

**Vitalhub Corp.**  
**Unaudited Interim Condensed Consolidated Financial Statements**  
**For the three and nine months ended September 30, 2022 and 2021**

**Vitalhub Corp.**  
**For the three and nine months ended September 30, 2022 and 2021**

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# Vitalhub Corp.

## Interim Condensed Consolidated Statements of Financial Position For the three and nine months ended September 30, 2022 and 2021

(Unaudited)

(in Canadian Dollars)

	September 30, 2022	December 31, 2021
	\$	\$
<b>Assets</b>		
Current assets		
Cash	36,065,885	16,389,982
Accounts receivable, net of expected credit loss (Note 5)	7,497,402	5,561,322
Inventory	353,851	199,732
Prepaid expenses	913,071	472,669
	<b>44,830,209</b>	<b>22,623,705</b>
Non-current assets		
Property and equipment (Note 6)	668,325	533,600
Intangible assets (Note 7)	25,731,187	19,585,056
Right-of-use assets (Note 13)	782,331	707,352
Goodwill (Note 8)	36,391,602	29,322,077
	<b>108,403,654</b>	<b>72,771,790</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	4,446,082	4,064,012
Loans payable (Note 11)	509,740	29,160
Contingent consideration (Note 12)	2,823,822	1,924,292
Income taxes payable	251,169	168,540
Lease liabilities (Note 13)	372,995	241,704
Deferred revenue	14,088,040	8,305,985
	<b>22,491,848</b>	<b>14,733,693</b>
Long term liabilities		
Deferred revenue	1,144,113	515,346
Deferred tax liability	4,446,539	2,176,357
Loans payable (Note 11)	8,493,482	-
Lease liabilities (Note 13)	613,333	521,649
	<b>37,189,315</b>	<b>17,947,045</b>
<b>Shareholders' equity</b>		
Share capital (Note 14 (b))	79,383,658	61,142,937
Share-based payment reserve (Note 14 (c))	3,616,464	2,755,986
Deferred share units payment reserve (Note 14 (d))	253,500	253,500
Warrant reserve (Note 14 (e))	445,682	465,235
Accumulated other comprehensive (loss)	(4,383,369)	(138,347)
Deficit	(8,101,596)	(9,654,566)
	<b>71,214,339</b>	<b>54,824,745</b>
	<b>108,403,654</b>	<b>72,771,790</b>

Approved by the Board

(Signed) Dan Matlow \_\_\_\_\_

Director

(Signed) Barry Tissenbaum \_\_\_\_\_

Director

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements

# Vitalhub Corp.

## Interim Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) For the three and nine months ended September 30, 2022 and 2021

(Unaudited)

(in Canadian Dollars)

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
	\$	\$	\$	\$
<b>Revenue</b>				
Term licences, maintenance and support	7,657,559	5,462,774	20,623,096	13,960,056
Perpetual licences	204,233	328,228	3,121,009	906,482
Services	1,582,037	715,912	4,056,591	2,181,515
Hardware	302,032	45,281	797,198	385,339
Other	34,692	66,852	83,315	300,908
<b>Total revenue</b>	<b>9,780,553</b>	<b>6,619,047</b>	<b>28,681,209</b>	<b>17,734,300</b>
Cost of sales	1,952,398	1,174,244	5,032,259	3,773,770
<b>Gross profit</b>	<b>7,828,155</b>	<b>5,444,803</b>	<b>23,648,950</b>	<b>13,960,530</b>
<b>Expenses</b>				
General and administrative	2,086,415	1,361,762	6,007,993	3,638,214
Sales and marketing	1,076,673	974,506	3,148,312	2,646,543
Research and development	2,622,921	1,875,775	7,365,681	4,328,219
Depreciation (Note 6)	69,992	42,625	173,865	117,314
Depreciation of right-of-use assets (Note 13)	64,158	71,006	179,640	201,769
Stock based compensation (Note 14 (c))	289,019	484,226	872,803	1,088,306
Foreign currency (gain) loss	(109,607)	(44,469)	56,573	148,311
	<b>6,099,571</b>	<b>4,765,431</b>	<b>17,804,867</b>	<b>12,168,676</b>
<b>Income before the undernoted items</b>	<b>1,728,584</b>	<b>679,372</b>	<b>5,844,083</b>	<b>1,791,854</b>
Amortization of intangible assets (Note 7)	847,818	637,685	2,327,016	1,618,502
Business acquisition, restructuring and integration costs (Note 4)	473,669	604,259	1,416,733	1,463,345
Interest expense and accretion (net of interest income)	(75,059)	(7,292)	30,626	(25,584)
Interest expense from lease liabilities (Note 13)	72,658	20,856	105,594	64,236
(Gain) loss on disposal of property and equipment	-	(344)	1,057	2,153
	<b>1,319,086</b>	<b>1,255,164</b>	<b>3,881,026</b>	<b>3,122,652</b>
<b>Income (loss) before income taxes</b>	<b>409,498</b>	<b>(575,792)</b>	<b>1,963,057</b>	<b>(1,330,798)</b>
<b>Provision for income taxes</b>				
Current	225,270	-	365,618	10,071
Deferred	143,451	-	44,469	-
	<b>368,721</b>	<b>-</b>	<b>410,087</b>	<b>10,071</b>
<b>Net income (loss)</b>	<b>40,777</b>	<b>(575,792)</b>	<b>1,552,970</b>	<b>(1,340,869)</b>
<b>Other comprehensive income (loss)</b>				
Foreign currency translation gain (loss)	(332,356)	31,554	(4,245,022)	(206,180)
<b>Comprehensive income (loss)</b>	<b>(291,579)</b>	<b>(544,238)</b>	<b>(2,692,052)</b>	<b>(1,547,049)</b>
<b>Income (loss) per share</b>				
Basic	0.00	(0.02)	0.03	(0.04)
Diluted	0.00	(0.02)	0.03	(0.04)
<b>Weighted average number of shares outstanding</b>				
Basic	43,381,770	36,677,405	48,480,050	36,390,567
Diluted	44,647,770	36,677,405	49,746,050	36,390,567

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statement

**Vitalhub Corp.**  
**Interim Condensed Consolidated Statements of Changes in Shareholders' Equity**  
**For the three and nine months ended September 30, 2022 and 2021**  
(Unaudited)  
(in Canadian Dollars)

	Number of common shares	Share capital \$	Share-based payment reserve \$	Deferred share units payment reserve	Warrant reserve \$	Accumulated other comprehensive income (loss) \$	Deficit \$	Total shareholders' equity \$
Balance, December 31, 2020	35,106,314	55,683,203	1,315,592	-	990,032	29,781	(7,707,925)	50,310,683
Acquisition of S12 Solutions Ltd. (Note 4 (a))	229,144	654,984	-	-	-	-	-	654,984
Acquisition of Jayex Healthcare Limited. (Note 4 (b))	150,078	442,790	-	-	-	-	-	442,790
Shares issued for contingent consideration (Note 14 (b)(i))	88,888	274,264	-	-	-	-	-	274,264
Stock options exercised (Note 14 (c))	120,774	146,949	(21,175)	-	-	-	-	125,774
Stock based compensation (Note 14 (c))	-	-	1,088,306	-	-	-	-	1,088,306
Warrants exercised (Note 14 (e))	1,031,250	3,437,207	-	-	(446,582)	-	-	2,990,625
Net (loss) and comprehensive (loss) for the period	-	-	-	-	-	(206,180)	(1,340,869)	(1,547,049)
<b>Balance, September 30, 2021</b>	<b>36,726,448</b>	<b>60,639,397</b>	<b>2,382,723</b>	<b>-</b>	<b>543,450</b>	<b>(176,399)</b>	<b>(9,048,794)</b>	<b>54,340,377</b>
<b>Balance, December 31, 2021</b>	<b>36,939,428</b>	<b>61,142,937</b>	<b>2,755,986</b>	<b>253,500</b>	<b>465,235</b>	<b>(138,347)</b>	<b>(9,654,566)</b>	<b>54,824,745</b>
Shares issued from financing (Note 14 (b)(ii))	5,645,200	16,297,935	-	-	-	-	-	16,297,935
Acquisition of Beautiful Information Limited (Note 4 (d))	90,266	258,214	-	-	-	-	-	258,214
Acquisition of Hicom Technology Limited (Note 4 (e))	475,104	1,338,715	-	-	-	-	-	1,338,715
Repurchase of common shares (Note 14 (b)(iii))	(16,500)	(39,498)	-	-	-	-	-	(39,498)
Stock options exercised (Note 14 (c))	154,500	269,725	(12,325)	-	-	-	-	257,400
Stock based compensation (Note 14 (c))	-	-	872,803	-	-	-	-	872,803
Warrants exercised (Note 14 (e))	45,750	115,630	-	-	(19,553)	-	-	96,077
Net income and comprehensive (loss) for the period	-	-	-	-	-	(4,245,022)	1,552,970	(2,692,052)
<b>Balance, September 30, 2022</b>	<b>43,333,748</b>	<b>79,383,658</b>	<b>3,616,464</b>	<b>253,500</b>	<b>445,682</b>	<b>(4,383,369)</b>	<b>(8,101,596)</b>	<b>71,214,339</b>

*The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements*

**Vitalhub Corp.**  
**Interim Condensed Consolidated Statements of Cash Flows**  
**For the three and nine months ended September 30, 2022 and 2021**  
(Unaudited)  
(in Canadian Dollars)

	Nine months ended September 30, 2022	Nine months ended September 30, 2021
	\$	\$
<b>Operating activities</b>		
Net income (loss)	1,552,970	(1,340,869)
Adjustments for:		
Depreciation of property and equipment (Note 6)	173,865	117,314
Depreciation of right-of-use assets (Note 13)	179,640	201,769
Amortization of intangible assets (Note 7)	2,327,016	1,618,502
Unrealized foreign exchange (gain) loss	67,127	(356,484)
Loss on disposal of property and equipment (Note 6)	1,057	2,153
Interest expense from lease liabilities (Note 13)	105,594	64,236
Stock based compensation (Note 14 (c))	872,803	1,088,306
<b>Cash flow from operations before changes in working capital</b>	<b>5,280,072</b>	<b>1,394,927</b>
Changes in working capital		
Accounts receivable	4,984,627	(1,474,869)
Inventory	(154,119)	57,165
Lease receivable	-	5,225
Prepaid expenses	(232,966)	29,148
Accounts payable and accrued liabilities	(1,878,829)	(1,020,410)
Contingent consideration	(891,570)	(413,525)
Deferred revenue	517,049	1,184,775
Income taxes payable	(47,502)	32,422
Deferred tax liability	(157,781)	-
	<b>7,418,981</b>	<b>(205,142)</b>
<b>Investing activities</b>		
Purchase of property and equipment (Note 6)	(113,278)	(149,836)
Purchase of intangible assets (Note 7)	-	(36,996)
Acquisition of S12 Solutions Ltd. (net of cash acquired) (Note 4 (a))	-	(5,634,848)
Acquisition of Jayex Healthcare Limited (net of cash acquired) (Note 4 (b))	-	(1,508,556)
Acquisition of Alamac Limited (net of cash acquired) (Note 4 (c))	-	(2,942,730)
Acquisition of Beautiful Information (net of cash acquired) (Note 4 (d))	(2,302,436)	-
Acquisition of Hicom Technology Limited (net of cash acquired) (Note 4 (e))	(10,946,401)	-
	<b>(13,362,115)</b>	<b>(10,272,966)</b>
<b>Financing activities</b>		
Proceeds from Scotiabank loan	9,999,982	-
Proceeds from issuance of shares - net of issuance costs (Note 14 (b)(ii))	16,297,935	-
Principal payments on loans payable (Note 11)	(1,102,742)	(28,527)
Principal payments on lease liabilities (Note 13)	(236,338)	(228,101)
Repurchase of common shares (Note 14 (b)(iii))	(39,498)	-
Proceeds from exercise of options (Note 14 (c))	257,400	125,774
Proceeds from exercise of warrants (Note 14 (e))	96,077	2,990,625
	<b>25,272,816</b>	<b>2,859,771</b>
Effect of foreign exchange rate changes on cash	346,221	(69,479)
Increase (decrease) in cash	19,675,903	(7,687,816)
Cash, beginning of the period	16,389,982	23,391,946
<b>Cash, end of the period</b>	<b>36,065,885</b>	<b>15,704,130</b>

*The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements*

**Vitalhub Corp.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**For the three and nine months ended September 30, 2022 and 2021**  
(Unaudited)  
(in Canadian Dollars)

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**1. Description of business**

Vitalhub Corp. and its subsidiaries (the “Company”) provide technology to Health and Human Service providers including; Hospitals, Regional Health Authorities, Mental Health, Long Term Care, Home Health, Community and Social Services. Vitalhub solutions span the categories of Electronic Health Record (EHR), Case Management, Care Coordination, Patient Flow & Operational Visibility and Mobile Apps.

Vitalhub Corp. has eleven wholly owned subsidiaries: Vitalhub (PVT) Ltd., H.I.Next LLC, Vitalhub UK Limited, Oculys Health Informatics Inc., Intouch with Health Ltd., Transforming Systems Ltd., S12 Solutions Ltd., Vitalhub Australia PTY Ltd, Alamac Limited, Beautiful Information Limited., and Hicom Technology Limited.

The Company’s shares trade on the TSX under the symbol “VHI”. The Company is incorporated and domiciled in Canada. The address of the Company’s registered office is 480 University Avenue, Suite 1001, Toronto, Ontario, M5G 1V2.

**2. Basis of presentation**

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as set out in the Handbook of Chartered Professional Accountants Canada (“CPA Canada Handbook”). These unaudited interim condensed consolidated financial statements are presented in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. The disclosures contained in these unaudited interim condensed consolidated financial statements do not contain all requirements of IFRS for annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2021.

The unaudited interim condensed consolidated financial statements were authorized for issue by the Board of Directors on November 10, 2022.

*COVID-19*

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in the World Health Organization declaring this virus a global pandemic in March 2020. Governments around the world have enacted emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing and closure of businesses have caused material disruption to businesses resulting in an economic slowdown. Governments and central banks have responded with significant monetary and fiscal interventions designed to stabilize the financial markets. A critical estimate for the Company is to assess the impact of the pandemic on the recoverability of long-lived assets, accounts receivable, goodwill, intangible assets as well as the availability of future financing in assessing the going concern assumption. The Company has experienced work stoppages and delays on some projects due to the ongoing COVID-19 pandemic, as hospitals and their staff are focused on dealing with the pandemic and as such the Company’s staff are limited to go on site. The Company has received government incentives as disclosed in Note 18.

**3. Summary of significant accounting policies**

The accounting policies applied in these unaudited interim condensed consolidated financial statements are consistent with those disclosed in Note 3 to the annual consolidated financial statements for the year ended December 31, 2021.

**Vitalhub Corp.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**For the three and nine months ended September 30, 2022 and 2021**  
(Unaudited)  
(in Canadian Dollars)

**4. Business acquisitions**

The Company's acquisitions serve to expand and broaden the suite of service offerings, add key customers and realize synergies by removing redundancies.

a) Acquisition of S12 Solutions Ltd.

On April 19, 2021, the Company acquired all of the issued and outstanding securities of S12 Solutions Ltd. ("S12"). S12 helps mental health professionals efficiently complete Mental Health Act 1983 processes.

The following table summarizes the fair value of consideration paid on the acquisition date and the allocation of the purchase price to the assets and liabilities acquired.

<b>Consideration</b>	
Cash consideration on closing	\$ 4,507,563
Cash held in escrow	1,711,711
Issued shares (229,144 shares issued at \$2.91/share)	654,984
Fair value of contingent consideration	1,091,932
	<b>\$ 7,966,190</b>

  

<b>Purchase price allocation</b>	
Cash	\$ 584,426
Accounts receivable	405,568
Prepays	14,780
Property and equipment	66,681
Accounts payable and accrued liabilities	(459,928)
Deferred revenue	(1,877,078)
Deferred tax liability	(859,687)
Acquired technology	815,210
Customer relationships	3,573,049
Brand	242,829
Goodwill	5,460,340
	<b>\$ 7,966,190</b>

In addition, the Company has a contingent consideration in the amount of \$1,091,932 payable over a three-year period after closing and is contingent upon meeting certain revenue targets.

During the three and nine months ended September 30, 2022, the Company incurred \$46,864 and \$202,621 in acquisition, restructuring and integration costs with this acquisition (three and nine months ended September 30, 2021 - \$248,487 and \$428,554). These costs are included and separately disclosed in the unaudited interim condensed consolidated statements of operations and comprehensive income (loss).

The acquisition of S12 resulted in revenue from the date of acquisition to December 31, 2021 of \$2,074,190 and a net loss of \$250,720, which is included in the Company's results for the year ended December 31, 2021.



**Vitalhub Corp.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**For the three and nine months ended September 30, 2022 and 2021**  
(Unaudited)  
(in Canadian Dollars)

**4. Business acquisitions (continued)**

b) Acquisition of Jayex Healthcare Limited

On May 14, 2021, the Company acquired the assets of Jayex Healthcare Limited ("Jayex") on-premise hospital queue management business segment. Jayex is a leading UK and Australian e-health provider of integrated SaaS healthcare services delivery platforms.

The following table summarizes the fair value of consideration paid on the acquisition date and the allocation of the purchase price to the assets and liabilities acquired.

<b>Consideration</b>	
Cash consideration on closing	\$ 575,462
Cash held in escrow	994,606
Issued shares (150,078 shares issued at \$2.93/share)	442,790
Fair value of contingent consideration	26,194
	<b>\$ 2,039,052</b>
<b>Purchase price allocation</b>	
Inventory	\$ 133,247
Prepays	14,875
Property and equipment	6,795
Accounts payable and accrued liabilities	(33,585)
Deferred revenue	(267,644)
Acquired technology	51,222
Customer relationships	1,280,543
Goodwill	853,599
	<b>\$ 2,039,052</b>

The Company has a contingent consideration in the amount of \$26,194 payable over a two-year period after the closing, which has been discounted using a rate of 1.2% and is contingent upon meeting certain revenue targets.

During the three and nine months ended September 30, 2022, the Company incurred \$4,182 and \$22,826 in acquisition, restructuring and integration costs with this acquisition (three and nine months ended September 30, 2021 - \$33,743 and \$274,410). These costs are included and separately disclosed in the unaudited interim condensed consolidated statements of operations and comprehensive income (loss).

The acquisition of Jayex resulted in revenue from the date of acquisition to December 31, 2021 of \$543,771 and a net loss of \$487,153, which is included in the Company's results for the year ended December 31, 2021.

**Vitalhub Corp.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**For the three and nine months ended September 30, 2022 and 2021**  
(Unaudited)  
(in Canadian Dollars)

**4. Business acquisitions (continued)**

c) Acquisition of Alamac Limited

On July 2, 2021, the Company acquired all of the issued and outstanding securities of Alamac Limited ("Alamac"). Alamac provides technological and advisory solutions that assist healthcare organizations across the United Kingdom National Health Service.

The following table summarizes the fair value of consideration paid on the acquisition date and the allocation of the purchase price to the assets and liabilities acquired.

**Consideration**

Cash consideration on closing	\$ 2,485,086
Cash held in escrow	316,467
	<b>\$ 2,801,553</b>

**Purchase price allocation**

Cash	\$ 209,500
Accounts receivable	23,011
Income taxes recoverable	62,999
Prepays	28,520
Property and equipment	10,549
Accounts payable and accrued liabilities	(151,478)
Deferred revenue	(105,325)
Deferred tax liability	(353,758)
Acquired technology	239,487
Customer relationships	1,180,328
Goodwill	1,657,720
	<b>\$ 2,801,553</b>

During the three and nine months ended September 30, 2022, the Company incurred \$nil and \$2,400 in acquisition, restructuring and integration costs with this acquisition (three and nine months ended September 30, 2021 - \$80,697 and \$80,697). These costs are included and separately disclosed in the unaudited interim condensed consolidated statements of operations and comprehensive income (loss).

The acquisition of Alamac resulted in revenue from the date of acquisition to December 31, 2021 of \$851,400 and net income of \$85,521 which is included in the Company's results for the year ended December 31, 2021.

**Vitalhub Corp.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
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**4. Business acquisitions (continued)**

d) Acquisition of Beautiful Information Limited

On January 27, 2022, the Company acquired all of the issued and outstanding shares of Beautiful Information Limited. ("BI"). BI is a UK-based company, which offers unique real-time information to NHS trusts to help them plan and resource clinical services to meet hourly fluctuations in patient flow.

The following table summarizes the fair value of consideration paid on the acquisition date and the allocation of the purchase price to the assets and liabilities acquired. In accordance with the Company's accounting policy and IFRS, the Company has up to one year following the acquisition date to finalize the accounting for a business combination. Accordingly, the accounting for the BI acquisition has been completed using provisional amounts within these interim condensed consolidated financial statements.

**Consideration**

Cash consideration on closing	\$ 2,224,123
Cash held in escrow	358,174
Issued shares (90,266 shares issued at \$2.96/share)	267,483
	<b>\$ 2,849,780</b>

**Purchase price allocation**

Cash	\$ 279,861
Accounts receivable	616,900
Prepays	10,649
Property and equipment	1,795
Accounts payable and accrued liabilities	(119,154)
Deferred revenue	(408,885)
Deferred tax liability	(404,932)
Loans payable	(76,822)
Acquired technology	204,370
Customer relationships	1,413,561
Goodwill	1,332,437
	<b>\$ 2,849,780</b>

During the three and nine months ended September 30, 2022, the Company incurred \$4,370 and \$170,299 in acquisition, restructuring and integration costs with this acquisition. These costs are included and separately disclosed in the unaudited interim condensed consolidated statements of operations and comprehensive income (loss).

The acquisition of Beautiful Information resulted in revenue from the date of acquisition to September 30, 2022 of \$1,046,311 and net income of \$170,655 which is included in the Company's results for the period ended September 30, 2022.

**Vitalhub Corp.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
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(Unaudited)  
(in Canadian Dollars)

**4. Business acquisitions (continued)**

e) Acquisition of Hicom Technology Limited

On April 25, 2022, the Company acquired all of the issued and outstanding shares of Hicom Technology Limited. ("Hicom"), a company incorporated and registered in England and Wales. Hicom is a developer of software that automates healthcare and business processes across a diverse 200+ strong client base.

The following table summarizes the fair value of consideration paid on the acquisition date and the allocation of the purchase price to the assets and liabilities acquired. In accordance with the Company's accounting policy and IFRS, the Company has up to one year following the acquisition date to finalize the accounting for a business combination. Accordingly, the accounting for the Hicom acquisition has been completed using provisional amounts within these interim condensed consolidated financial statements.

**Consideration**

Cash consideration on closing	\$ 11,637,713
Cash held in escrow	1,297,836
Issued shares (475,104 shares issued at \$3.02/share)	1,338,715
Fair value of contingent consideration	1,791,100
	<b>\$ 16,065,364</b>

**Purchase price allocation**

Cash	\$ 1,989,148
Accounts receivable	6,303,807
Prepays	196,787
Property and equipment	194,574
Accounts payable and accrued liabilities	(2,141,745)
Deferred revenue	(5,484,888)
Income taxes payable	(130,131)
Deferred tax liability	(2,023,031)
Acquired technology	1,427,620
Customer relationships	7,170,544
Brand	454,243
Goodwill	8,108,436
	<b>\$ 16,065,364</b>

The Company has a contingent consideration in the amount of \$1,791,100 payable over a two-year period after the closing and is contingent upon meeting certain revenue targets.

During the three and nine months ended September 30, 2022, the Company incurred \$296,928 and \$726,553 in acquisition, restructuring and integration costs with this acquisition. These costs are included and separately disclosed in the unaudited interim condensed consolidated statements of operations and comprehensive income (loss).

The acquisition of Hicom resulted in revenue from the date of acquisition to September 30, 2022 of \$3,633,832 and net income of \$293,292 which is included in the Company's results for the period ended September 30, 2022.

# Vitalhub Corp.

## Notes to the Interim Condensed Consolidated Financial Statements For the three and nine months ended September 30, 2022 and 2021

(Unaudited)  
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### 5. Accounts receivable

	September 30, 2022	December 31, 2021
	\$	\$
Trade accounts receivable	6,231,102	5,276,476
Other receivables	1,555,300	572,315
	<b>7,786,402</b>	5,848,791
Expected credit loss provision	<b>(289,000)</b>	(287,469)
Net carrying value	<b>7,497,402</b>	5,561,322

### 6. Property and equipment

	Computers	Furniture & fixtures	Leasehold improvements	Total
Cost	\$	\$	\$	\$
Balance, December 31, 2020	285,749	187,900	113,950	587,599
Acquisitions (Note 4)	6,795	77,230	-	84,025
Additions	148,721	30,646	41,701	221,068
Disposals	(23,973)	(1,122)	-	(25,095)
Effect of movements in exchange rates	(1,521)	572	(48)	(997)
Balance, December 31, 2021	415,771	295,226	155,603	866,600
Acquisitions (Note 4)	188,422	7,947	-	196,369
Additions	89,657	-	23,621	113,278
Disposals	(2,985)	-	-	(2,985)
Effect of movements in exchange rates	13,654	(6,183)	6,273	13,744
<b>Balance, September 30, 2022</b>	<b>704,519</b>	<b>296,990</b>	<b>185,497</b>	<b>1,187,006</b>
<b>Accumulated depreciation</b>				
Balance, December 31, 2020	110,514	52,501	30,179	193,194
Depreciation expense	75,665	64,739	22,020	162,424
Disposals	(21,820)	(1,682)	-	(23,502)
Effect of movements in exchange rates	456	466	(38)	884
Balance, December 31, 2021	164,815	116,024	52,161	333,000
Depreciation expense	109,628	49,948	14,289	173,865
Disposals	(1,928)	-	-	(1,928)
Effect of movements in exchange rates	12,715	(6,000)	7,029	13,744
<b>Balance, September 30, 2022</b>	<b>285,230</b>	<b>159,972</b>	<b>73,479</b>	<b>518,681</b>
<b>Net book value as at:</b>				
December 31, 2021	250,956	179,202	103,442	533,600
<b>September 30, 2022</b>	<b>419,289</b>	<b>137,018</b>	<b>112,018</b>	<b>668,325</b>

**Vitalhub Corp.**  
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**7. Intangible assets**

	Acquired technologies	Customer relationships	Brands	Training videos	Patents and trademarks	Total
<b>Cost</b>	\$	\$	\$	\$	\$	\$
Balance, December 31, 2020	3,948,556	14,348,989	986,926	41,954	-	19,326,425
Acquisitions (Note 4)	1,105,919	6,033,920	242,829	-	-	7,382,668
Additions	-	-	-	36,996	1,546	38,542
Effect of movements in exchange rates	(40,885)	(101,462)	(10,893)	1,088	-	(152,152)
Balance, December 31, 2021	5,013,590	20,281,447	1,218,862	80,038	1,546	26,595,483
Acquisitions (Note 4)	1,631,990	8,584,105	454,243	-	-	10,670,338
Effect of movements in exchange rates	(509,556)	(1,849,399)	(121,374)	(2,148)	-	(2,482,477)
<b>Balance, September 30, 2022</b>	<b>6,136,024</b>	<b>27,016,153</b>	<b>1,551,731</b>	<b>77,890</b>	<b>1,546</b>	<b>34,783,344</b>
<b>Accumulated amortization</b>						
Balance, December 31, 2020	720,774	3,923,131	123,930	9,030	-	4,776,865
Amortization expense	669,564	1,389,126	151,034	31,527	-	2,241,251
Effect of movements in exchange rates	(2,675)	(6,419)	(364)	1,769	-	(7,689)
Balance, December 31, 2021	1,387,663	5,305,838	274,600	42,326	-	7,010,427
Amortization expense	688,516	1,492,548	129,574	16,269	109	2,327,016
Effect of movements in exchange rates	(78,638)	(191,815)	(14,754)	(79)	-	(285,286)
<b>Balance, September 30, 2022</b>	<b>1,997,541</b>	<b>6,606,571</b>	<b>389,420</b>	<b>58,516</b>	<b>109</b>	<b>9,052,157</b>
<b>Net book value as at:</b>						
December 31, 2021	3,625,927	14,975,609	944,262	37,712	1,546	19,585,056
<b>September 30, 2022</b>	<b>4,138,483</b>	<b>20,409,582</b>	<b>1,162,311</b>	<b>19,374</b>	<b>1,437</b>	<b>25,731,187</b>

**8. Goodwill**

	<b>\$</b>
Balance, December 31, 2020	20,868,384
Additions through business acquisitions (Note 4)	7,971,659
Effect of movements in exchange rates	482,034
Balance, December 31, 2021	29,322,077
Additions through business acquisitions (Note 4)	9,440,873
Effect of movements in exchange rates	(2,371,348)
<b>Balance, September 30, 2022</b>	<b>36,391,602</b>

**Vitalhub Corp.**  
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**9. Accounts payable and accrued liabilities**

	September 30, 2022	December 31, 2021
	\$	\$
Trade accounts payable and accrued liabilities	1,595,800	1,808,566
Accrued payroll and related compensation	1,652,594	1,272,182
Government remittances	899,563	843,711
Royalties payable	298,125	139,553
	<b>4,446,082</b>	<b>4,064,012</b>

**10. Share purchase**

On May 2, 2016, all of the outstanding shares of Vitalhub were purchased by 2514987 Ontario Inc., an arm's length corporation incorporated in the Province of Ontario (the "Corporation"). In addition, the Corporation purchased one hundred percent (100%) of the Company's outstanding indebtedness to the two primary shareholders (the "Creditors") in exchange for:

- a) 25% of the amount net of expenses to be paid to Vitalhub under a Scientific Research and Experimental Development ("SR&ED") tax incentive claim. The total SR&ED claim submitted to date was \$508,840 which includes claims for the fiscal years 2014 and 2015. After an audit from the Canada Revenue Agency, the 2014 and 2015 SR&ED claims were disallowed, as a result the Company will subsequently recognize the claims when they are received in addition to the applicable amounts payable to the Creditors. Management is of the opinion that the claim in 2015 is valid and is appealing the audit decision.
- b) Royalty streams to be paid to the Creditors are as follows:
  - i) 17.5% of the net revenue received by Vitalhub pursuant to the BC Agreement during the period commencing January 1, 2017 and ending December 31, 2019, with such amount being payable within ninety (90) days following December 31, 2019;
  - ii) 12.5% of the net revenue received by Vitalhub pursuant to the BC Agreement during the period commencing January 1, 2020 and ending December 31, 2021, with such amount being payable within ninety (90) days following December 31, 2021;
  - iii) 6.5% of the net revenue received by Vitalhub other than pursuant to the BC Agreement during the four-year period commencing on May 2, 2016, with such amounts being payable in four installments annually.

During the three months ended September 30, 2022, the Company earned \$nil of net revenues (for the year ended December 31, 2021 - \$nil) pursuant to the BC agreement. The Company has accrued \$75,766 of royalties in accounts payable and accrued liabilities as at September 30, 2022 (December 31, 2021 - \$75,766) for revenues earned in prior periods.

**Vitalhub Corp.**  
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**11. Loans payable**

	Note	September 30, 2022	December 31, 2021
		\$	\$
Scotiabank revolving facility loan	(a)	8,999,982	-
Business Development Bank of Canada loan	(b)	3,240	29,160
		<b>9,003,222</b>	29,160
Current portion of loans payable		509,740	29,160
Long-term portion of loans payable		8,493,482	-
		<b>9,003,222</b>	29,160

Future principal repayments are as follows:

2023	509,740
2024	1,070,160
2025	1,073,760
2026	1,073,760
2027 and later	5,275,802
	<b>9,003,222</b>

- a) The Company has an agreement with The Bank of Nova Scotia ("Scotia") to provide a \$6,000,000 operating credit limit, bearing interest at Scotia's prime rate plus 1%. The Company also has available a \$27,000,000 revolving term facility, bearing interest at Scotia's prime rate plus a spread per annum as follows: Funded debt/EBITDA greater than 2.5x plus 2.75%, Funded debt/EBITDA equal to or less than 2.5x plus 1.5%. The facilities are secured by a general security agreement with a first ranking security interest over all property of the Company and guarantees and postponements of claim from the subsidiaries of the Company. As at September 30, 2022, \$8,999,982 has been drawn on the revolving term facility. The current prime rate is at 5.45% and the principal repayments will begin in February 2023.

The Company is subject to maintain the following covenants:

- i) Funded Debt to EBITDA ratio, calculated on a trailing 12-month basis that is:
- equal to or less than 3.75:1, from the Closing Date to June 30th, 2022;
  - equal to or less than 3.00:1, from the July 1, 2022 to June 30th, 2023; and
  - equal to or less than 2.50:1, from July 1, 2023 and thereafter.
- ii) A Fixed Charge Coverage Ratio (calculated on a trailing 12-month basis that is) of not less than 1.20:1.

As at September 30, 2022, the Company is in compliance with all of its covenants.

- b) The Business Development Bank of Canada ("BDC") loan bears interest at BDC's floating base rate plus 3% and was due September 30, 2022. The loan is repayable in 1 monthly installment of principal of \$3,328 and 59 monthly installments of principal of \$3,240 plus interest, which began October 31, 2017. The loan is secured by a general security agreement with a second ranking security interest over all property of the Company except the property of Beautiful Information Limited which is pledged to Llyod's Bank. During the three and nine months ended September 30, 2022, the Company paid \$6,480 and \$25,920 (three and nine months ended September 30, 2021 - \$9,720 and \$25,920) in principal and \$131 and \$955 (three and nine months ended September 30, 2021 - \$794 and \$2,312) of interest expense.



**Vitalhub Corp.**  
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**12. Contingent consideration**

	\$
Balance, December 31, 2020	1,649,516
Additions through business combinations (Note 4)	1,118,126
Payments	(419,318)
Shares issued for contingent consideration (Note 14 (b)(iii))	(274,264)
Accretion	11,510
Change in fair value	(128,270)
Effect of movements in exchange rates	(33,008)
<b>Balance, December 31, 2021</b>	<b>1,924,292</b>
Additions through business combinations (Note 4)	1,791,100
Payments	(600,664)
Accretion	11,664
Effect of movements in exchange rates	(302,570)
<b>Balance, September 30, 2022</b>	<b>2,823,822</b>

**13. Leases**

The following table reconciles the Company's operating lease obligations to the lease obligations recognized:

Right of use asset	Premise lease
<b>Cost</b>	\$
Balance, December 31, 2020	1,211,522
Additions	94,426
<b>Balance, December 31, 2021</b>	<b>1,305,948</b>
Additions	353,719
Effect of movements in exchange rates	(191,842)
<b>Balance, September 30, 2022</b>	<b>1,467,825</b>
<b>Accumulated amortization</b>	\$
Balance, December 31, 2020	326,114
Amortization	272,482
Balance, December 31, 2021	598,596
Amortization	179,640
Effect of movements in exchange rates	(92,742)
<b>Balance, September 30, 2022</b>	<b>685,494</b>
<b>Net book value as at:</b>	
December 31, 2021	707,352
<b>September 30, 2022</b>	<b>782,331</b>

**Vitalhub Corp.**  
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**13. Leases (continued)**

<b>Lease liabilities</b>	<b>Premise lease</b>
	\$
Balance, December 31, 2020	916,320
Additions	94,426
Financing costs	82,432
Payments	(329,825)
<b>Total lease liabilities at December 31, 2021</b>	<b>763,353</b>
Additions	353,719
Financing costs	105,594
Payments	(236,338)
<b>Total lease liabilities at September 30, 2022</b>	<b>986,328</b>
Current portion of lease liabilities	372,995
Long-term portion of lease liabilities	613,333
<b>Total lease liabilities at September 30, 2022</b>	<b>986,328</b>

**14. Share capital**

a) Authorized share capital

The authorized share capital of the Company consists of an unlimited number of common shares with no par value.

b) Issued share capital

- (i) On August 31, 2021, the Company issued 88,888 common shares for \$274,264 as part of the contingent consideration earnout for the acquisition of Transforming Systems Ltd.
- (ii) On April 21, 2022, the Company completed a bought deal offering under which 5,645,200 common shares were issued at \$3.10 per common share for total gross proceeds of \$17,500,120. The Company paid agent fees and commissions of \$952,286 and incurred additional costs of \$249,899 relating to professional and advisory services resulting in net proceeds of the bought deal of \$16,297,935.
- (iii) During the nine months ended September 30, 2022, the Company repurchased 16,500 of its common shares for \$39,498, under a share repurchase program.

The share repurchase program provides that the Company may, during the 12-month period commencing August 29, 2022 and ending August 28, 2023, purchase up to 1,000,000 common shares. The price which the Company will pay for any such shares will be the prevailing market price at the time of acquisition. The aggregate number of shares purchased under this agreement shall not exceed on a daily basis: 7,866 shares, and on an aggregate basis over the term of the repurchase program until the occurrence of a termination event: 1,302,007 common shares, subject to certain prescribed exceptions.

# Vitalhub Corp.

## Notes to the Interim Condensed Consolidated Financial Statements For the three and nine months ended September 30, 2022 and 2021

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### 14. Share capital (continued)

#### c) Share based compensation and share based payment reserve

A summary of changes in share-based compensation for the nine months ended September 30, 2022 and for the year ended December 31, 2021 is as follows:

Measurement date	Number of options	Weighted average exercise price
	#	\$
Balance, December 31, 2020	2,196,274	1.92
Granted	442,704	3.02
Exercised	(150,775)	1.09
Forfeited	(20,000)	1.50
Balance, December 31, 2021	2,468,203	2.17
Granted	425,000	2.88
Exercised	(204,500)	1.26
<b>Balance, September 30, 2022</b>	<b>2,688,703</b>	<b>2.35</b>

The following tables summarize information about the Company's share options outstanding at September 30, 2022 and December 31, 2021:

Exercise price	September 30, 2022			December 31, 2021		
	Number of stock options outstanding	Number of stock options exercisable	Weighted average remaining contractual life	Number of stock options outstanding	Number of stock options exercisable	Weighted average remaining contractual life
\$1.200	-	-	-	84,500	84,500	0.02
\$1.250	75,000	75,000	0.13	75,000	75,000	0.88
\$1.300	-	-	-	120,000	120,000	0.76
\$1.450	20,000	20,000	1.24	20,000	20,000	1.99
\$1.500	205,000	205,000	0.58	205,000	205,000	1.33
\$1.650	201,000	201,000	0.16	201,000	201,000	0.90
\$1.800	125,000	125,000	1.28	125,000	117,254	2.02
\$1.950	97,500	97,500	0.26	97,500	97,500	1.01
\$2.030	542,500	376,783	2.88	542,500	241,126	3.63
\$2.660	555,000	339,170	3.16	555,000	200,417	3.91
\$2.670	80,000	-	4.88	-	-	-
\$2.770	150,000	-	4.62	-	-	-
\$2.850	50,000	50,000	4.00	50,000	50,000	4.75
\$2.900	157,703	-	4.14	157,703	-	4.88
\$2.980	40,000	-	4.57	-	-	-
\$3.050	70,000	-	4.35	-	-	-
\$3.070	85,000	-	4.50	-	-	-
\$3.080	40,000	40,000	3.35	40,000	33,330	4.10
\$3.150	195,000	81,249	3.75	195,000	-	4.50
	<b>2,688,703</b>	<b>1,610,702</b>	<b>2.74</b>	<b>2,468,203</b>	<b>1,445,127</b>	<b>2.91</b>

During the nine months ended September 30, 2022, 425,000 stock options were issued (for the year ended December 31, 2021 – 442,704) with a weighted average aggregate fair value of \$773,932 at the date of grant (2021 - \$926,384) to directors and employees.

**Vitalhub Corp.**  
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**14. Share capital (continued)**

c) Share based compensation and share based payment reserve (continued)

The fair value of the share options granted during the period were determined using the Black-Scholes option pricing model with the following weighted average assumptions:

	<b>2022</b>	2021
Share price	<b>\$2.67 - \$3.07</b>	\$2.85 - \$3.15
Exercise price	<b>\$2.67 - \$3.07</b>	\$2.85 - \$3.15
Expected volatility	<b>77% - 84%</b>	90% - 100%
Expected option life	<b>5 years</b>	5 years
Expected dividend yield	-	-
Expected forfeiture rate	-	-
Risk-free interest rate	<b>1.23% - 2.87%</b>	0.33% - 1.33%

During the three and nine months ended September 30, 2022, the Company recognized stock-based compensation expense of \$289,019 and \$872,803 (2021 - \$484,226 and \$1,088,306).

d) Deferred share units payment reserve

During the nine months ended September 30, 2022 no deferred share units were issued (for the ended December 31, 2021, 87,414 deferred share units were issued with a weighted average aggregate fair value of \$253,500 at the date of grant to key management).

The fair value of the deferred share units granted for the year ended December 31, 2021 were determined using the share price at the date of grant of \$2.90.

During the three and nine months ended September 30, 2022 no stock based compensation expense was recognized (for the year ended December 31, 2021 - \$253,500, was recognized related to fully vested deferred share units).

e) Warrants

A summary of changes in warrants for the nine months ended September 30, 2022 and for the year ended December 31, 2021 is as follows:

Measurement date	Number of warrants #	Weighted average exercise price \$
Balance, December 31, 2020	2,291,250	3.27
Exercised	(1,214,250)	2.78
Balance, December 31, 2021	1,077,000	3.82
Exercised	(45,750)	2.10
Expired	(1,031,250)	3.90
<b>Balance, September 30, 2022</b>	<b>-</b>	<b>-</b>

During the nine months ended September 30, 2022, 45,750 warrants were exercised for proceeds of \$96,075 (for the year ended December 31, 2021 - 1,214,250 warrants were exercised for proceeds of \$3,374,925).

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**14. Share capital (continued)**

e) Warrants (continued)

The following table summarizes information about the Company's warrants outstanding at September 30, 2022 and December 31, 2021:

Exercise price	September 30, 2022			December 31, 2021		
	Number of warrants outstanding	Number of warrants exercisable	Weighted average remaining contractual life	Number of warrants outstanding	Number of warrants exercisable	Weighted average remaining contractual life
\$2.100	-	-	-	45,750	45,750	0.21
\$3.900	-	-	-	1,031,250	1,031,250	0.05
	-	-	-	1,077,000	1,077,000	0.06

**15. Expenses by nature**

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
	\$	\$	\$	\$
Business acquisition, restructuring and integration costs	473,669	604,259	1,416,733	1,463,345
Computer expenses	306,159	229,938	889,105	572,508
Consulting	481,256	497,631	1,763,655	1,223,777
Depreciation and amortization	981,968	751,316	2,680,521	1,937,585
Facilities	54,370	38,780	229,087	104,714
Foreign currency (gain) loss	(109,607)	(44,469)	56,573	148,311
Hardware	283,135	19,065	463,034	207,424
Hosting and software licenses	514,540	331,542	1,159,300	943,040
Insurance	43,661	23,617	116,827	70,925
Interest and accretion	(2,401)	13,564	136,220	38,652
Investor relations	54,050	49,900	165,350	141,125
Marketing	151,037	87,639	290,563	178,021
Office expenses	45,356	43,050	142,292	125,405
Other	80,458	46,933	242,323	291,474
Professional fees	191,145	207,386	584,187	593,216
Recruiting	55,124	9,671	89,070	31,698
Royalties	103,727	44,676	217,329	186,174
Salaries, wages and benefits	5,189,619	3,669,466	14,518,879	9,575,677
Stock based compensation	289,019	484,226	872,803	1,088,306
Transfer agent filing fees	18,655	16,582	298,379	41,503
Travel	166,115	70,067	385,922	102,218
	9,371,055	7,194,839	26,718,152	19,065,098

# Vitalhub Corp.

## Notes to the Interim Condensed Consolidated Financial Statements For the three and nine months ended September 30, 2022 and 2021

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### 16. Key management compensation

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include management executives of the Company. Compensation provided to key management is as follows:

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
	\$	\$	\$	\$
Salaries and short-term employee benefits	223,924	182,124	715,218	546,373
Stock-based compensation	33,195	55,256	108,594	163,969
	<b>257,119</b>	<b>237,380</b>	<b>823,812</b>	<b>710,342</b>

### 17. Segmented information

The Company has identified one operating segment for its operations related to healthcare information systems in the mental health, long-term care, community health service and hospital sectors. The Company sells into five major geographic regions: Canada, the United States of America ("USA"), the United Kingdom, Australia and parts of Western Asia. The Company has determined that it has a single reportable segment as the Company's decision makers review information on a consolidated basis.

The revenues in each of these geographic locations for the three and nine months ended September 30, 2022 and 2021 are as follows:

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
	\$	\$	\$	\$
Canada	2,628,275	1,899,802	6,505,222	5,675,573
USA	264,227	274,098	794,821	852,216
United Kingdom	6,679,817	4,241,501	20,651,664	10,364,364
Australia	97,395	61,824	256,802	268,310
Western Asia	78,898	107,020	319,205	501,361
Rest of the world	31,941	34,802	153,495	72,476
Total revenues	<b>9,780,553</b>	<b>6,619,047</b>	<b>28,681,209</b>	<b>17,734,300</b>

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**17. Segmented information (continued)**

The total non-current assets in each of these geographic locations as at September 30, 2022 and December 31, 2021 are as follows:

	<b>September 30, 2022</b>	December 31, 2021
	\$	\$
Canada	<b>17,428,063</b>	18,160,118
United Kingdom	<b>45,702,790</b>	31,434,997
USA	<b>975</b>	1,077
Sri Lanka	<b>441,617</b>	551,893
<b>Total non-current assets</b>	<b>63,573,445</b>	50,148,085

**18. Government subsidies**

The outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. Various levels of government and the Bank of Canada have responded with significant monetary and fiscal interventions designed to stabilize economic conditions. The efficacy of the government and the Bank of Canada’s intervention to support businesses has come in various forms including Canada Emergency Wage Subsidy (CEWS) and the Canada Emergency Rent Subsidy (“CERS”) as a temporary measure.

The CEWS program provides government assistance in the form of wage subsidy for qualifying businesses faced with specified levels of revenue decline designed to either retain workforce on payroll or to re-hire furloughed employees. The CEWS program is applicable from September 15, 2020 to October 23, 2021 for eligible entities that have experienced a reduction in gross revenue for the period as determined by the program.

The CERS program provides government assistance in the form of rent subsidy for qualifying businesses faced with specified levels of revenue decline. The CERS program is applicable from September 27, 2020 – October 23, 2021 for eligible entities that have experienced a reduction in gross revenue for the period as determined by the program.

The Company qualified and received \$454,105 for the year ended December 31, 2021 for the CEW program and \$78,123 for the year ended December 31, 2021 for the CER program.

The assistance received from CEWS reduced the amount of remuneration expenses eligible for other federal tax credits calculated on the same remuneration, such as Scientific Research & Experimental Development (SR&ED) investment tax credits for the Company. The Company continues to monitor proposed legislative changes to determine their effects on the Company at such time.

**19. Subsequent events**

a) *Acquisition of CDS*

On October 11, 2022, the Company acquired all of the issued and outstanding shares of QWAD Community Technologies Pty Ltd, doing business as “Community Data Solutions” (“CDS”), a company incorporated and conducting business in Australia. CDS offers an online case management system and supporting products serving 350+ agencies located in all states and internal territories of Australia.

Total closing consideration for the acquisition was all-cash for a purchase price at closing of approximately AUD \$8,197,155 (CAD \$7,110,663), which was after customary closing and working capital adjustments.

# Vitalhub Corp.

## Notes to the Interim Condensed Consolidated Financial Statements For the three and nine months ended September 30, 2022 and 2021

(Unaudited)

(in Canadian Dollars)

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### 19. Subsequent events (continued)

#### b) *Acquisition of CDS*

On November 4, 2022, the Company acquired certain assets to maintain the business of Advanced Digital Innovation (UK) Limited ("ADI") with the product widely known as MyPathway. MyPathway is a digital health platform which is used to improve patient interactions during treatment.

The consideration for the acquisition, which was paid in cash, was approximately GBP 250,000 (CAD \$382,740).

#### c) *Loans payable*

Subsequent to the quarter, the Company repaid the balance of its Scotia revolving facility loan in the amount of \$8,999,982.