the coming months.

Corporate Organizational Chart



Note (1): Jack Nathan Medical Corp. increased ownership on JN Functional Health ("JNFH") from 80% to 100% on September 3, 2021.

On October 6, 2020, JNMI and its subsidiaries completed a reverse takeover transaction ("RTO") forming the resulting issuer, Jack Nathan Medical Corp. ("JNH"). The transaction was affected by way of a securities exchange between the acquirer (Woodbridge Ventures Inc.) and JNMI and constituted a reverse take-over transaction.

Jack Nathan Medical Corp. ("JNH") (formerly Woodbridge Ventures)

Jack Nathan Medical Corp. is the public company that resulted from the RTO on October 6, 2020. It owns 100% of JNMI, 100% of JNFH, 100% of Writi, 100% of Redeem Cosmetic & Surgical Inc. and 100% of 1883853 Ontario Inc.

Jack Nathan Medical Inc. ("JNMI")

JNMI is a 100% owned subsidiary of JNH. JNMI owns 99.9% of JNH Mexico, JNMI also owns 95% of JNH Shanghai, a joint venture in China and Vivify Wellness Inc. which are both dormant.

Jack Nathan Functional Health ("JNFH")

JNFH is a subsidiary rolled out with the onboarding of internationally recognized Chief Medical Officer and former Chairman and CEO of Cleveland Clinic Canada, Dr. Glenn Copeland. JNFH was originally owned 80% by JNH and 20% by Dr. Glenn Copeland. On September 3, 2021, Dr. Copeland relinquished 20% control and JNH now owns 100% of the subsidiary. JNFH focuses on practice management of multi-disciplinary healthcare services across the entire JNH footprint as well as new locations and expansions to other countries. In the coming months, this new endeavor will aim to build and operate corporate owned and managed healthcare services throughout the JNH network, thereby driving new and increased revenues from each clinic.

- **Hamilton clinics – assets acquired March 8, 2021**

On March 8, 2021, the JNFH acquired 100% of the identified assets of four operational medical clinics, in Ontario, previously located inside Walmart stores in Ontario. These four (4) clinics serve as the first corporate owned medical clinics under its strategic growth initiative in practice management and clinic operations.

- **1081 FLAGSHIP clinic – assets acquired March 22, 2021**

On March 22, 2021, JNFH acquired 100% of the identified assets of a flagship medical clinic located in Vaughan, Ontario which offers a turnkey, modern clinic including all existing equipment and leasehold improvements. The new clinic is the largest in the JNH Walmart footprint, spanning 8,172 sq. ft

- **Comox Valley clinic – assets acquired August 27, 2021**

On August 27, 2021, the Company acquired 100% of the identified assets of Comox Valley medical clinic located in Courtenay, British Columbia ("Comox Valley") which offers a turnkey clinic including all existing equipment and leasehold improvements. The new clinic is in the Walmart Supercentre in Courtenay, British Columbia and represents the second medical clinic opened in British Columbia.

- **Bridger Clinics – assets acquired November 23, 2021**

On November 23, 2021, the Company acquired 100% of the identified assets of 5 clinics located in British Columbia. All five locations are profitable with only one location inside a Walmart. These clinics combined, represent a total of approximately ~7,900 ft^2 of medical clinic operations. In addition, the Company intends to open a new, large format medical clinic in Victoria, British Columbia ("Hillside") inside Walmart, which is approximately 4,000 ft^2. Once operational, the Company intends to integrate services from its acquired clinics, providing established medical practices and a network of patients to service with the Walmart Hillside location, which is expected to open in Summer 2022.

- **Writi Inc. ("Writi") - acquired January 8, 2021**

Writi is a 100% wholly owned subsidiary of JNH acquired on January 8, 2021. Writi is a cloud-based medication-management software platform, available on mobile devices and web platforms. The platform supports the secure digital communication, record maintenance and workflow of resident-related orders and documentation.

- **Redeem Cosmetic & Surgical Inc. and 1883853 Ontario Limited ("MedSpas") – acquired February 17, 2021**
MedSpas are two 100% wholly owned subsidiaries of JNH acquired on February 17, 2021. MedSpa operates inside JNH medical clinics within Walmart, in Brampton and Maple, Ontario and offers a complete range of MedSpa treatments for facial and body rejuvenation and aesthetics.

NEWS AND HIGHLIGHTS DURING AND SUBSEQUENT TO THE YEAR ENDED JANUARY 31, 2023

On May 10, 2022, the Company, and Wal-Mart Canada Corp. ("Walmart Canada") announced that they signed a new Credit Facility and new licensed locations to drive rapid expansion of new additional Jack Nathan Medical Clinics across Canada. Jack Nathan will begin immediately to design, build, independently own and operate new clinics in several new and existing Walmart Canada locations. The new strategic plan strengthens the Company's ongoing relationship with Walmart Canada by way of a supportive Credit Agreement related to each new clinic that will provide financing for significant capital expenditures to build out each location. The lender under the Credit Agreement is Walmart Canada, advances under the Credit Agreement accrue interest at a rate of 6% per annum and the quantum of advances under the Credit Agreement is subject to the number of new license locations that is subject to the Credit Agreement from time to time. Eleven new medical clinic locations within Walmart Canada retail stores are scheduled to be built in 2022, with an accelerated plan in the coming years for additional locations. Jack Nathan's clinics will provide family and urgent care medical services as well as an array of specialty medical programs and paramedical services including MedSpa and Rehab in key market locations or strategic clinical locations.

This innovative arrangement between the two companies is a catalyst for rapid expansion and growth in a sector that is currently underserviced in many parts of the country. Walmart Canada has 402 locations and Jack Nathan is currently present in 75 locations, which provides immediate opportunity for several new clinics to open.

On September 20, 2022 the Company announced that David Berman stepped down from his position as Chief Financial Officer of the Company effective as September 19, 2022. The Company also announced that it has appointed Spence Walker, respected expert and advisor to emerging-growth companies including reporting issuers, as the interim Chief Financial Officer of the Company, effective September 19, 2022. The Company will benefit from Mr. Walker's in depth of knowledge and unique understanding of growth-stage organizations, where sound strategy and road-mapping for scale are signature to his advisory capacity, to bolster the business and meet growth targets for industry-leading success.

On September 27, 2022 the Company entered into a loan agreement with WalMart Canada Inc. (the "Loan Agreement") in order to establish a new revolving credit facility in an amount not to exceed CAD$2,000,000 (the "Loan") in favour of the Company maturing on a date that is the earlier of (i) the date upon which demand is made by Walmart Canada pursuant to the provisions of the Loan Agreement and (i) the date that is nine months from the date of entering into the Loan Agreement, as such date may be extended by Walmart Canada from time to time, in its sole discretion (the "Maturity Date"). Any advances of the Loan accrue interest at a rate of 7% per annum from and including the date of such advance, to but excluding the date of repayment. Notwithstanding the right of Walmart Canada to make demand for repayment at any time, provided such demand is at least ninety (90) days from the closing date, the full amount of all advances outstanding under the Loan Agreement, together with all interest accrued and any other amounts owing, shall be repaid on the Maturity Date. The Loan will be used by the Company for general working capital of the Company and its subsidiaries.

On October 31st, 2022 the Company expanded its presence in the capital city of Edmonton with its second new clinical location in the province of Alberta within eleven months. This strategic clinic of 4000 square feet located at 18521 Stony Plain Rd Edmonton, Alberta T5S 2V9 offers medical and rehabilitation services to the local communities and just minutes away from the iconic West Edmonton Mall tourist attraction.

On November 28th, 2022 the company opened its highly anticipated Victoria, British Columbia clinic location inside Hillside Shopping Centre. The clinic boasts over 4600 square feet on the second level of the Walmart located 1466 Hillside Ave Victoria, British Columbia V8T 2C5. The clinic offers family medicine, walk-in and medical specialist services to the populous region of the southern island and neighboring communities hardest hit in the Canadian Health Care Crisis of physician shortages.

Reverse Takeover Transaction

On October 6, 2020, JNMI and its subsidiaries completed a reverse takeover transaction ("RTO") forming the resulting issuer, Jack Nathan Medical Corp. ("JNH"). The transaction was affected by way of a securities exchange between the acquirer (Woodbridge Ventures Inc.) and JNMI and constituted a reverse take-over transaction. Pursuant to the securities exchange, the following resulting issuer common shares were issued in exchange for JNMI common shares including the following:

- 36,000,000 resulting issuer shares in exchange for 36,000,000 JNMI common shares.
- 8,400,000 resulting issuer shares in exchange for 8,400,000 JNMI common shares.
- 15,600,000 resulting issuer shares were issued for15,600,000 JNMI common shares. These common shares were valued at $7,171,292 based on the fair value of $0.46 per common share, and this amount is included in listing expense.

Pursuant to this transaction, Woodbridge consolidated its common shares on a ratio of 1 new resulting issuer share for every 3 Woodbridge common shares resulting in 2,625,333 resulting issuer shares at a price of $0.46 per share, based on the net price paid for common shares in the concurrent financing. In addition, an aggregate of 162,533 warrants ("RTO" replacement warrants") were issued to the holders of Woodbridge's agent warrants, and 262,533 stock options ("RTO replacement options) were issued to the holders of stock options pursuant to Woodbridge's option plan.

Concurrent Financing

On July 31, 2020, the JNMI completed a brokered private placement financing through the issuance of 11,296,211 subscription receipts at a price of $0.50 per subscription receipt for gross proceeds of $5,648,105. Each Subscription Receipt converted to one unit ("Unit"), immediately following the completion of the Transaction on October 6, 2020. Each Unit was comprised of one common share of and one-half of one warrant, with each whole warrant exercisable into a common share for 24 months at an exercise price of $0.75 per share. The Agents were paid a cash commission equal to $307,868 and 615,734 compensation agent warrants, each of which entitles the holder to acquire one common share at an exercise price of $0.50 per share for a period of 2 years from the date of issuance. The commissions paid represent approximately 3.5% in cash and agent warrants on $2,500,000 gross proceeds and approximately 7% on the remaining $3,148,105 gross proceeds. In addition, $50,000 cash finance fees were paid to advisors.

$500,000 of the proceeds of the financing was used to repay the short-term loan outstanding on October 6, 2020.

Accounting

Pursuant to the share exchange, the Woodbridge was identified as the acquiree for accounting purposes and the transaction constituted a reverse take-over of Woodbridge. Since Woodbridge's operations do not constitute a business, the transaction has been accounted for in accordance with IFRS 2 – Share based Payments. Accordingly, the assets and liabilities of Woodbridge are included in the unaudited condensed interim consolidated statements of financial position and are presented at their fair value, which is deemed to be equal to their carrying value. The pre-acquisition equity of Woodbridge was eliminated on consolidation which includes its share capital of $513,337, contributed surplus of $84,669 and deficit of $351,158.

The consideration is recorded as the cost to acquire the share capital at fair value at the time of the transaction. The excess of the amount paid over the fair value of the assets is charged to listing expense on the consolidated statements of loss and comprehensive loss. Accordingly, shareholders' equity increased by the value of the shares issued to Woodbridge in the amount of $1,206,861 and the Woodbridge replacement options valued at $107,922 and Woodbridge replacement warrants valued at $37,538. In addition, the RTO triggered the exercise of JNMI options granted to various advisors who provided loans, business advisory, capital markets advisory and accounting services to JNMI. Pursuant to the share exchange, these exercised options resulted in 15,600,000 new common shares valued at $7,171,292 which is included in listing expense.

The allocation of consideration to the estimated fair value of net assets acquired is as follows on October 6, 2020:

Consideration		
Common shares (a)	$	1,206,861
Stock options (b)		107,922
Warrants (c)		37,538
Total consideration		1,352,321
Fair value of net assets acquired:		
Cash		246,848
Excess paid over net assets acquired		**1,105,473**
Common shares issued in exchange for options exercised (d)		7,171,292
Listing Expense	**$**	**8,276,765**

(a) $1,206,861 representing 2,625,333 common shares issued to Woodbridge based on $0.46 representing the net price paid of common shares in the concurrent financing.
(b) $107,922 representing the fair value of the 262,533 replacement options issued at $0.30 to Woodbridge.
(c) $37,538 representing the fair value of the 162,533 replacement warrants issued at $0.30 to Woodbridge's agents.
(d) On June 24, 2020, in relation to a short-term loan of $500,000 provided by a private company, JNMI granted 7,428,572 options to various advisors to acquire JNMI Class B common shares for the aggregate exercise price of $1. These options were exercised upon completion of the RTO and pursuant to a share exchange agreement these shares were exchanged into 15,600,000 resulting issuer shares. 15,600,000 JNH common shares were valued at $0.46 per common share-based on the fair value of a common share included in the concurrent financing.

SELECTED FINANCIAL INFORMATION

The following table summarizes our recent results of operations and financial position for the year indicated. The selected consolidated financial information set out below has been derived from the consolidated financial statements for the past three years ended January 31, 2023, 2022 and 2021.

	2023	2022	2021
	$	$	$
Revenues	**15,487,698**	**9,638,894**	**3,852,372**
Total operating expenses	(22,448,399)	(18,107,422)	(5,207,011)
Income (loss) from operations	**(6,960,701)**	**(8,468,528)**	**(1,354,639)**
Other income (expense)	(28,024)	235,088	(8,939,888)
Net loss before income taxes	**(6,988,725)**	**(8,233,440)**	**(10,294,527)**
Current income tax recovery (expense)	-	-	324,044
Deferred income tax recovery (expense)	85,966	217,543	56,875
Net loss before income taxes	**(6,902,759)**	**(8,015,897)**	**(9,913,608)**
Total comprehensive loss	**(7,077,020)**	**(7,996,020)**	**(9,841,595)**
Income (loss) per share (basic and diluted)	(0.08)	(0.10)	(0.19)
Weighted average number of shares outstanding (basic and diluted)	84,298,351	82,229,879	51,625,959

	January 31, 2023	January 31, 2022	January 31, 2021
	$	$	$
Total assets	6,451,099	8,139,449	10,651,711
Total liabilities	8,318,856	4,056,913	2,129,696
Shareholders' equity (deficit) attributable to shareholders	(1,867,757)	4,082,536	8,522,015

DISCUSSION OF RESULTS FOR THE THREE MONTHS AND YEARS ENDED JANUARY 31, 2023 AND 2022

Revenues

The following table shows a breakdown of consolidated revenues for the three months ended and year ended January 31, 2023 and 2022.

	Three months ended Janaury 31		Year ended Janaury 31	
	2023	2022	2023	2022
	$	$	$	$
Clinic operations	3,349,234	3,231,577	12,708,992	6,218,880
License revenues	245,921	697,261	2,499,782	3,042,139
Other revenues	90,534	89,014	278,925	377,875
Total revenues	**3,685,688**	**4,017,852**	**15,487,698**	**9,638,894**

For the three months ended January 31, 2023, total revenues were $3,685,688 (January 31, 2022 - $4,017,852), a decrease of $332,164 or 8%. For the year ended January 31, 2023, revenues were $15,487,698 (January 31, 2022 - $9,638,894), resulting an increase of $5,848,804 or 61%. The Company saw significant growth in revenues driven from its clinic operations.

The Company expects license revenues to be a smaller percentage of total revenues as clinic operations continue to grow.

Clinic operations

Clinic operations revenues of $3,349,234 accounted for 91% of total revenues for the three months ended January 31, 2023, compared to $3,231,577 or 80% of revenues for the three months ended January 31, 2022. The clinic operations during the three months ended January 31, 2023 are comparable to the same period last year, but are expected to increase in fiscal 2024 with the opening of additional clinics. For the year ended January 31, 2023, clinic operations revenues of $12,708,992 accounted for 82% of total revenues compared to $6,218,880 or 65% of revenues for the year ended January 31, 2022. Clinic operations revenues increased significantly due to the newly acquired clinics and MedSpas that opened in fiscal 2022, new medical services offered in Canada, and the expansion of medical clinics throughout Mexico, being in operation for the full fiscal year. As of January 31, 2023, the Company owned and operated 18 medical clinic locations, three rehab and five MedSpa locations in Canada and a total of 114 medical clinics in Mexico. The increase in clinic operations is aligned with the Company's strategic plan of expanding corporate-owned and operated medical centres with strategic partner Walmart.

License revenues

License revenues of $245,921 accounted for 7% of total revenues for the three months ended January 31, 2023 compared to $697,261 or 17% of total revenues for the three months ended January 31, 2022. License revenues decreased 65% in Q4 2023 compared to Q4 2022. For the year ended January 31, 2023, license revenues of $2,499,782 accounted for 16% of total revenues compared to $3,042,139 and represented 32% of total revenues for the year ended January 31, 2022. License revenues decreased 18% during the year ended January 31, 2023 compared to previous fiscal year. As anticipated and in line with its growth strategy, license revenues decreased as the Company started acquiring locations to build its own medical facilities and expand corporate-owned clinics, which in turn resulted in higher revenues from clinic operations. The Company expects license revenues to be a smaller percentage of total revenues as clinic operations continue to grow.

Other revenues

Other revenues are comprised primarily of software revenues and administration fees. Other revenues of $90,534 accounted for 2% of total revenues for the three months ended January 31, 2022, and $89,014 or 2% of total revenues for the three months ended January 31, 2022. For the year ended January 31, 2023, other revenues of $278,928 accounted for 2% of total revenues compared to $377,875 or 4% of total revenues for the year ended January 31, 2022. The reduction in other revenues is in-line with the reduction of license fees. As the Company continues operating more of its clinics, less administrative fees will be charged to third party licensees.

Adjusted EBITDA

We believe Adjusted EBITDA is a useful measure to assess the ongoing performance of our Company as it provides more meaningful operating results by excluding the effects of expenses that are not reflective of our underlying business performance as well as one-time or non-recurring expenses. We define Adjusted EBITDA as EBITDA adjusted to add back or deduct, as applicable, certain expenses, costs, charges, or benefits incurred in the period, which in management's view, are not indicative of normal operations, including: (i) restructuring costs, (ii) non-capitalized development costs, (iii) acquisition related costs, (iv) share compensation expense, (v) bad debt expense (recovery), (vi) other income (expense), (vii) gain on recognition of interest-free loan, (viii) finance costs (income), (ix) gain on termination of lease, (x) loss on investments at fair value, (xi) write down of investments, (xii) foreign exchange gain or loss and (xiii) listing expense.

Non-GAAP measure: Earnings before interest, taxes, depreciation, and amortization ("EBITDA") and Adjusted EBITDA should not be construed as alternatives to net income (loss) determined in accordance with IFRS. EBITDA and Adjusted EBITDA do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. Adjusted EBITDA is a meaningful financial metric as it measures cash generated from operations which the Company can use to fund working capital requirements, service future interest and principal debt repayments and fund future growth initiatives.

The following table provides a reconciliation of net loss to Adjusted EBITDA:

	Three months ended		Year ended January 31	
	2023	2022	2023	2022
	$	$	$	$
Adjusted EBITDA	**(1,440,859)**	**(710,242)**	**(2,871,339)**	**(2,712,932)**
Restructuring costs	—	—	—	669,278
Development costs	25,213	74,940	236,931	546,058
Acquisition related costs	3,916	291,418	252,077	595,622
Share compensation expense	363,147	663,661	1,126,727	2,499,723
Bad debt expense (recovery)	5,445	(38,834)	(4,216)	(32,174)
Depreciation	75,590	61,769	296,811	186,105
Depreciation - right-of-use-asset	74,326	32,576	283,901	71,145
Amortization - intangible assets	127,289	174,071	489,627	258,875
Interest income	(2,496)	(3,079)	(12,145)	(35,017)
Gain on recognition of interest-free loan	35,812	—	35,812	—
Finance costs	252,844	85,719	409,515	181,854
Gain on termination of lease	—	(80,340)	—	(80,340)
Gain on acquisition	—	(353,767)	—	(353,767)
Goodwill impairment	1,008,078	960,964	1,008,078	960,964
Intangible impairment	399,426		399,426	—
Gain on contingent consideration	(198,000)		(198,000)	—
Foreign exchange loss	(119,515)	(29,696)	(207,158)	52,182
Deferred income tax recovery	(68,395)	(195,023)	(85,966)	(217,543)
Net loss	**(3,423,539)**	**(2,354,621)**	**(6,902,759)**	**(8,015,897)**

Adjusted EBITDA for the three months ended January 31, 2023 and 2022

Adjusted EBITDA for the three months ended January 31, 2023, was ($1,440,859) compared to $(710,242) in the same period last fiscal year, representing an decrease of $730,617. This decrease in adjusted EBITDA can be explained by the decrease in license fees in the period as well an increase in professional and consulting fees. Add backs to EBITDA increased during the three months ended January 31, 2023 as a result of the impairment of intangible assets. The Company reported $3,685,688 total revenues in Q4, 2023 compared to $4,017,852 in Q4, 2022 due to the decrease in license fee revenues.

Adjusted EBITDA for the year ended January 31, 2023 and January 31, 2022

Adjusted EBITDA for the year ended January 31, 2023, was ($2,871,339) compared to ($2,712,922), representing a decrease of ($158,208). The decrease in adjusted EBITDA can be explained by the fact that during this past year, the Company reduced its net loss from operations, which was offset by significantly lower share based compensation add backs.

The reduction of the net loss from operations is attributed to the full year of operations for all new clinics acquired and opened during the year ended January 31, 2022. The acquisition of these clinics resulted in operating costs during the year ended January 31, 2022 that remained relatively consistent during the year ended January 31, 2023 while revenues increased significantly.

Additionally, restrictions surrounding the pandemic during the year ended January 31, 2022 were largely resolved in the year ended January 31, 2023 allowing clinics to increase operational revenues. The increases in revenue during the year ended January 31, 2023 were offset by further increases to operational expenses as a result of the Company's efforts to open and operate additional clinics.

Secondly, EBITDA was impacted by a significant reduction in share based compensation during the year ended January 31, 2023. The Company incurred additional expenses to build its corporate infrastructure to support expansion during the year ended January 31, 2022 related to the appointment of key management personnel and acquisition costs of clinics. As a result there was a significant decrease in add-backs to EBITDA in the year ended January 31, 2023.

During fiscal 2022 the Company recorded restructuring costs of $669,278. With various management and staff changes including the change of the Company's Chief Executive Officer on May 21, 2021, JNH incurred professional fees, recruitment costs and other one-time expenses to re-organize and strengthen its management team for rapid growth. These costs are included as restructuring costs as management makes changes to its operational structure with the goal of improving its infrastructure and future profitability and is adjusted from EBITDA as these costs are non-operational charges.

Income (loss) from Operations

	Three months ended January 31		Year ended January 31	
	2023	2022	2023	2022
	$	$	$	$
Revenues	3,685,688	4,017,852	15,487,698	9,638,894
Operating expenses	(7,208,977)	(6,948,659)	(22,448,399)	(18,107,422)
Loss from operations	(3,523,289)	(2,930,807)	(6,960,701)	(8,468,528)

Income (loss) from Operations for the three months ended January 31, 2023 and January 31, 2022

The loss from operations for the three months ended January 31, 2023, was $3,523,289 (2022 - $2,930,807) representing an increase in operating loss of $592,482. The increase in loss during Q4 2023 compared to Q4 2022 consists of the following:

	$
Decrease in revenues	(332,164)
Increase in associate fees	(396,378)
Increase in clinic supplies	(66,523)
Increase in professional fees	(199,017)
Increase in consulting fees	(335,999)
Increase in office and general	(38,947)
Increase in advertising and promotion	(22,161)
Increase in depreciation	(55,571)
Increase in bad debt expense	(44,279)
Increase impairment of intangibles	(399,426)
Increase in impairment of goodwill	(47,114)
offset by:	
Decrease in clinic operations	536,382
Decrease in license fees	77,537
Decrease in investor communications	38,350
Decrease in development costs	49,727
Decrease in acquisition related costs	287,502
Decrease in salaries and wages	8,303
Decrease in share compensation expense	300,514
Increase in amortization	46,782
Decrease in loss from operations	(592,482)

- A decrease in **revenues** of $332,164 from $4,017,852 in Q4 fiscal 2022 to $3,685,668 in Q4 fiscal 2023, which was due to the elimination of intercompany license fees.

- An increase in **associate fees** of $396,378 from $1,707,441 in Q4 fiscal 2022 to $2,103,819 in Q4 fiscal 2023 is due to the continued expansion of new medical, rehab and Medspa clinics in Canada and opening new clinics in Mexico and new clinics pushing towards operating at capacity. These fees represent the amounts paid directly to medical and paramedical practitioners and are the direct costs attributable to generating clinic operation revenues.

- An increase of $66,523 in **clinic supplies** from $278,958 in Q4 fiscal 2022 to $345,481 in Q4 fiscal 2023 is due to the expansion of clinic operations.

- An increase in **professional fees** of $199,017 from $370,083 in Q4 fiscal 2022 to $569,100 in Q4 fiscal 2023. The increase is the result of additional legal fees to support management and operations, combined with an increase in accounting and audit fees to support acquisitions and ongoing public reporting requirements.

- An increase in **office and general** expense of $38,947 from $219,406 in Q4 fiscal 2022 to $258,383 in Q4 fiscal 2023. The increase is the result of additional corporate administration expenses incurred from the expansion of new clinic operations as well as general public company support and infrastructure.

- An increase in **consulting fees** of $335,999 from $403,679 in Q4 fiscal 2022 to $739,678 in Q4 fiscal 2023. This increase is Q4 2023 due to the accrual of fees owed to directors of the Company offset by lower consulting fees as the company looks for further efficiencies within its corporate infrastructure.

- An increase in **advertising and promotion** of $22,161 from $54,133 in Q4 fiscal 2022 to $76,294 in Q4 fiscal 2023 is due to increased spending on of branding, promotional and social media initiatives towards the end of the year.

- An increase in total **depreciation** of $55,571 from $94,345 in Q4 fiscal 2022 to $149,916 in Q4 fiscal 2023 which includes both depreciation on property and equipment and right of use assets, resulting from additions to equipment during the quarter and last fiscal year.

- An increase of $44,279 in **bad debt expense** from a recovery of $38,834 in Q4 fiscal 2022 to an expense of $5,445 in Q4 fiscal 2023. This increase is the result of operations returning to normal collections of all trade receivables post pandemic in the previous year.

- An increase of $399,426 in **impairment of intangibles** from a $nil in Q4 fiscal 2022 to an expense of $399,426 in Q4 fiscal 2023. This impairment relates to the write-off of Writi brand and technology intangibles along with the Medspa customer list.

- An increase of $47,114 in **impairment of goodwill** from a $960,964 in Q4 fiscal 2022 to an expense of $1,008,078 in Q4 fiscal 2023. This impairment relates to the write-off of Writi and Medspa goodwill (2022 – Hamilton goodwill).

The increases above were partially offset by:

- A decrease in **clinic operations** of $536,382 from $986,868 in Q4 fiscal 2022 to $450,486 in Q4 fiscal 2023. This decrease is related to the discontinuation of Covid testing tent operations in Mexico.

- A decrease of $77,537 in **license fees** from $152,126 in Q4 fiscal 2022 to $74,589 in Q4 fiscal 2023 is due to the elimination of intercompany license fee charges.

- A decrease of $38,350 in **investor communications** expenses from $35,373 in Q4 fiscal 2022 to $27,023 in Q4 fiscal 2023. This decrease is the result of change in outsourced investor relation services during FY 2023.

- A decrease in **development costs** of $49,727 from $74,940 in Q4 fiscal 2022 to $25,213 in Q4 fiscal 2023 is due to renegotiated rates related IT development work.

- A decrease in **acquisition related costs** of $287,502 from $291,418 in Q4 fiscal 2022 to $3,916 in Q4 fiscal 2023 as there were no acquisitions occurring in the quarter ending January 31, 2023.

- A decrease of $8,303 in **salaries and wages** from $490,027 in Q4 fiscal 2022 to $481,724 in Q4 fiscal 2023 is due to variance in hourly wages.

- A decrease of $300,514 in **share compensation expense** from $663,661 in Q4 fiscal 2022 compared to $363,147 in Q4 fiscal 2023. The Company has an omnibus incentive awards plan to provide additional incentives to its officers, directors, employees, and consultants in their effort to conduct business on behalf of the Company. Share compensation expense is recorded based on the vesting period of the awards granted, and while the annual share compensation expense is higher, the timing of expense varies each quarter.

- A decrease in **amortization** of $46,582 from $174,071 in Q4 2022 to $127,489 in Q4 2023, which includes amortization on the intangible assets as a result of impairment of intangibles during the quarter and last fiscal year.

Non-Operating Expenses for the three months ended January 31, 2023 and January 31, 2022

Interest income decreased by $583 from $3,069 in Q4 fiscal 2022 to $2,496 in Q4 fiscal 2023 due to lower marketable securities held in Q4 2023 compared to Q4 2022.

Gain on recognition of interest-free loan decreased by $35,812 from $Nil in Q4 fiscal 2022 to ($35,812) in Q4 fiscal 2023. The gain on recognition of interest-free loan was the income realized from the Canadian Emergency Business Account (CEBA) loan the Company received in fiscal 2022. During fiscal 2023, the recognition terms for the recognition of forgiveness were changed such that no forgiveness would be recognized until the full required payment was made resulting in the reversal of the gain.

Finance costs increased by $167,125 from $85,719 in Q4 fiscal 2022 to a $252,844 in Q4 fiscal 2023. This is due to interest and accretion expense recorded on right-of-use assets, as well as additional finance costs on the debt related to equipment and leasehold improvement purchases. During the quarter, the company acquired two additional right-of-use assets.

Gain on termination of lease decreased by $80,340 from $80,340 in Q4 2022 to $Nil in Q4 2023. This gain resulted from the termination of the previous corporate office lease.

Bargain purchase gain of $353,767 represents the incremental amount of fair value of net assets acquired of $1,166,264 compared to $812,500 consideration paid for the Bridger clinics acquired on November 23, 2021.

Gain on contingent consideration of $198,000 was recorded at January 31, 2023 relating the termination of the original principle of the Medspa clinics, resulting in the inability to complete the targeted contingencies.

Foreign exchange gain increased by $89,819 from a gain of 29,696 in Q4 fiscal 2022 to a gain of $119,515 in Q4 fiscal 2023. This is due to the fluctuation in both the Mexican Peso and US dollar compared to the Canadian dollar.

Income (loss) from Operations for the year ended January 31, 2023 and January 31, 2022

The loss from operations for the year ended January 31, 2023, was $6,960,701 (2022 - $8,468,528), a decrease in operating loss of $1,507,827. The increase during 2023 compared to 2022 consists of the following:

	$
Increase in associate fees	(4,159,211)
Increase in clinic operations	(993,833)
Increase in license fees	(39,071)
Increase in professional fees	(357,381)
Increase in office and general	(224,946)
Increase in salaries and wages	(60,854)
Increase in depreciation	(323,462)
Increase in amortization	(230,752)
Decrease in bad debt expense	(27,958)
Increase impairment of intangibles	(399,426)
Increase in impairment of goodwill	(47,114)
offset by:	
Increase in revenues	5,848,804
Decrease in clinic supplies	39,373
Decrease in consulting fees	27,636
Decrease in investor communications	260,467
Decrease in advertising and promotion	169,887
decrease in development costs	309,127
Decrease in acquisition related costs	343,545
Decrease in stock compensation expense	1,372,996
Increase in loss from operations	1,507,827

- An increase in **associate fees** of $4,159,211 from $3,609,985 in 2022, to $7,769,196 in 2023. This increase was due to continued expansion of clinical operations, the development of medical, rehab and MedSpa clinics in Canada, and significant expansion in Mexico. These fees represented the amounts paid directly to medical and paramedical practitioners and are the direct costs attributable to generating clinic operation revenues.

- An increase in **clinic operations** of $999,833 from $2,073,248 in 2022, to $3,067,081 in 2023. This increase was primarily due to additional support staff hired to operate the medical clinics, MedSpas, rehab clinics and testing tent operations across Canada and Mexico.

- An increase of $39,071 in **license fees** from $577,549 in 2022, to $616,620 in 2023, was due to the opening of new clinics during the 2023 fiscal and the removal of COVID relief received during the previous period.

- An increase in **professional fees** of $357,381 from $992,870 in 2022, to $1,350,251 in 2023. The increase was primarily the result of additional legal and professional fees incurred to restructure the management team and organization after the termination of the former CEO as well as other legal fees related to business development, human resources, and general legal support.

- An increase in **office and general** expense of $224,946 from $697,850 in 2022, to $922,796 in 2023. The increase was the result of additional corporate expenses incurred from the expansion of new clinic operations in Canada and Mexico as well as the build out of infrastructure to support organic growth.

- An increase of $60,854 in **salaries and wages** from $1,765,359 in 2022, to $1,826,213 in 2023, was due to hiring of additional staff in Canada as the Company strengthens its infrastructure to support current and anticipated growth. In particular, the Company expanded its administrative, finance and supervisory staff for all corporate-owned and operated clinics. These costs have stabilized during the year as corporate-owned and operated clinics continue to grow to scale.

- An increase in total **depreciation** of $323,462 from $257,250 in 2022, to $580,712 in 2023 which includes both depreciation on equipment and right of use assets, resulting from additions to equipment during the quarter and last fiscal year.

- An increase in **amortization** of 230,752 from $258,875 in 2022, to $489,627 in 2023, which includes a full year of amortization on the intangible assets acquired from the four additional business acquisitions as well as Writi acquired in fiscal 2022.

- An decrease of $27,958 in **bad debt recovery** of $32,171 in 2022, to a recovery of $4,216 in 2023. This decrease was the result of operations resuming to regular collections of trade receivables post COVID 19 pandemic.

- An increase of $399,426 in **impairment of intangibles** from a $nil in 2022 to an expense of $399,426 in 2023. This impairment relates to the write-off of Writi brand and technology intangibles along with the Medspa customer list.

- An increase of $47,114 in **impairment of goodwill** from a $960,964 in 2022 to an expense of $1,008,078 in 2023. This impairment relates to the write-off of Writi and Medspa goodwill (2022 – Hamilton goodwill).

The increases above were partially offset by:

- An increase in **revenues** of $5,848, 804 from $9,638,894 in 2022, to $15,487,698 in 2023 which was due to a full year of revenues from acquisitions of medical clinics in Canada, the acquisitions and opening of MedSpas in Canada, and the expansion of medical clinics and other medical services in Mexico.

- A decrease of $39,373 in **clinic supplies** from $640,747 in 2022, to $601,374 in 2023, was due to the relaxing of Covid 19 pre-cautions.

- A decrease of $27,636 in **consulting fees** from $1,870,102 in 2022, to $1,842,466 in 2023, is due to lower consulting fees as the company looks for further efficiencies within its corporate infrastructure. These gained efficiencies were offset by the accrual of consulting fees payable to the board of directors.

- A decrease of $260,467 in **investor communications** expenses from $362,688 in 2022, to $102,221 in 2023. These costs related to fees for required shareholder communications as well as outsourced investor relations. The Company has taken some recent measures to reduce costs and optimize services moving forward.

- A decrease in **advertising and promotion** of $169,887 from $430,706 in 2022, to $260,819 in 2023, was due to the increased marketing efforts for new service lines in the previous year.

- A decrease in **development costs** of $309,127 from $546,058 in 2022, to $236,931 in 2023. This decrease was directly related to new technology initiatives and IT development work as the rates were renegotiated with the service provider. The Company will look to minimize development costs related to the new technology initiatives as there have been minimal synergies with the Company's main line of business.

- A decrease in **acquisition-related costs** of $343,545 from $595,622 in 2022, to $252,077 in 2023, was due to the fact that no acquisitions were made or attempted in the current year. Current year amounts relate to acquisitions made during the year ended January 31, 2022.

- A decrease in **share compensation expense** of $1,372,996 from $2,499,723 in 2022, compared to $1,126,727 in 2023. The Company has an omnibus incentive plan to provide additional awards to its officers, directors, employees, and consultants in their effort to conduct business on behalf of the Company. The share compensation expense representing the expense for both stock options and RSUs is recorded based on the vesting period of the awards granted.

Non-Operating Expenses for the year ended January 31, 2023 and 2022

Interest income decreased by $22,872 from $35,017 in 2022, to $12,145 in 2023 due to lwoer interest earned on cash and cash equivalents throughout the year.

Gain on recognition of interest-free loan decreased by $35,812 from $Nil in 2022 to ($35,812) in 2023. The gain on recognition of interest-free loan was originally the income realized from the Canadian Emergency Business Account (CEBA) loan. During the year ended January 31, 2023, the Canadian Revenue Agency changed the terms of the CEBA loan such that no amount is considered forgiven until the full amount repayable is repaid. This triggered a reversal of the gains on CEBA loans held by the Company.

Finance costs increased by $227,661 from $181,854 in 2022, to $409,515 in 2023. This was due to interest and accretion expense recorded on the CEBA loans as well as finance costs on the debt related to leasehold improvements made at the end of fiscal year 2023. Additionally, new right-of-use assets were required during the year ended January 31, 2023 resulting in an increase in finance costs.

Gain on termination of lease decreased by $80,340 from $80,340 in 2022 to $Nil in 2023. This gain resulted from the termination of the previous corporate office lease.

Bargain purchase gain of $353,767 represents the incremental amount of fair value of net assets acquired of $1,166,264 compared to $812,500 consideration paid for the Bridger clinics acquired on November 23, 2022.

Gain on contingent consideration of $198,000 was recorded at January 31, 2023 relating the termination of the original principle of the Medspa clinics, resulting in the inability to complete the targeted contingencies.

Foreign exchange gain increased by $259,340 from ($52,182) in 2022 to $207,158 in 2023. This is due to the fluctuation in both the Mexican Peso and US dollar compared to the Canadian dollar.

SUMMARY OF QUARTERLY RESULTS

The following table is a summary of the Company's past eight (8) quarters, which should be read in conjunction with the audited consolidated interim financial statements of the Company for the year ended January 31, 2023.

	Jan 31, 2023	Oct 31, 2022	Jul 31, 2022	Apr 30, 2022	Jan 31, 2022	Oct 30, 2021	Jul 31, 2021	Apr 30, 2021
Revenues	3,685,688	4,278,029	3,630,659	3,893,322	4,017,852	2,414,766	1,939,489	1,266,787
Comprehensive income (loss)	(3,192,417)	(1,219,582)	(1,369,974)	(1,295,047)	(2,389,581)	(2,102,564)	(1,922,920)	(1,580,955)
Basic and diluted loss per share	(0.04)	(0.01)	(0.02)	(0.02)	(0.03)	(0.03)	(0.02)	(0.02)
Weighted average number of Common shares outstanding	84,298,351	83,752,149	83,841,833	83,442,264	83,097,435	82,132,695	82,059,589	81,537,736

LIQUIDITY AND CAPITAL RESOURCES

Financial Highlights

As at January 31, 2023, the Company had $1,461,654 in cash compared to $1,064,008 cash as of January 31, 2022. During the year ended January 31, 2023, a total of $1.9 million was used in operations and $2.8 mil for investing for the acquisition of equipment and construction of new clinics. The cash outflow from operations is driven by the ramping up of new clinics which include start-up costs and personnel costs. Revenues for these clinics have not reached scalable size to cover these expenses at this stage.

The COVID 19 restrictions imposed by the governments had significant impact on the ability to generate revenues during fiscal 2022 as lockdowns and restricting services allowed to be offered in Medspas, as well as customer hesitancy to seek services due to fear of the virus still impacted traffic in our spa business and medical businesses. These restrictions have since been lifted during fiscal 2023 resulting in an increase in revenues.

The Company will require additional financing to enable it to continue operations. In the absence of additional financing, the Company is not expected to have sufficient funds to meet its obligations. Management continues to monitor cash needs and is considering various alternatives to raise additional financing. There can be no assurances that the Company will be able to secure the necessary financing to enable it to continue as a going concern. The factors noted above indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. If the going concern basis is not appropriate, material adjustments may be necessary to the carrying amounts and/or classification of assets and liabilities.
These consolidated financial statements have been prepared on a basis that assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. These consolidated financial statements do not reflect any adjustments that may be necessary should the Company be unable to continue as a going concern. The Company incurred a net loss of $6,902,759 during the year ended January 31, 2023 (2022 - $8,015,897) and, as at that date, had a deficit of $25,924,422 (2022 – 19,021,663) and working capital deficiency for of $3,097,755 (2022 - $455,939).

Cash Flow and Cash Position

The following table summarizes the Company's major sources and use of cash for the year ended January 31, 2023, and 2022. This table should be read in conjunction with the consolidated statements of cash flows as shown in the consolidated financial statements for the years ended January 31, 2023, and 2022.

	January 31, 2023	January 31, 2022
	$	$
Cash outflow from operating activities	(1,930,590)	(4,340,696)
Cash flow used in investing activities	(2,760,282)	(2,139,868)
Cash flow from (used in) financing activities	5,277,343	(164,430)
Effect of foreign currency translation	(188,825)	20,138
Net increase (decrease) in cash flow	**397,646**	**(6,624,856)**

Operating activities

During the year ended January 31, 2023, the Company used ($1,930,590) compared to ($4,340,696) in operating activities during the year ended January 31, 2022. The cash outflow from operating activities decreased by $2,410,106 which directly correlated to the increase in revenues. Revenues from new acquisitions were no longer impacted by COVID-19 restrictions during the year ended January 31, 2023 and the revenues include a full year of operations for said acquisitions. A total of $679,278 was spent on costs to restructure the management team in the previous year that was not required in current fiscal year.

Investing activities

During the year ended January 31, 2023, the Company used funds of $2,760,282 compared to $2,139,868 for investing activities in the last year. The cash flow used for investing activities increased by $620,414. The primary reason for the increase in cash used was the beginning of construction on new clinics with the Walmart partnership. The Company invested $2,496,823 on construction in progress in the fiscal 2023, compared to $Nil in fiscal 2022. The investments this year align with the growth strategy of expansion and acquisition as the Company provides new services through both Walmart and outside clinic operations.

Financing activities

During the year ended January 31, 2023, the Company received $5,277,343 of cash from financing activities compared to spending $164,430 last year. The cashflow gained from financing activities during the year include $3,735,200 from debt financing less repayments of lease obligations and other loans payable and $2,270,146 in funding for construction in progress. During the prior year, the Company received $91,007 proceeds from the exercise of warrants and stock options offset by $255,437 of lease and loan repayments.

Key Indicators of Liquidity and Capital Resources

The following table summarizes the key indicators for the Company's liquidity and capital resources as of January 31, 2023, and 2022.

	January 31, 2023	January 31, 2022
	$	$
Cash	1,461,654	1,064,008
Current ratio	0.45	0.94
Working capital	(3,097,755)	(455,939)
Total debt	8,318,856	4,056,913
Total equity	(1,867,757)	4,082,536
Total debt to equity ratio	(4.45)	0.99

(a) Current ratio is defined as total current assets divided by total current liabilities
(b) Total debt is defined as total current liabilities plus total non-current liabilities
(c) Total debt to total equity ratio is defined as total debt divided by total equity

Capital Management

The Company's objective is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business.

Management defines capital as the Company's total shareholders' equity and any outstanding debt. The board of directors does not establish quantitative return on capital criteria for management, but rather promotes year over year sustainable, profitable growth.

The following table summarizes the total capital of the Company as of January 2023, and 2022.

	January 31, 2023	January 31, 2022
	$	$
Loans payable	3,791,211	307,144
Equity comprised of:		
Share capital	19,765,601	19,642,653
Contributed surplus	4,398,228	3,320,043
Warrants	-	74,406
Deficit	(25,924,422)	(19,021,663)
Accumulated and other comprehensive income	(107,164)	67,097

FINANCIAL INSTRUMENTS

The Company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk, interest rate risk, currency risk and market risk. The following presents information about the Company's exposure to each of these risks, and the Company's objectives, procedures, and processes for measuring and managing risk.

(a) Credit risk

Credit risk refers to the risk that a counterpart will default on its contractual obligation, resulting in financial loss to the Company. Such risks arise primarily from certain financial assets held by the Company consisting of accounts receivable. The Company's maximum exposure to credit risk is limited to the carrying amount of the financial assets.

The Company applies the simplified approach to providing for expected credit losses as prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. The loss allowance provision is based on the Company's historical collection and loss experience and incorporates forward-looking factors, where appropriate.

In determining the credit risk for trade receivables, management considers, amongst other factors, particularly, its historical credit experiences, its subsequent collection and adjusted for the outlook of industry and economy.

Based on the above methodology, as at January 31, 2023 the company has a loss allowance provision of $8,292 (January 31, 2022 - $143,442).

(b) Liquidity risk

Liquidity risk

Liquidity risk is defined as the risk the Company may encounter due to difficulties in meeting obligations associated with financial liabilities. As of January 31, 2023, and January 31, 2022, the Company maintained adequate cash balances and credit facilities in order to meet its short-term business requirements, after taking into account cash flows from operations. The Company completed an debt financing raising gross proceeds of $3,735,200 during the year ended January 31, 2023 and has access to future equity or debt financings if required to fund short-term operations.

The following tables summarize the contractual maturities of financial liabilities:

January 31, 2023	**Less than 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
	$	$	$	$
Accounts payable and accrued liabilities	3,164,970	-	-	3,164,970
Tenant deposits	-	151,713	65,020	216,733
Deferred revenues	-	387,258	-	387,258
Loans payable	2,125,517	1,665,694	-	3,791,211
Lease obligation	321,585	437,099		758,684
Total	**5,612,072**	**2,641,764**	**65,020**	**8,318,856**

January 31, 2022	**Less than 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
	$	$	$	$
Accounts payable and accrued liabilities	1,816,551	-	-	1,816,551
Purchase consideration payable	372,300	-	-	372,300
Tenant deposits	-	155,296	96,824	252,120
Deferred revenues	-	372,687	-	372,687
Loans payable	200,566	106,578	-	307,144
Lease obligation	323,001	498,561	-	821,562
Total	**2,712,418**	**1,133,122**	**96,824**	**3,942,364**

Market Risk

Market risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and is comprised of currency risk, interest rate risk, and other price risk. The Company believes it does not have any financial instruments that would be impacted by changes in market prices.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company does not have any instruments with a floating interest rate.

Currency risk

Currency risk arises on financial instruments that are denominated in a foreign currency, a currency other than the functional currency in which they are measured. Currency risk is not relevant to the foreign currency translation from functional currency to reporting currency. Because the Company primarily operates in Canada and the functional currency of the Company is Canadian dollars, the currency risk due to the fluctuations and volatility of foreign exchange rate is low.

The Company has a controlled operation in Mexico. The potential 5% increase or decrease in Mexican Peso would result in and increase or decrease in net loss of $21,382 (2022 - $25,574).

RELATED PARTY TRANSACTIONS

During the year ended January 31, 2023, the Company engaged in transactions in the normal course of operations with the following related parties. All of these transactions have been accounted for at fair value as follows:

Transactions with key management personnel

The Company recorded compensation expense and consulting fees during the year ended January 31, 2023 in the amount of $1,380,648 (2022 – $1,307,824) and share-based compensation in the amount of $604,848 (2022 – $1,625,727) to key management personnel, including the roles of Chief Executive Officer, President, Chief Financial Officer and Chief Operating Officer.

The Company paid rent during the year ended January 31, 2022 in the amount of $27,875 (2021 - $66,902) to a company owned by the former Chief Executive Officer.

Included in accounts payable at January 31, 2023 is $16,667 owing to a member of key management (2022 – accounts payable - $16,667).

Transactions with related parties other than key management personnel

The Company recorded director fees included in consulting fees in the amount of $566,617 (2022 - $60,000) and share-based compensation in the amount of $35,603 (2022 - $197,705) to four (2022 – three) directors of the Company.

The Company earned $10,000 (January 31, 2022 - $120,000) administration fees included in other revenues from two entities owned in part by the Executive Vice Chairman and former CEO

The Company paid legal fees of $114,000 (January 31, 2022 - $40,375) included in professional fees to a person related to the CEO of the Company.

COMMITMENTS AND CONTINGENCIES

On May 17, 2022, the former CEO of the Company initiated a claim against the Company in the amount of $14.6 million for breach of contract. On November 2, 2022 the Company defended against the claims and initiated a counter claim in the amount of $10 million. Management intends to defend the claim and the outcome of the claim and counter claim is uncertain at this time. No accrual for potential loss or gain on the outcome of the matter has been made in the financial statements.

PURCHASE OF NON CONTROLING INTEREST

On December 14, 2020 the subsidiary Jack Nathan Health was formed owned 80% by JNH and 20% by Glenn Copeland. On September 3, 2021 pursuant to a redemption and termination agreement, the 20% interest in Jack Nathan Health was sold to JNH for $1. Under IFRS 10, with the change in proportion held by non-controlling interests, JNH recognized directly into equity attributable to the shareholders $219,270 representing the difference between the amount by which the non-controlling interest was adjusted and the fair value of the consideration received. There was no impact to the consolidated statements of loss and comprehensive loss as a result of this change.

CAPITAL MANAGEMENT

The Company defines capital as all borrowings, lease obligations, equity comprised of issued share capital, warrants and contributed surplus. The Company's objectives when managing its capital are:

[i] to maintain a flexible capital structure that optimizes the cost of capital at acceptable risk while providing an appropriate return to its shareholders;
[ii] to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business;
[iii] to safeguard the Company's ability to obtain financing should the need arise; and
[iv] to maintain financial flexibility in order to have access to capital for future acquisitions and growth opportunities.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended January 31, 2023. The Company is not subject to externally imposed capital requirements.

SEGMENT INFORMATION

The Company's results are reported by geographical business units that operate in different countries. These segments reflect how the Company manages its business and how management classifies operations for planning and measuring performance.

The following tables present financial information by segment for the years ended January 31, 2023, and 2022:

	Canada	Mexico	Total
Year ended January 31, 2023	$	$	$
Revenues	11,921,860	3,565,837	15,487,698
Net income (loss)	(7,330,394)	427,635	(6,902,759)
As at January 31, 2023	$	$	$
Total assets	6,007,101	443,998	6,451,099
Long term assets	3,858,953	77,829	3,936,782
Property and equipment	1,719,489	77,829	1,797,318

	Canada	Mexico	China	Total
Year ended January 31, 2022	$	$	$	$
Revenues	7,121,038	2,517,855	—	9,638,894
Net loss	(7,473,712)	(511,476)	(30,709)	(8,015,897)
As at January 31, 2022	$	$	$	$
Total assets	7,667,843	471,598	8	8,139,449
Long term assets	5,803,204	96,018	—	5,899,222
Property and equipment	1,667,711	96,018	—	1,763,729

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Internal Controls over Financial Reporting

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's President and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at January 31, 2023 covered by this management's discussion and analysis, management of the Company, with the participation of the President and the Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the President and the Chief Financial Officer have concluded that, as of the end of the period covered by this management's discussion and analysis, the disclosure controls and procedures were effective (as such terms are defined under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws are recorded, processed, summarized and reported within the time periods specified by those laws and material information is accumulated and communicated to management of the Company, including the President and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Responsibility for Financial Information

Management is responsible for all information contained in this report. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and include amounts based on management's informed judgements and estimates. The financial and operating information included in this report is consistent with that contained in the unaudited condensed interim consolidated financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate, and that assets are safeguarded.

RISK FACTORS

Ownership of the Company's common shares is subject to certain risks. Shareholders should consider the risks set forth below, which are in addition to the usual risks associated with an investment in a business at a relatively early stage of development. The directors of JNH consider the risks set forth below to be the most significant, but do not consider them to be all the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not to be material in connection with JNH's business, occur, JNH's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline, and investors may lose all or part of their investment.

Reliance on Walmart Partnership

Walmart is a critical player in the continued growth of JNH's footprint. JNH currently relies on its partnership with Walmart to provide locations for JNH to set-up clinics for physicians. Failure to maintain this agreement would require a new partner location across Canada and globally or a redesign of the business model. Without Walmart, growth opportunities will be reduced significantly. JNH works very closely with Walmart on an ongoing basis to ensure its needs are being met and to continue its mutual success. As of the date of this MD&A, there are no indications that the Partnership with Walmart is at risk.

Clinics are independently owned and licensed by JNH and are not affiliated with Walmart. Jack Nathan Health is a registered trademark of Jack Nathan Medical, Inc. All representations contained herein are made solely by Jack Nathan Health and are not independently verified by Walmart. All Walmart trademarks are the property of Wal-Mart Stores, Inc. and are used under license 2019-0072 Winnipeg 3177.

Government regulations, permits, and licenses could inhibit the affairs of the Company

The current or future operations of the Company are, and will continue to be, governed by laws and regulations governing the health care industry, labor standards, occupational health and safety, land use, environmental protection, privacy and personal information, and other matters. Amendments to current laws, regulations and permits governing operations and activities of health clinics, or more stringent implementation thereof, could have a material adverse impact on the Company, which could cause increases in capital expenditures or costs, or a reduction in levels of its clinics. Additionally, the renewal, non-renewal and continuation of licenses, certifications and accreditations may be based on inspections, surveys, audits, investigations, or other reviews, such of which may require affirmative actions that could be burdensome.

Canadian operations may be impacted by provincial healthcare funding

Revenues for the consulting physician may vary by the specialty of the consulting practitioner (i.e., family practitioner, dentist, physiotherapy, etc.) within each province and the revenue schemes vary between provinces. Revenues generated by physician engagement (scope of exam and assessment) and the practitioner's specialty are subject to change depending on provincial health departments and the area of practice. Changes to any province's practitioner reimbursement model may adversely affect the Company's ability to recruit or retain consulting physicians or the Company's business model.

Competition in the healthcare industry could have a negative impact on the profitability of the Company

The Company competes with other companies that may have greater financial and technical resources and facilities. It is possible that third parties could also open their own clinics without the assistance of the Company. An increase in competition could result in lower profits to the Company. The success of the Company also depends on a clinic's ability to attract and retain customers. Any failure by the Company to acquire and retain customers could have a material adverse effect on its business, operating results, and financial condition.

Risks associated with acquisitions

As part of the Company's overall business strategy, the Company may pursue strategic acquisitions designed to expand its operations in both existing and new jurisdictions. Future acquisitions may expose it to potential risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the Company's existing business and technology; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions, or (f) the potential loss or harm to relationships with both employees and existing users resulting from its integration of new businesses. In addition, any new proposed acquisitions may be subject to regulatory approval.

Risks associated with international expansion

There is an inherent risk of expanding the Company's business in a foreign country including regulations that vary by country, and political and governmental instability. JHN may expand into countries that pose various risks associated with this instability and these markets come with substantial risks attached to them.

The Company's plan for rapid growth and expansion could strain management and its resources

The Company plans to grow rapidly and significantly expand its operations across Canada and internationally. This expansion may require additional investments and capital from time to time, and existing sources of cash and any funds may not provide sufficient capital and could strain systems and resources. To date, the Company has implemented some managerial, informational, operational, and financial systems and controls, however, there can be no assurance that these systems and controls will be adequate. The Company may be required to manage multiple relationships with various strategic partners, users, advertisers and other third parties. These systems and controls could be strained in the event of rapid growth, or a large increase in the number of third-party relationships. To manage the planned growth, the Company may be required to improve or replace existing managerial, informational, financial, and operational systems, procedures and controls, and to expand, train and manage its intended growing base of personnel. The Company may also be required to expand its finance, administrative, and operations staff. Although the Company expects that it will complete improvements to its systems in a timely manner, there can be no assurance that this will occur.

The Company will depend on its key personnel and its business may be severely disrupted if the company suffers the loss of their services

The Company has a small management team and the loss of a key individual or inability to attract suitably qualified staff (including medical professionals) could have a material adverse impact on the business. The company may also encounter difficulties in obtaining and maintaining suitably qualified staff. The success of the Company also depends on the ability of management to interpret and respond to economic, market and other conditions to locate and adopt appropriate opportunities. No assurance can be given that the individuals with the required skills will continue employment with the Company or that replacement personnel with comparable skills can be found.

The Company will depend on its ability to attract physicians and other healthcare personnel

The Company's success will depend on its ability to attract, develop, and maintain relationships with physicians and other healthcare professionals with adequate ability, expertise and judgment. Any failure to attract appropriate healthcare professionals, for any reason, could have an adverse effect on the Company's business, operating results, financial condition, or prospects.

The Company may struggle to collect license and other fees from clinics

A portion of the Company's revenue comes from the fees that it receives from licensees. Accordingly, the Company's revenue is dependent on the operations of its licensees to generate income and support the licensees' ability to pay its own operating expenses, as well as the license fees to the Company. The Company's ability to generate income is affected by the profitability, fluctuations in working capital, margin sustainability and capital expenditures of its licensees. There can be no assurance that income or cash flow generated from licensees will be paid to the Company. The failure of any licensee to pay license fees owing to the Company on time or at all could adversely impact the Company's business, operating results, financial condition, or prospects.

The Company may be subject to risks arising as a result of expanded operations

The Company may be subject to significant operating risks associated with its expanding operations and its expanding holdings, licenses, and acquisitions. The level of operating cost estimates to the Company's operations are based on certain assumptions and are inherently subject to significant uncertainties. It is likely that actual results will differ from the Company's current estimates and assumptions, and that these differences may be material. If actual results are less favorable than the Company estimates, then its business, results of operations, financial condition and liquidity could be materially adversely impacted.

The Company may be subject to litigation risk as a result of JNH's operations in Mexico

The Company's operations in Mexico vary from in Canada. In Canada, JNH sub-licenses its rights to the healthcare provider who is ultimately responsible for the clinic's operations. This effectively removes JNH from any involvement in the clinic's day-to-day affairs. Conversely, in Mexico, JNH retains healthcare professionals to provide specific services at the clinic, while still maintaining responsibility over the patient's charting, payment collection and other day-to-day affairs of the clinic. Compared to JNH's operations in Canada, the operation model in Mexico could present greater risk of litigation as JNH is retaining responsibility over the clinic's daily operation. Litigation related to the foregoing could present significant expense to the Company thereby adversely affecting its operations.

Reliance on Management

The success of JNH is currently dependent on the performance of certain members of management. The loss of the services of these persons would have a material adverse effect on JNH's business and prospects in the short term. As of the date of this Management Discussion and Analysis, there are no indications that the JNH would be unable to maintain the services of its officers or other qualified personnel. Failure to do so could have a material adverse effect on JNH and its prospects.

Vertical Integration

The success of JNH's ability to grow is partially dependent on the ability to integrate vertically and move towards corporate owned and managed clinics. There is no guarantee the Company will be successful and while it has retained experience and proven personnel to achieve this growth there are a variety of factors related to full clinic operations that could have an adverse effect on financial results.

Patient Privacy

Patient privacy laws with respect to health data across provincial and federal borders are strict and regularly enforced. JNH will work with regulators, politicians, and technical experts to maximize its potential for success in respect of its big data ambitions but privacy remains a substantial risk.

Factors which may prevent realization of growth targets

JNH is currently in the process of expanding operations to additional foreign countries. There is a risk that the additional resources will be needed, and milestones will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following as it relates to JNH:

- Delays in obtaining, or conditions impose by, regulatory approvals.

- Facility design errors.
- Non-performance by third party contractors.
- Contractor or operator errors.
- Inability to attract sufficient numbers of qualified workers.
- Major incidents and/or catastrophic events such as fires, explosions, earthquakes, pandemic, or storms.

Operating results and the financial condition of the Company may fluctuate and may not be consistent with expectations

The operating results and financial condition of the Company may fluctuate due to several factors, some of which are outside of the control of the Company. In addition, actual or projected operating results may fail to match past performance. These events could in turn cause the market price of its securities to fluctuate. If operating results do not meet the expectations of security analysts or investors who may derive their expectations by extrapolating data from recent historical operating results, the market price of the shares will likely decline.

An investment in the Company is speculative and is subject to equity market risk

The price of the Company Common Shares can be influenced by its outlook, market activity and regional, national, and international economic conditions. When the economy is expanding, the outlook for many issuers is equally promising, and the value of their equity securities should rise correspondingly. The opposite is also true. Typically, the greater the potential reward, the greater the potential risk. For small issuers and issuers in emerging sectors the risk and reward ratio are usually greater. Equity-related securities, which give indirect exposure to the equity value of an entity, such as warrants and convertible securities, can also be affected by this equity risk. Consequently, an investment in The Company Common Shares is speculative.

The value of the Company common shares may fluctuate and impact ability to raise additional financing

In recent years, the Canadian securities markets have experienced a high level of price and volume volatility and the market price of securities have experienced wide fluctuations. The market price of The Company Common Shares may be volatile and could be subject to wide fluctuations due to a number of factors. Broad market fluctuations, as well as economic conditions generally and in the healthcare industry specifically, may adversely affect the market price of the shares. Additionally, there is no guarantee that there will be an active and liquid market for the securities of the Company. It may be anticipated that any quoted market for the Company Common Shares will be subject to market trends generally, notwithstanding any potential success of The Company in creating revenues, cash flows or earnings. If an active public market for the securities does not develop, the liquidity of a shareholder's investment might be limited. The ability of the Company to raise financing in the future in the future will depend in part on the stock price of the Company's common shares and the prevailing capital market conditions.

The Company's shareholders may face dilution in the event of the issuance of additional securities

The Company's inability to raise future financing to support operations or to fund capital expenditures could have an adverse effect upon future profitability. If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution and any new equity securities issued could have superior rights, preferences, and privileges. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

The Company may be subject to potential conflicts of interest

The Company may be subject to various potential conflicts of interest since some of its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors may devote time to outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests may possibly affect their efforts related to the Company's business and affairs and that could adversely affect the Company's operations. The Company looks to mitigate any issues whenever possible. The Company may also become involved in other transactions which conflict with the interests of its directors and the officers who may from time-to-time deal with persons, firms, institutions or corporations with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, and from time to time, these persons may be competing with the Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the company.

SHARE DATA

The following tables outline all outstanding voting or equity securities including stock options, warrants, registered stock units ("RSU") and Deferred stock units (DSU") of the Company which are convertible into, or exercisable or exchangeable for, voting or equity securities as of May 31, 2023.

Common shares outstanding January 31, 2023	**84,329,547**
Issuance of shares as part of earnout payment pursuant to business combination	1,123,204
Common shares outstanding May 31, 2023	**85,452,751**

Stock options outstanding January 31, 2023	**7,375,000**
Options granted	—
Stock options outstanding May 31, 2023	**7,375,000**

Broker Warrants outstanding January 31, 2023	—
Broker warrants exercised	—
Broker Warrants outstanding May 31, 2023	—

RSUs outstanding January 31, 2023	8,750,000
RSUs granted	—
RSUs outstanding May 31, 2023	**8,750,000**

DSUs outstanding January 31, 2023	502,506
DSUs granted	0
DSUs outstanding May 31, 2023	**502,506**