A copy of this preliminary prospectus has been filed with the securities regulatory authority in the Province of Ontario but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authority.

This preliminary prospectus is not related to a public offering. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

PRELIMINARY PROSPECTUS

NON-OFFERING PROSPECTUS December 2, 2020

KOVO HEALTHTECH CORPORATION
(the "Corporation")

No securities are being offered pursuant to this Prospectus.

This non-offering prospectus (the "**Prospectus**") is being filed with the Ontario Securities Commission (the "**Principal Regulator**") to comply with the listing requirements of the TSX Venture Exchange (the "**Exchange**"). Prior to, and in connection with, the filing of the final prospectus, the Corporation will become the sole shareholder of MedWorxs Inc., a Colorado corporation ("**MedWorxs**").

As no securities are being offered pursuant to this Prospectus, no proceeds will be raised in connection with this Prospectus and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Corporation.

No underwriters or selling agents have been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of this Prospectus.

There is no market through which the securities of the Corporation may be sold. This may affect the pricing of the Corporation's securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Corporation's securities, and the extent of issuer regulation. See "*Risk Factors*".

The Corporation plans to apply to list its common shares (the "Common Shares") on the Exchange. Listing will be subject to the Corporation fulfilling all the listing requirements of the Exchange.

As at the date of this Prospectus, the Corporation does not, has not applied to, and does not intend to apply to, have any of its securities listed or quoted on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the U.S. other than the Alternative Investment Market of the London Stock Exchange or the Aquis Stock Exchange operated by Aquis Exchange plc.

An investment in securities of the Corporation involves a high degree of risk and should be considered highly speculative. There is no guarantee that an investment in securities of the Corporation will earn any positive return in the short or long term. An investment in securities of the Corporation is appropriate only for investors who have the capacity to

absorb a loss of some or all of their investment. There are certain risk factors associated with an investment in securities of the Corporation. In reviewing this Prospectus, an investor should carefully consider the matters described under the heading "*Risk Factors*".

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities.

Gregory Noble, a director of the Corporation, resides outside of Canada. Mr. Noble has appointed Kovo Healthtech Corporation, 1600-925 West Georgia Street, Vancouver, BC, V6C 3L2, as their agent for service of process in British Columbia. It may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process. See "*Risk Factors*".

KOVO HEALTHTECH CORPORATION

1600 - 925 WEST GEORGIA STREET
VANCOUVER BC V6C 3L2
CANADA

TABLE OF CONTENTS

IMPORTANT INFORMATION ABOUT THIS PROSPECTUS **1**
NON-IFRS MEASURES **1**
CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION **2**
MARKET AND INDUSTRY DATA **4**
TRADEMARKS AND TRADE NAMES **4**
ENFORCEMENT OF LEGAL RIGHTS **4**
GLOSSARY OF TERMS **5**
SUMMARY OF PROSPECTUS **11**
CORPORATE STRUCTURE **16**
BUSINESS OF MEDWORXS **20**
USE OF PROCEEDS **35**
DIVIDENDS OR DISTRIBUTIONS **38**
SELECTED FINANCIAL INFORMATION **39**
MANAGEMENT'S DISCUSSION AND ANALYSIS **40**
DESCRIPTION OF SECURITIES **43**
CONSOLIDATED CAPITALIZATION **44**
OPTIONS TO PURCHASE SECURITIES **45**
PRIOR SALES **51**
ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER **52**
PRINCIPAL SECURITY HOLDERS **53**
DIRECTORS AND EXECUTIVE OFFICERS **54**
EXECUTIVE COMPENSATION **61**
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS **66**
AUDIT COMMITTEE INFORMATION **66**
CORPORATE GOVERNANCE DISCLOSURE **68**
PLAN OF DISTRIBUTION **71**
RISK FACTORS **71**
PROMOTERS **75**
LEGAL PROCEEDINGS AND REGULATORY MATTERS **76**

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS 76
AUDITOR, TRANSFER AGENT, AND REGISTRARS 76
MATERIAL CONTRACTS 76
EXPERTS 77
FINANCIAL STATEMENT DISCLOSURE 77
APPENDIX A ANNUAL FINANCIAL STATEMENTS A-1
APPENDIX B INTERIM FINANCIAL STATEMENTS B-1
APPENDIX C ANNUAL MANAGEMENT'S DISCUSSION & ANALYSIS C-1
APPENDIX D INTERIM MANAGEMENT'S DISCUSSION & ANALYSIS D-1
APPENDIX E FINANCIAL STATEMENTS E-1
APPENDIX F AUDIT COMMITTEE CHARTER F-1
APPENDIX G KOVO HEALTHTECH CORPORATION OMNIBUS EQUITY INCENTIVE PLAN G-1
CERTIFICATE OF THE CORPORATION
CERTIFICATE OF PROMOTERS
CERTIFICATE OF THE MEDWORXS INC.

IMPORTANT INFORMATION ABOUT THIS PROSPECTUS

Any graphs, tables or other information demonstrating our historical performance or that of any other entity contained in this prospectus are intended only to illustrate past performance and are not necessarily indicative of such entities' future performance. The information contained in this prospectus is accurate only as of the date of this prospectus or the date indicated, regardless of the time of delivery of this prospectus or of any sale of securities of the Corporation.

The Corporation has not authorized anyone to provide any information or to make any representation not contained in this Prospectus, and, if provided or made, such information or representation should not be relied upon. No securities are being offered pursuant to this Prospectus.

Interpretation

Capitalized terms, except as otherwise defined herein, are defined in the section entitled "*Glossary of Terms*".

Except as otherwise indicated or the context otherwise required in this Prospectus, (i) information contained in this Prospectus (A) gives effect to the Reorganization as described under "*Corporate Structure – The Reorganization*"; and (ii) all references to "Kovo", "the Corporation", "we", "us", and "our" (A) refer to the Corporation and its subsidiary entities, on a consolidated basis, after giving effect to the Reorganization, and (B) in the case of references in this Prospectus to matters undertaken by a predecessor in interest to the Corporation or its subsidiaries, include each such predecessor in interest.

Unless otherwise indicated, all "dollar" amounts or references to "USD$" or "$" refer to U.S. dollars. References to "CDN$" are to Canadian dollars.

NON-IFRS MEASURES

This Prospectus makes reference to certain measures that are not defined under International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board, including "EBITDA" and "Adjusted EBITDA".

These non-IFRS measures are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. The Corporation believes that Adjusted EBITDA is a meaningful financial metric as it measures cash generated from operations which the Corporation can use to fund working capital requirements, service future interest and principal debt repayments and fund future growth initiatives on a normalized earnings basis. Our management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation.

These terms do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further

understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS.

Non-IFRS Measures

"**EBITDA**" means earnings before interest, taxes, depreciation and amortization.

"**Adjusted EBITDA**" means as EBITDA (i) before goodwill or customer list impairment costs, special warrants related expenses and stock-based compensation expense, non-cash gain or loss and unrealized foreign exchange loss.

See Appendices D and E for a reconciliation of the foregoing non-IFRS measures to their most directly comparable measures calculated in accordance with IFRS.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Prospectus contains "forward-looking information" and "forward-looking statements" (collectively, "**forward-looking information**") within the meaning of applicable securities laws. Forward-looking information may relate to our future financial outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, addressable markets, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects", "budgets", "scheduled", "estimates", "outlook", "forecasts", "projects", "prospects", "strategy", "intends", "anticipates", "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will" occur. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances. Forward-looking information in this Prospectus may include, but is not limited to:

- listing of securities of the Corporation on the Exchange;
- the Corporation's business objectives and its expectations regarding its business performance;
- availability of investment opportunities;
- applicable laws, regulations and any amendments thereof;
- the Corporation's expectations with respect to its working capital requirements and financial obligations;
- use of available funds; and
- the Corporation's ability to identify future acquisitions and partnership opportunities.

Many factors could cause the Corporation's actual results, performance, or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking information, including, without limitation, those listed in the "*Risk Factors*" section of this Prospectus. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance, or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this Prospectus. Such risks include, but are not limited to those set forth under "*Risk Factors*" and other factors beyond our control. See "*Risk Factors*".

Forward-looking information, by its nature, is based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Those factors should not be construed as exhaustive and should be read with the other cautionary statements in this Prospectus. Despite a careful process to prepare and review forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct.

These factors should be considered carefully, and prospective investors should not place undue reliance on the forward-looking information. Although we base our forward-looking information on assumptions that we believe were reasonable when made, which include, but are not limited to, assumptions with respect to the Corporation's future growth potential, results of operations, future prospects and opportunities, execution of the Corporation's business strategy, there being no material variations in the current tax and regulatory environments, future levels of indebtedness and current economic conditions remaining unchanged, we caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from the forward-looking statements contained in this Prospectus. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking information contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, prospective investors should not place undue reliance on forward-looking information, which speaks only as of the date made.

Forward-looking information contained in this Prospectus represents our expectations as of the date of this Prospectus (or as of the date they are otherwise stated to be made), and are subject to change after such date. **However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws.**

All forward-looking information contained in this Prospectus are expressly qualified by the foregoing cautionary statements. Investors should read this Prospectus in its entirety and consult their own professional advisors to ascertain and assess the income tax, legal, risk factors and other aspects of their investment in securities of the Corporation.

MARKET AND INDUSTRY DATA

Unless otherwise indicated, information contained in this Prospectus concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunity and market share, is based on information from independent industry analysts and third party sources (including industry publications, surveys and forecasts and our internal research) and management estimates. Management estimates are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from our internal research, and are based on assumptions made by us based on such data and our knowledge of our industry and markets, which we believe to be reasonable. None of the sources cited in this prospectus has consented to the inclusion of any data from its reports, nor have we sought their consent. Our internal research has not been verified by any independent source, and we have not independently verified any third-party information. While we believe the market position, market opportunity and market share information included in this prospectus is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of our future performance and the future performance of our industry and the markets in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the "*Risk Factors*" section of this Prospectus and elsewhere in this Prospectus. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties or by us.

TRADEMARKS AND TRADE NAMES

This Prospectus includes certain trademarks, such as "Kovo", "MedWorxs" and "AXON", which are protected under applicable intellectual property laws and are our property. Solely for convenience, our trademarks and trade names are referred to in this Prospectus without the ®, ™ or © symbol, but such references are not intended to indicate, in any way, that the Corporation will not assert, to the fullest extent under applicable law, our rights to these trademarks, copyrights and trade names.

ENFORCEMENT OF LEGAL RIGHTS

A significant portion of the Corporation's assets are located outside of Canada. In addition, certain of the Corporation's directors and officers reside outside of Canada, and substantially all of the assets of such persons may also be located outside of Canada. It may not be possible for investors to effect service of process within Canada upon the directors or officers referred to above. In addition, it may not be possible to enforce against the Corporation's directors or officers judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities legislation in Canada, even if the party has appointed an agent for service of process. See "*Risk Factors*".

GLOSSARY OF TERMS

In this Prospectus, the following terms have the meanings set forth below, unless otherwise indicated. Terms and abbreviations appearing in the documents attached as appendices to this Prospectus may be defined separately and the terms and abbreviations defined below may not be used therein, except where otherwise indicated. Words importing the singular include the plural and vice versa and words importing any gender include all genders.

"**Awards**" (the "**Awards**"). Such Awards include options ("**Options**"), restricted share units ("**RSUs**"), share appreciation rights ("**SARs**"), deferred share units ("**DSUs**") and performance share units ("**PSUs**").

"**Ambulatory**" means medical care provided on an outpatient basis typically provided outside of hospitals or medical facilities.

"**APA**" means the asset purchase agreement dated February 21, 2020 between Axon VCT and MedWorxs.

"**AppMed Acquisition**" has the meaning ascribed thereto under "*Intellectual Property – MedWorxs Technology Intellectual Property*".

"**Audit Committee**" means the audit committee of the Corporation.

"**Axon**" means Axon Medical Technologies Corp., the licensor of the Axon Licence.

"**Axon License**" has the meaning ascribed thereto under "*Business of MedWorxs – APA and Axon License*".

"**Axon Technology**" means the intellectual property created by Axon and licensed to MedWorxs pursuant to the Axon License.

"**Axon VCT**" means Axon Veterinarian Care Technologies Corp., the vendor of the assets purchased by MedWorxs pursuant to the APA.

"**Axon VCT Assets**" means the assets of Axon VCT, including Axon VCT Technology, purchased by MedWorxs pursuant to the terms of the APA.

"**Axon VCT Technology**" means the intellectual property created by Axon VCT.

"**BCBCA**" means the *Business Corporations Act* (British Columbia).

"**Board**" means the board of directors of the Corporation.

"**CAGR**" has the meaning ascribed thereto under "*Health Care Market – Revenue Cycle Management Market*".

"**CBCA**" means the Colorado *Business Corporations Act*, as amended.

"**CCO**" means the Chief Compliance Officer of the Corporation.

"**CEO**" means the Chief Executive Officer of the Corporation.

"**CFO**" means the Chief Financial Officer of the Corporation.

"**CMO**" means the Chief Marketing Officer of the Corporation.

"**COO**" means the Chief Operating Officer of the Corporation.

"**Common Shares**" means the common shares in the capital of the Corporation.

"**Compensation and Corporate Governance Committee**" means the compensation and corporate governance committee of the Corporation.

"**Corporation**" means Kovo Healthtech Corporation, a corporation incorporated under the BCBCA.

"**CTO**" means the Chief Technical Officer of the Corporation.

"**COVID-19**" has the meaning ascribed thereto under "*Business of MedWorxs*".

"**Dissenting Shares**" has the meaning ascribed thereto under "*Corporate Structure – Summary of the Merger Agreement*".

"**DSUs**" has the meaning ascribed thereto under "Options to Purchase Securities – Omnibus Equity Incentive Plan".

"**EDI**" has the meaning ascribed thereto under "*Business of MedWorxs – SaaS Ambulatory, Inpatient and Software Revenues*".

"**Effective Time**" has the meaning ascribed thereto under "*Corporate Structure – Summary of the Merger Agreement*".

"**eHealth**" means software solutions that support electronic health record exchange, virtual care, collaboration among the circle of care, mobility in healthcare, patient access, and on-line decision making support.

"**EHR**" means electronic health record software.

"**Exercise Price**" has the meaning ascribed thereto under "*Summary of the Prospectus – Financing and Transactions*".

"**Existing Shareholders**" means the persons who are shareholders of MedWorxs immediately prior to the completion of the Reorganization and who will, pursuant to the terms of the Merger Agreement, transfer all of their MedWorxs Shares to the Corporation in exchange for Shares.

"**Foreign Private Issuer**" refers to a regulatory policy of the SEC that allows a company with certain shareholding and operating practices not to file as an issuer with the SEC.

"**Healthcare Software Acquisition**" has the meaning ascribed thereto under "*Intellectual Property – MedWorxs Technology Intellectual Property*".

"**HIPAA**" means the *United States Health Information Portability and Accountability Act of 1996*.

"**IFRS**" means International Financial Reporting Standards.

"**Inpatient systems**" means software systems designed to assist in medical care provided on an inpatient basis typically provided within a hospital or medical facility.

"**Kovo eHealth Technology Platform**" refers to the combined Axon Technology, Axon VCT Technology, and the knowhow, branding, marketing and experience of Axon and Axon VCT.

"**Listing**" means the proposed listing of the Common Shares on the Exchange.

"**MD&A**" means the management's discussion and analysis.

"**MedWorxs**" refers to MedWorxs Inc., a Colorado corporation.

"**MedWorxs Options**" means the options to purchase MedWorxs Shares.

"**MedWorxs Shares**" means the common stock in the capital of MedWorxs.

"**MedWorxs Technology**" refers to the intellectual property created by MedWorxs, including RCM and Ambulatory software and Inpatient systems.

"**MedWorxs Warrants**" means the common stock purchase warrants in the capital of MedWorxs.

"**Merger Agreement**" means the agreement and plan of merger to be entered into prior to the filing of the final prospectus, by and among the Corporation, MW Corp., and MedWorxs, pursuant to which MedWorxs will become a wholly-owned subsidiary of the Corporation and the Existing Shareholders will receive an aggregate of 28,412,070 Shares in exchange for their MedWorxs Shares.

"**Merger Consideration**" has the meaning ascribed thereto under "*Corporate Structure – Summary of the Merger Agreement*".

"**MIPS**" has the meaning ascribed thereto under "*Health Care Market – Revenue Cycle Management Market*".

"**MW Corp.**" means MW Acquisition Corp., a Colorado corporation.

"**MW Corp. Share**" means the common stock in the capital of MW Corp.

"**NEO**" or "**named executive officer**" means each of the following individuals of an entity:

(a) the CEO;

(b) the CFO;

(c) each of the three most highly compensated executive officers of an entity, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than CDN$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6 *Statement of Executive Compensation*, for that financial year; and

(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of an entity or its subsidiaries, nor acting in a similar capacity, at that financial year.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*.

"**NI 58-101**" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices.*

"**NP 46-201**" means National Policy 46-201 - *Escrow for Initial Public Offerings*.

"**Offer**" has the meaning ascribed thereto under "*Description of Securities – Restricted Voting Shares*".

"**Omnibus Plan**" means the omnibus equity incentive plan of the Corporation following the completion of the Reorganization, a copy of which is appended as Appendix G hereto.

"**Offering Price**" has the meaning ascribed thereto under "*Summary of the Prospectus – Financing and Transactions*".

"**OneRev**" has the meaning ascribed thereto under "*Intellectual Property – MedWorxs Technology Intellectual Property*".

"**Options**" has the meaning ascribed thereto under "Options to Purchase Securities – Omnibus Equity Incentive Plan".

"**PACS**" means picture archiving and communications system.

"**PCT**" means the Patent Cooperation Treaty of the World Intellectual Property Organization.

"**PM**" means practice management and facilities software.

"**Practice Insight**" has the meaning ascribed thereto under "*Business of MedWorxs – SaaS Ambulatory, Inpatient and Software Revenues*".

"**Preferred Shares**" means the preferred shares in the capital of the Corporation.

"**Principal Regulator**" means the Ontario Securities Commission.

"**Prospectus**" means this non-offering prospectus dated as of the date on the cover page.

"**PSUs**" has the meaning ascribed thereto under "*Options to Purchase Securities – Omnibus Equity Incentive Plan*".

"**Purchase Price**" has the meaning ascribed thereto under "*Business of MedWorxs – APA and Axon License*".

"**QPP**" has the meaning ascribed thereto under "*Health Care Market – Revenue Cycle Management Market*".

"**RCM**" has the meaning ascribed thereto under "*Summary of the Prospectus - Principal Business*".

"**Reorganization**" means the series of transactions pursuant to the terms of the Merger Agreement whereby the Corporation will acquire all of the issued and outstanding MedWorxs Shares, in exchange for the issuance to the Existing Shareholders of Shares. See "*Corporate Structure – The Reorganization*".

"**Restricted Voting Shares**" means the restricted voting shares in the capital of the Corporation.

"**RPM Billing**" means RPM Billing LLC., a Nevada limited liability company.

"**RPM Holding**" means RPM Holding Co. LLC., a Nevada limited liability company.

"**RPM Holding Agreement**" means the agreement and plan of merger dated March 2, 2020 between MedWorxs and RPM Holding, pursuant to which MedWorxs acquired all of the outstanding securities of RPM Billing.

"**RSUs**" has the meaning ascribed thereto under "*Options to Purchase Securities – Omnibus Equity Incentive Plan*".

"**SaaS**" has the meaning ascribed thereto under "*Business of MedWorxs*".

"**SEC**" means the United States Securities and Exchange Commission.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators.

"**Shares**" means, collectively, the Common Shares and the Restricted Voting Shares.

"**SITP**" means the Shanghai Institute of Technical Physics, the owner of STP and one of the assigners of the Visual Patient patent.

"**Software systems**" means the Ambulatory software and Inpatient system products and services offered by the Corporation.

"**Software Revenue**" means the revenue segment of the Corporation related to revenues offered ubiquitously across the customer population.

"**Stat!**" has the meaning ascribed thereto under "*Intellectual Property – MedWorxs Technology Intellectual Property*".

"**STP**" means Shanghai Tephys Optoelectronics Co., a wholly owned subsidiary of SITP responsible for commercialization of SITP inventions, one of the original licensors of the underlying technology to the Axon Technology, and one of the founders of Axon.

"**Subscription Receipts**" has the meaning ascribed thereto under "*Use of Proceeds"*.

"**Surviving Corporation**" means the surviving entity following the completion of the Reorganization.

"**Surviving Corporation Common Stock**" has the meaning ascribed thereto under "*Corporate Structure – Summary of the Merger Agreement*".

"**Tech Time Acquisition**" has the meaning ascribed thereto under "*Intellectual Property – MedWorxs Technology Intellectual Property*".

"**Unit Offering**" means the sale of units of MedWorxs, with each unit being comprised of one MedWorxs Share and one MedWorxs Warrant.

"**USA**", "**United States**", "**U.S.**" or "**US**" means the United States of America, its territories and possessions, and any state of the United States, and the District of Columbia.

"**Version 4**" has the meaning ascribed thereto under "*Intellectual Property – Axon VCT Technology*".

"**Visual Patient**" has the meaning ascribed thereto under "*Business of MedWorxs – Kovo eHealth Technology Platform*".

"**ZHANG**" means Professor Jianguo Zhang, director of the Laboratory for Medical Imaging Informatics at SITP, one of the original licensors of the underlying technology to the Axon Technology, and one of the founders of Axon.

SUMMARY OF PROSPECTUS

The following is a summary of the principal features of this Prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.

Unless otherwise defined in this Prospectus, all capitalized terms used herein shall have the meaning ascribed thereto under the heading "*Glossary*".

The Corporation

The Corporation was incorporated on February 20, 2020 under the BCBCA in contemplation of the Reorganization and the Merger Agreement. The Corporation's head office is located at 6857 Timbers Drive, Evergreen Colorado, and its registered and records office is located at 1600-925 West Georgia Street, Vancouver, British Columbia.

Following the completion of the Reorganization, the Corporation will become the sole shareholder of MedWorxs and MedWorxs will be the primary operating entity of the Corporation. Following the completion of the Reorganization, the Corporation's head office will be located at 6857 Timbers Drive, Evergreen Colorado. See "*Corporate Structure – The Reorganization*".

The Corporation intends to apply for conditional approval to list the Common Shares on the Exchange concurrently with the filing of this Prospectus with the Principal Regulator.

Principal Business

The Corporation is primarily engaged in delivering software solutions and services including revenue cycle management products and services offered by the Corporation ("**RCM**") and PM software to medical practices and facilities. The Corporation acquires customers primarily through acquisitions of existing RCM and other software businesses in the United States.

Financings and Transactions

On February 21, 2020 MedWorxs completed the Unit Offering at a price of USD$0.204 per MedWorxs Share (the "**Offering Price**"), for gross proceeds of CDN$490,000, pursuant to which MedWorxs issued 1,960,000 MedWorxs Shares and 1,960,000 MedWorxs Warrants, with each MedWorxs Warrant exercisable for one MedWorxs Share until February 23, 2021 at an exercise price of USD$0.204 per MedWorxs Share (the "**Exercise Price**").

Coincident with the completion of the Unit Offering, MedWorxs issued 8,000,000 MedWorxs Shares to Axon VCT, assumed CDN$250,000 of debt of Axon VCT, and converted the principal amount of CDN$180,000 in promissory notes previously issued by Axon VCT into 720,000 MedWorxs Shares and 720,000 MedWorxs Warrants at the Offering Price and the Exercise Price, respectively.

On March 2, 2020, the MedWorxs completed the acquisition of RPM Billing through the issuance of 2,732,070 MedWorxs Shares, 81,000 MedWorxs Options and the assumption of certain debts of RPM Holding.

Use of Proceeds

This Prospectus is a non-offering prospectus. The Corporation is not raising any funds in conjunction with this Prospectus. Accordingly, there are no proceeds to the Corporation in connection with the filing of this Prospectus.

The Corporation intends to grow its business through the acquisition of RCM and software businesses and through continued organic growth from its current customer base.

See "*Use of Proceeds – Business Objectives and Milestones*".

Risk Factors

The Corporation is subject to several risk factors, including, but not limited to, the following:

- The Corporation has a negative operating cash flow for the period ended September 30, 2020, and there is no assurance that sufficient revenues will be generated in the near future.
- The Corporation has a limited operating history and is currently seeking additional capital and other business arrangements to expand.
- The Corporation's ability to continue as a going concern is dependent upon its ability in the future to raise capital, grow its revenue and achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due.
- The Corporation may not be able to obtain all regulatory requirements for the completion of the Listing.
- There is uncertainty of additional funding for the Corporation.
- The Corporation faces competitive conditions, other regulatory requirements, and political regulatory risks.
- The Corporation is reliant on the performance of its management team.
- The Corporation is reliant on the performance of its non-management employees.
- Conflicts of interest may arise in the operation of the business that may negatively impact the Corporation's performance.
- The Corporation is reliant on receipt of required licences and permits.
- The Corporation may be impacted by changes in the relevant regulatory jurisdictions.
- The Corporation is subject to cybersecurity threats. If security measures are breached and client and transactional customer data is obtained, we may lose existing customers and prospectus which would contribute to significant liabilities and materially reduce our opportunity pipeline.
- If the Common Shares are listed on the Exchange, the Corporation will be subject to volatility of share price and liquidity.
- There are no assurances that the Corporation will ever issue dividends.
- Healthcare funding is under constant scrutiny in the U.S., and there can be no assurance that the current RCM approaches to healthcare billing will continue to exist if there are material changes to the healthcare system in the U.S.

- The Corporation has not filed the prospectus with the SEC based on its current Foreign Private Issuer status. Changes to the shareholder base or the operating practices of the Corporation may require filing with the SEC in future.
- The Kovo eHealth Technology Platform software products are not fully commercialized for the human health market. There can be no assurance that our technology will generate future revenues.
- The COVID-19 pandemic may have negative impacts on our business.

For further details on each of the above risk factors, and other risk factors, see "*Risk Factors*".

Summary of Selected Financial Information

The table below summarizes selected financial information for the Corporation and for MedWorxs which has been summarized from our audited financial statements for the fiscal year ending December 31, 2019, and for the Corporation for the nine-month period ended September 30, 2020. With respect to the nine-month period ending September 30, 2020, share information presented in the table below gives effect to the Reorganization, whereas share information presented for the fiscal year ended December 31, 2019 does not give effect to the Reorganization, as the Corporation was incorporated on February 20, 2020. The selected financial information for the period January 1, 2017 to December 31, 2019 has been derived from the audited financial statements and accompanying notes, which have been audited by SRCO Professional Corporation. The following financial data is prepared in accordance with the IFRS, with the exception of the non-IFRS information regarding EBITDA and Adjusted EBITDA. See "*Non-IFRS Measures*" above. The selected financial information set out below may not be indicative of the Corporation's future performance.

You should read the following summary of selected financial information together with the information under "*Management's Discussion and Analysis*" and our financial statements and the related notes to the financial statements appearing elsewhere in this Prospectus.

Financial Positions	**Year Ended as at December 31, 2019 (audited, in $000's of USD$)**	**Nine Months Ended as at September 30, 2020 (unaudited, in $000's of USD$)**
Current assets	$131	$481
Total assets	$369	$5,094
Royalty debt	$600	$787
Current liabilities (excluding Royalty Debt)	$650	$1,111
Long term debt	$1,156	$1,439
Stock warrants and options	$114	$501

Financial Positions	Year Ended as at December 31, 2019 (audited, in $000's of USD$)	Nine Months Ended as at September 30, 2020 (unaudited, in $000's of USD$)
Share capital	$1	$3,546
Retained deficit	($2,110)	($2,840)
Revenue	$1,769	$2,181
Expenses	$1,760	$2,911
Net income/(loss)	$9	($730)
Basic Shares Outstanding	15,000,000	28,412,070
Diluted Shares Outstanding	16,100,000	35,278,070
Net loss per share – basic and diluted	$(0.00)	$(0.01)

Item	Amount ($, in $000's of USD)
Funds Available	
Net working capital as at September 30, 2020 [1]	($630)
Anticipated cash flow from operations for the next 12 months	$1,249
Exercise of stock warrants	$546
Non-brokered private placement	$545
Total Funds Available (as at the date of this Prospectus)	**$1,710**

Principal Purposes for the Available Funds	
Estimated cost of preparation of this Prospectus and the Listing [2]	$250

[1] Working capital as at September 30, 2020 plus add back of non-current royalty debt to working capital

[2] Consisting of legal fees, filing fees, accounting fees and other professional advisory fees related to the Listing.

Principal Purposes for the Available Funds	
Repayment of royalty debt	$200
Unallocated working capital to fund ongoing operations and for reviewing business opportunities	$200
Total Principal Purposes for the Available Funds	**$650**
Net Total of Funds Available:	**$1,060**

See "*Use of Proceeds – Funds Available and Use of Available Funds"*, *"Financial Statement Disclosure"*, and *"Management Discussion & Analysis*".

We intend to spend the funds available as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary. The amounts set forth above may increase if we are required to carry out due diligence investigations in regard to any prospective investment or business opportunity or if the costs of the preparation of this Prospectus or the Listing, or negotiating an applicable transaction, are greater than anticipated. Management believes, based on the prior 20 years' operating history in the business that the Corporation has sufficient liquidity, when combined with the low fixed cost.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Corporation was incorporated as "Kovo HealthTech Corporation" on February 20, 2020 under the BCBCA in contemplation of the completion of the Reorganization and the Merger Agreement. The Corporation's head office is located at 6857 Timbers Drive, Evergreen Colorado, USA, and its registered and records office is located at 1600-925 West Georgia Street, Vancouver, British Columbia. Other than as described in this Prospectus, the Corporation has not carried on any other business to date. The Corporation was formed to carry out the Listing and to give effect to the Reorganization. See "*Corporate Structure – The Reorganization*" and "*Corporate Structure – Summary of the Merger Agreement*".

MedWorxs

MedWorxs was incorporated on January 7, 2002 as a Colorado Sub Chapter S Limited Liability Corporation. On June 1, 2017, MedWorxs was converted to a Colorado C Corporation. MedWorxs is the primary operating entity of the Corporation and its head office is located at 6857 Timbers Drive, Evergreen Colorado.

Following the completion of the Reorganization, the Corporation will become the sole shareholder of MedWorxs and MedWorxs will become a wholly-owned subsidiary of the Corporation.

The Reorganization

The Corporation, its wholly-owned subsidiary, MW Corp., and MedWorxs have entered into the Merger Agreement which sets forth the terms and conditions pursuant to which the Corporation will acquire all of the issued and outstanding MedWorxs Shares in exchange for the issuance to the Existing Shareholders of an aggregate of 28,412,070 Shares, 5,000,000 of which will be Restricted Voting Shares. The exact number of Common Shares and Restricted Voting Shares to be issued to the Existing Shareholders will be determined in accordance with the terms of the Merger Agreement.

Pursuant to the Merger Agreement, MedWorxs and MW Corp. will merge under the laws of the State of Colorado, with MedWorxs being the Surviving Corporation. The Corporation intends to complete the Reorganization prior to the filing of the final prospectus. The Existing Shareholders have approved the Merger Agreement and the terms of the Reorganization.

In connection with the Reorganization, all of the outstanding MedWorxs Warrants will be exchanged for warrants to purchase an equal number of Common Shares, and all outstanding MedWorxs Options will be exchanged for options to purchase an equal number of Common Shares. See "*Prior Sales*" for a description of the outstanding MedWorxs Options and the outstanding MedWorxs Warrants.

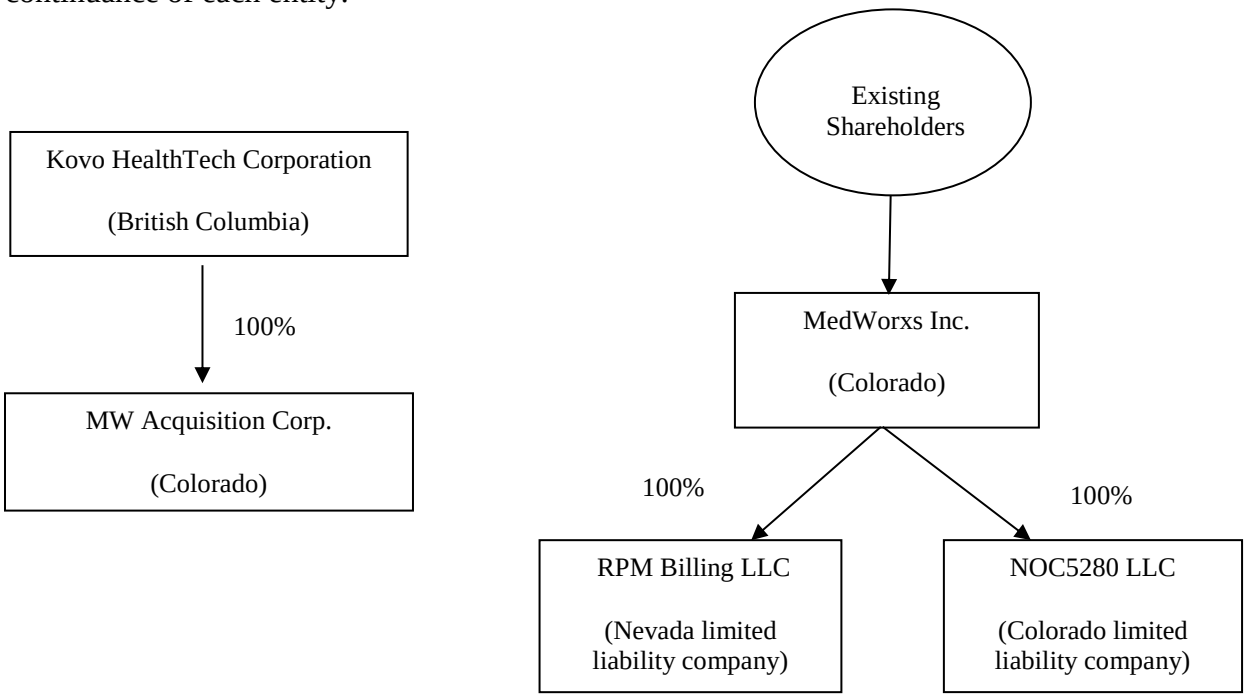
Immediately following the completion of the Reorganization, it is expected that 28,412,070 Shares, 5,000,000 of which would be Restricted Voting Shares, will be issued and outstanding.

Intercorporate Relationships

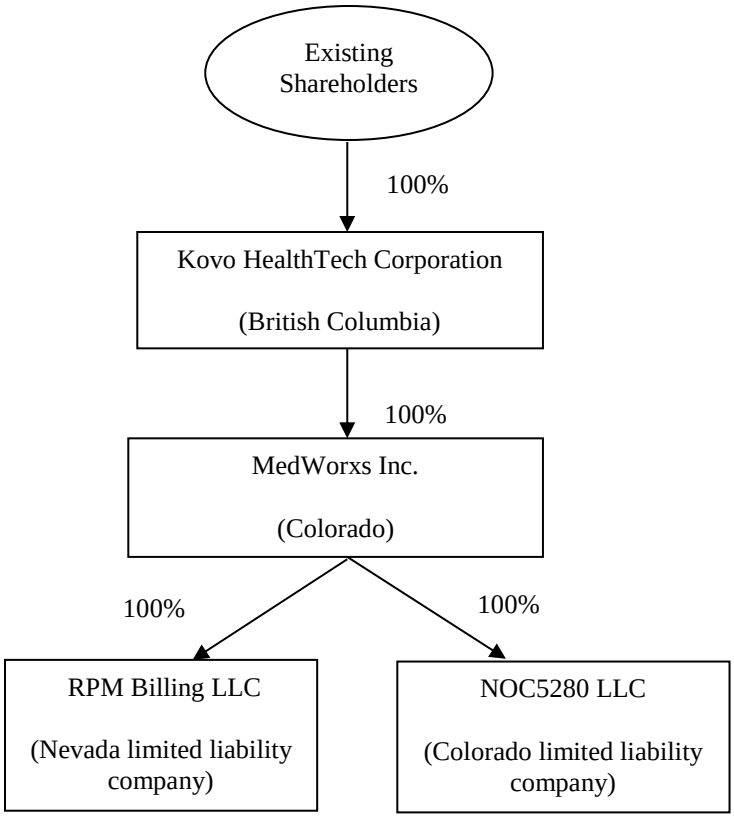
MedWorxs has two subsidiaries, RPM Billing LLC and NOC5280 LLC.

RPM Billing LLC is the entity acquired through the RPM Holding Agreement on March 2, 2020 that holds the assets related to RPM Billing's RCM business based in Nevada. NOC5280 LLC is the holding company for MedWorxs' data center assets.

The following organization chart indicates the current intercorporate relationships of the Corporation and MedWorxs, together with the jurisdictions of formation, incorporation or continuance of each entity.



Immediately following the completion of the Reorganization, the intercorporate relationships of the Corporation and MedWorxs will be as follows:



Summary of the Merger Agreement

The Corporation, MW Corp., and MedWorxs, will enter into the Merger Agreement pursuant to which MedWorxs will become a wholly-owned subsidiary of the Corporation and the Existing Shareholders will receive an aggregate of 28,412,070 Shares, 5,000,000 of which will be Restricted Voting Shares, in exchange for their MedWorxs Shares.

Under the terms of the Merger Agreement, and subject to the satisfaction or waiver of the conditions therein and in accordance with the CBCA, MW Corp. will merge with and into MedWorxs, pursuant to Articles of Merger to be filed with the Secretary of State of the State of Colorado, with MedWorxs being the Surviving Corporation and becoming a wholly-owned subsidiary of the Corporation.

Upon the filing of the Articles of Merger with the Secretary of State of the State of Colorado (the "**Effective Time**"), without any action on the part of the Existing Shareholders, each MedWorxs Share issued and outstanding immediately prior to the Effective Time will be converted into the right to receive the Merger Consideration (as defined herein), subject to the specific provisions of the Merger Agreement. At the Effective Time, each MedWorxs Share issued and outstanding immediately prior to the Effective Time (other than any such MedWorxs Share issued and held in MedWorxs' treasury and "Dissenting Shares" (as such term is defined in the Merger Agreement)) will, by virtue of the merger and without any action on the part of the holder thereof, be converted into the right to receive the number of Shares set forth in Exhibit A attached to the Merger Agreement (the "**Merger Consideration**").

On and after the Effective Time, each MedWorxs Share issued and outstanding immediately prior to the Effective Time and each MedWorxs Share issued and held in MedWorxs' treasury at the Effective Time, will, by virtue of the Merger and without any action on the part of the holders thereof, cease to be outstanding, be canceled and be retired and will cease to exist. Each holder of a certificate representing any such MedWorxs Shares will cease to have any rights with respect thereto, except the right to receive the Merger Consideration applicable to such MedWorxs Shares.

In addition, each MW Corp. Share, par value USD$0.001 per MW Corp. Share, will, by virtue of the merger and without any action on the part of the holder thereof, be converted into one share of common share, par value USD$0.001 per share, of the Surviving Corporation (the "**Surviving Corporation Common Stock**"). All such MW Corp. Shares, by virtue of the merger and without any action on the part of the holders thereof, will no longer be outstanding and will be canceled and retired and will cease to exist. Each holder of a certificate representing any such MW Corp. Shares will thereafter cease to have any rights with respect to such MW Corp. Shares, except the right to receive the Surviving Corporation Common Stock as set forth above.

At the Effective Time, the Corporation will assume the MedWorxs Options and the MedWorxs Warrants, and, by virtue of the merger and without any action on the part of the holders thereof, such MedWorxs Options and the MedWorxs Warrants will be converted into options and warrants, respectively, to purchase an equal number of Common Shares.

Following the completion of the Reorganization, the separate corporate existence of MW Corp. will cease and MedWorxs will continue as the Surviving Corporation and succeed to and assume all the rights and obligations of MW Corp. and MedWorxs in accordance with the CBCA. Without limiting the generality of the foregoing and subject thereto, except as otherwise provided in the Merger Agreement, following the completion of the Reorganization, all the property, assets, rights, privileges, powers and franchises of MedWorxs and MW Corp. will vest in, and all debts, liabilities, duties and obligations of MedWorxs and MW Corp. will become the debts, liabilities, duties and obligations of, MedWorxs as the Surviving Corporation. From and after the Reorganization, MedWorxs, as the Surviving Corporation, will be a wholly-owned subsidiary of the Corporation.

Following the completion of the Reorganization, in accordance with, and within the time limits prescribed under the CBCA, the Surviving Corporation will mail to the Existing Shareholders a notice of dissenters' rights pursuant to the CBCA. Notwithstanding the foregoing and any provisions of the Merger Agreement to the contrary, any Dissenting Shares will not be converted to into the right to receive the Merger Consideration, but will instead be converted into the right to receive such consideration as may be determined to be due with respect to such Dissenting Shares pursuant to the CBCA. Each holder of Dissenting Shares who, pursuant to the CBCA, becomes entitled to payment of the appraisal value for his, her or its MedWorxs Shares shall receive payment therefor (but only after the value thereof shall have been agreed upon or finally determined pursuant to such provisions). If any Dissenting Shares shall lose their status as Dissenting Shares, the Corporation shall issue and deliver, upon surrender by such shareholder of a certificate or certificates representing MedWorxs Shares, the Merger Consideration which such shareholder would otherwise be entitled to receive.

The above summary is subject to, and qualified in their entirety by reference to the Merger Agreement, which is available on SEDAR at www.sedar.com.

BUSINESS OF MEDWORXS

Our mission is to maximize revenue for medical practices and facilities. We do this through: (a) coding and filing claims to insurance companies and governmental agencies; (b) managing the collection of funds and minimizing time between submitting a claim to payment being received by the provider ; and (c) contributing to increased visit volume through efficient booking, scheduling and patient facing services.

Since the Corporation's founding in January 2002, we have generated revenues by selling services and software to medical clinics and medical facilities. We have acquired certain product designs and intellectual property from certain of our founders and through certain acquisitions. In addition, we have furthered product research and development on the product designs, secured premises to conduct our business and train employees, undertaken the filing of patent applications, and conducted initial marketing and distribution development.

We are skilled in technology development and certain of our founders have many years of experience in software development and product commercialization. Notwithstanding our expertise, we do not maintain a large research and development team. Rather, when we engage in new inventions or technology refresh, we leverage contractors as required. In order to offset some costs of the engineering required, engage in new inventions, or technology refreshes, we leverage customers and/or business partners to fund part or all of the development (see "*Kovo eHealth Technology Platform*" below).

In the U.S. healthcare industry, there exists an inherent tension between health care providers (including physicians and health care facilities) and health care payers (such as insurance companies and government agencies). Providers perform as much work as they deem necessary to treat patients, while payers resist payment for any work they deem unnecessary. We manage this tension and maximize payment for the right work, thereby optimizing the results for the stakeholders. The key to managing this tension is "**coding**" – a complex process of correlating work done to eligible reimbursement. Our technology platform, comprised of proprietary software, trade secret business processes and software-as-a-service ("**SaaS**") delivery platform, enables us to remove business impediments related to administrative tasks for our customers therefore allowing them to focus on their primary core competence: the delivery of medical services.

We believe that the healthcare industry has been fundamentally and irreversibly changed by the coronavirus pandemic (also known as "**COVID-19**"). Prior to 2020, many health care systems were evaluating the benefits of moving toward more remote forms of service delivery, including the use of EHR and the delivery of remote medical services using telecommunications technology, known as "**virtual care**" (and previously known as "**telehealth**"). Due to COVID-19, virtual care has become a necessary means of providing continued care while limiting the potential spread of the virus by maintaining physical distancing. The rapid adoption of virtual care has led health care providers to recognize that virtual care is more productive for the delivery of medical services than the traditional physical visit model. In addition, the industry is recognizing that virtual care requires changes in workflow that are not supported by most EHRs and other virtual care solutions that are currently available in the market.

We believe all of our customers and our industry at large require new and improved patient-facing services to support effective virtual care, namely engage with the health system at distance and not in-person. At the same time, we believe our customers seek practice management services that

continue to add efficiency to their practices through online booking, scheduling, chat, video chat, and enhanced coding and collection capabilities. Our services offer a unique combination of patient services including virtual care that will enable our customers to manage their time and health more effectively, and shift to the emerging medical service requirements following COVID-19.

Virtual Care refers to engaging with the health system at distance and not in person. This embraces everything from on-line referral, booking, registration, visit, communication, monitoring, billing and payment.

History of Our Business

MedWorxs was founded in January 2002 by the husband-and-wife team of Greg and Jeana Noble in Denver, Colorado, USA. Having extensive experience with software development and medical practice billing systems, the pair decided to put their combined knowledge to work, and MedWorxs was created. The business plan was to generate revenues by selling services and software to medical clinics and medical facilities. In the same month that MedWorxs was incorporated, we completed our first sale to a local allergy and asthma specialist. MedWorxs grew organically for several years thereafter.

In 2007, we completed our first business acquisition through the asset purchase of Healthcare Software Systems, Inc. an early leader in electronic practice management and billing software founded in the early 1980's. In 2009, MedWorxs began work on its EHR system, and in 2011, MedWorxs successfully received stage 1 certification then subsequently achieved stage 2 certification in 2014 from the United States Office of National Coordinator.

In 2018, MedWorxs refocused its business to concentrate on the vertical growth of RCM services, as its principal revenue stream, with various software products offered as augmented services for additional fees where appropriate.

To date, we have completed seven acquisitions and employ 61 people located in two physical locations - Billings Montana and Reno Nevada. The majority of our staff are able to work remotely due to the distributed nature of our business.

The majority of our staff works from remote locations producing minimal impact as a result of various COVID-19 shutdowns. Our office in Billings Montana was maintained with a minimal staff on a rotating schedule to facilitate social distancing, the office in Reno was closed for the Nevada State mandated time and the 20 staff members officing there began working remotely. The business systems supporting them were designed for rapid change between an office based and a remote based environment so very minimal impact on productivity was achieved.

With the acquisition of Axon Technology, we believe we have an opportunity to earn fees from the patients of our customers through the provision of EHR and other eHealth technology solutions where the patient can gain visibility on their medical records. Every provider that uses our services creates a patient facing revenue opportunity.

The RPM Holding Plan of Merger Agreement, which was completed on March 2, 2020, set out the terms and conditions of an equity transaction that led to the acquisition of RPM Billing from RPM Holding. Each of these transactions added customers and/or technology pursuant to the

Corporation's strategy to consolidate the RCM and software market for medical clinics, medical facilities, and smaller regional facilities.

The table below summarizes the material acquisitions by MedWorxs over the last three financial years:

Acquisition	Year	Transaction	Description of Business
Axon VCT and Axon Technology	2020	Asset Purchase	eHealth software
RPM Billing	2020	Equity Merger	Medical billing services

APA and Axon License

On February 21, 2020, MedWorxs completed the acquisition of the Axon VCT Assets. Pursuant to the terms of the APA, Axon VCT assigned its interest in a license agreement to MedWorxs. The license agreement originally provided for the license of Axon Technology from Axon to Axon VCT. On March 6, 2020, Axon and MedWorks amended the license agreement (the "**Axon License**"), pursuant to which MedWorxs was granted the right to use the Axon Technology in exchange for a royalty fee equal to 3% on any revenues of MedWorxs in excess of $1,000,000 that are generated from the sale of products and services based on the Axon Technology. The aggregate royalty fee is subject to a cap of $2.4 million and the term of the agreement is twenty years, subject to automatic renewal for successive annual terms on a royalty free basis if a total of $2.4 million in royalty fees are paid to Axon in the initial term. MedWorxs has the exclusive right to use the Axon Technology in the North American market and certain other markets; however, MedWorxs has no right to use the Axon Technology in China. See "*Intellectual Property – Axon VCT Technology*" and "*Intellectual Property – Axon Technology*".

In consideration for the Axon VCT Assets, MedWorxs paid to Axon VCT an amount equal to: (a) the value of liabilities of Axon VCT assumed by MedWorxs pursuant to the terms of the APA; plus (b) CDN$2,000,000 (collectively, the "**Purchase Price**").

MedWorxs satisfied the Purchase Price through the issuance of 8,000,000 MedWorxs Shares to Axon VCT, assumption of CDN$250,000 of debt of Axon VCT, and conversion of the principal amount of CDN$180,000 in promissory notes previously issued by Axon VCT into 720,000 MedWorxs Shares and 720,000 MedWorxs Warrants at a purchase price per MedWorxs Share equal to the Offering Price and an exercise price per MedWorxs Share equal to the Exercise Price, respectively.

On February 21, 2020, MedWorxs also completed the Unit Offering at the Offering Price for gross proceeds of CDN$490,000, resulting in the issuance of 1,960,000 MedWorxs Shares and 1,960,000 MedWorxs Warrants, with each MedWorxs Warrant exercisable until February 24, 2021 the Exercise Price.

RPM Billing LLC

On March 2, 2020, pursuant to the terms of the RPM Holding Agreement, MedWorxs completed the merger with RPM Billing. In accordance with the terms and conditions of the RPM Holding Agreement, the shareholders of RPM Holding, the sole owner of RPM Billing, assigned 100% of the membership interests in RPM Billing to MedWorxs in exchange for the issuance of 2,732,070 MedWorxs Shares and 81,000 MedWorxs Options at a deemed price of USD$0. 50 per share, a note in favor of the RPM Holding shareholders in the amount of USD$60,000, and assumption of USD$278,000 in debt and tax liabilities of RPM Billing.

The transaction did not require additional capital to be raised at the time of the closing.

Products

MedWorxs has developed four recurring SaaS revenue streams through a combination of internal software development and acquisitions of existing businesses and assets:

- Recurring SaaS revenue for Ambulatory software and eHealth software
- Recurring licensing revenue from Inpatient systems
- Recurring revenue from associated services for our products (such as, electronic claim process, eligibility for reimbursement verifications, and electronic remittance advice)
- Recurring revenue from RCM

We are currently engaged with approximately 1148 health care providers representing approximately 2,296,000 active patients calculated from our provider list and an estimated 2,000 active patients per doctor using the panel size article published by The Journal of the American Board of Family Medicine July 2016[3] We have regular contact with each of these patients in our customer universe. These patients represent an opportunity for additional future revenue from patient facing services related to our intellectual property, which we refer to as the "Kovo eHealth Technology Platform".

The table below summarizes, for each of the three most recently completed financial years and the nine-months ended September 30, 2020, the revenue generated from each of MedWorxs' revenue streams:

[3] A Primary Care Panel Size of 2500 Is neither Accurate nor Reasonable [Online]. Retrieved from https://www.jabfm.org/content/29/4/496.full

	Nine Months Ended	For the year ended		
	September 30, 2020 $	December 31, 2019 $	December 31, 2018 $	December 31, 2017 $
Revenue				
Ambulatory software	177	250	314	365
Inpatient systems	534	756	885	922
Software revenue	178	371	211	229
RCM revenue	1,292	392	623	638
Total revenue	2,181	1,769	2,033	2,154

SaaS Ambulatory, Inpatient and Software Revenues

Ambulatory, Inpatient and software revenues represent recurring SaaS revenue services provided to medical practitioners with a comprehensive platform to manage all aspects of their practice or facility. We offer these systems as a SaaS product billed monthly under annual to multi-year contracts. Components of the systems include management of insurer and government relationships, patient appointment scheduling, billing automation software, Electronic Data Interchange ("**EDI**"), capture of patient demographics and report generation. These systems offer our customers a full-service, web-based platform that includes each of these services.

For our financial statements, we segment revenues into Ambulatory and Inpatient (hospital) customers and Software Revenue provided to all customers. We market and deliver recurring revenue services to the two customer groups using distinct methods and products facilitating this segmentation with the third Software Revenue segment related to revenues offered ubiquitously across the customer population. Our core platform advantage is the ability to significantly improve and automate revenue capture tasks by providing our customers with the detail and visibility needed to effectively manage the financial and business side of medical practice.

Our software systems are designed to be intuitive in nature, resulting in limited training requirements. Our combined RCM service and software systems offerings are tailored to small to medium sized enterprises with under $10 million in annual revenues. The Corporation does not compete with larger and more complex RCM type solutions.

Software revenues are generated by internally developed software combined with outsourced software from a third-party provider for the EDI portion of the service. The preferred source is Waystar Inc., which recently purchased eSolutions, Inc., the owner of Practice Insight, LLC ("**Practice Insight**"), a long-term supplier to MedWorxs. Ambulatory software provided by MedWorxs has been provided under contract with Practice Insight since 2007, representing a thirteen-year relationship. Although Practice Insight is a preferred vendor, there are several vendors available in the market with competitive pricing and through which we can process EDI transactions. With the current contract in place with Practice Insight, we do not reasonably expect to be affected in the current financial year by renegotiation or termination. Given the competitive market and availability of other vendors, any effect of switching vendors would be minimal.

Recurring RCM Revenues

RCM is an outsourced service offered to clinics and facilities for the management of the complex coding and filing required by medical practitioners to receive payment for their work from insurance companies and governmental agencies.

RCM is a recurring fee-based service billed monthly, based on each customer's utilization. RCM combines establishing relationships with payers (such as insurance carriers and the U.S. federal government) with the Corporation acting as a liaison between the payer, physician office or facility, and the patient. Our core expertise remains current with the continuously changing medical collections industry. In this age of ever-growing needs in medical practices, our approach, developed by MedWorxs over an operating history of nearly 20 years, is designed to meet each health care provider's unique and changing requirements. Our RCM platform has been recognized by the Medical Group Management Association for helping clients achieve superior accounts receivable management and billing practices.

Our RCM products and services are implemented through proprietary software and operating protocols designed to be customizable to each customer's needs. We use our nearly 20 years of experience to determine what each client requires and to customize our offering to their specific needs. We believe this approach has been proven to optimize service quality and customer profitability by reducing administration friction in the business. It is our intention to continue improving the RCM offering to maintain our position as one of the leading platforms in the industry.

Kovo eHealth Technology Platform

The Kovo eHealth Technology Platform is a medical grade platform for efficient communication, collaboration and coordination of care. We believe this will be a source of future revenues derived from our existing relationships with our customers' medical patients. It supports the aggregation of multimedia content into a medical record, organizes such content into a care context, and facilitates confidential and secure sharing among a "**circle of care**", including patients and their family members. With the completion of the asset purchase in accordance with the APA on February 21, 2020, MedWorxs purchased the Axon VCT Assets, a key part of the Kovo eHealth Technology Platform.

The Kovo eHealth technology platform is a SaaS solution. The primary beneficiary of the services provided by the solution is the patient. We see various sources of revenue including patients purchasing monthly or yearly subscription, clinics purchasing a block of user subscriptions and offering the service to their patients, insurers licensing the platform to support lives insured. As we enhance the functionality, we anticipate upsell subscription opportunities for additional services. There are multiple tangential sources of revenue including transaction fees from a network marketplace, anonymized analytics, and payment processing fees.

The functional and technical design of the Kovo eHealth technology platform lies with the founders of Axon VCT who are members of the Corporation. In addition, the platform is founded on modern software platforms and development artefacts are well documented. This ensures that software developers can be readily hired and engaged to support the current version as well continue the evolution of the platform.

Axon VCT's original market was the equine veterinary community and five early adopter customers are currently evaluating the product. Given the negative impacts of COVID-19 on equine markets, we are focusing ongoing efforts on the human healthcare market, where we have established relationships with customers representing hundreds of thousands of patients. Axon VCT Assets, once commercialized for human health care, can be a source of growth to the Corporation.

The Kovo eHealth technology platform was originally designed for human health care. Commercializing for the human health care market is limited to:

- Minor modifications to the user experience
- Moving the production platform to Google's HIPAA compliant data centres

The time and effort for commercializing the platform for human health care is estimated at 4 months and a cost of $250,000 using contract software developers.

The Kovo eHealth technology platform is not considered a medical device and, thereby, does not fall under FDA oversight. The platform does capture and manage personal health information and, thereby, must be HIPAA compliant for the USA and PHIPA compliant for Canada.

The Kovo eHealth Technology Platform is designed to coordinate teams and delegate actions, specifically:

- Connect to the right team member with the right context: chat, voice, video
- Know that things are being done – create action, track action

We call this a "**closed-loop action**", and it is the foundation for creating care plans, tracking actions against the care plan, and escalating inaction or possible clinical deterioration to the care team. Whereas the Kovo eHealth Technology Platform is designed to support such closed-loop action, this has not yet been fully commercialized. We believe the closed-loop action capabilities of the Kovo eHealth Technology Platform position the Corporation to capitalize on the emerging requirements of the healthcare industry following the COVID-19 pandemic.

The Kovo eHealth Technology Platform includes a patented concept that revolutionizes the presentation of a longitudinal medical record. This is called the "Visual Indexing System" or "**Visual Patient**", which has patents in the U.S., Canada and Australia, with patents pending in India and Brazil. The invention is used to extract from a medical record the medical determination and associate it with a body part or organ system. It presents these determinations in a 3D human body model and links the model to the source records. A prototype has been developed that embodies the invention as follows:

1. We identify the body part or organ system to which a specific record is associated. Examples include biopsy report for the liver, computed tomography scan of the lung, or lab report looking for cholesterol levels (vascular system);
2. We read the record to determine if a determination is made;
3. We extract meaningful content;
4. We package such content into a visual index object; and
5. We visualize the visual index objects for each record in a 5D model. This is called the Visual Patient.

The original concept for the Visual Patient was conceived in 2010 and a patent was filed in China on May 24, 2011. A prototype was deployed in the radiology department at Huadong Hospital in 2016, with the results published in the IEEE Journal of Biomedical and Health Informatics in January 2018. The first patent outside of China was filed as an international patent (under the Patent Cooperation Treaty) on November 28, 2011 and granted on November 29, 2012 in Canada. Subsequent national patents were granted in 2013 and 2015.

The Visual Patient is ready for commercialization. The technical architecture is well understood; cloud platforms now offer powerful artificial intelligence and associated tools; and modern technology stacks simplify the engineering effort to a minimum viable product. We believe the Visual Patient patents, prototype and knowhow positions the Corporation to capitalize on the emerging requirements of global demands following the COVID-19 pandemic. We believe the COVID-19 pandemic has accelerated the need for eHealth products in the market. In April 2020, the Corporation began a formal process to identify a senior strategic partner to help fund and advance its technology in a shorter timeframe than possible with currently available resources.

The time and effort for commercializing the Visual Patient is estimated at 12-18 months and a cost of $3,000,000 using a combination of internal resources and contract software developers.

Intellectual Property

MedWorxs Technology Intellectual Property

MedWorxs' founders, Jeana Noble and Greg Noble, personally conceived and developed several of the software systems. In addition, MedWorxs Technology was supplemented through the following acquisitions:

- 2007 asset purchase of clinical office billing and scheduling software from Healthcare Software Systems Inc. – MAPS (the "**Healthcare Software Acquisition**")
- 2014 asset purchase of clinical office practice and eHealth software from AppMed, Inc. ("**AppMed Acquisition**")
- 2014 asset purchase of medical billing services from Top Flite Systems, Inc.
- 2015 asset purchase of facility-based management, billing and EHR software from Tech Time Inc. ("**Tech Time Acquisition**")

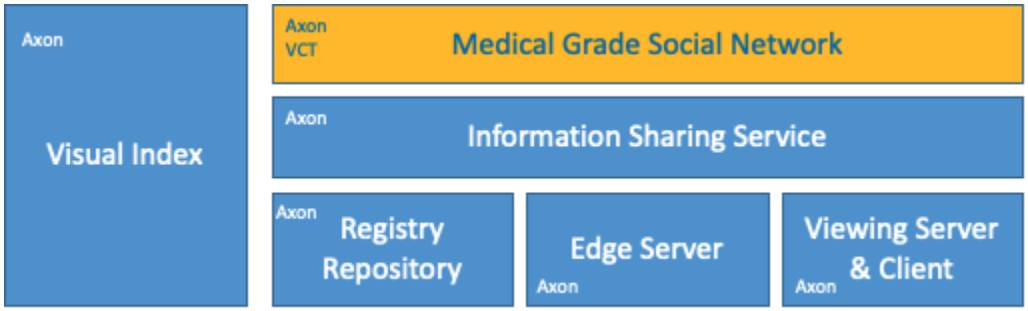
Intellectual property acquired through the AppMed Acquisition and Healthcare Software Acquisition have been superseded by in-house product development and products purchased through the Tech Time Acquisition. The assets subject to the Tech Time Acquisition encompass the facility-based systems generally known as "**Stat!**" and include: Electronic Health Records, patient registration/billing,, payroll, account payable, general ledger, time and attendance, scheduler, and materials management.

Currently, we are working with outside parties to develop the newest iteration of our technology. The system is called "**OneRev**" and represents the experiences and learnings of the previous software systems: (1) "MedWorxs Evolution" medical practice billing platform; and (2) the "Stat!" patient accounting platforms. OneRev is developed using current technology stack, progressive web forms and modern techniques, ensuring a strong platform for future growth. It will utilize machine learning and advanced pattern recognition, thereby furthering the efficiency of our RCM

services. The application will be the basis of our service and influential in the general development of our business.

Kovo eHealth Technology Platform Intellectual Property

The Kovo eHealth Technology Platform is a combination of intellectual property developed by Axon and Axon VCT.



Axon Technology

Pursuant to the Axon License, MedWorxs acquired the license of Axon Technology originally owned by Axon. The Axon License provides the Corporation with the right to use the Axon Technology in the human and veterinary markets through the payment of $2.4 million in royalties to Axon, the owner of the intellectual property. The table below lists the various intellectual property assets covered by the Axon License:

COMPONENT	DESCRIPTION
Axon Registry Repository	Multi-media document repository that complies with the IHE XDS profile
Axon Edge Server	DICOM gateway device between source systems and the multi-media document repository
Axon Viewing Server & Client	Zero footprint DICOM viewer for desktops, tablets and smart devices
Axon Information Sharing Service	Multi-media records sharing solution that supports communication and collaboration among constellations of care

PATENT NUMBER	JURISDICTION	STATUS	DESCRIPTION
8805890	USA	Issued Aug 12/14	Cooperative Grid based PACS
9442936	USA	Issued Sept 13/16	Cooperative Grid based PACS

2674506	Canada	Issued May 01/18	Cooperative Grid based PACS
9129361	USA	Issued Sept 8/15	Visual Indexing System for Medical Diagnostic Data
2798592	Canada	Issued May 28/13	Visual Indexing System for Medical Diagnostic Data
2001369050	Australia	Issued July 9/15	Visual Indexing System for Medical Diagnostic Data
112013030153-8	Brazil	Pending	Visual Indexing System for Medical Diagnostic Data
1882/CHENP/2013	India	Pending	Visual Indexing System for Medical Diagnostic Data

The Axon Technology (excluding Visual Index) was developed by and is owned by Axon. It is founded on the Grid-based PACS patent and intellectual property that was licensed to Axon by the founders of Axon. Through this license, the founders of Axon licensed all right, title and interest each held in and to the Grid-Based PACS including all intellectual property rights to Axon in perpetuity for world-wide territory except for China.

The Visual Index patent was assigned to Axon through a patent assignment from SITP and ZHANG. Through this assignment, Axon owns all right, title and interest worldwide except China in and to the invention(s) described and/or claimed in the original PCT patent filed (patent number PCT/CA2011/00130) ("**PCT**") and to any and all patents worldwide except China that may be granted for the invention(s), and in and to any and all divisions of said applications, and reissues and re-examinations of said patents.

The PCT and the U.S., Canada, Australia, Brazil and India patents were all drafted, filed, defended and funded by Axon.

The Visual Index research and prototype development was undertaken by Dr. Peter Bak, ZHANG and research students at SITP. Funding for this research was provided by Axon and the Chinese Academy of Sciences. Please see "*APA and Axon License*" above for further information.

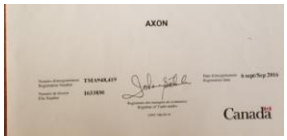
Axon VCT Technology

Pursuant to the APA, MedWorxs acquired the Axon VCT technology. This is the fourth version of the multimedia medical record and medical grade social network components of the Kovo eHealth Technology Platform ("**Version 4**"). Version 4 is an enhancement to and modernization

of the Axon Information Sharing Service developed by Axon and licensed to Axon VCT. Please see "*APA and Axon License*" above for further information.

Trademarks

In addition, following the completion of the acquisition of Axon, the Corporation owns the following marks:

TERM	JURISDICTION	STATUS	DESCRIPTION
Kovo	USA/Canada	Registration in Process	
Kovo Design	USA/Canada	Registration in Process	
MedWorxs	USA	Copyright only	
AXON	CANADA	Registered Sept/16 Reg No. TMA948419	
AXON & Design	CANADA	Registered Sept/16 Reg No. TMA948419	
AXISS	CANADA	Registered Sept 8/14 Reg No. TMA885380	
ICD	CANADA	Registered Feb 24/15 Reg No. TMA897241	
AXON Design	CANADA	Registered Jun 12/15 Reg No. TMA906258	

TERM	JURISDICTION	STATUS	DESCRIPTION
AXON Design	USA	Registered Oct 27/15 Reg No. 4839765	

Infrastructure

We use a combination of cloud-based and premise-based software systems. We have a leased data center located in Denver, Colorado, which works as a hub for traditional client/server systems allowing them to be accessible through a web browser. We intend to move all systems to the Google Cloud infrastructure when the lease expires in February 2021.

We have an office in Billings, Montana which houses four employees and an office in Reno, Nevada for 20 employees. Our remote employees work from home in 12 different U.S. States and in Toronto, Ontario, Canada. We have processes and procedures in place to audit all work-at-home employees, monitoring for compliance with corporate policies and adherence to HIPAA standards.

Our communication and support systems allow all our employees to work seamlessly in a remote environment. We utilize the Google G Suite secure cloud-based applications for email, file storage, video meetings, and document creation. Our development teams are in constant communication through email, video meetings, and chat systems. They utilize the various products supported by Atlassian for source code repository, development tracking, and support ticketing.

Health Care Market

When describing the markets related to our three business segments, there is considerable overlap in marketing studies between RCM, PM and the eHealth market related to the purchase of the Axon technology. Many of the competitors in RCM for instance are also providers of eHealth services and products, and offer PM as either a software product or service. We have chosen to describe these markets and competitors separately; however, aggregating the three market segments would likely overstate the actual size because of this overlap. Market growth rates important to our business strategy appear to be more discrete to the vertical growth strategies.

Revenue Cycle Management Market

Healthcare billing in the U.S. is federally mandated and the two key tenets of the billing infrastructure are the Quality Payment Program ("**QPP**") and the Merit-based Incentive Payment System ("**MIPS**"). The QPP was created by the *Medicare Access and CHIP Reauthorization Act of 2015*. The QPP transforms the Medicare physician payment system from one focused on volume to one focused on value. MIPS establishes the value-based payment program for healthcare practitioners, under which billings will be made going forward. The federal government's Center for Medicare and Medicaid Services is the proponent of these two programs and has taken a strong stance with respect to these programs, requiring increased reporting obligations for participants in 2020 and 2021. This will establish the value-based payment program as the predominant revenue model for all payers and providers in the next few years. Hence, the focus on RCM software and

service solutions that enable financial risk and quality management at an enterprise level will be intensified. We believe this will also lead to larger healthcare systems consolidating their overall spend on core RCM solutions to a fewer number of incumbent or prominent market participants.

Patients' direct contribution to total provider revenue is increasing rapidly, allowing payers and providers to invest in self-service tools that improve patients' overall financial experience by helping them schedule appointments, verify benefit eligibility, estimate financial responsibility, and facilitate secured payment online, from anywhere.

More patients are also deferring payment on their healthcare bills, resulting in cash flow issues and solvency concerns for providers. Hence, back-end RCM processes continue to be important. RCM service providers that specialize in medical billing, bad debt collection and complex contract management will be working more closely with both payers (to provide input on sustainable premiums) and providers (to manage accounts receivable).

According to Acumen Research and Consulting the global RCM market is likely to sustain its strong momentum over the next five years, with 2026 market size estimated at $208 billion, with size projected to grow annually through 2026 at a 6% compound annual growth rate ("**CAGR**"), and with cloud based RCM the highest growth sub-sector. Fortune Business estimates the global market at $86 billion with 2026 projected at $216 billion, a 12.4% CAGR. Fortune Business estimates the North American market at $46.8 billion in 2018 and reports that approximately 25% of the market is represented by outsourced providers. This infers a North American outsourced market of at least $10 billion in 2018. Beckers provides a compilation of survey results, including the results that 72% of hospital chief financial officers surveyed by Black Book Research in 2014 preferred full service outsourced RCM solutions and 45% of healthcare systems utilizing more than 7 outsourced RCM vendors, demonstrating the highly fragmented nature of the business.[4][5][6]

Finally, using the proprietary database of Lawrence Evans & CO., LLC, an investment banking and healthcare consulting company, and the internal research by the Corporation pursuant to our roll-up business model identifies more than 30,000 RCM vendors in the US market. Of those, Lawrence Evans estimates more than 15,000 have revenues between $500 thousand and $10 million. We believe this work confirms the presence of a large prospecting pool for acquisitions as a size suitable to our capital capabilities.

According to Modern Healthcare, key 2014 participants in the RCM market included publicly traded Experian Health, Inc. (2020 market capitalization of $26 billion, 5986 RCM contracts in 2014), and two private companies, The SSI Group, LLC (2,600 contracts) and Parallon Enterprises LLC (1618 contracts). Research and Markets in 2020 includes as key participants, Allscripts Healthcare Solutions, Inc., and Change Healthcare Inc. Because these larger firms primarily serve

[4] Healthcare Revenue Cycle Management Market Size Worth Around US$ 208.6 Bn by 2026 [Online]. Retrieved from https://www.prnewswire.com/news-releases/healthcare-revenue-cycle-management-market-size-worth-around-us-208-6-bn-by-2026--300998631.html

[5] Healthcare Revenue Cycle Management Market Size Worth Around US$ 208.6 Bn by 2026 [Online]. Retrieved from https://www.fortunebusinessinsights.com/industry-reports/revenue-cycle-management-market-100275

[6] 25 things to know in revenue cycle management [Online]. Retrieved from https://www.beckershospitalreview.com/finance/25-things-to-know-in-revenue-cycle-management.html

large hospitals, the Corporation does not generally compete directly with such companies, as we focus on targeting practices with less than $10 million in revenues.[7]

Practice Management and Facility Software Market

Grandview Research estimated the global PM market at $6.9 billion in 2015, with a trend toward cloud-based systems, replacing web-based and onsite systems. Key participants in this market include Allscripts Healthcare Solutions, Inc., Athenahealth, Inc., Cerner Corp., Epic Systems Corp. and GE Healthcare, a division of General Electric Company. [8]

EHR and eHealth markets[9][10][11]

We believe our Kovo eHealth Technology Platform overlaps with the EHR and eHealth markets. Whereas EHR generally refers to software pertaining to the capture and management of medical records, eHealth is a broader term that encompasses EHR software. Telemedicine mobile health includes products, such as wearable devices, and other aspects of practice management systems that enable healthcare practitioners to offer services to their patients remotely. As a consequence, we believe the markets for both EHR and eHealth are relevant to our business plan.

Beginning with the eHealth market, Goldstein Research estimated the global 2017 market size as $65 billion, projecting a CAGR of 30% through 2030. Grandview research estimated the 2014 North American market at approximately $40 billion, or about 50% of the global 2014 market of $89 billion, growing at a 14% CAGR.

The Grandview study included EHR as part of eHealth, and represented about $20 billion of the 2014 North American market eHealth market in their evaluation.

The EHR market is separately estimated by Allied Market Research at $23 billion in 2016 with a 5% CAGR.

We believe the published statistics for eHealth are likely unreliable in the aftermath of the COVID-19 pandemic. Anecdotal evidence sourced by our senior management team, by virtue of their active involvement in this market, strongly suggests there has been a fundamental shift in the sector with a strong push for more rapid deployment of eHealth capabilities. We believe these changes positively impact the value of our established eHealth assets, specifically the Axon and Axon VCT Technologies.

There are many large competitors in the more mature EHR component of the market, including companies such as GE Healthcare a division of General Electric Company, Athenahealth, Inc.,

[7] Practice Management System Market Size, Share & Trends Analysis Report By Product (Integrated, Standalone), By Delivery Mode (On-premise, Web-based, Cloud-based), By Component, By End-Use (Physician Office, Pharmacies, Diagnostic Laboratories) And Segment Forecasts, 2018 – 2024 [Online]. Retrieved from https://www.grandviewresearch.com/industry-analysis/practice-management-systems-market

[8] Practice Management System Market Size, Share & Trends Analysis Report [Online]. Retrieved from https://www.grandviewresearch.com/industry-analysis/practice-management-systems-market

[9] Global EHealth Market [Online]. Retrieved from https://www.goldsteinresearch.com/report/ehealth-market-size-trends-statistics-share-industry

[10] eHealth Market Analysis. Retrieved from https://www.grandviewresearch.com/industry-analysis/e-health-market

[11] Global Opportunity Analysis and Industry Forecast, 2017-2023 [Online]. Retrieved from https://www.alliedmarketresearch.com/electronic-health-records-EHR-market

Cerner Corp. and Epic Systems Corp. Grandview reports that two companies, privately held Epic Systems Corp., and publicly traded Cerner Corp., represented 61% of the U.S. eHealth market in 2017. The broader eHealth market is more emergent with fewer public companies and more developing technology companies. The market leader in the telehealth subsector of eHealth is Teledoc Health, Inc., with 2019 reported revenues of $553 million, an increase of 32% from 2018. Other telehealth companies include One Medical a division of 1Life Healthcare, Inc., Babylon Inc. and Doctor on Demand, Inc.. Go-to-Market Strategy/Business Plan

The Corporation has a three-part plan to grow the business, taking advantage of the 15,000 fragmented small-sized ($10 million revenue or less) RCM businesses in the U.S. Our plan focuses on three pillars of growth, namely accretive growth through (i) acquisitions, (ii) organic growth within the acquired RCM platforms, and (iii) patient-level revenue growth driven by a partnering strategy for the Axon Technology platform.

(i) *Growth through acquisitions*

With the completion of seven acquisitions through MedWorxs, we have a mature mergers and acquisitions practice, which we intend to utilize to lead future growth in the business. With more than 30,000 RCM businesses in the U.S., and more than 15,000 in our target market of RCM businesses with less than $10 million in revenue, we maintain a pipeline between 3 and 31 potential acquisitions sourced from independent research, business advisors and industry databases. For further information, see "*Revenue Cycle Management Market*" above.

Our acquisition strategy includes a disciplined, EBITDA-based evaluation process designed to identify multiple acquisition opportunities at any one time. Key criteria include identification of cost synergies that ensure the acquisition will be accretive to the Corporation. Each acquisition is processed through a set onboarding process to ensure we maintain our corporate culture. Deal structures are based on prudent use of debt to lever the purchase, ensuring cash flows from the acquisition are sufficient to cover loan costs and generate excess cash flow. We seek to increase the geographic diversification of our enterprise, as both a risk mitigation strategy and to help build the aggregate patient count serviced by our clients as key drivers of revenues from the future rollout of Axon Technology.

Our growth strategy is primarily through the acquisition of existing RCM and other software businesses in the U.S. When we acquire an RCM company, we acquire the customers of that company. Each customer includes one or more medical providers, such as general practitioners, specialists, physical therapists, mental health practitioners, and other workers in the healthcare field. Each medical provider in turn has individual patients. A typical RCM acquisition will expand the captured patient population by approximately 2,000 active patients per provider.

(ii) *Organic growth*

We intend to grow our revenue streams by directly adding new clients through traditional sales, enabled by the recent purchase of RPM Billing. As a result of this acquisition, Mr. Jon Marshall joined the Corporation as CMO and will lead the organic growth sales effort of the Corporation. Since completion of the RPM Billing acquisition on March 2, 2020, the Corporation has, through Mr. Marshall's efforts, acquired new clients that approximate to an additional $400,000 in annual revenues.

(iii) Kovo eHealth Partner Initiative

With each RCM acquisition, the Corporation initiates direct communication with the patients of its customers' providers, with full access to patient health records by virtue of the requirements of the billing practice. Each bill is generated and delivered by the Corporation to each patient. As a result, with agreement of the provider, the Corporation acquires the right to market additional patient-paid services to every patient serviced by our customers. To date, we currently service more than 2,296,000 patients.

The Kovo eHealth Technology Platform is well-positioned to support virtual care between the patient and the provider. The multimedia medical record, the medical grade social network, the diagnostic imaging solution, and the closed-loop action concept play directly to the emerging requirements of the increasing demand for virtual care.

The Virtual Patient prototype has evidenced the impact on provider productivity. COVID-19 has accelerated broad adoption of eHealth and virtual care. Following the COVID-19 pandemic, we expect an increase in demand for new tools to capture, process, access, visualize and leverage the content in longitudinal medical records.

Prior to the onset of the COVID-19 pandemic, our approach had been to monetize the Kovo eHealth Technology Platform by commercializing it with cash flow from operations over an extended period of time. The COVID-19 pandemic has made eHealth and virtual care top priority initiatives for all healthcare systems, and as a result there has been an immediate acceleration in both activity and work on products to answer this critical need. This has brought major corporate participants into the market, which we believe will result in a more rapid evolution of this market. Under this scenario, our technology represents an existing foundation for a major launch, however an accelerated pace for that launch will require a larger spend than we can accomplish with internal cash flows. As a result, we began a formal process to identify a strategic partner interested in accelerating their eHealth and virtual care product development utilizing the mature Kovo eHealth Technology Platform. We intend to find a partner to fund work for commercialization with the Corporation retaining an operating interest and the ability to market the product to the patients of our customers.

USE OF PROCEEDS

Use of Proceeds

This is a non-offering prospectus. The Corporation is not raising any funds in conjunction with this Prospectus. Accordingly, there are no proceeds to the Corporation in connection with the filing of this Prospectus.

On February 21, 2020, MedWorxs completed the Unit Offering of 1,960,000 units of MedWorxs, with each unit being comprised of one MedWorxs Share and one MedWorxs Warrant. The gross proceeds of the Unit Offering were CDN$490,000. A portion of the funds received have been spent on listing related activities such as audits, attorneys, valuation, and listing fees. Remaining funds will be used in accordance with the principal purposes intended.

There is no assurance that additional capital or other types of financing will be available to the Corporation if needed or that these financings will be on terms at least as favourable to the Corporation as those previously obtained, or at all. See "*Risk Factors*".

Non-Brokered Private Placement

The Corporation intends on completing a non-brokered private placement of subscription receipts (the "**Subscription Receipts**") at a price of USD$1.00 per Subscription Receipt for aggregate gross proceeds of up to USD$545,000. Each Subscription Receipt will be automatically converted immediately prior to the completion of the Merger into one Medworxs Share and one half of one Medworxs Warrant. Under the terms of the Merger Agreement as proposed, each Medworxs Share issued in the non-brokered private placement would automatically be converted into Common Shares upon the completion of the Reorganization and each Medworxs Warrants would automatically be converted into Warrants upon completion of the Reorganization. The proceeds from the non-brokered private placement will be held in escrow until the satisfaction of certain escrow release conditions, including confirmation that all conditions precedent to the Reorganization, have been satisfied.

Funds Available and Use of Available Funds

The Company expects net total funds available of $1,215,000. The Company completed two acquisitions in 2020 that had transition and one time professional fees. Subsequent to normalizing for these expenses and having revenue growth of almost 100% year-over-year, the 2021 anticipated cash flows are expected to provide sufficient liquidity for growth. As of September 30, 2020 financial statements the Corporation categorizes its debt owed to royalty debt as current as per IFRS financial reporting standards however it can repay the debt at its discretion at any point in time. The debt is not required to be paid by the Corporation in the current period and can be carried in perpetuity as per its agreement with the lenders. Therefore, the Corporation has shown its working capital calculation adding back the royalty debt. Also, the Corporation may use a portion of the unallocated capital referenced in the table below to fund any operating cash flow needs that may arise. The principal sources and uses of funds for the next twelve months will be as follows:

Item	**Amount ($, in $000's of USD)**
Funds Available	
Net working capital as at September 30, 2020 [12]	($630)
Anticipated cash flow from operations for the next 12 months	$1,249
Exercise of stock warrants	$546
Non-brokered private placement	$545

[12] Working capital as at September 30, 2020 plus add back of royalty debt to working capital

Item	Amount ($, in $000's of USD)
Total Funds Available (as at the date of this Prospectus)	**$1,710**
Principal Purposes for the Available Funds	
Estimated cost of preparation of this Prospectus and the Listing [(2)]	$250
Repayment of royalty debt	$200
Unallocated working capital to fund ongoing operations and for reviewing business opportunities	$200
Total Principal Purposes for the Available Funds	**$650**
Net Total of Funds Available:	**$1,060**

Notes:

(1) Consisting of legal fees, filing fees, accounting fees and other professional advisory fees related to the Listing.

The Corporation intends to spend the funds available to it as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary. The amounts set forth above may increase if we are required to carry out due diligence investigations regarding any prospective investment or business opportunity or if the costs of the Prospectus or Listing, or negotiating an applicable transaction, are greater than anticipated. Use of available funds will be subject to the discretion of management.

Business Objectives

After completion of the Listing, the Corporation will be a Tier 2 listed issuer on the Exchange carrying on the business currently operated by the Corporation. Our efforts will be directed at continuing to grow revenues and cash flows through the acquisition of additional RCM assets and software, and the development of the Axon veterinary and human health products utilizing a combination of internally generated cash flows and prudent use of debt (please see "*Go-to-Market Strategy/Business Plan*"). From time to time, the Corporation will consider additional sales of securities to provide the equity required for such acquisitions, either through a sale of shares from treasury or an allocation of shares to vendors of assets purchased by the Corporation.

The stated business objectives of the Corporation will be achieved with the oversight of the Corporation's management team. Please see "*Directors and Executive Officers*" for further information. The actual amount that the Corporation spends from its working capital may vary significantly from the amounts specified above, and will depend on several factors, including those listed under the heading "*Risk Factors*".

Our long-term business objective is to grow the business into the leading RCM and software service provider for small to medium sized enterprises. We will accomplish this through a combination of (i) the addition of new businesses, (ii) growth of existing RCM business revenues, and (iii) the addition of technology through the outsourced development of the Axon Technology. Management is executing on a five-year plan in order to achieve our objectives, and anticipates

requiring a strategic partner to provide an amount in excess of $10 million in research and development funding for the development of the Axon Technology component of that five-year plan.

The primary business objectives for the Corporation over the next twelve months are as follows:

Milestone	Timeline	Expected Cost ($, in $000's of USD)
Revenue Cycle Management ("RCM") Acquisition Q1 2021 (Similar to *RPM Billing* deal noted above)	By March 31, 2021	$35 Transaction costs plus acquisition costs funded with Company equity, terms $TBD
RCM Acquisition Q2 2021 (Similar to *RPM Billing* deal noted above)	By June 30, 2021	$35 Transaction costs plus acquisition costs funded with Company equity, terms $TBD
RCM Acquisition Q3 2021 (Similar to *RPM Billing* deal noted above)	By Sept 30, 2021	$35 Transaction costs plus acquisition costs funded with Company equity, terms $TBD
RCM Acquisition Q4 2021 (Similar to *RPM Billing* deal noted above)	By Dec 31, 2021	$35 Transaction costs plus acquisition costs funded with Company equity, terms $TBD

DIVIDENDS OR DISTRIBUTIONS

The payment of dividends, if any, in the future, rests within the sole discretion of the Board. The payment of dividends will depend upon the Corporation's earnings, its capital requirements and its financial condition, as well as other relevant factors. We have never declared dividends on any of our securities in the past and we intend to retain our earnings to finance growth and expand our operations and do not anticipate paying any dividends on the Common Shares and other classes of shares in the foreseeable future.

There are no restrictions in the Corporation's constating documents that prevent the Corporation from declaring dividends. The BCBCA, however, does prohibit the Corporation from declaring dividends where, after giving effect to the distribution of the dividend, the Corporation would not be able to pay its debts as they become due in the usual course of business, or the Corporation's total assets would be less than the sum of its total liabilities plus the amount that would be needed to satisfy the rights of shareholders who have preferential rights superior to those receiving the distribution.

SELECTED FINANCIAL INFORMATION

The following table presents selected financial information for the Corporation's wholly owned subsidiary MedWorxs, which has been summarized from our audited annual financial statements for the fiscal year ended December 31, 2019 (and, with respect to share information, without giving effect to the Reorganization) and for the Corporation for the nine month period ending September 30, 2020 (and with respect to share information, giving effect to the Reorganization).

The following financial information should be read together with the information under "*Management's Discussion and Analysis*" and our financial statements and the related notes to the financial statements appearing in Appendices A and B.

Financial Positions	Year Ended as at December 31, 2019 (audited, in $000's of $USD)	Year-to-Date Ended September 30, 2020 (unaudited, in $000's of $USD)
Current assets	$131	$481
Total assets	$369	$5,094
Royalty Debt [13]	$600	$787
Current liabilities (Excluding Royalty Debt)	$650	$1,111
Long Term Liabilities	$1,156	$1,989
Share capital	$1	$ 3,546
Deficit	($2,110)	($2,840)
Revenue	$1,769	$2,181
Expenses	$1,760	$2,911
Net income/(loss)	$9	($730)
Basic Shares Outstanding	15,000,000	28,412,070
Diluted Shares Outstanding	16,100,000	35,278,070

[13] Royalty debt is categorized as current liability on the balance sheet but is not due in next 12 months, therefore has been separated for reference from other current liabilities

Financial Positions	Year Ended as at December 31, 2019 (audited, in $000's of $USD)	Year-to-Date Ended September 30, 2020 (unaudited, in $000's of $USD)
Net loss per share – basic and diluted	$(0.00)	$(0.01)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("**MD&A**") should be read in conjunction with the financial statements of MedWorxs and the Corporation and the related notes appearing elsewhere in Appendices A and B. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Unless the context otherwise requires, in this section entitled "Management's Discussion and Analysis," references to "we," "us," "our" and "MedWorxs" mean "MedWorxs Inc for the period prior to the Reorganization and the Corporation post the Reorganization." Actual results could differ materially from those discussed in these forward-looking statements due to a number of factors, including those set forth in the section entitled "*Risk Factors*" and elsewhere in this prospectus. The financial statement data has been prepared in accordance with IFRS and is presented in United States dollars unless otherwise noted herein. Information contained herein includes any material developments up to and including September 30, 2020.

Overview

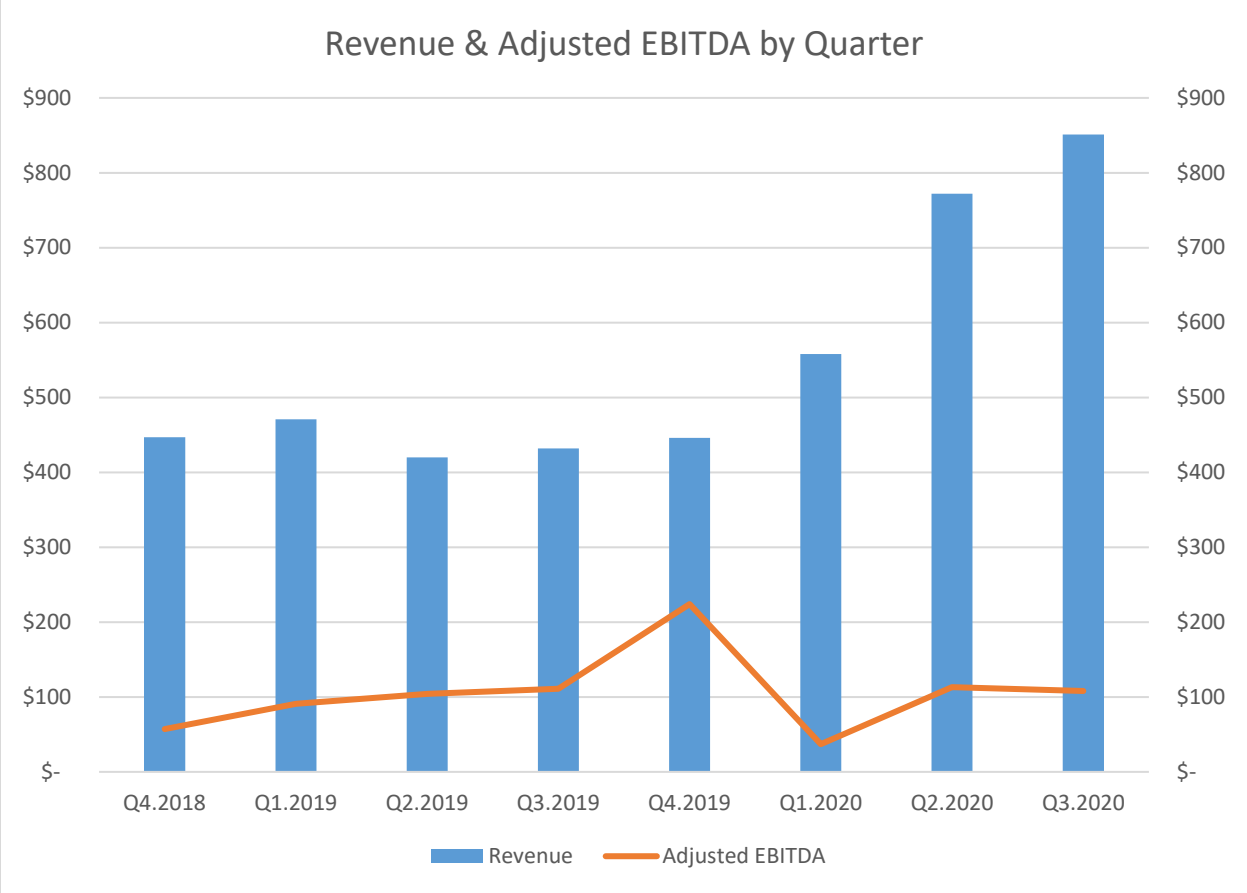
The MD&A provides an analysis of the MedWorxs' financial results for the year-ended December 31, 2019 and for the Corporation for the nine-month period ended September 30, 2020 and should be read in conjunction with our financial statements and the notes thereto, respectively. The MD&As to December 31, 2019 and the pro forma MD&A to September 30, 2020 are attached to this Prospectus as Appendix B.

Certain information included in the MD&A is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Caution Regarding Forward-Looking Statements*" for further detail.

	2018	2019				2020		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Revenue	$ 447	$ 471	$ 420	$ 432	$ 446	$ 558	$ 772	$ 851
Income/(Loss) from Ops	$ (32)	$ 62	$ 52	$ 90	$ 12	$ (101)	$ (289)	$ (210)
Shares	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	28,412,070	28,412,070	28,412,070
Diluted Shares	15,000,000	15,000,000	15,000,000	15,000,000	16,100,000	35,278,070	35,278,070	35,278,070
Per Share Basis	$ (0.00)	$ 0.00	$ 0.00	$ 0.01	$ 0.00	$ (0.00)	$ (0.01)	$ (0.00)
Per Diluted Share Basis	$ (0.00)	$ 0.00	$ 0.00	$ 0.01	$ 0.00	$ (0.00)	$ (0.01)	$ (0.00)
Total Income/(Loss)	$ (145)	$ 65	$ 27	$ 29	$ (111)	$ (353)	$ (35)	$ (342)
Shares	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	28,412,070	28,412,070	28,412,070
Diluted Shares	15,000,000	15,000,000	15,000,000	15,000,000	16,100,000	35,278,070	35,278,070	35,278,070
Per Share Basis	$ (0.010)	$ 0.004	$ 0.002	$ 0.002	$ (0.007)	$ (0.012)	$ (0.001)	$ (0.000)
Per Diluted Share Basis	$ (0.000)	$ 0.000	$ 0.000	$ 0.000	$ (0.000)	$ (0.010)	$ (0.001)	$ (0.000)
EBITDA	$ 57	$ 91	$ 104	$ 137	$ 60	$ (201)	$ 115	$ (225)
ADJUSTED EBITDA	$ 57	$ 91	$ 104	$ 137	$ 224	$ 37	$ 113	$ 108

The Company realized 97% year-over-year growth in Q3 2020 vs Q3 2019. The main impact was driven by the acquisition of RPM Billing in March 2020 (For more information see RPM Billing, LLC section). The increased revenue also included transitionary costs for higher professional fees and one time expenses, therefore EBITDA decreased in Q1 and Q3 as those expenses were realized. The Company believes these are short term based on our 2021 budget and see our EBITDA and Adjusted EBITDA will normalize to historical norms in 2021.

The Company notes Adjusted EBITDA for a more normalized context of the Company's operations (excludes non-cash bearing warrant/stock option expenses and unrealized foreign exchange losses.) We believe these results demonstrate prudent cost management and effective customer acquisition through both organic and accretive efforts, demonstrating successful execution of our growth strategy. For additional information and analysis on financial results please see Appendix B.



Outstanding Security Data

As at the date of this Prospectus, 28,412,070 MedWorxs Shares are issued and outstanding, and 4,355,000 MedWorxs Shares are reserved for issuance pursuant to outstanding MedWorxs Warrants and 1,299,000 MedWorxs Shares are reserved for issuance pursuant to MedWorxs Options.

Additional Disclosure for IPO Venture Issuers

See *"Use of Proceeds – Funds Available and Use of Available Funds"* and *"Use of Proceeds – Business Objectives"*.

Additional Disclosure for Junior Issuers

MedWorxs Inc. experienced losses and negative operating cash flows for the fiscal year ended December 31, 2019. Following the completion of the Reorganization, the Corporation expects to have sufficient funds available to fund operations for a period of 12 months following the date of this Prospectus. The Corporation estimates total operating costs of $1,309,000 to achieve its stated business objectives. See "*Use of Proceeds – Business Objectives*" for further details. Other than the costs stated in the section "*Use of Proceeds – Business Objectives and Milestones*", the Corporation does not anticipate incurring any other material capital expenditures during the next 12-month period.

DESCRIPTION OF SECURITIES

No Offering

No securities are being offered pursuant to this Prospectus.

Authorized Capital

The authorized share capital of the Corporation consists of an unlimited number of Common Shares, an unlimited number of Restricted Voting Shares and an unlimited number of Preferred Shares all without par value. See "*Consolidated Capitalization*".

The authorized capital stock of MedWorxs consists of 38,000,000 shares of MedWorxs Shares, par value of $0.01 per share, of which 28,412,070 MedWorxs Shares are issued and outstanding, and 4,355,000 MedWorxs Shares are reserved for issuance pursuant to outstanding MedWorxs Warrants and 1,299,000 MedWorxs Shares are reserved for issuance pursuant to MedWorxs Options.

Immediately following the completion of the Reorganization, it is expected that there will be 28,412,070 issued and outstanding Common Shares, and 5,000,000 issued and outstanding Restricted Voting Shares. Pursuant to the Merger Agreement, following the completion of the Reorganization, the Corporation shall assume the MedWorxs Warrants, and the MedWorxs Warrants shall, by virtue of the Merger Agreement and without any action on the part of the holders of the MedWorxs Warrants, be converted into warrants to purchase an equal number of Common Shares.

Common Shares

Holders of the Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Corporation, and each Common Share confers the right to one vote, provided that the shareholder is a holder on the applicable record date declared by the Board. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Corporation, are entitled to receive such dividends in any financial year as the Board may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of the Corporation's assets among its shareholders by way of repayment of capital, the net equity of the Corporation shall be distributed among the holders of the Common Shares, without priority and on a share for share basis. There are no redemption or retraction rights associated with the Common Shares.

Restricted Voting Shares

The holders of the Restricted Voting Shares will be entitled to receive notice of and to attend all meetings of the shareholders of the Corporation and to one vote per share at any meeting of the shareholders of the Corporation provided that the holders of the Restricted Voting Shares shall not be entitled to vote for the election of directors of the Corporation. The holders of Restricted Voting Shares will also be entitled to receive dividends as and when declared by the Board on the Common Shares as a class, provided that no dividend may be declared or paid in respect of Common Shares unless concurrently therewith the same dividend is declared or paid on the Restricted Voting Shares. The holders of Restricted Voting Shares shall be entitled, in the event of any liquidation,

dissolution or winding-up, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, to share ratably, together with the holders of the Common Shares in such assets of the Corporation as are available for distribution. In connection with an Offer (as hereinafter defined), the Restricted Voting Shares will also be redeemable (at a price per share equal to the value of the consideration offered under an Offer which, in the case of non-cash consideration, shall be determined solely by the Board), at the option of the holder thereof and under certain circumstances, if an offer to purchase Common Shares is made which must, by reason of applicable securities legislation or by laws, regulations or policies of a stock exchange on which any of the Common Shares are listed, be made to each holder of Common Shares (an "**Offer**"). The Restricted Voting Shares are convertible into Common Shares at any time after a seasoning period, or prior to that date under certain conditions. The rights, privileges, restrictions and conditions attached to the Restricted Voting Shares may not be added to, changed or removed without the prior approval of the two-thirds of votes cast at a meeting of holders of Restricted Voting Shares duly called for such purpose, and such addition, change or removal shall not be made without the prior approval of holders of Common Shares at a meeting of shareholders called for such purpose.

Preferred Shares

The Preferred Shares will be issuable in one or more series. Before the issuance of any series of Preferred Shares, the Board is required to fix the number of shares within such series and determine the designation, rights, privileges, restrictions and conditions attaching to each such series, including the rate, amount or method of calculation of dividends, the time and place of payment of dividends, whether cumulative or non-cumulative or partially cumulative and the consideration and the terms and conditions of any purchase for cancellation, retraction or redemption rights (if any), the conversion or exchange rights attached thereto (if any), the voting rights attached thereto (if any), and the terms and conditions of any share purchase plan or sinking fund. As a class, the Preferred Shares will have priority over the Common Shares, the Restricted Voting Shares and the shares of any other class ranking junior to the Preferred Shares with respect to priority in the payment of dividends and the distribution of assets among the Corporation's shareholders.

CONSOLIDATED CAPITALIZATION

No securities are being offered pursuant to this Prospectus and, except as disclosed in the following table, there have been no changes in the Corporation's capitalization since the date of the financial statements.

The following table sets forth the consolidated capitalization of MedWorxs as at December 31, 2019 and the *pro forma* consolidated capitalization of the Corporation as at September 30, 2020, as if the Reorganization has been completed as at September 30, 2020. The following information should be read together with the financial statements for the corresponding periods and the related notes to the financial statements appearing elsewhere in this Prospectus.

	As at December 31, 2019 (in $000's of $USD except shares)	*Pro forma* as at September 30, 2020 after giving effect to the Reorganization [(1)(2)] (in $000's of $USD except shares)
Cash	$73	$942
Long-term debt	$1,156	$1,439
Common shares	$1 (15,000,000 common shares)	$3,546 (28,412,070 Common Shares)
Restricted Voting Shares[(2)]	Nil	5,000,000
Common share purchase warrants and options	$114	$501
Accumulated deficit	$2,110	$2,840
Total shareholders' equity (deficiency)	($2,037)	$1,207

Notes:

(1) The Reorganization will take place prior to the filing of the final prospectus.
(2) The holders of the Restricted Voting Shares will be entitled to receive notice of and to attend all meetings of the shareholders of the Corporation and to one vote per share at any meeting of the shareholders of the Corporation provided that the holders of the Restricted Voting Shares shall not be entitled to vote for the election of directors of the Corporation.

OPTIONS TO PURCHASE SECURITIES

Omnibus Equity Incentive Plan

Purpose

The purposes of the Omnibus Plan are to: (i) provide the Corporation with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants, (ii) align the interests of Participants (as defined in the Omnibus Plan) with that of other shareholders of the Corporation generally, and (iii) enable and encourage Participants to participate in the long-term growth of the Corporation through the acquisition of Common Shares as long-term investments.

Administration of the Omnibus Plan

The Omnibus Plan will be administered by the Board or, from time to time, a committee thereof, and will provide that the Board may from time to time, in its discretion, and in accordance with Exchange requirements, grant to eligible Participants, non-transferable awards (the "**Awards**").

Such Awards include options ("**Options**"), restricted share units ("**RSUs**"), share appreciation rights ("**SARs**"), deferred share units ("**DSUs**") and performance share units ("**PSUs**").

Maximum Number of Common Shares Available for Awards

The number of Common Shares reserved for issuance pursuant to Options granted under the Omnibus Plan will not, in the aggregate, exceed 10% of the then aggregate number of Common Shares and Restricted Voting Shares outstanding. In addition, the maximum number of Common Shares issuable pursuant to SARs, RSUs, DSUs and PSUs issued under the Omnibus Plan shall not exceed a fixed number determined in accordance with the policies of the TSXV.

The maximum number of Common Shares for which Awards may be issued to any one Participant (as defined in the Omnibus Plan) in any 12-month period shall not exceed 5% of the aggregate number of Common Shares and Restricted Voting Shares outstanding, unless disinterested shareholder approval as required by the policies of the Exchange is obtained, or 2% in the case of a grant of Awards to any consultant or persons (in the aggregate) retained to provide Investor Relations Activities (as defined by the Exchange). No awards other than Options may be issued to any consultants or persons retained to provide Investor Relations Activities. Further, unless disinterested shareholder approval as required by the policies of the Exchange is obtained: (i) the maximum number of Common Shares for which Awards may be issued to insiders of the Corporation (as a group) at any point in time shall not exceed 10% of the aggregate number of Common Shares and Restricted Voting Shares outstanding; and (ii) the aggregate number of Awards granted to insiders of the Corporation (as a group), within any 12-month period, shall not exceed 10% of the aggregate number of Common Shares and Restricted Voting Shares outstanding.

Eligibility

Awards under the Omnibus Plan will be granted to bona fide employees, officers, non-employee directors and consultants of the Corporation. The extent to which any such individual is entitled to receive a grant of an Award pursuant to the Omnibus Plan will be determined in the discretion of the Board.

Types of Awards

The following is a summary of the various types of Awards issuable under the Omnibus Plan.

Options

Subject to any requirements of the Exchange, the Board may determine the expiry date of each Option. Subject to a limited extension if an Option expires during a Black Out Period (as defined in the Omnibus Plan), Options may be exercised for a period of up to ten years after the grant date, provided that: (i) upon a Participant's termination for Cause (as defined in the Omnibus Plan), all Options, whether vested or not as at the Termination Date (as defined in the Omnibus Plan) will automatically and immediately expire and be forfeited; (ii) upon the death of a Participant, all unvested Options as at the Termination Date shall automatically and immediately vest, and all vested Options will continue to be subject to the Omnibus Plan and be exercisable for a period of 90 days after the Termination Date; (iii) in the case of the Disability (as defined in the Omnibus Plan) of a Participant, all Options shall remain and continue to vest (and are exercisable) in

accordance with the terms of the Option Plan for a period of 12 months after the Termination Date, provided that any Options that have not been exercised (whether vested or not) within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date; (iv) in the case of the retirement of a Participant, the Board shall have discretion, with respect to such Options, to determine whether to accelerate the vesting of such Options, cancel such Options with or without payment and determine how long, if at all, such Options may remain outstanding following the Termination Date, provided, however, that in no event shall such Options be exercisable for more than 12 months after the Termination Date; and (v) in all other cases where a Participant ceases to be eligible under the Omnibus Plan, including a termination without Cause or a voluntary resignation, unless otherwise determined by the Board, all unvested Options shall automatically and immediately expire and be forfeited as of the Termination Date, and all vested Options will continue to be subject to the Omnibus Plan and be exercisable for a period of 90 days after the Termination Date.

The exercise price of the Options will be determined by the Board at the time an Option is granted, provided that in no event will such exercise price be lower than the last closing price of the Common Shares on the Exchange less any discount permitted by the rules or policies of the Exchange at the time the Option is granted. Subject to any vesting restrictions imposed by the Exchange, or as may otherwise be determined by the Board at the time of grant, Options shall vest equally over a four-year period such that $^1/_4$ of the Options shall vest on the first, second, third and fourth anniversary dates of the date that the Options were granted.

Restricted Share Units

Subject to any requirements of the Exchange, the Board may determine the expiry date of each RSU. Subject to a limited extension if an RSU expires during a Black Out Period, RSUs may vest and be paid out for a period of up to three years after the grant date, provided that: (i) upon a Participant's termination for Cause, all RSUs, whether vested (if not yet paid out) or not as at the Termination Date will automatically and immediately expire and be forfeited; (ii) upon the death of a Participant, all unvested RSUs as at the Termination Date shall automatically and immediately vest and be paid out; (iii) in the case of the Disability of a Participant, all RSUs shall remain and continue to vest in accordance with the terms of the Omnibus Plan for a period of 12 months after the Termination Date, provided that any RSUs that have not been vested within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date; (iv) in the case of the retirement of a Participant, the Board shall have discretion, with respect to such RSUs, to determine whether to accelerate the vesting of such RSUs, cancel such RSUs with or without payment and determine how long, if at all, such RSUs may remain outstanding following the Termination Date, provided, however, that in no event shall such RSUs be exercisable for more than 12 months after the Termination Date; and (v) in all other cases where a Participant ceases to be eligible under the Omnibus Plan, including a termination without Cause or a voluntary resignation, unless otherwise determined by the Board, all unvested RSUs shall automatically and immediately expire and be forfeited as of the Termination Date, and all vested RSUs will be paid out in accordance with the Omnibus Plan.

The number of RSUs to be issued to any Participant will be determined by the Board at the time of grant. Each RSU will entitle the holder to receive at the time of vesting for each RSU held, either one Common Share or a cash payment equal to the fair market value of a Common Share or a combination of the two, at the election of the Board. In addition, the Board may determine that holders of RSUs be credited with consideration equivalent to dividends declared by the Board and

paid on outstanding Common Shares. In the event settlement is made by payment in cash, such payment shall be made by the earlier of (i) $2^1/_2$ months after the close of the year in which such conditions or restrictions were satisfied or lapsed and (ii) December 31 of the third year following the year of the grant date.

Subject to any vesting restrictions imposed by the Exchange, or as may otherwise be determined by the Board at the time of grant, RSUs shall vest equally over a three-year period such that $^1/_3$ of the RSUs shall vest on the first, second and third anniversary dates of the date that the RSUs were granted.

Share Appreciation Rights

SARs may be issued together with Options or as standalone awards. Upon the exercise of a SAR, a Participant shall be entitled to receive payment from the Corporation in an amount representing the difference between the fair market value of the underlying Common Shares on the date of exercise over the grant price of the SAR. At the discretion of the Board, the payment upon the exercise of a SAR may be in cash, Common Shares of equivalent value, in some combination thereof, or in any other form approved by the Board in its sole discretion.

Subject to any requirements of the Exchange, the Board may determine the vesting terms and expiry date of each SAR. Subject to a limited extension if a SAR expires during a Black Out Period, SARs will not be exercisable later than the tenth anniversary date of its grant.

Subject to compliance with the rules of the Exchange, the Board may determine, at the time of grant, the treatment of SARs upon a Participant ceasing to be eligible to participate in the Omnibus Plan.

Deferred Share Units

The number and terms of DSUs to be issued to any Participant will be determined by the Board at the time of grant. Each DSU will entitle the holder to receive at the time of settlement for each DSU held, either one Common Share or a cash payment equal to the fair market value of a Common Share or a combination of the two, at the election of the Board. In addition, the Board may determine that holders of DSUs be credited with consideration equivalent to dividends declared by the Board and paid on outstanding Common Shares.

Subject to any requirements of the Exchange, the Board may determine the vesting terms and expiry date of each DSU, provided that if a DSU would otherwise settle or expire during a Black Out Period, the Board may extend such date.

Subject to compliance with the rules of the Exchange, the Board may determine, at the time of grant, the treatment of DSUs upon a Participant ceasing to be eligible to participate in the Omnibus Plan.

Performance Share Units

The number and terms (including applicable performance criteria) of PSUs to be issued to any Participant will be determined by the Board at the time of grant. Each PSU will entitle the holder to receive at the time of settlement for each PSU held, either one Common Share or a cash payment equal to the fair market value of a Common Share or a combination of the two, at the election of

the Board. In addition, the Board may determine that holders of PSUs be credited with consideration equivalent to dividends declared by the Board and paid on outstanding Common Shares.

Subject to any requirements of the Exchange, the Board may determine the vesting terms and expiry date of each PSU, provided that in no event will delivery of Common Shares or payment of any cash amounts be made later than the earlier of (i) $2^1/_2$ months after the close of the year in which the performance conditions or restrictions are satisfied or lapse, and (ii) December 31 of the third year following the year of the grant date.

Subject to compliance with the rules of the Exchange, the Board may determine, at the time of grant, the treatment of PSUs upon a Participant ceasing to be eligible to participate in the Omnibus Plan.

Termination and Change of Control Provisions

On a Change of Control (as defined below and in the Omnibus Plan) of the Corporation, the Board shall have discretion as to the treatment of outstanding Awards, including whether to: (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any Awards (provided that no acceleration of Awards shall occur in the case of a Participant that was retained to provide Investor Relations Activities unless the approval of the Exchange is either obtained or not required); (ii) permit the conditional exercise of any Awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any Awards; or (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised prior to the successful completion of such Change of Control.

The Omnibus Plan defines a "Change of Control" as the occurrence of any one or more of the following events:

(a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation as a result of which the holders of Common Shares and Restricted Voting Shares prior to the completion of the transaction hold or beneficially own, directly or indirectly, less than 50% of the outstanding Voting Securities (as defined in the Omnibus Plan) of the successor corporation after completion of the transaction;

(b) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets of the Corporation and/or any of its subsidiaries to any other Person, other than disposition to a wholly-owned subsidiary in the course of a reorganization of the assets of the Corporation and its subsidiaries;

(c) a resolution is adopted to wind-up, dissolve or liquidate the Corporation;

(d) an acquisition by any Person or group of Persons acting jointly or in concert of beneficial ownership of more than 50% of the aggregate number of Common Shares and Restricted Voting Shares; or

(e) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

Warrants

Following the completion of the Reorganization, the Corporation will have 4,355,000 warrants outstanding, as follows:

- 1,100,000 warrants entitling the holder to acquire one Common Share at a price of USD$0.204, and exercisable until December 31, 2021.

- 100,000 warrants entitling the holder to acquire one Common Share at a price of USD$0.204, and exercisable until February 24, 2021.

- 40,000 warrants entitling the holder to acquire one Common Share at a price of USD$0.204, and exercisable until February 24, 2021.

- 1,000,000 warrants entitling the holder to acquire one Common Share at a price of USD$0.204, and exercisable until February 24, 2021.

- 60,000 warrants entitling the holder to acquire one Common Share at a price of USD$0.204, and exercisable until February 24, 2021.

- 200,000 warrants entitling the holder to acquire one Common Share at a price of USD$0.204, and exercisable until February 24, 2021.

- 1,280,000 warrants entitling the holder to acquire one Common Share at a price of USD$0.204, and exercisable until February 24, 2021.

- 575,000 warrants entitling the holder to acquire one Common Share at a price of USD$0.204, and exercisable until March 1, 2022.

Options

Following the completion of the Reorganization, the Corporation will have the following options outstanding:

- 800,000 options entitling the holder to acquire one Common Share at a price of USD$0.204, and exercisable until February 25, 2025.

- 1,630,000 options entitling the holder to acquire one Common Share at a price of USD$0.204, and exercisable until February 25, 2030.

- 71,000 options entitling the holder to acquire one Common Share at a price of USD$0.50, and exercisable until April 8, 2030.

- 10,000 options entitling the holder to acquire one Common Share at a price of USD$0.50, and exercisable until May 18, 2030.

Options and Warrants held by Directors, Officers, Employees and Others

Upon completion of the Reorganization, the following securities convertible into Common Shares will held by the following categories of individuals:

Category of Security Holder	Designation and Number of Securities		Expiry Date	Exercise Price ($/Share)
Executive officers, directors, past executive officers, and past directors of the Corporation[(1)]	1,420,000	Warrants	02/24/2021	$ 0.204
	1,100,000	Warrants	12/31/2021	$ 0.204
	575,000	Warrants	03/01/2022	$ 0.204
	800,000	Options	02/25/2025	$ 0.204
	1,300,000	Options	02/25/2030	$ 0.204
	4,000	Options	05/18/2030	$ 0.500
All other employees and past employees of the Corporation	330,000	Options	02/25/2030	$ 0.204
All other employees and past employees of subsidiaries of the Corporation	71,000	Options	04/08/2030	$ 0.50
	6,000	Options	05/18/2030	$ 0.50
All consultants of the Corporation	1,000,000	Warrants	02/24/2021	$ 0.204
Any other person	260,000	Warrants	02/24/2021	$ 0.204

Notes:

(1) These Warrants are held by directors, officers and current shareholders of Kovo HealthTech Corporation.

PRIOR SALES

Other than the issuance of one Common Share in connection with the organization of the Corporation, no Common Shares have been issued since the incorporation of the Corporation.

During the 12-month period preceding the date of this Prospectus, MedWorxs has not issued any MedWorxs Shares, or any securities convertible into or exchangeable for shares of its common stock, other than as set out below:

Date	Type of Security	Number of Securities	Price Per Security Issued or to be Issued (or Exercise Price per Security, where applicable)
February 21, 2020	Common stock	1,960,000	$0.001
February 21, 2020	Warrants	1,960,000	Exercise price of $.204 per share
February 21, 2020	Common stock	8,000,000	$0.001
February 21, 2020	Common stock	720,000	$0.001
February 21, 2020	Warrants	720,000	Exercise price of $.204
March 2, 2020	Common Stock	2,732,070	USD$0.050
November 18, 2020	Common Stock	100,000	Convert warrant to stock at $.204 exercise price
November 19, 2020	Common Stock	40,000	Convert warrant to stock at $.204 exercise price
November 25, 2020	Common Stock	1,000,000	Convert warrant to stock at $.204 exercise price

Trading Price and Volume

The Common Shares do not trade on any stock exchange.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

In accordance with NP 46-201, all shares of an issuer owned or controlled by its principals are required to be placed in escrow at the time of the issuer's initial public offering, unless the shares held by the principal or issuable to the principal upon conversion of convertible securities held by the principal collectively represent less than 1% of the voting rights attaching to the total issued and outstanding securities of the issuer after giving effect to the initial public offering.

The following table sets out the securities of the Corporation as of the date of this Prospectus (after giving effect to the Reorganization) that are subject to escrow or a contractual restriction on transfer:

Designation of Class	Number of Securities Held in Escrow or that are Subject to a Contractual Restriction on Transfer	Percentage of Class
Common Shares[(1)]	17,527,505	62.037%
Restricted Voting Shares	5,000,000	17.697%
Warrants[(2)]	3,215,000	11.379%
Options[(3)]	2,511,000	8.887%
Total	28,253,505	100.000%

Notes:

(3) The securities held in escrow will be subject to the Value Security Escrow Agreements for Tier 2 issuers, as set forth in Exchange Policy 5.4 – Escrow, Vendor Consideration and Resale Restrictions.
(4) All 3,215,000 warrants outstanding as of the date of this Prospectus will be subject to a four-month hold period commencing on the date Listing pursuant to Voluntary Hold Period Agreements.
(5) Each of the Options are expected to be issued to directors and executive officers of the Corporation concurrently with the Listing. See "Executive Compensation – Stock Options and other Compensation Securities" below. Pursuant to Section 3.7.1(1)(b) of NP 46-201, these non-transferable Options are not subject to escrow under NP 46-201.

PRINCIPAL SECURITY HOLDERS

The following table sets forth information regarding the beneficial ownership of securities of the Corporation as anticipated immediately following the completion of the Reorganization by each person or entity that beneficially owns, or has control or direction over, more than 10% of the outstanding equity shares of the Corporation:

Name	Number and Class of Shares Owned Following Completion of the Reorganization	Type of Ownership	Percentage of Common Shares Owned Following Completion of the Reorganization
Jeana Noble	13,500,000 Common Shares 400,000 Options	Direct	38.012%

Name	Number and Class of Shares Owned Following Completion of the Reorganization	Type of Ownership	Percentage of Common Shares Owned Following Completion of the Reorganization
Peter Bak	5,053,936 Common Shares 1,280,000 Warrants 400,000 Options	Direct and Indirect	18.415%

To the knowledge of the directors and officers of the Corporation, as of the date of this Prospectus, other than the ownership interests held by directors and officers presented below, no person beneficially owns or exercises control or direction over Common Shares and/or securities convertible into Common Shares carrying more than 10% of the votes attached to Common Shares and/or securities convertible into Common Shares.

DIRECTORS AND EXECUTIVE OFFICERS

The following table provides the names, municipalities of residence, position, principal occupations, and the number of voting securities of the Corporation that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, immediately following completion of the Reorganization:

Corporation Board and Management

Immediately following the completion of the Reorganization, the management team of the Corporation is expected to be Greg Noble as CEO, Jeana Noble as CCO, Peter Bak as Executive Chairman, Inder Saini as CFO , and Jon Marshall as CMO.

It is anticipated that following the completion of the Reorganization the Board will consist of Greg Noble, Peter Bak as Executive Chair, Steven Parry as Lead Director and Chair of the Compensation and Corporate Governance Committee, Harp Gahunia as Chair of the Audit Committee, and Miriam Tuerk.

Name and Location of Residence	Proposed Position or Office with the Corporation	Principal Occupation During the last five Years	Date of appointment as director or officer[1]	Number and Percentage of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly (after giving effect to the Reorganization) [2]
Greg Noble[3] Evergreen, CO US	Director, CEO	Chief Executive Officer and Founder, MedWorxs.	2020	400,000 Options (1.094%)

Name and Location of Residence	Proposed Position or Office with the Corporation	Principal Occupation During the last five Years	Date of appointment as director or officer[1]	Number and Percentage of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly (after giving effect to the Reorganization) [2]
Jeana Noble Evergreen, CO U.S.	CCO	President and Founder MedWorxs	2020	13,500,000 Common Shares 400,000 Options (38.012%)
Peter Bak Toronto, ON Canada	Executive Chairman, Director	Chief Information Officer, Humber River Hospital	2020	5,053,936 Common Shares 1,280,000 Warrants 400,000 Options (18.415%)
Jon Marshall Reno, NV U.S.	CMO	Founder and Majority Shareholder, RPM Holding, LLC	2020	2,521,090 Common Shares (6.894%)
Inder Saini Toronto, ON Canada	CFO	Consultant	2020	116,696 Common Shares 575,000 Warrants 400,000 Options (2.985%)
Steve Parry[4] Toronto, ON Canada	Lead Director	Chief Executive Officer of Grenville Strategic Royalty Corp, Board Chair, DIRTT Environmental Solutions, President, Skara Brae Strategy Consultants Ltd.	2020	195,783 Common Shares 1,200,000 Warrants (3.817%)
Harp Gahunia[3][4] Toronto, ON Canada	Director, Chair Audit Committee	Independent consultant and fractional Chief Financial Officer professional	2020	40,000 Common Shares 40,000 Warrants 200,000 Options (.766%)
Miriam Tuerk[3][4] Toronto, ON Canada	Director	Chief Executive Officer, Founder and Chair of the board of directors, Clear Blue International Technologies Corp.	2020	200,000 Options (.547%)

Notes:

(1) The term of office of each director will expire at the next annual general meeting of the shareholders of the Corporation. The term of office of the executive officers expires at the discretion of the Board.

(2) Percentages shown are based on 36,567,070 fully diluted Common Shares and 28,412,070 Restricted Voting Shares being issued and outstanding upon completion of the Reorganization. The information as to principal occupation, business or employment and Common Shares or Restricted Voting shares is not within the knowledge of management of the corporation and has been furnished by the respective individuals.

(3) Member of the Audit Committee.

(4) Member of the Compensation and Corporate Governance Committee.

Assuming completion of the Reorganization, the directors and executive officers of the Corporation as a group beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 22,071,577 Common Shares and 5,000,000 Restricted Voting Shares, which is equal to 74.03% of the Common Shares currently issued and outstanding.

Term of Office

The directors of the Corporation are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are duly elected or appointed in

accordance with the articles of incorporation of the Corporation or until such director's earlier death, resignation or removal.

Biographical Information

The following is a brief description of the background of the directors and executive officers of the Corporation:

Peter Bak, 58. Dr. Bak is the Chief Executive Officer, founder and visionary at Axon. He invented and oversaw development of the innovative record sharing and visual indexing system that revolutionized the way patients and physicians interact with an electronic medical record, now incorporated in the Axon intellectual property. The technology is deployed in over 400 hospitals in China and more than 40 luminary sites in the United States. Dr. Bak founded Axon VCT in 2018 to bring the Axon intellectual property to the veterinary market. In addition to his role as Axon founder, Dr. Bak is a consultant to the healthcare industry. From 2002 to 2007 he was a key member of the Canada Health Infoway ("**CHI**") team, an arms-length federal agency tasked with building out the pan-Canadian EHR platform. During his tenure at CHI, he developed the strategy and technical architecture for imaging, enabling the country and deployed diagnostic imaging repositories in every province. As Chair of the pan-Canadian standards working group in Diagnostic Imaging and Teleradiology, he co-authored a globally recognized standard for image sharing called, "IHE XDS-I". Dr. Bak drove the definition and adoption of the Canadian standard for image compression in diagnostic radiology, and worked with other nations on their national EHR initiatives. In 2009, Dr. Bak was asked to define the digital vision for the Humber River Hospital ("**HRH**") in Toronto. Through this engagement, he implemented measures for what is now considered the most digital hospital in the world and was awarded Canadian Public Sector CIO of the year in 2016. He continues to lead innovation at HRH, and is the chief digital architect for the Northwest Toronto Ontario Health Team, and sits on various Provincial committees.

Harp Gahunia, 46. Mr. Gahunia is a Chartered Accountant with over 25 years of experience since graduating from the School of Accountancy at University of Waterloo with a Masters in Accounting. Harp started his career at Deloitte, working in the Telecommunications teams of both Toronto, Canada and Sydney Australia offices. In late 2012 he left his most recent full-time role as Chief Financial Officer at Virgin Gaming where he spent the last 6 months of his tenure as the acting-Chief Executive Officer, managing all aspects of this global web-based tournament gaming platform. Harp's last six years were spent providing fractional Chief Financial Officer services for various start-ups in and around Toronto. His portfolio of clients or work experience include Bell New Ventures (corporate venturing arm of Bell), EnStream & Suretap Wallet (mobile payments joint venture owned by Bell, Rogers, Telus), Virgin Mobile, Virgin Money (online banking), Virgin Gaming (online tournament gaming platform), Versapay Corporation (publicly traded B2B Fintech specializing in Accounts Receivable automation), TribalScale Venture Studios (hybrid startup accelerator and VC), Optiva Inc (cloud based billing solution for telcos around the world), and Good Life Networks (Ad Tech company leveraging AI and Blockchain). Harp has completed over $130M in various debt and/or equity financings for various public and private companies.

***Greg Noble, 55*.** Mr. Noble is a co-founder of MedWorxs. As CEO of MedWorxs, Mr. Noble has established a reputation as a leader in the RCM and PM system fields, with over 20 years' experience in revenue based transactional systems and medical software. Responsible for all aspects of the business, Mr. Noble has grown the organization from a single initial client to a multi-

million dollar venture utilizing organic growth and successfully completing seven acquisitions. During his tenure the business has made a profit every single year due to careful operational and cash management. Prior to founding MedWorxs, Mr. Noble was a principal person hired at Focus Health Services IPA, managing accounting and practice valuations for acquisitions. The business purchased over 300 medical practices in 2 years. He held positions in various financial and operating disciplines for Centura Healthcare, the largest hospital group in Colorado. Mr. Noble also managed big data analytics for Qwest/Dex prior to starting MedWorxs, establishing his credentials as a data analytics executive. As part of the MedWorxs launch Mr. Noble personally built the original MedWorxs software application and continues to be a key developer in product upgrades. He has a Bachelor's degree in accounting from University of Colorado.

***Steven Parry, ICD.D, 64*.** Mr. Parry has been the President of Skara Brae Strategy Consultants Ltd. since 2018, and in this role, he provides strategic advisory services regarding access to capital to high growth companies. Mr. Parry served as the Executive Chairman of Grenville Strategic Royalty Corp. (now Flow Capital Corp.) ("**Grenville**") from 2014 to 2016 and served as the President and Chief Executive Officer of Grenville from 2017 to 2018. Mr. Parry also served as a Managing Member of NGEN Partners ("**NGEN**"), a U.S. cleantech venture capital firm, and the General Manager, Innovation at BHP Billiton Exploration and Development. Mr. Parry is the Chair of DIRTT Environmental Solutions Ltd. (NASD: DRTT, TSX:DRT) and currently serves as a director and chair of the audit committee, and a member of the compensation committee of Clear Blue Technologies International Inc. ("**Clear Blue**") (TSXV: CBLU), a provider of off-grid lighting and telecom control solutions. He is a director at Greengate Power Corp., a privately held company in the renewable energy field and was previously a director and chair of the audit committee of Boardwalktech Software Corp. (TSXV: BWLK), a California-based blockchain company. Mr. Parry is a professional geologist and holds a Bachelor of Science degree from Queen's University and a Master of Science degree from the University of Western Ontario. Mr. Parry is a certified corporate Director qualified to use the designation ICD.D by the Institute of Corporate Directors.

Miriam Tuerk, 58. Ms. Tuerk has over 20 years of experience as a serial entrepreneur and business visionary with a proven track record of creating, selling and delivering innovative products and services that have shaped the technology landscape. Ms. Tuerk is responsible for Clear Blue operations, finance and sales. Previous initiatives have been in the Big Data, Open Source, eCommerce and Cloud space. During her career Ms. Tuerk has advised a leading private equity firm, was an advisor in the MaRS Innovation Center, one of Canada's leading startup incubators, and sat on the board or advisory panel of a number of early stage companies. Prior to joining Clear Blue, she held a number of leadership roles including Chief Executive Officer of Infobright and President, BCE Emergis e-business solutions.

Management of Junior Issuers

***Greg Noble, 55* – Chief Executive Officer.** See "*Director Biographies*".

***Jeana Noble, 52* – Chief Compliance Officer.** The CCO performs the following functions: directing MedWorxs employees and clients in the regulatory compliance; maintaining the effectiveness of the Corporate Compliance Program; servicing as primary corporate resource for Commercial/Medicare/Medicaid reimbursement information; mandating MedWorxs' compliance with applicable federal and state rules and regulations as they pertain to medical billing services;

and acting as a consultative resource for reimbursement and regulatory issues with clients of MedWorxs as well as MedWorxs staff and its subsidiaries.. A full time employee for the corporation and devotes the needed time for its success.

The following is Mrs. Noble's work history for the last 5 years:

- January 2002 to March 2020 - President and Founder - MedWorxs Inc

Through an employment agreement Mrs. Noble has a non-compete and non-disclosure agreement with MedWorxs.

Inder Saini, 36 **– Chief Financial Officer.** Mr. Saini has a Bachelor of Management and Organization Studies from the University of Western Ontario. Mr. Saini received his Chartered Professional Accountant designation in the province of Ontario in 2009. Mr. Saini is a fractional contractor for the corporation on a flat fee schedule and devotes the time needed for its success. Mr. Saini's previous experiences include being a Chief Financial Officer of an acquisition focused telecom with US and Canadian operations listed on the Toronto Venture Exchange. Mr. Saini was previously the Chief Financial Officer of a private equity financed roll-up business in the healthcare space that went from one location to over forty-five in under 2 years, with sales in excess of $100 million under his guidance. In 2020, Rx Drug Mart was ranked as Canada's fastest growing company by the Globe and Mail. Mr. Saini was the original architect of the financial and IT systems that enabled Rx Drug Mart to integrate and on-board at such a rapid pace. He also was the lead on raising three debt rounds, the last two being syndicated and in excess of $100 million CDN. Mr. Saini is an experienced strategic minded finance professional with experience in debt and equity markets, assisting organizations to grow and scale rapidly. Through a consulting agreement in place, Mr. Saini has a non-disclosure agreement with MedWorxs.

The following is Mr. Saini's work history for the last 5 years:

- June 2014 to July 2016 – Chief Financial Officer of Telehop Communications Inc. (Ticker: HOP, a TSX-V company)
- July 2016 to February 2018 – Chief Financial Officer of Rx Drug Mart Inc.
- May 2018 to Current – Chief Financial Officer consulting for various enterprises including: Davis Orthodontics, Hyperblock Inc. and MedWorxs Inc.

Jon Marshall, 44 **– Chief Marketing Officer.** Mr. Marshall has a Master of Business Administration from George Washington University. The CMO directs MedWorxs investments in sales force effectiveness and manages functions essential to sales force productivity. These include planning, reporting, quota setting and management, sales process optimization, sales training, sales program implementation, sales compensation design and administration, and recruiting and selection of sales force talent. A full time employee for the Corporation and devotes the needed time for its success.

The following is Mr. Marshall's work history for the last 5 years:

- May 2013 to March 2020 - President and Founder - RPM Billing LLC

Through an employment agreement Mr. Marshall has a non-compete and non-disclosure agreement.

Corporate Cease Trade Orders or Bankruptcies

To the Corporation's knowledge and other than as disclosed herein, no director or executive officer or promoter of the Corporation is, as at the date of this Prospectus, or was within 10 years before the date hereof, a director, chief executive officer, or chief financial officer of any person or corporation, including the Corporation, that:

(a) was subject to (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant Corporation access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "**order**") that was issued while the director or executive officer or promoter was acting in the capacity of a director, the chief executive officer, or the chief financial officer thereof; or

(b) was subject to an order that was issued after the director or executive officer or promoter ceased to be a director, the chief executive officer, or the chief financial officer thereof and which resulted from an event that occurred while that person was acting in such capacity.

Mr. Parry has served as a director of Clear Blue since July 2018 and as chair of the audit committee since November 2019. On May 1, 2019, the British Columbia Securities Commission issued a management cease trade order against two officers of Clear Blue in connection with the failure by Clear Blue to file audited financial statements for the year ended December 31, 2018 and the related management's discussion and analysis. The cease trade order was revoked on June 3, 2019.

Ms. Tuerk is a founder and the Chief Executive Officer of Clear Blue. On May 1, 2019 the British Columbia Securities Commission issued a management cease trade order against Ms. Tuerk as Chief Executive Officer and Clear Blue's Chief Financial Officer in connection with the failure of Clear Blue to file audited financial statements for the year ended December 31, 2018 and the related management's discussion and analysis. The management cease trade order was revoked June 3, 2019.

To the Corporation's knowledge and other than as disclosed herein, no director or executive officer or promoter of the Corporation or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

(a) is, as at the date of this Prospectus, or has been within the 10 years before the date hereof, a director or executive officer of any person or Corporation, including the Corporation, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver,

receiver manager, or trustee appointed to hold the assets of the director, executive officer, or shareholder.

Mr. Parry was elected as a director of Energy and Power Solutions, Inc. ("**EPS**") in 2007 as the designee of NGEN Partners. EPS provided energy efficiency solutions to the industrial market. In September 2011, EPS filed for bankruptcy protection pursuant to Chapter 11 of the United States Bankruptcy Code. Mr. Parry ceased to be a director of EPS in June 2011 and, in January 2012, EPS entered into settlement agreements with NGEN Partners to, among other things, release past and current officers, directors, employees and agents of NGEN Partners. In addition, Mr. Parry was elected as a director of Tioga Energy, Inc. ("**Tioga**") and SolFocus, Inc. ("**SolFocus**") as the designee of NGEN Partners. Tioga and SolFocus were providers of photovoltaic solar systems. Tioga and SolFocus conducted an assignment for the benefit of creditors in April 2013 and May 2013, respectively, and Mr. Parry ceased to be a director of both Tioga and SolFocus each upon such assignments.

Penalties or Sanctions

To the Corporation's knowledge and other than as disclosed herein, no director or executive officer or promoter of the Corporation or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

No director or officer of the Corporation, nor any shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation, nor any personal holding Corporation of any such person has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Conflicts of Interest

The directors of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interests, which they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. Other than as disclosed below, there are no known existing or potential conflicts of interest among the Corporation, its promoters, directors and officers or other members of management of the Corporation or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise

between their duties to the Corporation and their duties as a director or officer of such other companies.

Dr. Bak is a 50% owner of Vantage Business Management Services Inc. ("**VBM**"). VBM owns 50% of Axon, the owner of the Axon Technology which is the intellectual property covered by the Axon Licence. Dr. Bak is the Chief Executive Officer and sole director of both Axon and VBM.

Pursuant to the Axon Licence, Axon will receive in royalty 3% of annual revenues greater than $1.0 million, generated from the sales of products and services based on the Axon Technology including the Axon VCT Technology, up to a maximum of $2.4 million.

Corporate Governance

The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interest of the Corporation's shareholders, but that it also promotes effective decision making at the board level. With that in mind, the Board has implemented extensive corporate governance practices to provide for effective stewardship of the Corporation.

The following disclosure of the Corporation's corporate governance practices is presented pursuant to the requirements of NI 58-101. Please also see "*Corporate Governance Disclosure*."

Board Membership and Independence

The Board is comprised of five (5) members: Mr. Greg Noble, Dr. Peter Bak, Mr. Steve Parry, Mr. Harp Gahunia and Ms. Miriam Tuerk.

The Audit Committee includes Mr. Gahunia as Chairman, Ms.Tuerk and Mr. Noble.

The Compensation and Corporate Governance Committee includes Mr. Parry as Chairman, Ms. Tuerk and Mr. Gahunia.

Ms. Tuerk, Mr. Gahunia and Mr. Parry are considered to be independent directors as defined under National Policy 58-201 – *Corporate Governance Guidelines* and, accordingly, the majority of the directors on the Board are independent.

Position Descriptions

The Board has not developed a written position description for the committee chairs beyond what is stated in each committee's charter. The committee chairs are expected to supervise the activities of their respective committee and to ensure that such committees are taking all steps necessary to fulfill their respective mandates.

EXECUTIVE COMPENSATION

In accordance with Form 51-102F6V - *Statement of Executive Compensation – Venture Issuers*, the following is a discussion of all significant elements of compensation to be awarded to, earned by, paid to or payable to NEOs of the Corporation, once the Corporation becomes a reporting issuer, to the extent this compensation has been determined.

For the fiscal year ended December 31, 2019, MedWorxs' only NEOs were:

- Greg Noble, CEO;
- Jeana Noble, CCO; and
- Inder Saini, CFO.

Each of the NEOs of MedWorxs will be NEOs of the Corporation effective upon completion of the Reorganization. Set out below is a discussion of the proposed compensation program for MedWorxs' NEOs in fiscal year 2020. There are currently no commitments to make any changes in our compensation program or to pay any additional compensation to our executive officers in their capacity as employees of the Corporation in excess of the fiscal 2020 compensation currently paid to such individuals by MedWorxs. Our executive officers will continue to receive compensation in the manner described in this section, until such time as the Compensation and Corporate Governance Committee determines that any changes or modifications to such compensation arrangements are appropriate.

The Corporation's NEOs are Greg Noble, the CEO, Jeana Noble, the CCO, Inder Saini, the CFO, and Jon Marshall, the Chief Marketing Officer (effective March 2, 2020).

Director and named executive officer compensation, excluding compensation securities

The following table sets forth the compensation paid to, earned by or awarded to the NEOs of MedWorxs for the two most recently completed financial years, as well as the expected fiscal 2020 compensation to be paid by the Corporation to the NEOs following the completion of the Reorganization, based on the current salaries paid to such individual by MedWorxs. See "*Statement of Executive Compensation - Named Executive Officers".*

Table of compensation excluding compensation securities							
Name and Position	**Year**[1]	**Salary, consulting fee, bonus retainer, or commission**	**($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total Compensation ($)**
Greg Noble, CEO	2018	US$108,000	Nil	Nil	$30,000	Nil	US$138,000
	2019	US$110,000	Nil	Nil	$30,000	Nil	US$140,000
	2020	US$140,000	Nil	Nil	Nil	Nil	US$140,000
Jeana Noble, CCO	2018	US$108,000	Nil	Nil	Nil	Nil	US$108,000
	2019	US$110,000	Nil	Nil	Nil	Nil	US$110,000
	2020	US$110,000	Nil	Nil	Nil	Nil	US$110,000

Table of compensation excluding compensation securities							
Name and Position	**Year[1]**	**Salary, consulting fee, bonus retainer, or commission**	**($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total Compensation ($)**
Inder Saini, CFO	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2020	US$90,000	Nil	Nil	Nil	Nil	US$90,000
Jon Marshall, CMO	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2020	US$146,000	Nil	Nil	Nil	Nil	US$146,000

Notes:

(1) For the year ended December 31, 2019.

Stock options and other compensation securities

The following table sets forth all compensation securities granted or issued to each NEO by MedWorxs in the year-ended December 31, 2019 for services provided or to be provided, directly or indirectly, to MedWorxs or any of its subsidiaries:

Compensation Securities					
Name and position	**Type of compensation security**	**Number of compensation securities, number of underlying securities, and percentage of class**	**Date of issue or grant**	**Issue, conversion or exercise price ($)**	**Expiry date**
Greg Noble, CEO	N/A	N/A	N/A	N/A	N/A
Jeana Noble, CCO	N/A	N/A	N/A	N/A	N/A

The following table sets forth the anticipated stock options and other compensation securities for all NEOs of the Corporation during 2020:

Option Holders	**Number of Options[1]**	**Exercise Price ($/share)**	**Expiry Date**
Greg Noble, CEO	400,000 Options	US$0.204	February 25, 2025
Jeana Noble, CCO	400,000 Options	US$0.204	February 25, 2025

Option Holders	Number of Options[(1)]	Exercise Price ($/share)	Expiry Date
Jon Marshall, CMO	0 Options	N/A	N/A

Notes:

(1) Options vest 33% after one year, 67% monthly over two years.

Equity Incentive Plan

In conjunction with the Reorganization, the Corporation will adopt the Omnibus Equity Incentive Plan for eligible directors, officers, employees and consultants of the Corporation and its subsidiaries and affiliates. See "*Options to Purchase Securities*". The Omnibus Equity Incentive Plan will provide for the issuance of options, share appreciation rights, restricted stock units, deferred share units, performance share units and other equity-based and equity-linked awards, as recommended by the Compensation and Corporate Governance Committee.

We believe that equity-based and equity-linked compensation aligns the interests of our executive officers with the long-term interests of our shareholders. Awards granted under the Omnibus Equity Incentive Plan to executive officers (including our named executive officers) will typically be subject to time-based vesting provisions. We believe that such awards will encourage our executive officers to focus on long-term company performance and increasing long-term shareholder value. We also believe that such awards will serve as a useful retention mechanism by encouraging our executive officers to remain employed with the Corporation.

We have no formal policy regarding when awards under the Omnibus Equity Incentive Plan are to be granted or the size of any given grant, and we do not intend to tie such grants directly to any pre-established corporate or individual goals. The Compensation and Corporate Governance Committee will, however, consider and evaluate the total compensation package, including base salary and cash bonuses, received or to be received by a particular executive officer, and seek to ensure that such total compensation package is fair, reasonable and competitive. When considering an award under the Omnibus Equity Incentive Plan to an executive officer, consideration of the number of awards previously granted to the executive may be taken into account, however, the extent to which such prior grants remain subject to resale restrictions will generally not be a factor.

Employment, consulting and management agreements

Other than as disclosed below, no individuals acting as NEOs of the Corporation are anticipated to be acting through external management companies. Dr. Bak may receive license fees through the Axon License paid to Axon, a corporation where Dr. Bak is a 50% shareholder. See "*Intellectual Property - Axon Technology"* Mr. Parry provides strategic consulting services to the Corporation through Skara Brae Strategy Consultants Ltd. Mr. Saini is an NEO and provides contract CFO services through 2674267 Ontario Inc., a corporation controlled by Mr. Saini.

Greg Noble: Mr. Noble is an employee of MedWorxs and entered into an employment contract with MedWorxs dated March 1st, 2020 with a five-year term ending February 2025. The contract provides for a USD$140,000 annual base compensation. In his role as CEO Mr. Noble is entitled to a bonus to be determined by the Compensation and Corporate Governance Committee. In the event Mr. Noble is terminated by MedWorxs without cause or resigns for specific circumstances

defined as "Good Reason" pursuant to his employment contract, he is entitled to severance payments equal to two years base compensation plus bonus.

Jeana Noble: Mrs. Noble is an employee of MedWorxs and entered into an employment contract with MedWorxs dated March 1st, 2020 with a five year term ending February, 2025. The contract provides for a USD$110,000 annual base compensation. In her role as Chief Compliance Officer she is entitled to a bonus to be determined by the Compensation and Corporate Governance Committee. In the event Mrs. Noble is terminated by MedWorxs without cause, or resigns for specific circumstances defined as "Good Reason" pursuant to her employment contract, she is entitled to severance payments equal to two years base compensation plus bonus.

Jon Marshall: Mr. Marshall is an employee of MedWorxs and entered into an employment contract with MedWorxs on March 2, 2020 with a three-year term ending on March 1, 2023. The contract provides for a USD$110,000 annual base compensation. In his role as CMO, Mr. Marshall is entitled to commission of 10% of revenues earned from new RCM business acquired through Mr. Marshall. In addition Mr. Marshall is entitled to receive annual bonuses based on sales attributable to RPM post the merger with MedWorxs. In the event Mr. Marshall is terminated by MedWorxs without cause, or resigns for specific circumstances defined as "Good Reason" pursuant to his employment contract, he is entitled to severance payments equal to six months base compensation plus commission and bonus.

Inder Saini: Mr. Saini provides contract CFO services through 2674267 Ontario Inc., a corporation controlled by Mr. Saini. MedWorxs entered into a contract with 2674267 Ontario Inc. dated March 1 2020, which provides for payment by MedWorxs of a monthly retainer of CDN$10,000 and an annual bonus to be determined by MedWorxs based on the successful completion of the audits of MedWorxs' 2018 and 2019 fiscal years. In addition, Mr. Saini was awarded 575,000 common stock purchase warrants at an exercise price of USD$0.204 per share. The warrant expires on March 1, 2022.

The directors are to be reimbursed for expenses incurred in carrying out their duties as directors but will not otherwise receive remuneration for serving on the Board. NEOs, directors and certain other employees have signed indemnification agreements. Mr. Saini is also entitled to participate in future variable pay and long-term incentive plans implemented by the Corporation for other NEOs. The contract may be cancelled by the Corporation without cause with 30 days' notice.

Oversight and description of director and named executive officer compensation

The Corporation, at its present stage, does not have any formal objectives, criteria and analysis for determining the compensation of its NEOs and primarily relies on the discussions and recommendations of the Compensation and Corporate Governance Committee and the Board's review of those recommendations. When determining individual compensation levels for the Corporation's NEOs, a variety of factors will be considered including: the overall financial and operating performance of the Corporation, each NEO's individual performance and contribution towards meeting corporate objectives and each NEO's level of responsibility and length of service.

The Corporation's executive compensation is intended to be consistent with the Corporation's business plans, strategies, and goals, including the preservation of working capital as the Corporation seeks to complete its listing on the Exchange. The Corporation's executive compensation program is intended to provide appropriate compensation that permits the

Corporation to attract and retain highly qualified and experienced senior executives and to encourage superior performance by the Corporation. The Corporation's compensation policies are intended to motivate individuals to achieve and to award compensation based on corporate and individual results.

The Compensation and Corporate Governance Committee is responsible for recommending independent director compensation to the Board.

This section sets forth director compensation set by the Board for the year 2021:

Name and Position	Year(1)	Annual Retainer ($USD)	Options	Exercise Price ($USD)	Warrants	Exercise Price ($USD)	Total Compensation($USD)
Peter Bak Executive Director	2021	$17,580	400,000	$0.204	1,280,000	$0.204	$92,556
Steve Parry, Lead Director and Chair Compensation and Corporate Governance Committee	2021	$17,580	Nil	Nil	1,200,000	$0.204	$131,211
Harp Gahunia, Audit Chair, member Compensation and Corporate Governance Committee	2021	$17,580	200,000	$0.204	40,000	$0.204	$55,069
Miriam Tuerk, member Audit Committee and Compensation and Corporate Governance Committee	2021	$17,580	200,000	$0.204	Nil	Nil	$55,069

Notes:

(1) Corporation may compensate directors for annual retainer in restricted stock units or cash, paid quarterly, at Corporations discretion. Director may independently elect to receive retainer in restricted stock units.
(2) Warrants issued by MedWorxs to Skara Brae Strategy Consultants Ltd. prior to Reorganization.

Pension disclosure

The Corporation does not provide pensions to its directors or NEOs.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Prospectus, other than as disclosed below, no director, executive officer, or employee of the Corporation is indebted to the Corporation. Prior to the Reorganization, Dr. Bak executed and delivered a promissory note in the principal amount of CDN$100,000 in favour of MedWorxs. The promissory note is to be repaid in twelve equal payments of CDN$8,333. As of the date of this Prospectus, CDN$25,000 remains outstanding under the promissory note.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The Charter of the Corporation's Audit Committee is attached to this Prospectus as Appendix F.

Composition of Audit Committee

The following are the members of the Audit Committee:

Name	Independence[(1)]	Financial Literacy[(1)]
Harp Gahunia	Independent[(1)]	Financially literate and Financial Expert
Miriam Tuerk	Independent[(1)]	Financially literate
Greg Noble	Not Independent[(1)]	Financially literate and Financial Expert

Note:

(1) As defined under NI 52-110.

Relevant Education and Experience

See "*Directors and Executive Officers*" above for the education and experience of each member of the Audit Committee relevant to the performance of their duties as a member of the Audit Committee.

Audit Committee Oversight

At no time has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

Reliance on Certain Exemptions

The Corporation or its subsidiaries have not relied on:

(a) the exemption in section 2.4 of NI 52-110 (*De Minimis Non-audit Services*);

(b) the exemption in subsection 6.1.1(4) of NI 52-110 (*Circumstance Affecting the Business or Operations of the Venture Issuer*);

(c) the exemption in subsection 6.1.1(5) of NI 52-110 (*Events Outside Control of Member*);

(d) the exemption in subsection 6.1.1(6) of NI 52-110 (*Death, Incapacity or Resignation*); or

(e) an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The following table sets out the audit fees incurred by the Corporation since incorporation for audit fees are as follows:

Period	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
From date of incorporation on February 20, 2020 to the date of this Prospectus	USD$48,000	Nil	USD$2,400	Nil

The following table sets out the audit fees incurred by MedWorxs in the last three fiscal years:

Period	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2017	USD$16,000	Nil	Nil	Nil
2018	USD$16,000	Nil	USD$1,200	Nil
2019	USD$16,000	Nil	USD$1,200	Nil

Exemption

The Corporation is relying on the exemption in section 6.1 of NI 52-110 from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE DISCLOSURE

Board of Directors

The Board currently consists of five directors, Peter Bak, Harp Gahunia, Greg Noble, Steve Parry and Miriam Tuerk. Directors Gahunia, Parry and Tuerk are independent based upon the tests for independence set forth in NI 52-110. The Board believes that good corporate governance improves corporate performance and benefits all shareholders.

Regulatory authorities have implemented NI 58-101, which prescribes certain disclosure of the Corporation's corporate governance practices.

The Board's primary tasks are to establish the policies, courses of action and goals of the Corporation and to monitor management's strategies and performance for realizing them. All major acquisitions, dispositions, and investments, as well as financing and significant matters outside the ordinary course of the Corporation's business are subject to approval by the full Board.

The Board has approved a Board Mandate, Audit Committee Charter, Compensation and Corporate Governance Committee Charter, Code of Conduct, Insider Trading Policy, Disclosure

Policy and Whistleblower Policy. All policies are presented on the Corporation's website at www.kovo.co.

All major acquisitions, dispositions, and investments, as well as financing and significant matters outside the ordinary course of the Corporation's business are subject to approval by the full Board. The Board does not currently have in place programs for succession planning and training of directors and management. As the growth of the Corporation continues, the Board will consider implementing such programs. To carry out the foregoing responsibilities the Board meets on a quarterly basis and as required by circumstances.

Directorships

The following directors of the Corporation also serve as directors of other reporting issuers:

Name of Director	Other Reporting Issuer	Name of Exchange or Market
Steven Parry	DIRTT Environmental Solutions Ltd. Clear Blue Technologies International Inc.	TSX, NASDAQ TSX-V
Miriam Tuerk	Clear Blue Technologies International Inc.	TSX-V

Orientation and Continuing Education

The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing companies and in the case of the Independent Directors, public companies. Board members are encouraged to communicate with management, auditors, and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Corporation's records. Board Members are encouraged to participate in ongoing education programs related to their work on the Board, including but not limited to the Institute of Corporate Directors ICD.D program. At the time of writing of this prospectus, Mr. Parry is a certified ICD.D director. In addition, the Corporation provides continuing education to its directors as such need arises and encourages open discussion at all meetings in order to encourage learning by the directors.

Ethical Business Conduct

The Board views good corporate governance as an integral component to the success of the Corporation and to meet responsibilities to shareholders. The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules, and regulations, providing guidance to management to help them recognize and deal with ethical issues, promoting a culture of open communication, honesty, and accountability, and ensuring awareness of disciplinary action for violations of ethical business conduct. The Corporation's Code of Conduct is presented on the Corporation's website at www.kovo.co. Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, considering the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

The Board manages director nominations through the Compensation and Corporate Governance Committee. The Charter for the Compensation and Corporate Governance Committee is presented on the Corporation's website at www.kovo.co.

Compensation

The Board is responsible for, among other things, reviewing and approving all compensation arrangements for the executive officers and directors of the Corporation.

To determine the compensation payable, the Board will review the recommendations of the Compensation and Corporate Governance Committee regarding compensation paid for directors and executive officers of companies including information regarding compensation for companies of similar size and stage of development to the Corporation. Approved compensation will reflect the Board's judgement regarding the need to provide incentive and compensation for the time and effort expended by the directors and executive officers while considering the financial and other resources of the Corporation.

In setting the compensation, the Board will annually review the performance of the executive officers in light of the Corporation's objectives and consider other factors that may have impacted the success of the Corporation in achieving its objectives. For further information regarding how the Corporation determines compensation for its directors and executive officers, see "*Elements of Executive Officer Compensation*".

The Charter for the Compensation and Corporate Governance Committee is presented on the Corporation's website at www.kovo.co.

Other Board Committees

As the directors are actively involved in the operations of the Corporation and the size of the Corporation's operations does not warrant a larger board of directors, the Board has determined that additional committees are not necessary at this stage of the Corporation's development. As the growth of the Corporation continues, the Board will review its corporate governance practices and implement more comprehensive corporate governance practices when appropriate. Apart from the Audit Committee, the Corporation does not currently have any other standing committees.

Assessments

The Board does not consider that formal assessments would be useful at this stage of the Corporation's development. The contributions of individual directors are informally monitored by the other Board members, having in mind the business and other strengths of the individual and the purpose of originally nominating the individual to the Board.

PLAN OF DISTRIBUTION

There are no securities being offered in connection with this Prospectus. The Corporation intends to apply to list the Common Shares as described in this Prospectus on the Exchange. Listing will be subject to the Corporation fulfilling all the listing requirements of the Exchange.

As at the date of the Prospectus, the Corporation does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

RISK FACTORS

Failure to obtain all Regulatory Requirements for Completion of the Listing

Completion of the Listing is subject to, among other things, the acceptance of the Exchange and the receipt of all necessary regulatory approvals. There can be no certainty, nor can either party provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. The requirement to take certain actions or to agree to certain conditions to satisfy such requirements or obtain any such approvals may have a material adverse effect on the business and affairs of the Corporation or the trading price of Common Shares after completion of the Listing.

Following Completion of the Listing, the Corporation may Issue Additional Equity Securities

Following completion of the Listing, the Corporation may issue equity securities to finance its activities, including to finance acquisitions. If the Corporation were to issue Common Shares, existing holders of such shares may experience dilution in the Corporation. Moreover, if the Corporation's intention to issue additional equity securities becomes publicly known, the Corporation's share price may be materially adversely affected.

Limited Operating History

While the Corporation's wholly-owned subsidiary MedWorxs has a history of profitable operation, there can be no assurance given that future operating results will reflect historical results. The likelihood of success of the Corporation must be considered in light of the problems, expenses, difficulties, complication, and delays frequently encountered in connection with the establishment of any business. The Corporation will have limited financial resources and there is no assurance that additional funding will be available to it for further operations or to fulfill its obligations under applicable agreements. There is no assurance that the Corporation will be able to generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

Negative cash flows and going concern

The Corporation does not anticipate it will have positive cash flow from operating activities in future periods. There is no assurance that sufficient revenues will be generated in the near future. To the extent that the Corporation has negative operating cash flow in future periods, it may need to allocate a portion of its cash reserves to fund such negative cash flow. The Corporation may also be required to raise additional funds through the issuance of equity or debt

securities. There can be no assurance that the Corporation will ever be able to generate a positive cash flow from its operations, that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Corporation.

The Corporation's auditor has indicated in the financial statements that there is substantial doubt about the Corporation's ability to continue as a going concern. Importantly, the inclusion in the Corporation's financial statements of a going concern opinion may negatively impact the Corporation's ability to raise future financing and achieve future revenue. The threat of the Corporation's ability to continue as a going concern will be removed only when, in the opinion of the Corporation's auditor, the Corporation's revenues have reached a level that is able to sustain its business operations. If the Corporation is unable to obtain additional financing from outside sources and eventually generate enough revenues, the Corporation may be forced to sell a portion or all of the Corporation's assets, or curtail or discontinue the Corporation's operations. If any of these events happen, you could lose all of your investment. The Corporation's financial statements do not include any adjustments to the Corporation's recorded assets or liabilities that might be necessary if the Corporation becomes unable to continue as a going concern.

Uncertainty of Additional Funding

The Corporation may be dependent on third party financing, whether through debt, equity, or other means. There is no assurance that it will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to the Corporation. Changes in the Corporation's primary United States healthcare market, a claim against the Corporation, a significant event disrupting the Corporation's business, or other factors may make it difficult or impossible to obtain financing through debt, equity, or other means on favourable terms, or at all. In addition, any future financing may also be dilutive to existing shareholders of the Corporation.

Competitive Conditions

The Corporation will actively compete for acquisition of RCM and other target businesses, and will compete for new customers within acquired businesses. Many of the Corporation's competitors may have significantly greater financial resources than the Corporation. The Corporation's competitors may include major healthcare industry corporations.

Reliance Upon Management

The Corporation will be dependent upon the continued support and involvement of its principles and management. Should the Corporation lose the services of one or more of the principals or management, the ability of the Corporation to achieve its objectives could be adversely affected.

Employees

Our success will depend on the combined skills and efforts of our management and employees. We currently have 62 US based employees, of which we have entered into executive employment contracts with Greg Noble (CEO), Jeana Noble (CCO), and Jon Marshall (CMO). We rely on fractional contractors for some key positions - Inder Saini (CFO) and Ken Ono (CTO), both have vendor contracts.

There can be no assurance that we will be able to recruit and retain the employees we will need in order to successfully execute our business plan. If we are unable to recruit and retain appropriate personnel, our ability to successfully execute our business plan will be severely constrained. In addition, the loss of any key employees, including any of the members of our management team, could have a material adverse effect on our business, financial condition and operating results. There can be no assurance that any persons who may be employed by us will remain with us.

Conflicts of Interest

Members of the Board of the Corporation may become directors of other reporting companies or have significant shareholdings in other healthcare industry companies and, to the extent that such other companies may participate in ventures in which the Corporation may participate, the Board may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The Corporation and its Board will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the Board, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases the Corporation will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. Conflicts, if any, will be subject to the procedures and remedies as provided under the BCBCA. The provisions of the BCBCA require a director or officer of a corporation who has a material interest in a contract or Listing of the corporation, or a director or officer of a corporation who is a director or officer of or has a material interest in a person who has a material interest in a contract or Listing with the corporation, to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless permitted under the BCBCA, as the case may be. Other than as indicated, the Corporation has no other procedures or mechanisms to deal with conflicts of interest.

Permits and Licenses

Currently the business does not require any permits or licenses to operate. If licenses or permits may become required there can be no assurance that the Corporation will be able to obtain all necessary licenses and permits required to carry out its business.

Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting the healthcare industry, RCM, PM or EHR technology, monetary policies, taxation, rates of exchange, environmental regulations, labor relations, and return of capital. This may affect both the Corporation's ability to undertake its business. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of technology utilized in the Corporation's business, cannot be ruled out.

Registration with the SEC

We believe that upon completion of the Listing we will qualify as a Foreign Private Issuer. If, however, as of the last business day of our second fiscal quarter for any year, more than 50% of our outstanding voting securities (as defined in the U.S. Securities Act) are directly or indirectly held of record by residents of the United States, we will no longer meet the definition of a Foreign Private Issuer under the rules of the SEC. Losing Foreign Private Issuer status would require us to

file annual, quarterly and current reports and make other filings under the 1934 Act and the U.S. Securities Act in accordance with SEC requirements at the beginning of the fiscal year following the loss of Foreign Private Issuer status. If we fail to qualify for Foreign Private Issuer status, we will remain unqualified unless we meet the test as of the last business day of our second fiscal quarter in the applicable fiscal year. This change in status could have a significant effect on us as it would significantly complicate the raising of capital through the offer and sales of securities and reporting requirements, resulting in increased audit, legal and administration costs, which could significantly affect our profitability.

Volatility of Share Price

In recent years, the securities markets in the United States and Canada, and the Exchange in particular, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values, or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Corporation's shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Corporation in creating revenues, cash flows, or earnings.

Cybersecurity

The Corporation uses information technology and the Internet to streamline business operations and to improve client and advisor experience. However, with the use of information technology and the Internet, the Corporation's systems are exposed to information technology events, through cybersecurity breaches, which could potentially have an adverse impact on their business. In general, a cybersecurity breach can result from either a deliberate attack or an unintentional event, and may arise from external or internal sources. Cybersecurity breaches include, but are not limited to, unauthorized access to the Corporation's digital information systems (ex. through "hacking" or other malicious software code) for the purpose of misappropriating assets or sensitive information, corrupting data, equipment, or systems, or causing operational disruption.

Cybersecurity breaches could cause the Corporation to be in violation of applicable privacy and other laws, and incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures or reimbursement, and/or financial loss. In addition, substantial costs may be incurred to prevent any cyber incidents in the future.

While the Corporation has established business continuity plans and risk management systems designed to prevent or reduce the impact of cybersecurity attacks, there are inherent limitations in such plans and systems due to the ever changing nature of technology and cybersecurity attack tactics, and the possibility that certain risks have not been identified. Furthermore, although the Corporation has oversight policies and procedures, it cannot control the cyber security plans and systems put in place by its service providers or any other third party whose operations may affect the Corporation or any holders of Common Shares. As a result, the Corporation and Common Share holders could be negatively affected.

Liquidity

The Corporation cannot predict at what prices Common Shares will trade upon completion of the Listing, and there can be no assurance that an active trading market in Common Shares will develop or be sustained. Acceptance of the Exchange has not yet been obtained. There is a significant liquidity risk associated with an investment in Common Shares.

Dividends

At the present time, it is unlikely the Corporation's shareholders will receive a dividend on Common Shares.

Software Development

The Axon Technology is available commercially today, however technology adoption is difficult to assess and the Corporation cannot predict whether the technology will reach commercial levels of adoption resulting in material revenues to the business.

Coronavirus Pandemic

The Coronavirus pandemic has impacted all parts of the US economy, our principal market. Anecdotal evidence from customers suggests some health care providers, particularly those generating revenues from elective surgeries or other elective procedures, may see a lower billing rate due to the pandemic. There can be no assurance that negative pandemic impacts on our customers will not have a corresponding negative impact on our business.

Ability to Litigate

The Corporation is a Canadian entity, however some of the management members and much of the Corporation’s infrastructure is located in the United States. While the Corporation has established an Agent of Record in British Columbia, it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

PROMOTERS

Mr. Greg Noble, Mrs. Jeana Noble, and Dr. Peter Bak took the initiative in founding the Corporation and, accordingly, may be considered promoters of the Corporation within the meaning of applicable securities legislation in Ontario.

Mr. Noble beneficially owns or controls, directly or indirectly, an aggregate of 14,300,000 (39.11%) Common Shares. Mrs. Noble beneficially owns or controls, directly or indirectly, an aggregate of 14,300,000 (39.11%) Common Shares. Dr. Bak owns or controls, directly or indirectly, 6,333,936 (17.32%) Common Shares.

MedWorxs acquired certain assets of Axon VCT on February 21, 2020 pursuant to the APA. In consideration for such assets, Axon VCT received an amount equal to the value of liabilities of Axon VCT assumed by MedWorxs; plus (b) CDN$2,000,000, which was satisfied through the

issuance of 8,000,000 MedWorxs Shares. Dr. Bak owns 57% of the issued and outstanding securities of Axon VCT.

At the time of the Acquisition of assets from Axon VCT pursuant to the APA, Dr. Bak was arm's length to MedWorxs. The consideration payable under the APA was determined through arm's length negotiation. In addition, pursuant to the Axon License, MedWorxs has a financial obligation to Axon to pay a license fee equal to 3% on any revenues in excess of $1,000,000 that are generated from the sale of products and services based on Axon Technology, up to an aggregate license fee of $2.4 million. Dr. Bak owns 50% of the issued and outstanding securities of Axon. See "*Business of MedWorxs – APA and Axon License*".

See "*Options to Purchase Securities*"; "*Directors and Executive Officers*"; "*Executive Compensation*", and "*Interest of Management and Others in Material Transactions*" for disclosure regarding the Corporation's promoters.

LEGAL PROCEEDINGS AND REGULATORY MATTERS

The Corporation is not a party to any legal proceedings or regulatory actions and is not aware of any such proceedings known to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed below, no person who is: (a) a director or executive officer of the Corporation; (b) a person or Corporation that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of the Corporation's outstanding voting securities; (c) an associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b), has any material interest, direct or indirect, in any material transaction since incorporation or in any proposed transaction that has materially affected or will materially affect the Corporation.

Dr. Bak may receive license fees through the Axon License paid to Axon, a corporation where Dr. Bak is a 50% shareholder.

AUDITOR, TRANSFER AGENT, AND REGISTRARS

The auditors of the Corporation are SRCO Professional Corporation Chartered Professional Accountants, Park Place Corporate Centre 15 Wertheim Court, Suite 409, Richmond Hill, ON L4B 3H7. They have advised the Corporation that they are independent of the Corporation within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

The Corporation intends to appoint, in due course, Computershare Trust Corporation of Canada, located at 2700 – 650 West Georgia Street, Vancouver, British Columbia, as the registrar and transfer agent of the Corporation.

MATERIAL CONTRACTS

Other than contracts entered into the ordinary course of business, the only contract material to the Corporation that has been entered into since incorporation is the Axon License.

EXPERTS

SRCO Professional Corporation, Chartered Professional Accountants, have audited our financial statements.

No person or Corporation whose profession or business gives authority to a report, valuation, statement or opinion and whom is named as having prepared or certified a report or valuation described or included in this Prospectus holds or is to hold any beneficial or registered interest, direct or indirect, in any securities or property of the Corporation or any associate of the Corporation.

As at the date hereof, none of the aforementioned persons beneficially owns, directly or indirectly, securities of the Corporation or its associates and affiliates. In addition, none of the aforementioned persons nor any director, officer or employee of any of the aforementioned persons, is or is expected to be elected, appointed or employed as, a director, senior officer or employee of the Corporation or of an associate or affiliate of the Corporation, or as a promoter of the Corporation or an associate or affiliate of the Corporation.

OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts relating to the Corporation that are not otherwise disclosed in this Prospectus or are necessary for the Prospectus to contain full, true and plain disclosure of all material facts relating to the Corporation.

FINANCIAL STATEMENT DISCLOSURE

The following financial statements are included herein:

APPENDIX A	-	AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2019, 2018 AND 2017 OF MEDWORXS
APPENDIX B	-	INTERIM CONSOLIDATED PRO FORMA FINANCIAL STATEMENTS FOR THE THREE AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020 OF MEDWORXS
APPENDIX C	-	MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2019, 2018 AND 2017 OF MEDWORXS
APPENDIX D	-	MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020 OF MEDWORXS
APPENDIX E	-	FINANCIAL STATEMENTS OF THE CORPORATION FOR THE PERIOD FROM FREBRUARY 20, 2020 to SEPTEMBER 30, 2020
APPENDIX F	-	AUDIT COMMITTEE CHARTER

APPENDIX G - OMNIBUS EQUITY INCENTIVE PLAN

APPENDIX A
ANNUAL FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

OF

MedWorxs Inc.

FOR THE YEARS ENDED
DECEMBER 31, 2019, 2018 AND 2017

Responsibility for Consolidated Financial Statements

The Company's management is responsible for the integrity and fairness of presentation of these consolidated financial statements. The consolidated financial statements have been prepared by management, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, for approval by the Board of Directors.

Where necessary, management has made judgements and estimates in preparing the consolidated financial statements and such statements have been prepared within acceptable limits of materiality. Management maintains a system of internal accounting controls to ensure, on a reasonable and cost-effective basis, that the financial information is timely reported and is accurate and reliable in all material respects and that the Company's assets are appropriately accounted for and adequately safeguarded.

A firm of independent Chartered Professional Accountants, SRCO Professional Corporation, appointed by the shareholders, audited the consolidated financial statements in accordance with Canadian generally accepted auditing standards and provided an independent professional opinion on the consolidated financial statements.

"Signed"

Greg Noble
Chief Executive Officer

September 28, 2020

SRCO Professional Corporation
Chartered Professional Accountants
Licensed Public Accountants
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MedWorxs Inc.

Opinion

We have audited the consolidated financial statements of MedWorxs Inc. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2019 and 2018 and 2017, the consolidated statements of operations and comprehensive income (loss), changes in shareholders' deficiency, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2019 and 2018 and 2017, and its consolidated financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that MedWorxs Inc. has experienced losses and negative working capital for the years ended December 31, 2019, 2018 and 2017. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

(continues)

Independent Auditor's Report to the Shareholders of MedWorxs Inc. *(continued)*

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(continues)

Independent Auditor's Report to the Shareholders of MedWorxs Inc. *(continued)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

/s/ SRCO Professional Corporation

CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

Richmond Hill, Canada
September 28, 2020

Consolidated Statements of Financial Position

As at	Note	December 31, 2019 $	December 31, 2018 $	December 31, 2017 $
Assets				
Current				
Cash		73	61	44
Accounts receivable	5	38	29	50
Contract assets		20	-	-
		131	90	94
Non-current				
Right of use assets	6	49	107	165
Intangible assets	6	189	161	104
Total Non-Current Assets		238	268	269
Total assets		**369**	**358**	**363**
Liabilities and shareholders' deficiency				
Current				
Accounts payable and accrued liabilities		288	335	284
Short term debt	7	792	706	877
Contract liabilities		110	59	87
Lease liability - current	12	60	65	55
		1,250	1,165	1,303
Non-current				
Long term debt	7	1,156	1,293	896
Lease liability	12	-	60	125
Total liabilities		2,406	2,518	2,324
Shareholders' deficiency				
Share capital	8	1	1	1
Contributed surplus (distributions)	8	72	(42)	(42)
Deficiency		(2,110)	(2,119)	(1,920)
Total shareholders' deficiency		(2,037)	(2,160)	(1,961)
Total liabilities and shareholders' deficiency		**369**	**358**	**363**

Commitments and contingencies (Note 13)
Subsequent events (Note 16)

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

Consolidated Statements of Operations and Comprehensive Income (Loss)

	Note	For the year ended December 31, 2019 $	December 31, 2018 $	December 31, 2017 $
Revenue				
Ambulatory software		250	314	365
Inpatient systems		756	885	922
Software revenue		371	211	229
RCM revenue		392	623	638
Total revenue		1,769	2,033	2,154
Operating expenses				
Salaries and benefits		844	1,264	1,145
General and administrative		286	375	455
Warrant issuance	8	114	-	-
Processing fees		134	190	168
Depreciation and amortization	6	158	117	79
Accretion expense on lease liabilities		30	56	111
Total operating expenses		1,566	2,002	1,958
Net operating income		203	31	196
Other income (expense)				
Interest expense	7	(199)	(263)	(412)
Other expense	14	(50)	-	(68)
Impairment loss	15	-	-	(257)
Other Income		55	33	15
Net other income (expense)		(194)	(230)	(722)
Net income (loss) before income tax		9	(199)	(526)
Income tax expense	9	-	-	-
Net income (loss) and comprehensive income (loss)		9	(199)	(526)
Income (loss) per share				
Basic		0.001	(0.013)	(0.035)
Diluted		0.001	(0.013)	(0.035)
Weighted average number of common shares outstanding				
Basic		15,000,000	15,000,000	15,000,000
Diluted		16,100,000	15,000,000	15,000,000

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

Consolidated Statements of Changes in Shareholders' Deficiency

	Note	Number of common shares outstanding	Share capital $	Contributed surplus (distributions) $	Deficiency $	Total shareholders' deficiency $
Original Investment equity @ $.001	8	15,000,000	1	-	-	1
Retained Earnings, December 31, 2016		-	-	-	(1,386)	(1,386)
Balance as a December 31, 2016		15,000,000	1	-	(1,386)	(1,385)
Adjustment for IFRS 16 adoption of right-of-use assets		-	-	-	(8)	(8)
Shareholder dividends		-	-	(42)	-	(42)
Net loss and comprehensive loss		-	-	-	(526)	(526)
Balances as at December 31, 2017		15,000,000	1	(42)	(1,920)	(1,961)
Net loss and comprehensive loss		-	-	-	(199)	(199)
Balance as at December 31, 2018		15,000,000	1	(42)	(2,119)	(2,160)
Warrant issuance	8	-	-	114	-	114
Net income (loss) and comprehensive income (loss)		-	-	-	9	9
Balances as at December 31, 2019		**15,000,000**	**1**	**72**	**(2,110)**	**(2,037)**

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

Consolidated Statements of Cash Flows

	Note	For the year ended December 31, 2019 $	December 31, 2018 $	December 31,2017 $
OPERATING ACTIVITIES				
Net income (loss) and comprehensive income (loss)		9	(199)	(526)
Adjustments for non-cash items:				
Depreciation and amortization	6	158	117	79
Impairment of customer lists	15	-	-	160
Impairment of goodwill	15	-	-	97
Increase (decrease) expense to lease liabilities	12	(7)	3	8
Net change in working capital:				
Accounts receivable	5	(9)	21	13
Accounts payable and accrued liabilities		(47)	52	138
Contract assets		(20)	-	-
Contract liabilities		51	(28)	16
Net cash provided by (used in) operating activities		**135**	**(34)**	**(15)**
INVESTING ACTIVITIES				
Additions to intangible assets	6	(128)	(116)	(123)
Shareholder distributions		-	-	(42)
Acquistion of Arc	15	-	-	(271)
Net cash used in investing activities		**(128)**	**(116)**	**(436)**
FINANCING ACTIVITIES				
Debt receipts	7	107	521	823
Debt principal repayments	7	(158)	(296)	(289)
Warrant issuance	8	114	-	-
Principal lease payments	12	(58)	(58)	(46)
Net cash (used in) provided by financing activities		**5**	**167**	**487**
Net increase in cash		12	17	36
Cash balance at beginning of the year		61	44	8
Cash balance at the end of the year		**73**	**61**	**44**
Supplemental information				
Interest paid		(199)	(263)	(412)
Income tax paid		-	-	-
Dividends paid		-	-	(42)

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

Notes to the Consolidated Financial Statements for the Years Ended December 31, 2019, 2018 and 2017

1. NATURE OF OPERATIONS AND GOING CONCERN

MedWorxs Inc. (the "Company" or "MedWorxs") was incorporated in Colorado, United States on January 7, 2002. The Company's head office is 6857 Timbers Drive, Evergreen Colorado. The Company's principal place of business is Denver Colorado and Billings, Montana, USA.

The Company sells services and software to medical clinics and medical facilities. There are four revenue streams generated through a combination of internal software development and acquisition of existing businesses and assets. The key business lines include:

- Revenue Cycle Management
- Practice Management Software
- Ambulatory Health Records
- Hospital Financial Software

Medworxs is primarily engaged in delivering software solutions and services including Revenue Cycle Management ("RCM") and Electronic Health Records ("EHR") to medical practices and hospitals. The Corporation acquires customers primarily through acquisition of existing RCM and other software businesses in the United States.

Going Concern

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of operations. These consolidated financial statements do not reflect the adjustments to carrying values of assets and liabilities that would be necessary should the going concern assumption prove to be inappropriate, and these adjustments could be material.

During 2019, the Company had a net income (loss) of $9 (2018 – ($199), 2017 – ($526)). As at December 31, 2019, the Company had a working capital deficit of $1,119 (2018 – $1,075, 2017 – $1,209) and long-term debts of $1,156 (2018 – $1,353, 2017 – $1,021). These factors may form a material uncertainty that may raise significant doubt regarding the Company's ability to continue as a going concern. Management intends on financing its future development activities and operations from the sale of equity and debt securities. The Company's ability to continue as a going concern is dependent upon the Company's ability to raise sufficient financing or generate sufficient future cash flows from profitable business activities. The Company raised financing through its ability to raise debt and equity (see Subsequent Events). Two deals closed subsequent to year end which provided accretive working capital, additional revenue and positive operating income.

2. BASIS OF PRESENTATION, MEASUREMENT AND CONSOLDIATION

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and are comprised of the IFRS, International Accounting Standard ("IAS") and Interpretations issued by IFRS Interpretations Committee ("IFRIC"), effective for the Company's reporting for the years ended December 31, 2019 and 2018 and 2017.

Notes to the Consolidated Financial Statements for the Years Ended December 31, 2019, 2018 and 2017

2. BASIS OF PRESENTATION, MEASUREMENT AND CONSOLDIATION (continued)

The consolidated financial position as of December 31, 2019 and 2018 and 2017 and the related consolidated statements of operations and comprehensive income (loss) and changes in shareholders' deficiency, and cash flows for the years ended December 31, 2019 and 2018 and 2017, are the first set of financial statements of the Company which are presented in accordance with IFRS. As such, the Company makes an explicit and unreserved statement of compliance with IFRS. On date of transition to IFRS as of January 1, 2017, the Company has stated its consolidated statements of financial position under IFRS. As a result, the entity has recognized all assets and liabilities required by IFRS; derecognized all assets and liabilities not permitted by IFRS; classified all assets, liabilities and components of equity in accordance with IFRS; and measured all assets and liabilities in accordance with IFRS.

These consolidated financial statements were approved by the board of directors of the Company for issue on September 28, 2020.

(b) Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below.

(c) Basis of Consolidation

The consolidated financial statements include the accounts of MedWorxs Inc. and its wholly owned subsidiary ARC LLC. Control is achieved when the Company have the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities, are exposed to, or have rights to, variable returns from involvement with the entity and have the ability to affect those returns through power over the entity. The subsidiary is fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. Profit and loss or other comprehensive income (loss) of subsidiary acquired during the period are recognized from the date of acquisition or effective date of disposal, as applicable. Significant intercompany accounts and transactions are eliminated on consolidation.

(d) Functional and Presentation Currency

These consolidated financial statements are presented in US dollars ("USD"), which is also the functional currency of the Company and its subsidiary.

The functional currency of the Company has been determined to be the US dollar by management based on consideration of the currency and economic factors that primarily influence the Company's revenues and the costs of its business operation.

Foreign currency transactions that are in a different currency other than the US dollar are recorded at the exchange rate as at the date of the transaction. At the end of each statement of financial position date, any foreign currency based monetary assets and liabilities are translated using the period end foreign exchange rate. Non-monetary assets and liabilities in foreign currencies other than the functional currency are translated using the historical rate. Gains and losses on transactions are included in the consolidated statements of operations and comprehensive loss.

Notes to the Consolidated Financial Statements for the Years Ended December 31, 2019, 2018 and 2017

2. BASIS OF PRESENTATION, MEASUREMENT AND CONSOLDIATION (continued)

(e) Use of Estimates and Judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported revenues and expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation and judgment uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to:

(i) Estimates

Fair value measurement of non-interest bearing debt

The Company measures on initial recognition the fair value of certain financial liabilities that do not have a defined interest rate, the Company has estimated the fair market value using a comparative interest rate for similar liabilities and a discounted cash flow to determine a reasonable present value. Additional details on debt are disclosed in Note 7.

Fair value measurement of warrants and stock options

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date on which they are granted. Estimating fair value for warrants requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the expected life of the stock options and warrants, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for stock options and warrants are disclosed in Note 8.

Going concern

The assumption that the Company will be able to continue as a going concern is subject to estimates and judgement by management including the Company's short and long-term operating budget, expected profitability, investing and financing activities, and management's strategic planning.

Useful life of capitalized software costs

The Company assumed that its software capital asset had a useful life of three years. The Company based this value on the average cycle of software upgrades and changes made to its software platform utilized by its clients.

Goodwill and Intangible assets
The Company's intangible assets consist of customer relationships and goodwill, all of which arose from business combinations (Note 15) Amortization of customer relationships was calculated using the straight-line method over 5 years.

Notes to the Consolidated Financial Statements for the Years Ended December 31, 2019, 2018 and 2017

2. BASIS OF PRESENTATION, MEASUREMENT AND CONSOLDIATION (continued)

Goodwill is carried at cost less accumulated impairment losses. The Company assesses whether there has been an impairment in the carrying amount of goodwill at least annually or whenever an indicator of impairment exists. Impairment losses on goodwill are not reversed. In 2017, the Company had a goodwill and intangible asset impairment (Note 15) loss as the carrying value was less than the fair value of assets as at December 31, 2017.

(ii) Accounting judgements

Income taxes

The Company recognizes the tax benefit from an uncertain tax position only if it is probable that the tax position will be sustained based on its technical merits. The Company measures and records the tax benefits from such a position based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Company's estimated liabilities related to these matters are adjusted in the period in which the uncertain tax position is effectively settled, the statute limitations for examination expires, or when additional information becomes available. The Company's liability for unrecognized tax benefits requires the use of assumptions and significant judgment to estimate the exposures associated with our various filing positions. Although the Company believes that the judgments and estimates made are reasonable, actual results could differ and resulting adjustments could materially affect our effective income tax rate and income tax provision.

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially such differences will affect the tax provisions in the period in which such determination is made.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these consolidated financial statements are described below:

(a) Cash

Cash in the consolidated statements of financial position are comprised of cash held in bank accounts.

(b) Capitalized Software Costs

Software development costs, consisting primarily of employee salaries and benefits and certain third-party costs, incurred in the development of new software solutions and enhancements to existing software solutions for external sale are expensed as incurred, and reported as salaries and benefits in the consolidated statements of operations and comprehensive income (loss), until technological feasibility has been established. After technological feasibility is established, any additional software development costs are capitalized. Amortization of capitalized software is recorded on a straight-line basis over the estimated economic life of the related product, which is typically three years. The total of capitalized software costs incurred in the development of products for external sale are reported as capitalized software costs within the consolidated statements of financial position, net of amortization and impairment.

Notes to the Consolidated Financial Statements for the Years Ended December 31, 2019, 2018 and 2017

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Capitalized Software Costs (continued)

The Company also incur costs related to the development of software applications for the development of software-as-a-service ("SaaS") based solutions sold under the Practice Management Software revenue stream. The development costs of the SaaS-based solutions are considered internal-use for accounting purposes. The capitalized development costs are stated at cost and amortized on a straight-line basis over the estimated useful lives of the assets, which is typically three years. Application development stage costs generally include costs associated with the software configuration, coding, installation and testing. Costs related to the preliminary project stage and post-implementation activities are expensed as incurred. Costs of significant upgrades and enhancements that result in additional functionality are also capitalized, whereas costs incurred for maintenance and minor upgrades and enhancements are expensed as incurred. Capitalized software costs for the development of SaaS-based solutions are reported as capitalized software costs within the consolidated statements of financial position.

The Company periodically reassess the estimated economic life and the recoverability of the capitalized software costs. If the Company determines that the capitalized amounts are not recoverable based on the expected net cash flows to be generated from sales of the applicable software solutions, the amount by which the unamortized capitalized costs exceed the net realizable value is written off as a charge to earnings. The net realizable value is estimated as the expected future gross revenues from that product reduced by the estimated future costs of completing and disposing of that product, including the costs of performing maintenance and client support required to satisfy our responsibility at the time of sale. In addition to the assessment of net realizable value, the Company review and adjust the remaining estimated lives of our capitalized software costs, if necessary. The Company also perform a periodic review of the software solutions and dispose of fully amortized capitalized software costs after such products are determined to be no longer used by the clients.

(c) Financial Instruments

IFRS 9 – Financial Instruments

Effective January 1, 2017, the Company early adopted IFRS 9, Financial Instruments, including the classification and measurement of financial assets and the expected loss impairment model. The amendments to IFRS 9 were effective for annual periods on or after January 1, 2017 and are applied retrospectively. The adoption of this standard had no material impact on these consolidated financial statements.

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Notes to the Consolidated Financial Statements for the Years Ended December 31, 2019, 2018 and 2017

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial Instruments (continued)

The Company's financial assets and liabilities are classified as follows:

Asset or Liability	Classification
Cash	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Short Term Debt	Amortized cost
Long-term debt	Amortized cost

Classification

Financial assets are classified and measured based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. IFRS 9 contains three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit and loss. Financial assets are recognized in the statements of financial position if the Company has a contractual right to receive cash or other financial assets from another entity. Financial assets are derecognized when the rights to receive cash flows from the asset have expired or were transferred and the Company has transferred substantially all risks and rewards of ownership.

All financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instruments. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Amortized cost - This category includes financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the solely principal and interest ("SPPI") criterion. Financial asset classified in this category are measured at amortized cost using the effective interest method.

Fair value through profit or loss - This category includes derivative instruments as well as quoted equity instruments which the Company has not irrevocably elected, at initial recognition or transition, to classify at FVOCI. This category would also include debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Financial assets in this category are recorded at fair value with changes recognized in profit or loss.

Financial assets at fair value through other comprehensive income - Equity instruments that are not held-for-trading can be irrevocably designated to have their change in fair value recognized through other comprehensive income instead of through profit or loss. This election can be made on individual instruments and is not required to be made for the entire class of instruments. Attributable transaction costs are included in the carrying value of the instruments. Financial assets at fair value through other comprehensive income are initially measured at fair value and changes therein are recognized in other comprehensive income.

Notes to the Consolidated Financial Statements for the Years Ended December 31, 2019, 2018 and 2017

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial Instruments (continued)

Financial instruments recognized in the consolidated statements of financial position include cash, accounts receivable, contract assets, accounts payable, short and long-term debt.

Financial instruments are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company has classified its cash, accounts receivable, contract assets, accounts payable, short and long term debt as financial assets and liabilities measured at amortized cost. Such assets and liabilities are recognized initially at fair value inclusive of any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. The carrying value of the Company's financial assets held at amortized costs approximates fair value. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in other comprehensive income.

Fair value

Fair value estimates are made at the consolidated statements of financial position date based on relevant market information and other information about financial instruments. Financial assets and financial liabilities measured at fair value in the consolidated statements of financial position are grouped into a fair value evaluation hierarchy. This hierarchy combines financial assets and financial liabilities into three levels according to the significance of the inputs used in the fair value evaluation of the financial assets and financial liabilities. The fair value levels of the hierarchy are as follows:

Level 1	Quoted prices (unadjusted) in active markets for identical assets and liabilities at the financial reporting date;
Level 2	Inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
Level 3	Inputs for the assets or liabilities that are not based on observable market data.

Notes to the Consolidated Financial Statements for the Years Ended December 31, 2019, 2018 and 2017

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial Instruments (continued)

The level within which the financial asset or financial liability is classified is determined based on the lowest level of significant input to the fair value measurement. The Company fair valued non-interest bearing contractual obligations based on the average rate of comparable liabilities with similar financial terms and measured based on Level 2 inputs.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. Loss allowances for accounts receivables are always measured at an amount equal to lifetime expected credit losses if the amount is not considered fully recoverable. A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Losses are recognized in the statements of comprehensive loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statements of comprehensive loss. The adoption of the new impairment requirements under IFRS 9 did not result in significant changes in measurement or the carrying amounts of the Company’s financial assets

(d) Impairment of Non-Financial Assets

The Company reviews the carrying amounts of its non-financial assets, when events or changes in circumstances indicate the assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Assets carried at fair value are excluded from impairment analysis.

The recoverable amount is the higher of fair value less costs of disposal and the value in use. In assessing value in use, the estimated future cash flows to be derived from continuing use of the asset or cash generating unit are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value less costs of disposal is the amount obtainable from the sale of an asset or cash generating unit in an arm’s length transaction between knowledgeable, willing parties, less the cost of disposal. When a binding sale agreement is not available, fair value less costs of disposal is estimated using a discounted cash flow approach with inputs and assumptions consistent with those of a market participant.

Notes to the Consolidated Financial Statements for the Years Ended December 31, 2019, 2018 and 2017

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Impairment of Non-Financial Assets (continued)

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in net income. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized.

(e) Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(f) Leases

At the inception of a contract, the Company assesses whether a contract is or contains a lease. If so, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which consists of:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date
- Any indirect costs incurred
- An estimate of costs to dismantle or remove the underlying asset or to restore the site on which the asset is located
- Any incentives received from the lessor

The Company has elected not to recognize right of use assets and lease liabilities for short-term lease that have a lease term of 12 months or less and leases of low value assets. The lease payments associated with these leases are expensed on a straight-line basis over the lease term.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Notes to the Consolidated Financial Statements for the Years Ended December 31, 2019, 2018 and 2017

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Leases (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The weighted average lessee's incremental borrowing rate applied to lease liabilities recognized in the balance sheet on December 31, 2017, 2018 and 2019 was 15% percent.

Effective January 1, 2017, the Company early adopted IFRS 16, Leases, using the modified retrospective approach, with the cumulative effect of initially applying the new standard recognized in the consolidated statements of changes in shareholders' deficiency on January 1, 2017. As of January 1, 2017, the Company had a right of use assets of $210, lease liability of $218 and an impact of $8 on deficiency for early adoption. See Note 12 for further details.

(g) Revenue Recognition

IFRS 15 – Revenue from Contracts with Customers

IFRS 15, Revenue from Contracts with Customers, came into effect on January 1, 2017**.** The Company early adopted IFRS 15 as of January 1, 2017. The adoption of this standard had no material impact on the amounts recorded in these consolidated financial statements. The new guidance includes a five-step, principles-based recognition and measurement approach as well as requirements for accounting for contract costs and enhanced quantitative and qualitative disclosure requirements.

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenue when (or as) the entity satisfies a performance obligation.

Notes to the Consolidated Financial Statements for the Years Ended December 31, 2019, 2018 and 2017

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Revenue Recognition (continued)

IFRS 15 excludes from its scope revenue related to lease contracts, insurance contracts and financial instruments. The adoption of IFRS 15 did not materially affect the Company's cash flows from operating, investing, or financing activities, its financial position, or its results from operations. The Company's opening balance of deficit at January 1, 2017 does not require an adjustment as a result of the adoption of IFRS 15. In 2017, 2018 and 2019, the Company had three main revenue streams: Ambulatory services, Inpatient system services and Software services ("Practice Management" Software), and RCM billing services, detailed as follows:

(i) Revenue Cycle Management ("RCM") Billing Services

RCM is an outsourced service offered to clinics and hospitals for the management of the complex coding and filing required by medical practitioners to receive payment for their work from insurance companies and governmental agencies through programs such as US Medicare. RCM is billed monthly to customers as a fee-based service based on utilization. The service balances the importance of establishing relationships with payers (such as insurance carriers and the US federal government) and acting as a liaison between carrier or government agency, physician office or facility, and the patient.

The RCM products and services are designed to be customizable to an individual practice or facility's needs. The focus is on customizing the offering to the customer specific need, proven optimize service quality and customer profitability.

(ii) AMBULATORY SERVICES

Systems which are designed for the specific use or function of an Ambulatory clinic. ambulatory care is any same-day medical procedure performed in an outpatient setting. This refers to any medical service that is not performed in a hospital or facility that requires admission. Specialties which are considered Ambulatory are Internal Medicine, Family Practice, Dermatology, Obstetrics & Gynecology ("OB-GYN").

(iii) Practice Management ("PM") Software

PM software provides clinics and medical practitioners with a comprehensive platform to manage all aspects of their practice. PM is offered as a Software as a Service (SaaS) product billed monthly under annual to multi year contracts. Components of a practice management system include management of insurer and government relationships, patient appointment scheduling, billing automation software, Electronic Data Interchange (EDI), capture of patient demographics and report generation. PM gives the clients the detail and visibility needed to effectively manage the financial and business side of the medical practice.

Notes to the Consolidated Financial Statements for the Years Ended December 31, 2019, 2018 and 2017

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Contract Balances

Contract balances result from the timing differences between our revenue recognition, invoicing, and cash collections. Such contract balances include accounts receivables, contract assets and contract liabilities. Accounts receivables include invoiced amounts where the right to receive payment is unconditional and only subject to the passage of time. Contract assets include amounts where revenue recognized exceeds the amount invoiced to the customer and the right to payment is not solely subject to the passage of time. Contract assets are generally based on future milestone payment due dates. In such instances, the revenue recognized may exceed the amount invoiced to the customer and such balances are included in contract assets since our right to receive payment is not unconditional, but rather is conditional upon customer collections or the continued functionality of the software and our ongoing support and maintenance obligations. Contract liabilities consist mainly of fees invoiced or paid by our clients for which the associated services have not been performed and revenues have not been recognized. Contract assets and contract liabilities are reported in a net position on an individual contract basis at the end of each reporting period. Contract assets are classified as current or long-term on the consolidated statements of financial position based on the timing of when the Company expect to complete the related performance obligations and invoice the customer. Contract liabilities are classified as current on the consolidated statements of financial position since the revenue recognition associated with the related customer payments and invoicing is expected to occur within the next twelve months.

Revenue contracts with customers do not include any major financing components.

(i) Provisions

Provisions are recorded when a present legal, statutory or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statements of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, if the effect is material, its carrying amount is the present value of those cash flows.

(j) Share Capital

Financial instruments issued by the Company are classified as share capital only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

For unit offerings, the proceeds from the issuance of units are allocated between common shares and share purchase warrants using the residual method, allocating fair value to the common shares and then share purchase warrants.

Notes to the Consolidated Financial Statements for the Years Ended December 31, 2019, 2018 and 2017

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Share Based Payments

Share-based payment transactions

Share-based compensation to employees is measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based compensation to non-employees is measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves.

The fair value of options is determined using the Black–Scholes pricing model which incorporates all market vesting conditions on grant date. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. When vested options are forfeited or are not exercised at the expiry date, the amount previously recognized in share-based compensation is transferred to deficiency.

The fair value of equity-settled Restricted Share Unit (“RSU”) is measured at the grant date based on the market value of the Company's common shares on that date, and each tranche is recognized using the graded vesting method over the period during which the RSU vest. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of RSUs that are expected to vest.

(l) Income Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Notes to the Consolidated Financial Statements for the Years Ended December 31, 2019, 2018 and 2017

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Income Taxes (continued)

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(m) Income (loss) Per Share

Basic income (loss) per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

(n) Standards, amendments, and interpretations issued but not yet adopted

The IASB has issued several new standards and amendments that will be effective on various dates. The listing below is of standards, interpretation and amendments issued which the Company reasonably expects to be applicable at a future date. The Company intended to adopt those standards when they become effective. The impact on the Company is currently being assessed.

Amendment to IAS 1, Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current: In January 2020, the IASB issued amendments to paragraphs 69-76 of IAS 1 to clarify the requirements for classifying liabilities as current or non-current. The amendments specify that the conditions which exist at the end of a reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective January 1, 2022, with early adoption permitted. The amendments are to be applied retrospectively. Management is currently assessing the impact of this amendment.

4. CAPITAL MANAGEMENT, FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to various financial instrument risks and continuously assesses the impact and likelihood of this exposure. These risks include credit risk, liquidity risk, capital management and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

Capital management

The Company's objectives when managing its capital are:

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

Notes to the Consolidated Financial Statements for the Years Ended December 31, 2019, 2018 and 2017

4. CAPITAL MANAGEMENT, FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The Company manages its capital structure and makes adjustments to it in accordance with the objectives stated above, and in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company considers its capital to consist of total equity. The Company is not subject to externally imposed capital requirements.

Financial Risks

a) Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure. Accounts receivable from two customers totaling $8 (December 31, 2018 - $0, December 31, 2017 - $2) were overdue at December 31, 2019 and was not considered to be impaired as $8 was collected subsequent to year end.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due and remain solvent. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. To date, the Company has generated operating losses and net cash outflows form operations (Note 1), and has relied on equity to fund its operations and acquisitions and will need to continue to secure additional funding for operations (Notes 7 and 16). Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that financing will be on terms advantageous to the Company.

c) Interest risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has debt instruments subject to variable interest rates (Note 7). If the interest rates were to increase substantially that would have a negative impact on the Company cash reserves and debt instruments. If the interest rates were to fluctuate by 1%, based on a weighted average cost of interest, the impact on interest expense incurred by the Company would be $19 (2018 - $20, 2017 - $18). The Company monitors the American prime interest rate carefully and ensures any significant increases would be mitigated through sufficient cash on hand, raising additional capital or renegotiating terms with the debt underwriter.

Notes to the Consolidated Financial Statements for the Years Ended December 31, 2019, 2018 and 2017

5. ACCOUNTS RECEIVABLE

As at December 31, 2019 accounts receivable was $38 (December 31, 2018 – $29, December 31, 2017 – $50). There is no concentration risk for its accounts receivables as no customer represents greater than 10% of the Company's total sales.

6. RIGHT OF USE AND INTANGIBLE ASSETS

INTANGIBLE ASSETS

	Customer Lists	Capitalized software costs	Total
Cost			
Balances as at Dec 31, 2016	$ -	$ -	$ -
Additions	174	123	297
Balances as at Dec 31, 2017	$ 174	$ 123	$ 297
Additions	-	116	116
Balances as at Dec 31, 2018	$ 174	$ 239	$ 413
Additions	-	128	128
Balances as at Dec 31, 2019	$ 174	$ 367	$ 541
Accumulated amortization and impairment			
Balances as at Dec 31, 2016	$ -	$ -	$ -
Amortization expense	(14)	(19)	(33)
Impairment	(160)	-	(160)
Balances as at Dec 31, 2017	$ (174)	$ (19)	$ (193)
Amortization expense	-	(60)	(60)
Balances as at Dec 31, 2018	$ (174)	$ (78)	$ (252)
Amortization expense	-	(100)	(100)
Balances as at Dec 31, 2019	$ (174)	$ (178)	$ (352)
Net carrying amount as at December 31, 2017	**$ -**	**$ 104**	**$ 104**
Net carrying amount as at December 31, 2018	**$ -**	**$ 161**	**$ 161**
Net carrying amount as at December 31, 2019	**$ -**	**$ 189**	**$ 189**

The customer lists were acquired as part of the ARC acquisition (see Note 15). As of December 31, 2017, the full value of the customer lists was written down as an impairment expense (see Note 15).

Software licenses are capitalized as part of the Company's review of IAS 38 guidelines. The Company capitalizes 50% of its software development salaries and amortizes them over a 36-month period. The Company completes an impairment analysis to ensure the carrying value is supported by the revenue generated from the software licenses.

Notes to the Consolidated Financial Statements for the Years Ended December 31, 2019, 2018 and 2017

6. RIGHT OF USE AND INTANGIBLE ASSETS (continued)

RIGHT OF USE ASSETS

	Right-of-Use Assets
Cost	
Balances as at Dec 31, 2016	$ -
Transition adjustment	210
Balances as at Dec 31, 2017	$ 210
Additions	-
Balances as at Dec 31, 2018	$ 210
Additions	-
Balances as at Dec 31, 2019	$ 210
Accumulated amortization and impairment	
Balances as at Dec 31, 2016	$ -
Depreciation	(45)
Balances as at Dec 31, 2017	$ (45)
Depreciation	(58)
Balances as at Dec 31, 2018	$ (103)
Depreciation	(58)
Balances as at Dec 31, 2019	$ (161)
Net carrying amount as at December 31, 2017	**$ 165**
Net carrying amount as at December 31, 2018	**$ 107**
Net carrying amount as at December 31, 2019	**$ 49**

Notes to the Consolidated Financial Statements for the Years Ended December 31, 2019, 2018 and 2017

7. DEBT

Private loan

On August 22, 2016, the Company had an unsecured loan agreement with Dan Fortune for $50. The interest rate on the line of credit was 13%. The Company had the option to repay the balance at any time without penalty. The Company repaid the loan in full by April 20, 2017.

Fundation Line of Credit

On June 20, 2017, the Company had an unsecured business line of credit agreement with Fundation Group LLC up to $75. The interest rate on the line of credit was 11.19%. The Company had the option to repay the balance at any time without penalty, however there are no set repayment terms. As of December 31, 2019, the Company had an outstanding balance of $67 (December 31, 2018 - $42, December 31, 2017 - $39).

Funding Circle Loan

On September 21, 2017, the Company obtained an unsecured loan for $100 from FC Marketplace, LLC ("Funding Circle") with a maturity date of September 30, 2022 bearing an interest rate 15.82%. During fiscal 2018, the loan amount increased to $200. As of December 31, 2019, the outstanding balance was $161 (December 31, 2018 - $193, December 31, 2017 - $96).

Tech-Time Debts

On June 2, 2015, the Company acquired the assets of Tech-Time, a Montana corporation, and their *STAT!* software which is used for managing practice management software. At the time the Company issued a secured promissory note for $200 at 6% interest with a 48 month payback period as follows: (i) $100 plus accumulated interest due 24 months after issuance, June 2, 2017 (ii) $50 non-interest bearing due 36 months after issuance, June 2, 2018 (iii) $50 non-interest bearing due 48 months after issuance, June 2, 2019. The promissory note was secured against the assets of Tech-Time. The purchase of the assets was expensed in 2015. The Company owed $20 as of December 31, 2019 (December 31, 2018 - $50, December 31, 2017 - $100). The Company subsequent to the year end but prior to the release of these consolidated financial statements had paid the balance of this loan.

In addition to the secured promissory note, the Company committed to a non-interest-bearing consulting contract of $778 starting June 2, 2015 which would pay the president of Tech-Time $8 per month until the contract was fulfilled. For accounting purposes, the consulting contract has been treated as a contractual obligation and financial instrument. The Company has discounted the contract as of December 31, 2019 using an imputed interest rate similar to a Small Business Administration ("SBA") loan, which is the prime rate plus 2.75%, which as of December 31, 2019 was 7.5% (December 31, 2018 - 8.3%, December 31, 2017 – 6% and assumes a maturity date of April 30, 2023. Based on these discount factors, the fair value calculated is $329 as of December 31, 2019 (December 31, 2018 - $368, December 31, 2017 - $394).

	December 31, 2019 $	December 31, 2018 $	December 31, 2017 $
Promissory Note Payable	421	458	538
Discount	(92)	(90)	(144)
	329	368	394

Notes to the Consolidated Financial Statements for the Years Ended December 31, 2019, 2018 and 2017

7. DEBT (continued)

Grenville Royalty Loan

On April 13, 2017, the Company entered into gross royalty purchase agreement and a $300 unsecured loan arrangement with Grenville Strategic Royalty Corp("Grenville"). As of the April 13, 2017 until December 31, 2018, the Company shall pay Grenville $6.25 per month as royalty expense only. As of January 1, 2019, the Company shall pay Grenville a royalty the higher of $6.25 or 1.125% of monthly revenue greater than $4,260. If the Company would like to buyout the debt, it would be subject to two times the principal received, or $600 as of December 31, 2019. The outstanding balance as of 2019 was $600 (2018 - $600, 2017 - $600). The Company paid $75 in royalty expense in 2019 (2018 - $75, 2017 - $27). The Company accrued the entire additional $300 payable on maturity as an interest expense for 2017.

On Deck Loan

On December 3, 2019, the Company obtained an unsecured loan for $50 from On Deck Capital, Inc ("On Deck") with a maturity date of 15 months ending on March 3, 2021 bearing an interest rate 41.56%. As of December 31, 2019 the outstanding balance was $48 (December 31, 2018 – N/A, December 31, 2017 – N/A).

Small Business Administration Loans

On June 3, 2015, the Company entered into a $500 secured long term loan with a maturity date of June 2, 2025 bearing an interest rate of the prime interest rate of similar loans plus 2.75% and adjusted on a quarterly basis. The loan was secured against the assets of the Company. As of December 31, 2019, the interest rate applicable was 7.5%. The period ending outstanding balance was $322 (December 31, 2018 - $365, December 31, 2017 - $406).

On January 18, 2018, the Company entered into a $325 secured long term loan with a maturity date of January 17, 2028 bearing an interest rate of the prime interest rate of similar loans plus 2.75% and adjusted on a quarterly basis. The loan was secured against the assets of the Company. As of December 31, 2019, the interest rate applicable was 7.5%. The period ending outstanding balance was $274 (December 31, 2018 - $297, December 31, 2017 – N/A).

On December 27, 2018, the Company entered into a $70 secured long term loan with a maturity date of December 26, 2028 bearing an interest rate of the prime interest rate of similar loans plus 2.75% and adjusted on a quarterly basis. The loan was secured against the assets of the Company. As of December 31, 2019, the interest rate applicable was 7.5%. The period ending outstanding balance was $61 (December 31, 2018 - $70, December 31, 2017 – N/A).

Kabbage Loan

On April 2, 2019, the Company obtained a secured working capital loan of $33 from Kabbage, Inc. The loan had an approximate interest rate of 31.5%. The loan was secured against the assets of the Company. The loan was repaid over twelve payments. The total interest expense for the life of the loan was $10, ($8 in 2019, and $2 in 2020). As of April 22, 2020, the loan was repaid completely.

Notes to the Consolidated Financial Statements for the Years Ended December 31, 2019, 2018 and 2017

7. DEBT (continued)

PayPal Working Capital Loan

On September 16, 2019, the Company obtained an unsecured working capital loan of $25 from WebBank or also known as PayPal Working Capital with a minimum payment required every 90 days of $3. The loan had an approximate interest rate of 7.6%. The loan is due within twelve months of issuance. As at December 31, 2019, the loan balance outstanding was $13 (2018 – N/A, 2017 – N/A).

On February 2, 2020, subsequent to year end but prior to the release of these consolidated financial statements, the Company obtained a secured working capital loan of $100 from WebBank or also known as PayPal Working Capital with a minimum payment required every 90 days of $6. The loan was secured against the assets of the Company. The loan had an approximate interest rate of 25.4%. The loan is due within twelve months of issuance.

Scheduled repayments of debt are as follows:

	$
2020	1,022
2021	283
2022	261
2023	217
2024	137
Thereafter	185
Less: effective interest	(157)
	1,948

8. SHARE CAPITAL

Common Shares

The Company has authorized share capital of an unlimited number of common shares. There was no share capital activity during 2019 and 2018 and 2017. As December 31, 2019, the Company had 15,000,000 common shares outstanding.

Incentive Plans

The Company has adopted a Stock Option Plan (“SOP”) under which it is authorized to grant stock options (“Options”) to officers, directors, employees and consultants enabling them to acquire common shares of the Company. The Company has also adopted a Restricted Share Unit Plan (“RSU Plan”) under which it is authorized to grant restricted share units (“RSUs” and, together with Options, “Awards”) to officers, directors, employees and consultants enabling them to acquire common shares of the Company. The maximum number of common shares reserved for issuance of Awards that may be granted under the plan is 10% of the issued and outstanding common shares of the Company.

As at December 31, 2019 the Company had no stock options or RSUs issued under its SOP and RSU plans.

Notes to the Consolidated Financial Statements for the Years Ended December 31, 2019, 2018 and 2017

8. SHARE CAPITAL (continued)

Warrants

The Company granted warrants on December 14, 2019 as compensation for services provided and measured, using the Black Scholes valuation model. The Company issued 1,100,000 warrants that can be issued for one common stock share with an exercise price of $0.204. The warrants vested upon issuance and have an expiration date of December 31, 2021. The fair value of each warrant on the date of the grant was based on the following assumptions for the year ended December 31, 2019:

Exercise price	$	0.2040
Expected life (years)		2.00
Expected volatility		103.00%
Dividend rate		0.00%
Risk-free interest rate		4.75%
Grant date fair value	$	0.104

9. INCOME TAXES

The Company follows the asset and liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current year. Deferred income tax assets and liabilities are recognized for temporary differences between the tax and accounting basis of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes are measured using the current or substantively enacted rates expected to apply when the differences reverse. A deferred tax asset is recognized to the extent that the recoverability of deferred income tax assets is considered probable.

The Company's provision for (recovery of) income taxes differs from the amount that is computed by applying the combined Federal and state statutory income tax rate of 26% (2018 – 26%, 2017 – 40%) to the Company's net loss before income taxes as follows:

	December 31, 2019 $	December 31, 2018 $	December 31, 2017 $
Net loss before income taxes	9	(199)	(526)
Expected income tax recovery	2	(52)	(210)
Warrants issued and non-deductible expenses	59	—	—
Change in tax benefits not recognized	(61)	52	210
Income tax recovery	—	—	—

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset. The future benefit of US non-capital losses carried forward may be limited on an annual basis and in total under Section 382 of the US Internal Revenue Code as a result of prior and future ownership changes.

The Company has not yet recognized deferred tax assets related to these amounts as it is not yet probable that these carry-forward losses and temporary differences will be utilized in the foreseeable future. Therefore, a net deferred income tax asset is not being recognized for the non-capital loss carry-forwards and other available tax assets.

Notes to the Consolidated Financial Statements for the Years Ended December 31, 2019, 2018 and 2017

9. INCOME TAXES (continued)

The unrecognized deferred tax assets solely related to the non-capital losses carried forward which approximates $461 (2018 - $522 and 2017 - $724) and can be used to reduce taxable income of future years. The benefit from the non-capital loss carry-forward balance has not been recorded in the consolidated financial statements. These losses expire from 2037 to 2039.

10. EARNINGS (LOSS) PER SHARE

The weighted average number of shares includes common shares. The effect of adjustments to the weighted average number of common shares would be anti-dilutive when the Company incurs losses. The outstanding number and type of securities that could potentially dilute basic earnings per share in the future but were not included in the computation of diluted net loss per share.

11. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties.

Short-term employee benefits provided by the Company to key management personnel include salaries, directors' fees, statutory benefit contributions, paid annual vacation and paid sick leave as well as non-monetary benefits such as medical care. In addition to short-term employee benefits, the Company may also issue RSUs or options as part of the stock option plan. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling activities of the Company, directly or indirectly. Key management personnel compensation comprises of salaries, wages and benefits totaling $217 (December 31, 2018 - $215, December 31, 2017 - $148)

Shareholder Loan

During 2019, the directors of the Company provided an unsecured, non-interest bearing, due on demand loan for working capital purposes. The balance outstanding as of December 31, 2019 was $40 (December 31, 2018 - $21, December 31, 2017 - $24).

12. LEASE LIABILITY

The Company leases office space for office space, a data center and a vehicle. The following table presents the lease obligations of the Company:

	December 31, 2019	December 31, 2018	December 31, 2017
Beginning balance	$ 125	$ 180	$ 218
Payment of lease obligations	(58)	(58)	(46)
Interest expense on lease obligations	(7)	3	8
Total	$ 60	$ 125	$ 180

The following table presents an analysis of the contractual undiscounted cash flows from lease obligations:

Notes to the Consolidated Financial Statements for the Years Ended December 31, 2019, 2018 and 2017

12. LEASE LIABILITY (continued)

	December 31, 2019	December 31, 2018	December 31, 2017
Maturity analysis – contractual undiscounted cash flows			
Less than one year	$ 63	$ 78	$ 107
One to five years	12	75	154
Total undiscounted lease obligations	75	153	262
Lease obligations	60	125	180
Current portion	60	65	55
Non-current portion	$ -	$ 60	$ 125

Leases greater than one year were capitalized as right of use assets (Note 6). The Company had two leases greater than a year. The lease for the data center started on February 1, 2016 and ends on January 31, 2021. As of the date of these financials, the Company has notified the landlord of vacating the data center space at the end of the term. The Company's other lease was for a corporate vehicle. The lease expired on June 30, 2020 and was not renewed. When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate. The weighted-average rate applied was 15%.

13. COMMITMENTS & CONTINGENCIES

Commitments

The Company has an operating lease for its Billings, Montana office. The Montana lease is a month-to-month basis.

Contingencies

The Company was served with a statement of claim in connection with the purchase of assets in July 2017. The claim was initiated by the landlord for the lease obligation owed by the vendor, Accounts Receivable Concepts ("ARC") LLC. The Company completed an asset deal of ARC's customer lists only. The Company and its legal counsel believe the lawsuit is without merit and is a liability of the former vendor of ARC. Therefore, the Company has not accrued any liability in regards to this lease liability as at December 31, 2019.

14. OTHER EXPENSES

The Company had two legal settlements for $68 in 2017 and $50 in 2019. Both amounts relate to a break fee for a software contract with a vendor. No further expenses will be required subsequently to these amounts as the settlement has been finalized as of December 31, 2019.

15. ARC ACQUISTION

The Company completed an asset acquisition of ARC LLC in July 2017. As part of the acquisition, the Company fair valued the customer lists and noted a value of $174 and goodwill of $97 for a total acquisition price of $271 paid in cash. The fair value was estimated based on the present value of the cash flows of the business projected for a five-year term using a discount rate of 15%.

Notes to the Consolidated Financial Statements for the Years Ended December 31, 2019, 2018 and 2017

15. ARC ACQUISTION (continued)

The transaction was accounted for as a business combination and has been accounted for by applying the acquisition method. The goodwill resulting from the allocation of the purchase price to the total fair value of net assets represented the sales and growth potential. The Company recorded $291 of revenue and $42 in losses in the consolidated statements of operations and comprehensive loss in 2017 from the acquired operations as a result of the acquisition. If the acquisition had occurred as at January 1, 2017, revenue for the year ended December 31, 2017 would have been $698 and the net loss would have been $101 from the acquired operations.

As part of its annual impairment testing as at December 31, 2017, the Company determined an impairment in the business purchased and therefore recorded an impairment loss of $160 and a goodwill impairment of $97 in fiscal 2017. Therefore, the carrying value as of December 31, 2017 was $nil for this acquisition as the goodwill and customer lists values were considered impaired.

16. SUBSEQUENT EVENTS

Acquisition of Axon Vetcare Technologies Inc.

On February 21, 2020, MedWorxs completed the acquisition of the Axon VCT Assets. Pursuant to the terms of the APA, MedWorxs and Axon also entered into the Axon Licence, pursuant to which Axon licensed the Axon Technology to MedWorxs.

In consideration for the Axon VCT Assets, MedWorxs paid to Axon VCT an amount equal to: (a) the value of liabilities of Axon VCT assumed by MedWorxs pursuant to the terms of the APA; plus (b) CAD $2,000 (collectively, the "Purchase Price").

MedWorxs satisfied the Purchase Price through the issuance of 8,000,000 shares of common stock of MedWorxs to Axon VCT, assumed CDN$250 of debt of Axon VCT, and converted the principal amount of CDN$180 in promissory notes previously issued by Axon VCT into 720,000 shares of common stock of MedWorxs and 720,000 common stock purchase warrants of MedWorxs at USD$0.204 price per share and USD$0.204 exercise price, respectively, as those used in the unit offering.

On February 21, 2020, MedWorxs completed the unit offering for gross proceeds of CDN$490 resulting in the issuance of 1,960,000 shares of common stock of MedWorxs and 1,960,000 common stock purchase warrants, with each warrants being exercisable until February 23, 2021 at an exercise price of US$0.204 per share.

Acquisition of RPM Holding Co, LLC

On March 2, 2020, pursuant to the terms of the Agreement and Plan of Merger, MedWorxs completed the merger with RPM Billing LLC, the shareholders of RPM Holding Co. LLC, the sole owner of RPM Billing LLC, assigned 100% of the membership interests in RPM Billing LLC in exchange for the issuance of 2,732,070 shares of common stock of MedWorxs at a deemed price of USD$0.50 per share, and a note in favor of the RPM Holdings Co. LLC shareholders in the amount of $60 and assumption of $278 in debt and tax liabilities of RPM Billing LLC. The Company hired the principal of RPM Billing LLC to be the Vice President Sale subsequent to the acquisition.

Notes to the Consolidated Financial Statements for the Years Ended December 31, 2019, 2018 and 2017

16. SUBSEQUENT EVENTS (continued)

COVID-19

Beginning in March 2020, the Governments of Canada and the United States, as well as other foreign governments instituted emergency measures as a result of the COVID-19 virus outbreak. The virus has had a major impact on North America and international securities, currency markets and consumer activity which may impact the Company's financial position, its results of future operations and its future cash flows significantly. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of future operations, financial position, and liquidity in fiscal year 2020.

On April 17, 2020 the Company received $402 in Payment Protection Plan funds from the US federal government. On June 30, 2020 the Company satisfied the government requirements for employee retention and the funds automatically converted to a grant.

APPENDIX B
INTERIM FINANCIAL STATEMENTS

UNAUDITED CONDENSED
CONSOLIDATED INTERIM FINANCIAL STATEMENTS

OF

MEDWORXS INC.

FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2020

Condensed Consolidated Statements of Financial Position

	Note	As at September 30, 2020 $	As at December 31, 2019 $
Assets			
Current			
Cash		106	73
Accounts receivable	6	43	38
Other receivables	5	301	-
Contract assets		-	20
Notes receivable	5	31	-
		481	**131**
Non-current			
Right of use assets	7	152	49
Intangible assets	8	218	189
Goodwill	5	4,107	-
Due from related party	13	136	-
Total Non-Current Assets		**4,613**	**238**
Total assets		**5,094**	**369**
Liabilities and shareholders' equity			
Current			
Accounts payable and accrued liabilities		474	288
Taxes payable		190	-
Short term debts	9	1,139	792
Contract liabilities		40	110
Lease liabilities	10	55	60
		1,898	**1,250**
Non-current			
Long term debts	9	1,439	1,156
Contingent consideration	5	445	-
Lease liabilities	10	105	-
Total liabilities		**3,887**	**2,406**
Shareholders' equity (deficiency)			
Share capital	11	3,546	1
Contributed surplus (distributions)	11	501	72
Deficiency		(2,840)	(2,110)
Total shareholders' equity (deficiency)		**1,207**	**(2,037)**
Total liabilities and shareholder equity		**5,094**	**369**

Commitments and contingencies (Note 14)
Subsequent event (Note 16)

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

Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)

		Three Months Ended		Nine Months Ended	
		September 30, 2020	September 30, 2019	**September 30, 2020**	September 30, 2019
	Note	**$**	$	**$**	$
Revenue					
Ambulatory software		63	59	177	191
Inpatient systems		144	187	534	562
Software revenue		67	96	178	271
RCM revenue		577	90	1,292	299
Total revenue		**851**	432	**2,181**	1,323
Operating expenses					
Salaries and benefits		699	210	1,816	652
General and administrative		284	56	724	226
Processing fees		25	35	80	103
Depreciation and amortization	7, 8	53	41	161	114
Total operating expenses		**1,061**	342	**2,781**	1,095
Net operating (loss) profit		**(210)**	90	**(600)**	228
Other income (expense)					
Interest expense		(64)	(67)	(258)	(149)
Other income		(174)	6	144	44
Foreign exchange gain (loss)		106	-	(16)	-
Net other income (expense)		**(132)**	(61)	**(130)**	(105)
Net income (loss) and comprehensive income (loss)		**(342)**	29	**(730)**	123
Earnings (loss) per share					
Basic	12	**(0.01)**	0.00	**(0.03)**	0.01
Diluted	12	**(0.01)**	0.00	**(0.03)**	0.01
Weighted average number of common shares outstanding					
Basic	12	**28,412,070**	15,000,000	**25,816,450**	15,000,000
Diluted	12	**35,278,070**	15,000,000	**25,816,450**	15,000,000

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

Condensed Consolidated Statements of Changes in Shareholders' Deficiency

	Note	Number of common shares outstanding	Share capital $	Contributed surplus (distributions) $	Deficiency $	Total shareholders' deficiency $
Balance as at January 1, 2019		15,000,000	1	(42)	(2,119)	(2,160)
Net income and comprehensive income for the period		-	-	-	123	123
Balances as at September 30, 2019		**15,000,000**	**1**	**(42)**	**(1,996)**	**(2,037)**
Balances as at January 1, 2020		**15,000,000**	**1**	**72**	**(2,110)**	**(2,037)**
Vesting of options issued	11	-	-	87	-	87
Issuance of shares and warrants on Axon acqusition	11	10,680,000	2,179	277	-	2,456
Issuance of warrants to consultant	11	-	-	65	-	65
Issuance of shares on RPM acquisition	11	2,732,070	1,366	-	-	1,366
Net loss and comprehensive loss for the period		-	-	-	(730)	(730)
Balances as at September 30, 2020		**28,412,070**	**3,546**	**501**	**(2,840)**	**1,207**

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

Condensed Consolidated Statements of Cash Flows

	Note	Nine Months Ended September 30, 2020 $	Nine Months Ended September 30, 2019 $
OPERATING ACTIVITIES			
Net (loss) income and comprehensive (loss) income		(730)	123
Adjustments for non-cash items:			
Depreciation and amortization	7, 8	161	114
Accretion expense on lease liabilities	10	17	11
Warrants issued to consultant	11	65	-
Stock based compensation	11	87	-
Foreign exchange loss		16	-
Interest expense		42	-
Other income		(45)	-
Net change in working capital:			
Accounts receivable		(4)	18
Due from related party		(136)	-
Other receivables		24	-
Contract assets		20	-
Accounts payable and accrued liabilities		102	(90)
Taxes payable		(30)	-
Contract liabilities		(70)	(4)
Net cash (used in) provided by operating activities		**(481)**	**172**
INVESTING ACTIVITIES			
Additions to capitalized software costs	8	(123)	(98)
Receipts on notes receivable	5	169	-
Cash received in Axon acqusition	5	170	-
Net cash provided by (used in) investing activities		**216**	**(98)**
FINANCING ACTIVITIES			
Net receipts on debentures	9	667	-
Net payments on debentures	9	(282)	(39)
Lease payments	10	(87)	(58)
Net cash provided by (used in) financing activities		**298**	**(97)**
Net increase (decrease) in cash		33	(23)
Cash balance at beginning of the period		73	61
Cash balance at the end of the period		**106**	**38**
Supplemental information			
Interest paid		(150)	(115)
Income taxes paid		-	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

MedWorxs Inc. (the "Company" or "MedWorxs") was incorporated in Colorado, United States on January 7, 2002. The Company's head office is 6857 Timbers Drive, Evergreen Colorado. The Company's principal place of business is Denver Colorado and Billings, Montana, USA.

The Company sells services and software to medical clinics and medical facilities. There are four revenue streams generated through a combination of internal software development and acquisition of existing businesses and assets. The key business lines include:

- Recurring SaaS revenue for Ambulatory software and eHealth software
- Recurring licensing revenue from Inpatient systems
- Recurring revenue from associated services for our products (such as, electronic claim process, eligibility for reimbursement verifications, and electronic remittance advice)
- Recurring Revenue from Revenue Cycle Management Services ("RCM" revenue)

MedWorxs is primarily engaged in delivering software solutions and services including Revenue Cycle Management ("RCM") and Electronic Health Records ("EHR") to medical practices and hospitals. The Company acquires customers primarily through acquisition of existing RCM and other software businesses in the United States.

Going Concern

These condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of operations. These condensed interim consolidated financial statements do not reflect the adjustments to carrying values of assets and liabilities that would be necessary should the going concern assumption prove to be inappropriate, and these adjustments could be material.

During the nine months ended September 30, 2020, the Company generated a loss from operations of $600 (September 30, 2019 – profit of $228), and a net loss of $730 (September 30, 2019 – net income of $123). As at September 30, 2020, the Company had a working capital deficit of $1,417 (December 31, 2019 - $1,119) and long term debts of $1,989 (December 31, 2019 - $1,156). Of the working capital, $787 in loans is not required to be paid in the next 12 months due to the royalty agreement in place with the underwriter which has an open ended payment term with no principal payment requirements, therefore the adjusted working capital calculation is a deficit of approximately $630. These factors may form a material uncertainty that may raise significant doubt regarding the Company's ability to continue as a going concern. Management intends on financing its future development activities and operations from the sale of equity and debt securities. The Company's ability to continue as a going concern is dependent upon the Company's ability to raise sufficient financing or generate sufficient future cash flows from profitable business activities. Refer to note 5 for acquisitions closed during 2020, which are expected to provide accretive working capital, additional revenue and positive operating income.

2. BASIS OF PRESENTATION, MEASUREMENT AND CONSOLDIATION

(a) Statement of Compliance

These condensed interim consolidated financial statements are unaudited. These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed interim consolidated financial statements should be read in conjunction with the December 31, 2019 annual consolidated financial statements, which have been prepared in accordance with IFRS as issued by the IASB.

The preparation of these condensed interim consolidated financial statements is based on accounting principles and practices consistent with those used in the preparation of the December 31, 2019 annual consolidated financial statements, except as disclosed below.

These condensed interim consolidated financial statements were approved by the board of directors of the Company for issue on November 19, 2020.

(b) Basis of Measurement

The condensed interim consolidated financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below.

(c) Basis of Consolidation

The condensed interim consolidated financial statements include the accounts of MedWorxs and its wholly owned subsidiaries RPM Billing LLC, ARC LLC and Axon Veterinarian Care Technologies Corp. Control is achieved when the Company have the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities, are exposed to, or have rights to, variable returns from involvement with the entity and have the ability to affect those returns through power over the entity. The subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. Profit and loss or other comprehensive income (loss) of subsidiaries acquired during the period are recognized from the date of acquisition or effective date of disposal, as applicable. Significant intercompany accounts and transactions are eliminated on consolidation.

(d) Functional and Presentation Currency

These condensed interim consolidated financial statements are presented in US dollars (“USD”), which is also the functional currency of the Company.

The functional currency of the Company has been determined to be the US dollar by management based on consideration of the currency and economic factors that primarily influence the Company’s revenues and the costs of its business operation. The function currency of Axon Veterinarian Care Technologies (“Axon”) Corp has been determined to in Canadian dollars by management based on consideration of the currency and economic factors that influence its revenue sources and costs of its business operations.

Foreign currency transactions that are in a different currency other than the US dollar are recorded at the exchange rate as at the date of the transaction. At the end of each statement of financial position date, any foreign currency based monetary assets and liabilities are translated using the period end foreign exchange rate. Non-monetary assets and liabilities in foreign currencies other than the functional currency are translated using the historical rate. Gains and losses on transactions are included in the condensed interim consolidated statements of operations and comprehensive loss.

(e) Use of Estimates and Judgements

The preparation of the condensed interim consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported revenues and expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation and judgment uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to:

(i) Estimates

Fair value measurement of non-interest bearing debt

The Company measures on initial recognition the fair value of certain financial liabilities that do not have a defined interest rate, the Company has estimated the fair market value using a comparative interest rate for similar liabilities and a discounted cash flow to determine a reasonable present value. Additional details on debt are disclosed in Note 9.

Fair value measurement of stock options and warrants

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date on which they are granted. Estimating fair value for stock options and warrants requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the expected life of the stock options and warrants, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for stock options and warrants are disclosed in Note 11.

Going concern

The assumption that the Company will be able to continue as a going concern is subject to estimates and judgement by management including the Company's short and long-term operating budget, expected profitability, investing and financing activities, and management's strategic planning.

Useful life of capitalized software costs

The Company assumed that its software capital asset had a useful life of three years. The Company based this value on the average cycle of software upgrades and changes made to its software platform utilized by its clients. The useful life was estimated based on management's numerous years in the software business line and typical trend of software upgrades required.

Goodwill and Intangible assets

The Company's intangible assets consist of customer relationships and goodwill, all of which arose from business combinations (Note 5).

Goodwill is carried at cost less accumulated impairment losses. The Company assesses whether there has been an impairment in the carrying amount of goodwill at least annually or whenever an indicator of impairment exists. Impairment losses on goodwill are not reversed.

(ii) Accounting judgements

Income taxes

The Company recognizes the tax benefit from an uncertain tax position only if it is probable that the tax position will be sustained based on its technical merits. The Company measures and records the tax benefits from such a position based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Company's estimated liabilities related to these matters are adjusted in the period in which the uncertain tax position is effectively settled, the statute limitations for examination expires, or when additional information becomes available. The Company's liability for unrecognized tax benefits requires the use of assumptions and significant judgment to estimate the exposures associated with our various filing positions.

Although the Company believes that the judgments and estimates made are reasonable, actual results could differ and resulting adjustments could materially affect our effective income tax rate and income tax provision.

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially such differences will affect the tax provisions in the period in which such determination is made.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these condensed interim consolidated financial statements are described below:

(a) Business Combination

A business combination is a transaction or event in which an acquirer obtains control of one or more businesses and is accounted for using the acquisition method. The total consideration paid for the acquisition is the aggregate of the fair values of assets given, liabilities incurred or assumed, and equity instruments issued in exchange for control of the acquiree at the acquisition date. The acquisition date is the date where the Company obtains control of the acquiree. The identifiable assets acquired and liabilities assumed are recognized at their acquisition date fair values, except for deferred taxes and share-based payment awards where IFRS provides exceptions to recording the amounts at fair value. Acquisition costs are expensed to profit or loss.

Contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

Non-controlling interest in the acquiree, if any, is recognized either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets, determined on an acquisition-by-acquisition basis. For each acquisition, the excess of total consideration, the fair value of previously held equity interest prior to obtaining control and the non-controlling interest in the acquiree, over the fair value of the identifiable net asset acquired, is recorded as goodwill.

Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. The measurement period is the period from the acquisition date to the date complete information about facts and circumstances that existed as of the acquisition date is received. However, the measurement period does not exceed one year from the acquisition date.

Acquisitions that do not meet the definition of a business combination are accounted for as an asset acquisition. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values.

(b) Standards, amendments, and interpretations issued but not yet adopted

The IASB has issued several new standards and amendments that will be effective on various dates. The listing below is of standards, interpretation and amendments issued which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective. The impact on the Company is currently being assessed.

Amendment to IAS 1, Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current: In January 2020, the IASB issued amendments to paragraphs 69-76 of IAS 1 to clarify the requirements for classifying liabilities as current or non-current. The amendments specify that the conditions which exist at the end of a reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective January 1, 2022, with early adoption permitted. The amendments are to be applied retrospectively. Management is currently assessing the impact of this amendment.

4. CAPITAL MANAGEMENT, FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to various financial instrument risks and continuously assesses the impact and likelihood of this exposure. These risks include credit risk, liquidity risk, capital management and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

Capital management

The Company's objectives when managing its capital are:

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

The Company manages its capital structure and makes adjustments to it in accordance with the objectives stated above, and in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company considers its capital to consist of total equity. The Company is not subject to externally imposed capital requirements.

Financial Risks

a) Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and accounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure. See Note 6 for details on accounts receivable.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due and remain solvent. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis.

To date, the Company has generated operating losses and net cash outflows form operations (Note 1), and has relied on equity to fund its operations and acquisitions and will need to continue to secure additional funding for operations (Note 9). Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that financing will be on terms advantageous to the Company.

c) Interest risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has debt instruments subject to variable interest rates (Note 9). If the interest rates were to increase substantially that would have a negative impact on the Company cash reserves and debt instruments. If the interest rates were to fluctuate by 1%, based on a weighted average cost of interest, the impact on interest expense incurred by the Company for the three and nine months ended September 30, 2020 would be $32 (September 30, 2019 - $19). The Company monitors the American prime interest rate carefully and ensures any significant increases would be mitigated through sufficient cash on hand, raising additional capital or renegotiating terms with the debt underwriter.

c) Currency risk

Currency risk the is risk that the fair value or future cash flows of the Company's financial instrument that are denominated in a currency that is not the Company's functional currency will fluctuate due to the change in foreign exchange rate. The Company is exposed to the currency exchange rate risk on the following balances held in Canadian dollars:

	September 30, 2020 $
Other receivables	294
Notes receivables	31
Accounts payable and accrued liabilities	7
Debt	187
Contingent consideration	445

The Company does not use derivative financial instruments to mitigate its exposure to currency risk. Management, however, mitigates currency risk by regular monitoring, transacting in stable currencies, matching the foreign currency receivables and payables and minimizing the net exposure in any foreign currency at any point of time.

A 100 basis points change in the value of the Canadian currency will result in the increase/decrease in the Company's net income (loss) of $4.

5. ACQUISITIONS

Acquisition of Axon Veterinarian Care Technologies Corp.

On February 21, 2020, MedWorxs completed the acquisition of Axon Veterinarian Care Technologies Corp. ("Axon VCT" or "Axon"). Pursuant to the terms of the Asset Purchase Agreement ("APA"), MedWorxs and Axon also entered into the Axon Licence agreement, pursuant to which Axon licensed the Axon Technology to MedWorxs. See "Intellectual Property - Axon VCT Technology" and "Intellectual Property - Axon Technology".

In consideration for the acquisition of Axon VCT, MedWorxs paid to Axon VCT an amount equal to: (a) the value of liabilities of Axon VCT assumed by MedWorxs pursuant to the terms of the APA; plus (b) CAD $2,000 (collectively, the "Purchase Price").

MedWorxs satisfied the Purchase Price through the issuance of 8,000,000 shares of common stock of MedWorxs to Axon VCT, assumed CDN$250 of debt of Axon VCT, and issued the principal amount of CDN$180 in unsecured promissory notes with a nil interest rate previously issued by Axon VCT into 720,000 shares of common stock of MedWorxs and 720,000 common stock purchase warrants of MedWorxs at a price of $0.204 per share and exercise price of $0.204, respectively, as those used in the unit offering. As of September 30, 2020, $31 in promissory notes is outstanding as part of the acquisition. The note outstanding is non-interest bearing (10% default rate) and is repaid in monthly installments of CAD$8 until paid in full on February 15, 2021. The notes are secured against the units held by the holder (400,000 units).

On February 21, 2020, MedWorxs completed the unit offering for gross proceeds of CDN$490, resulting in the issuance of 1,960,000 shares of common stock of MedWorxs and 1,960,000 common stock purchase warrants, with each warrant being exercisable until February 23, 2021 at an exercise price of CDN$0.25 per share.

The Axon VCT shareholders also have contingent consideration up to CDN$2.4 million or USD$1.8 million, if revenue targets are met, derived directly from the Axon's assets purchased. The Company determined the earn-out payment should be considered part of the acquisition cost of the transaction and a component in calculating goodwill. The balance is non-interest bearing and secured against the assets of Axon VCT that were purchased by the Company. The contingent consideration was fair valued at a discount rate of 15% and expected to be paid over a 10 year period and is non-interest bearing. The provisional carrying value for the long-term liability is approximately $445 upon acquisition. This value may be adjusted as part of the year end annual financials.

In accordance with the measurement period permitted under IFRS 3 - Business Combinations, the fair value of the assets acquired, and liabilities assumed have been determined on a provisional basis. The Company is in the process of determining the fair values of assets and liabilities acquired and identifying any other intangible assets that exist at the date of acquisition. Goodwill is attributable to the workforce, expected synergies, and other intangible assets that the Company is in the process of identifying.

Acquisition of RPM Billing Inc.

On March 2, 2020, MedWorxs completed the acquisition of RPM Billing LLC ("RPM Billing" or "RPM") through the issuance of 2,732,070 shares of common stock and 81,000 employee stock options of MedWorxs and the assumption of certain debts of RPM Holding. The Company hired the principal of RPM Billing to be the Chief Marketing Officer subsequent to the acquisition. As of the issuance date of these financials, the Company has completed this acquisition.

In accordance with the measurement period permitted under IFRS 3 - Business Combinations, the fair value of the assets acquired, and liabilities assumed have been determined on a provisional basis. The Company is in the process of determining the fair values of assets and liabilities acquired and identifying any other intangible assets that exist at the date of acquisition. Goodwill is attributable to the workforce, expected synergies, and other intangible assets that the Company is in the process of identifying.

Summary by Acquisition	**Axon**	**RPM**	**Total**
Shares issued at closing	$ 2,179	$ 1,366	$ 3,545
Warrants issued at closing, at FV	277	-	277
Fair value of purchase consideration	**$ 2,456**	**$ 1,366**	**$ 3,822**
Allocation of purchase price;			
Cash	$ 170	$ -	$ 170
Notes receivable	200	-	200
Accounts receivable	-	1	1
Other current assets	326	-	326
Right-of-use asset	-	170	170
Lease liability	-	(170)	(170)
Accounts payable	-	(9)	(9)
Other current liabilities	-	(91)	(91)
Short term debt	(189)	(264)	(453)
Long term debt	(449)	-	(449)
Goodwill	2,398	1,729	4,127
	$ 2,456	**$ 1,366**	**$ 3,822**

The following revenue and net income (loss) attributable to each acquisition are included in the Company's condensed interim consolidated financial statements for the nine months ended September 30, 2020:

	Axon	**RPM**	**Total**
Revenue	$ -	$ 1,145	$ 1,145
Net income (loss)	-	(47)	(47)

Had the acquisition occurred on January 1, 2020, the Company estimates that it would have reported the following consolidated revenue and net loss for the nine months ended September 30, 2020:

	Axon	**RPM**	**Total**
Revenue	$ -	$ 1,473	$ 1,473
Net income (loss)	-	(82)	(82)

Other receivables comprise of other current assets acquired from Axon as stated in the table above of $326 (CAD$429), less a sales tax refund received during the nine months ended September 30, 2020 of CAD$37. The balance remaining as at September 30, 2020 of $301 (CAD$392) relates to a Scientific Research & Experimental Development tax credit receivable from the Canada Revenue Agency.

6. ACCOUNTS RECEIVABLE

There is no concentration risk for its accounts receivables as no customer represents greater than 10% of the Company's total sales. The Company evaluates credit losses on a regular basis based on the aging and collectability of it receivables. As at September 30, 2020 and December 31, 2019, no allowance for doubtful accounts was recorded.

7. RIGHT OF USE ASSETS

		ROU Assets
Cost		
Balances as at Dec 31, 2019	$	210
Additions		170
Balances as at September 30, 2020	$	380
Accumulated Depreciation		
Balances as at Dec 31, 2019	$	(161)
Depreciation		(67)
Balances as at September 30, 2020	$	(228)
Net Book Values as at December 31, 2019	**$**	**48**
Net Book Values as at September 30, 2020	**$**	**152**

The right-of-use ("ROU") assets represent an operating lease for the data center and office lease, both of which are utilized by the Company (see Note 10). During the nine months ended September 30, 2020, the Company completed its lease term on a financing lease for a corporate vehicle.

8. INTANGIBLE ASSETS

		Intangible Assets Software
Cost		
Balances as at Dec 31, 2019	$	367
Additions		123
Balances as at September 30, 2020	$	490
Accumulated Depreciation		
Balances as at Dec 31, 2019	$	(178)
Depreciation		(94)
Balances as at September 30, 2020	$	(272)
Net carrying amount as at December 31, 2019	**$**	**189**
Net carrying amount as at September 30, 2020	**$**	**218**

Software licenses are capitalized as part of the Company's review of IAS 38 guidelines. The Company capitalizes 50% of its software development salaries and amortizes them over a 36-month period. The Company completes an impairment analysis to ensure the carrying value is supported by the revenue generated from the software licenses.

9. DEBENTURES

Fundation Line of Credit

On June 20, 2017, the Company had an unsecured business line of credit agreement with Fundation Group LLC up to $75. The interest rate on the line of credit was 11.19%. The Company had the option to repay

the balance at any time without penalty, however there are no set repayment terms. As of September 30, 2020, the Company has an outstanding balance of $47 (December 31, 2019 - $67) included in short term debts.

Funding Circle Loan

On September 21, 2017, the Company obtained an unsecured loan for $100 from FC Marketplace, LLC ("Funding Circle") with a maturity date of September 30, 2022 bearing an interest rate 15.82%. As of September 30, 2020, the outstanding balance was $138 (December 31, 2019 - $161) included in long term debts.

Tech-Time Debts

On June 2, 2015, the Company acquired the assets of Tech-Time, a Montana corporation, and their *STAT!* software which is used for managing practice management software. At the time the Company issued a secured promissory note for $200 at 6% interest with a 48 month payback period as follows: (i) $100 plus accumulated interest due 24 months after issuance, June 2, 2017 (ii) $50 non-interest bearing due 36 months after issuance, June 2, 2018 (iii) $50 non-interest bearing due 48 months after issuance, June 2, 2019. The promissory note was secured against the assets of Tech-Time. The purchase of the assets was expensed in 2015. The Company owed $20 as of December 31, 2019. The Company has paid the balance of this loan as at September 30, 2020.

In addition to the secured promissory note, the Company committed to a non-interest-bearing consulting contract of $778 starting June 2, 2015 which would pay the president of Tech-Time $8 per month until the contract was fulfilled. For accounting purposes, the consulting contract has been treated as a contractual obligation and financial instrument. The Company has discounted the contract as of September 30, 2020 using an imputed interest rate similar to a Small Business Administration ("SBA") loan, which is the prime rate plus 2.75%, which as of September 30, 2020 was 6% and assumes a maturity of April 30, 2023. Based on these discount factors, the fair value calculated as at September 30, 2020 was $341 (December 31, 2019 - $368).

		September 30 2020		December 31 2019
Promissory note payable	$	456	$	460
Discount	$	(115)	$	(92)
	$	341	$	368

Grenville Royalty Loan

On April 13, 2017, the Company entered into a $300 unsecured royalty loan agreement with Grenville Strategic Royalty Corp ("Grenville"). As of the April 13, 2017 until December 31, 2018, the Company shall pay Grenville $6.25 per month as interest expense only. As of January 1, 2019, the Company shall pay Grenville the higher of $6.25 or 1.125% of monthly revenue greater than $4,260. If the Company would like to buyout the debt, it would be subject to two times the principal received, or $600 as of September 30, 2020. The outstanding balance as of September 30, 2020 was $600 (December 31, 2019 - $600) included in short term debts. The Company paid $56 in interest expense during the nine months ended September 30, 2020 (September 30, 2019 - $56).

On Deck Loan

On December 3, 2019, the Company obtained an unsecured loan for $50 from On Deck Capital, Inc ("On Deck") with a maturity date of 15 months ending on March 3, 2021 bearing an interest rate 41.56%. The

amount was paid off during the nine months ended September 30, 2020. The balance as at December 31, 2019 was $48.

Small Business Administration Loans

On June 3, 2015, the Company entered into a $500 secured long-term loan with a maturity date of June 2, 2025 bearing an interest rate of the prime interest rate of similar loans plus 2.75% and adjusted on a quarterly basis. The loan was secured against the assets of the Company. As of September 30, 2020, the interest rate applicable was 6%. As at September 30, 2020 the balance was $300 (December 31, 2019 - $322) included in long term debts.

On January 18, 2018, the Company entered into a $325 secured long-term loan with a maturity date of January 17, 2028 bearing an interest rate of the prime interest rate of similar loans plus 2.75% and adjusted on a quarterly basis. The loan was secured against the assets of the Company. As of September 30, 2020, the interest rate applicable was 6% and the outstanding balance was $262 (December 31, 2019 - $274) included in long term debts.

On December 27, 2018, the Company entered into a $70 secured long-term loan with a maturity date of December 26, 2028 bearing an interest rate of the prime interest rate of similar loans plus 2.75% and adjusted on a quarterly basis. The loan was secured against the assets of the Company. As of September 30, 2020, the interest rate applicable was 6% and the outstanding balance was $61 (December 31, 2019 - $61) included in long term debts.

Kabbage Loan

On April 2, 2019, the Company obtained a secured working capital loan of $33 from Kabbage, Inc. The loan had an approximate interest rate of 31.5%. The loan was secured against the assets of the Company. The loan was repaid over 12 payments. The total interest expense for the life of the loan was $10 ($8 in 2019, and $2 in 2020). On April 22, 2020, the loan was repaid completely.

PayPal Working Capital Loan

On September 16, 2019, the Company obtained an unsecured working capital loan of $25 from WebBank or also known as PayPal Working Capital with a minimum payment required every 90 days of $3. The loan had an approximate interest rate of 7.6%. The loan was repaid in April 2020.

On February 2, 2020, the Company obtained a secured working capital loan of $100 from WebBank or also known as PayPal Working Capital with a minimum payment required every 90 days of $6. The loan has an approximate interest rate of 25.4%. The loan is due within twelve months of issuance. As of September 30, 2020, the balance was $111 included in short term debts.

Axon Royalty Loan

On February 21, 2020 the Company purchased the assets of Axon VCT (see Note 5). The Company assumed a royalty loan liability of $189 as part of the acquisition. The loan carries an annual interest rate of 25%. Only the interest portion is due on a monthly basis. The Company has incurred interest expenses of $36 during the nine months ended September 30, 2020 (September 30, 2019 - $nil). The loan was secured against the assets of MedWorxs. The loan can be repaid at any time at the Company's discretion. The current loan balance as at September 30, 2020 was $187 included in short term debts.

Axon Contingent Royalty Loan Liability

On February 21, 2020 the Company purchased the assets of Axon VCT (see Note 5). The Company assumed a contingent royalty loan liability up to CDN$2.4 million or USD$1.8 million, if revenue targets are

met, derived directly from the Axon's assets purchased. The balance is non-interest bearing and secured against the assets of Axon VCT that were purchased by the Company. The payments are due quarterly, but only have certain criteria are met. The contingent consideration was fair valued at a discount rate of 15% and expected to be paid over a 10 year period and is non-interest bearing. The provisional carrying value for the long-term liability is approximately $445 upon acquisition. This estimated amount is subject to adjustment.

RPM Vendor Incentive Loan

The Company acquired RPM Billing LLC on March 2, 2020 (see Note 5). As part of the purchase price consideration, the Company issued the principal of RPM an incentive loan of $60 as certain sales criteria were maintained subsequent to acquisition. The loan was non-interest bearing and due within one year from origination. The balance was paid in full by September 30, 2020.

Paycheck Protection Program

On April 7, 2020, the Company entered into a promissory note (the "PPP Note") evidencing an unsecured loan in the amount of $402 made to the Company under the Payment Protection Plan ("PPP"). The Company received the funds on April 15, 2020. The PPP is a liquidity facility program established by the U.S. government as part of the CARES Act in response to the negative economic impact of the COVID-19 outbreak. The PPP Loan has a two-year term and bears interest at a rate of 1.0% per annum. The interest is accrued and the full balance, including interest, will be due on the two year anniversary from the date of receipt.

The PPP Loan is a 100% forgivable loan to the extent proceeds are used to cover qualified documented payroll, mortgage interest, rent, and utility costs over a 24-week measurement period (as amended) following loan funding. For the loan to be forgiven, the Company is required to formally apply for forgiveness, and potentially, required to pass an audit that it met the eligibility qualifications of the loan. Within 150 days from the application, the Company will be notified whether or not the loan is forgiven.

The loan forgiveness amount will be reduced for any EIDL advance that the Company receives. The amount of loan forgiveness will be further reduced if the borrower terminates employees or reduces salaries during the eight-week period. The Company recorded the proceeds of the PPP Loan of $402 as debt and will derecognize the liability when the loan is paid off or it believes forgiveness is reasonably certain. Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease. Accordingly, the loan is recorded to debt and the forgiveness will be recognized once all conditions are met.

As at September 30, 2020, the PPP Loan of $402 has been classified as long term on the balance sheet.

EIDL loan

On June 8, 2020, the Company received an advance in the amount of $150 from the U.S. Small Business Administration ("SBA") under the Economic Injury Disaster Loan ("EIDL") program administered by the SBA, which program was expanded pursuant to the CARES Act. EIDL is designed to provide economic relief to businesses that are currently experiencing a temporary loss of revenue. EIDL proceeds can be used to cover a wide array of working capital and normal operating expenses, such as continuation to health care benefits, rent, utilities, and fixed debt payments. Such advance amount will reduce the Company's PPP loan forgiveness amount described above.

10. LEASE LIABILITIES

The Company leases office space, a data center and a vehicle. The following table presents the lease obligations of the Company:

		September 30, 2020
Beginning balance as at January 1, 2020	$	60
Additions		170
Payment of lease obligations		(87)
Interest expense on lease obligations		17
Ending balance at period end	$	160

The following table presents an analysis of the contractual undiscounted cash flows from lease obligations:

		Sept 30 2020
Maturity analysis – contractual undiscounted cash flows		
Less than one year	$	86
One to five years		119
Total undiscounted lease obligations	**$**	**205**
Lease obligations	$	160
Current portion	$	55
Non-current portion	$	105

Leases greater than one year were capitalized as right of use assets (Note 7). As at September 30, 2020, the Company had two leases with lease terms greater than a year. The lease for the data center started on February 1, 2016 and ends on January 31, 2021. As of the date of these financials, the Company has notified the landlord of the data center that the Company will be vacating the space at the end of the term. The Company's other lease is for office space obtained as part of its acquisition of RPM. The office lease ends on August 31, 2023. During the nine months ended September 30, 2020, the Company's had another lease for a corporate vehicle. This lease expired on June 30, 2020 and was not renewed.

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate. The weighted-average rate applied was 15%.

11. SHARE CAPITAL

Common Shares

The Company has authorized share capital of 38,000,000 common shares. Refer to the Condensed Consolidated Statements of Changes in Shareholders' Deficiency for a summary of share capital activity.

MedWorxs satisfied the Purchase Price through the issuance of 8,000,000 shares of common stock of MedWorxs to Axon VCT, assumed CDN$250 of debt of Axon VCT, and converted the principal amount of CDN$180 in promissory notes previously issued by Axon VCT into 720,000 shares of common stock of MedWorxs and 720,000 common stock purchase warrants of MedWorxs at a price of $0.204 per share and $0.204 exercise price, respectively, as those used in the unit offering.

On February 21, 2020, MedWorxs completed the unit offering for gross proceeds of CDN$490, resulting in the issuance of 1,960,000 shares of common stock of MedWorxs and 1,960,000 common stock purchase warrants, with each warrant being exercisable until February 23, 2021 at an exercise price of US$0.204 (CDN$0.25) per share.

On March 2, 2020, the MedWorxs completed the acquisition of RPM Billing LLC through the issuance of 2,732,070 shares of common stock and 81,000 employee stock options of MedWorxs and the assumption of certain debts of RPM Holding. The Company hired the principal of RPM Billing to be the Chief Marketing Officer subsequent to the acquisition. As of the issuance date of these financials, the Company has completed this acquisition.

As at September 30, 2020, the Company had 28,412,070 common shares outstanding.

Incentive Plans

The Company has adopted a Stock Option Plan ("SOP") under which it is authorized to grant stock options ("Options") to officers, directors, employees and consultants enabling them to acquire common shares of the Company. The Company has also adopted a Restricted Share Unit Plan ("RSU Plan") under which it is authorized to grant restricted share units ("RSUs" and, together with Options, "Awards") to officers, directors, employees and consultants enabling them to acquire common shares of the Company. The maximum number of common shares reserved for issuance of Awards that may be granted under the plan is 10% of the issued and outstanding common shares of the Company.

The stock option activity for the period were as follows:

	Number of Options		Weighted Average Exercise Price
As at December 31, 2019	-		-
Granted	2,511,000	$	0.21
Outstanding as at September 30, 2020	2,511,000	$	0.21
Exercisable as at September 30, 2020	-	$	0.21

As of September 30, 2020, the Company had the following stock options outstanding:

Exercise Price		Number of options outstanding	Weighted average remaining life (months)
$	0.20	800,000	56
$	0.20	1,630,000	116
$	0.50	71,000	117
$	0.50	10,000	119
		2,511,000	97

During the three and nine months ended September 30, 2020, the Company incurred $37 and $87, respectively, in share-based payments related to the vesting of stock options.

The compensation expenses were based on the fair value of each stock option on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions for the period ending September 30, 2020:

Issuance Date	25-Feb-20	25-Feb-20	08-Apr-20	18-May-20
Exercise price	$0.20	$ 0.20	$0.50	$0.50
Expected life (months)	56	116	117	119
Expected volatility	103.0%	103.0%	103.0%	103.0%
Dividend rate	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate	4.75%	4.75%	3.25%	3.25%
Grant date fair value	$0.13	$0.19	$0.46	$0.46

Warrants

The Company granted warrants on February 21, 2020 as part of the Axon acquisition and for the unit offering (see Note 5) issuing 720,000 and 1,960,000 warrants respectively. On March 1, 2020, the Company granted 575,000 warrants to a consultant for services provided. A summary of all warrants issued is as follows:

	Warrants Outstanding	Weighted average exercise	Fair Value
Balance, December 31, 2019	1,100,000	$0.204	$ 0.1040
Issued, Feb 2020	2,680,000	$0.204	$ 0.1040
Issued, March 2020	575,000	$0.204	$ 0.1130
Balance, September 30, 2020	4,355,000	$0.204	$ 0.1130

All warrants were valued using the Black Scholes valuation model. The fair value of each warrant on the date of the grant was based on the following assumptions for the period ending September 30, 2020:

Issuance Date	Dec 2019	Feb 2020	March 2020
Exercise price	$ 0.204	$ 0.204	$ 0.204
Expected life (years)	1	1	2
Expected volatility	103.0%	103.0%	103.0%
Dividend rate	0.00%	0.00%	0.00%
Risk-free interest rate	4.75%	4.75%	4.75%
Grant date fair value	$ 0.104	$ 0.104	$ 0.113

12. EARNINGS (LOSS) PER SHARE

The weighted average number of shares includes common shares. The effect of adjustments to the weighted average number of common shares would be anti-dilutive when the Company incurs losses.

The calculation of basic and diluted earnings (loss) per share for the period ended was based on the information in the table below.

(Expressed in thousands of US dollars, except share and per share amounts)	Three Months Ended		Nine Months Ended	
	September 30, 2020	September 30, 2019	**September 30, 2020**	September 30, 2019
	$	$	**$**	$
Basic weighted average number of shares outstanding - opening balance	28,412,070	15,000,000	15,000,000	15,000,000
Issuance of shares on Axon acquisition	-	-	8,684,835	-
Issuance of shares on RPM acquisition	-	-	2,131,615	-
Basic weighted average number of shares outstanding - ending balance	**28,412,070**	15,000,000	**25,816,450**	15,000,000
Effect of dilutive options	2,511,000	-	-	-
Effect of dilutive warrants	4,355,000	-	-	-
Dilutive weighted average number of shares outstanding	**35,278,070**	15,000,000	**25,816,450**	15,000,000
Net income (loss) for the period	$ (342)	$ 29	$ (730)	$ 123
Weighted average basic earnings (loss) per share	**$ (0.01)**	$ 0.00	**$ (0.03)**	$ 0.01
Weighted average diluted earnings (loss) per share	**$ (0.01)**	$ 0.00	**$ (0.03)**	$ 0.01

13. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties.

Short-term employee benefits provided by the Company to key management personnel include salaries, directors' fees, statutory benefit contributions, paid annual vacation and paid sick leave as well as non-monetary benefits such as medical care. In addition to short-term employee benefits, the Company may also issue RSUs or options as part of the stock option plan. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling activities of the Company, directly or indirectly.

As of September 30, 2020, the Company received a shareholder loan from an Officer of the Company totaling $34 (September 30, 2019 - $nil). The amount was unsecured, non-interest bearing with no mandatory repayment terms.

For the three and nine months ended September 30, 2020, key management personnel compensation comprising of salaries and equity totaled $78 and $250, respectively (Three months and nine months ended September 30, 2019 - $23 and $104).

14. COMMITMENTS & CONTINGENCIES

Commitments

The Company has an operating lease for its Billings, Montana office. The Montana lease is on a month-to-month basis.

Contingencies

The Company was served with a statement of claim in connection with the purchase of assets in July 2017. The claim was initiated by the landlord for the lease obligation owed by the vendor, Accounts Receivable Concepts ("ARC") LLC. The Company completed an asset deal of ARC's customer lists only. The Company and its legal counsel believe the lawsuit is without merit and is a liability of the former vendor of ARC. Therefore, the Company has not accrued any liability in regards to this claim as at September 30, 2020.

15. COVID-19 AND ITS IMPACT ON THE BUSINESS ENVIRONMENT

Beginning in March 2020, the Governments of Canada and the United States, as well as other foreign governments instituted emergency measures as a result of the COVID-19 virus outbreak. The virus has had a major impact on North America and international securities, currency markets and consumer activity which may impact the Company's financial position, its results of future operations and its future cash flows significantly. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of future operations, financial position, and liquidity in fiscal year 2020.

16. SUBSEQUENT EVENT

Kovo Healthtech Corporation ("Kovo") was incorporated on February 20, 2020 and will be part of a three-cornered merger that will take place (the "Reorganization"). Following the completion of the Reorganization, Kovo will become the sole stockholder of MedWorxs and MedWorxs will become a wholly owned subsidiary of Kovo.

Kovo, its wholly-owned subsidiary, MW Acquisition Corp., and MedWorxs are in the process to enter into the merger agreement which sets forth the terms and conditions pursuant to which Kovo will acquire all of the issued and outstanding shares of capital stock of MedWorxs in exchange for the issuance to the existing shareholders of an aggregate of 28,412,070 Common Shares of which 5,000,000 are restricted voting shares. The exact number of Common Shares and restricted voting shares to be issued to the existing shareholders will be determined in accordance with the terms of the merger agreement. Pursuant to the merger agreement, MedWorxs and MW Acquisition Corp. will merge under the laws of the State of Colorado, with MedWorxs being the surviving entity. The Reorganization will close prior to the filing of the final prospectus. The existing shareholders have approved the merger agreement and the terms of the Reorganization.

In connection with the Reorganization, all outstanding warrants to purchase shares of common stock of MedWorxs will be exchanged for warrants to purchase an equal number of Common Shares and all outstanding options to purchase shares of common stock of MedWorxs will be exchanged for options to purchase an equal number of Common Shares.

Immediately following the Reorganization, it is expected that 28,412,070 Common Shares of which 5,000,000 are restricted voting shares will be issued and outstanding.

APPENDIX C
ANNUAL MANAGEMENT'S DISCUSSION & ANALYSIS

MedWorxs Inc.

Management's Discussion and Analysis

For the years ended
December 31, 2019, 2018 and 2017

BACKGROUND

This Management's Discussion & Analysis ("MD&A") of MedWorxs Inc. ("MedWorxs" or the "Company" or "the Corporation") for the years ended December 31, 2019, 2018 and 2017 is dated September 28, 2020 and constitutes management's review of the factors that affected the Company's financial and operating performance for the years ended December 31, 2019, 2018 and 2017. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the consolidated financial statements of the Company for the years ended December 31, 2019, 2018 and 2017, together with the notes thereto.

Results are reported in thousands of US dollars, unless otherwise noted. The Company's consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee.

CORPORATE OVERVIEW

Our mission is to maximize revenue for medical practices and facilities. We do this through: (a) coding and filing of claims to insurance companies and governmental agencies; (b) managing the collection of funds and minimizing the time-to-money; and (c) contributing to increased visit volume through efficient booking, scheduling and patient facing services.

From inception, we have generated revenues by selling services and software to medical clinics and medical facilities. We have acquired key product designs and intellectual property from certain of our founders and through certain acquisitions. We have further completed product research and development on the product designs, secured premises to conduct our business and train employees, undertaken the filing of patent applications, and conducted initial marketing and distribution development.

We are skilled in technology development and certain of our founders have many years of experience in software development and product commercialization. Despite our expertise, we do not maintain a large research and development team. Rather, when we engage in new inventions or technology refresh, we leverage contractors as required. In order to fund the engineering when we engage in new inventions or technology refresh, we leverage customers as our partners.

In the United States healthcare industry, there exists an inherent tension between the health care providers (including physicians and health care facilities) and the health care payers (such as insurance companies and government agencies). Providers perform as much work as they deem necessary to treat patients while payers resist payment for any work they deem

unnecessary. We manage this tension and maximize payment for the right work, thereby optimizing the results for the stakeholders. The key to managing this tension is "**coding**" – a complex process of correlating work done to eligible reimbursement. Our technology platform, comprised of proprietary software, trade secret business processes and software-as-a service ("**SaaS**") delivery platform, enables us to remove business impediments related to administrative tasks for our customers therefore allowing them to focus on their primary core competence: the delivery of medical services.

We believe that the healthcare industry has been fundamentally and irreversibly changed by the coronavirus pandemic (also known as "**Covid-19**"). Prior to 2020, many health care systems were evaluating the benefits of moving toward more remote forms of service delivery, including the use of EHR and the delivery of remote medical services using telecommunications technology, known as "**virtual care**" (and previously known as "**telehealth**"). Due to the Covid-19 virus, virtual care has become a necessity as a means of providing continued care while limiting the potential spread of the virus by maintaining physical distancing. The rapid adoption of virtual care has led to health care providers recognizing that virtual care is more productive for the delivery of medical services than the traditional physical visit model. In addition, the industry is recognizing that virtual care requires changes in workflow that are not supported by most EHRs and virtual care solutions that are currently available in the market.

We believe all of our customers and the broader industry at large need new and improved patient-facing services to support effective virtual care. At the same time, we believe our customers seek practice management services that continue to add efficiency to their practices in terms of online booking, scheduling, chat, video chat, and enhanced coding and collection capabilities. Our services offer a unique combination that empowers our customers to shift to the emerging requirements following the Covid-19 pandemic.

History of Our Business

MedWorxs was founded in January 2002 by the husband and wife team of Greg and Jeana Noble in Denver, Colorado, USA. Having extensive experience with software development and medical practice billing systems, the pair decided to put their combined knowledge to work and MedWorxs was born. The business plan was to generate revenues by selling services and software to medical clinics and medical facilities. In the same month that MedWorxs was incorporated, we completed the first sale to a local allergy and asthma specialist. The company grew organically for several years thereafter. In 2007, we completed our first business acquisition through the acquisition of Healthcare Software Systems, Inc. In 2009 MedWorxs began work on its Electronic Health Record system and in 2010 successfully received certification from the United States Office of National Coordinator.

In 2018, MedWorxs refocused its business to concentrate on vertical growth of the Revenue Cycle Management ("RCM") services as the principal revenue stream, with various software products offered to augment our services for additional fees where appropriate. Revenue growth is

generated by a combination of organic growth through the addition of new customers, and the acquisition of RCM businesses where our technology platform and efficient operating practice enable accretive financial metrics from the acquisition. Our acquisition strategy has been refined through a total of seven acquisitions to date by a staff of 62 in two physical locations. By virtue of our operating systems, most of our staff are able to work remotely due to the distributed nature of our business in 17 states.

Products

MedWorxs has developed four revenue streams through a combination of software development and acquisition of existing businesses and assets:

- Recurring SaaS revenue for Ambulatory software
- Recurring licensing revenue from Inpatient systems
- Recurring revenue from software services
- Recurring Revenue from Revenue Cycle Management Services ("RCM" revenue)

We are currently engaged with approximately 325 health care providers representing approximately 325,000 active patients. We have regular contact with each of these patients in our customer universe. These patients represent an opportunity for additional future revenue from patient facing services related to our intellectual property.

OVERALL PERFORMANCE SUMMARY

- Revenue has averaged $1,985 from 2017 to 2019, despite the 18% decline in revenues of $2,154 in 2017 to $1,769 in 2019, the majority of the decrease was due to an RCM business that the Company acquired with a knowing decrease in customer base subsequent to acquisition.
- Operating expenses decreased by 20% from 2017 to 2019 as the Company focused on operating efficiency and reducing costs.
- Coincident with the revenue refocus, the Company had improvements in EBITDA from (2%) to 21% over the three year period, and Adjusted EBITDA from 10% to 27% from 2017 to 2019 respectively.
- Positive quarterly Operating Income each quarter in 2019 demonstrating stable operation of the business and supporting opportunity to grow in 2020.
- Subsequent events, including acquisition of RPM Holdings and Axon Veterinarian Care Technologies positions the company for quarterly revenues.

OPERATIONS-SELECTED ANNUAL INFORMATION

	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue	$ 1,769	$ 2,033	$ 2,154
Income/(Loss) from Ops	$ 203	$ 31	$ 196
Shares	15,000,000	15,000,000	15,000,000
Diluted Shares	16,100,000	15,000,000	15,000,000
Per Share Basis	$ 0.014	$ 0.002	$ 0.013
Per Diluted Share Basis	$ 0.013	$ 0.002	$ 0.013
Total Income/(Loss)	$ 9	$ (199)	$ (526)
Shares	15,000,000	15,000,000	15,000,000
Diluted Shares	16,100,000	15,000,000	15,000,000
Per Share Basis	$ 0.001	$ (0.013)	$ (0.035)
Per Diluted Share Basis	$ 0.001	$ (0.013)	$ (0.035)
Total Assets	$ 369	$ 358	$ 363
Total Liabilities	$ 2,406	$ 2,518	$ 2,324
Total Equity	$ (2,037)	$ (2,160)	$ (1,961)

In 2019 revenues were $1,769 versus $2,033 in 2018 and $2,154 in 2017, a change of 18% over the three-year period. In 2017, the Company completed the Arc acquisition (See consolidated financial statement notes for details). The acquisition provided a short-term increase in revenue but the customer list was always expected to churn from the onset of the purchase. The Company was able to continue to service a number of its customers in 2019 and reduce the operating expenses incurred over time. In 2019 the business had stabilized with consistent revenue each quarter, while delivering positive operating income on a continuous basis.

Subsequent to the year end, the Company was able to acquire two additional business with its equity, reputation and propensity for being a stronger operator. Those businesses will drive additional value for 2020 and going forward as they are both accretive to the top and bottom line of the organization.

The Company maintains sufficient liquidity to meet its short and long term liabilities. The accounts receivable of the business are typically collected in a 30 day period, therefore having limited collectability risk. The Company leverages short and long term debt to fund its long term operations. Subsequent to year end 2019, the Company successfully completed two acquisitions using equity and absorbing minimal debt compared to the enterprise value. The acquisitions have

recapitalized the balance sheet as the Company seeks further opportunities for growth using debt and equity in 2020 and moving forward.

2019 operating expenses were $1,566 versus $2,002 in 2018 and $1,958 in 2017, a decrease of 20% over the three year period. This change reflects management's efforts to improve profitability through a significant cut in G&A expenses and a reduction in staffing levels due to the redirection of business revenue drivers.

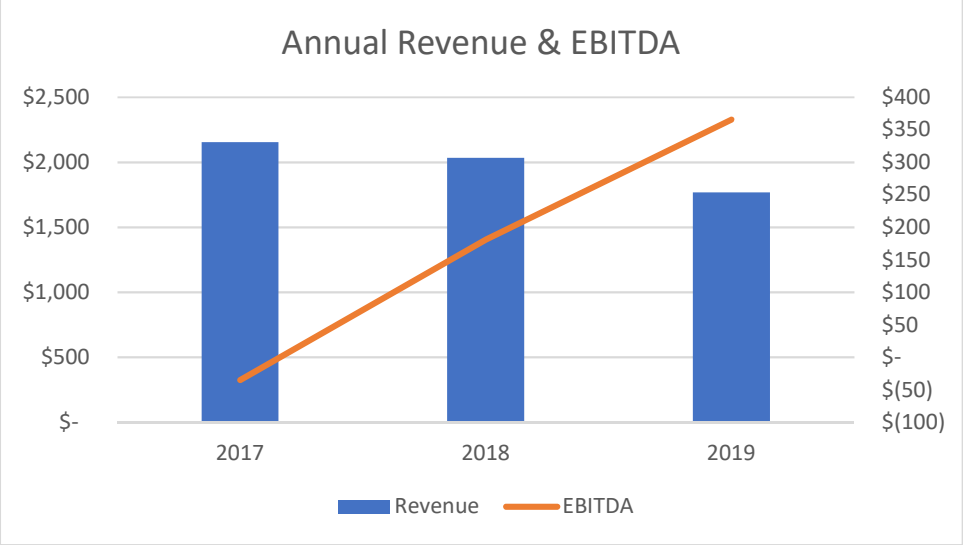
2019 net income (loss) was $9 versus ($199) in 2018 and ($526) in 2017, an increase of 102% over the three year period. This change reflects management's efforts to improve profitability and the previously described changes in business focus . Trimming costs and restructuring debt to match revenue drivers to achieve the new ultimate focus of the Company which is to grow its RCM services and software sales.

Stock Based Compensation
No stock-based compensation expense occurred in fiscal 2017, 2018 and 2019.

Depreciation and Amortization
The Company recognized $158 in depreciation for 2019 compared to $117 in 2018 and $79 in 2017. Depreciated assets related to capitalized software development and right of use assets.

Interest Income and Expense
Interest expense was $199 in 2019 compared to $263 in 2018 and $412 in 2017, reflecting a restructuring and pay off of debts.

EBITDA and Adjusted EBITDA



EBITDA	**2019**	**2018**	**2017**
Net Income	$ 9	$ (199)	$ (526)
Add back:			
Interest	199	263	412
Taxes	-	-	-
Depreciation	158	117	79
Total	357	380	491
EBITDA	**366**	**181**	**(35)**
EBITDA %	*21%*	*9%*	*(2%)*

Adjusted EBITDA	**2019**	**2018**	**2017**
Add back:			
Non-cash equity issuances	114	-	-
Non-cash impairments	-	-	257
Total	114	-	257
Adjusted EBITDA	**480**	**181**	**222**
Adjusted EBITDA %	*27%*	*9%*	*10%*

EBITDA and Adjusted EBITDA are non-GAAP Measures.[1]

EBITDA was $366 and 21% approximately of revenue in 2019, compared to $181 and 9% in 2018 and ($35) and (2%) in 2017. Despite sales decreasing in the past three fiscal years, the Company was disciplined in its operating expense costs and was able to generate positive EBTIDA.

Adjusted EBITDA, which excludes non-cash warrant issuances and impairments for the ARC acquisition completed in 2017, was positive every year and shows a more normalized EBITDA rate of the business at 27%. This trend of growing earnings reflects positively on the Company's ability to operate efficiently after integrating new acquisitions.

1

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. The Company defines Adjusted EBITDA as EBITDA (i) before goodwill or customer list impairment costs, special warrants related expenses and stock-based compensation expense. The Company believes that 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 on a normalized earnings basis.

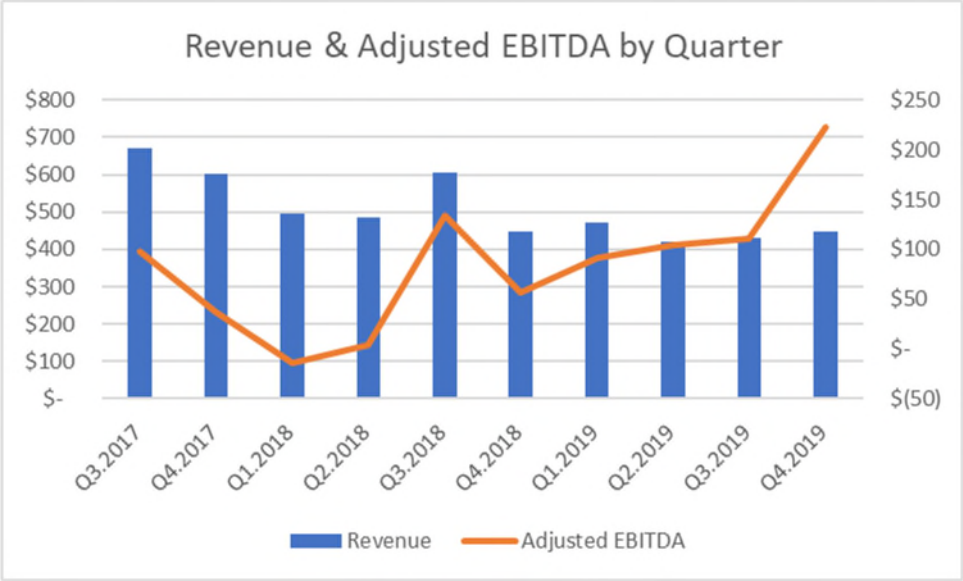
OPERATIONS - SELECTED QUARTERLY INFORMATION

	2017		2018				2019			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	$ 671	$ 602	$ 497	$ 484	$ 605	$ 447	$ 471	$ 420	$ 432	$ 446
Income/(Loss) from Ops	$ 84	$ (33)	$ (27)	$ (19)	$ 109	$ (32)	$ 62	$ 52	$ 77	$ 12
Shares	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Diluted Shares	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	16,100,000
Per Share Basis	$ 0.01	$ (0.00)	$ (0.00)	$ (0.00)	$ 0.01	$ (0.00)	$ 0.00	$ 0.00	$ 0.01	$ 0.00
Per Diluted Share Basis	$ 0.01	$ (0.00)	$ (0.00)	$ (0.00)	$ 0.01	$ (0.00)	$ 0.00	$ 0.00	$ 0.01	$ 0.00
Total Income/(Loss)	$ 38	$ (567)	$ (69)	$ (57)	$ 72	$ (145)	$ 65	$ 27	$ 28	$ (111)
Shares	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Diluted Shares	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	16,100,000
Per Share Basis	$ 0.003	$ (0.038)	$ (0.005)	$ (0.004)	$ 0.005	$ (0.010)	$ 0.004	$ 0.002	$ 0.002	$ (0.007)
Per Diluted Share Basis	$ 0.003	$ (0.038)	$ (0.000)	$ (0.000)	$ 0.000	$ (0.000)	$ 0.000	$ 0.000	$ 0.000	$ (0.000)
EBITDA	$ 89	$ (244)	$ (14)	$ 4	$ 134	$ 57	$ 91	$ 104	$ 111	$ 60
ADJUSTED EBITDA	$ 98	$ 38	$ (14)	$ 4	$ 134	$ 57	$ 91	$ 104	$ 111	$ 224

Fourth quarter revenue for the three months ending December 31, 2019 was $446 - compared to $432 for the third quarter of 2019 ending on September 30, 2019 and $447 for the corresponding fourth quarter of 2018 ended December 31, 2018. The 3% change for Q4 2019 relative to Q3 2019 reflects the seasonality of business at year end and during the holidays. Flat revenue growth for Q4 2019 relative to Q4 2018 reflects the stabilizing of the business with the new business focus.

Fourth quarter operating expense for the three months ending December 31, 2019 was $435 - compared to $355 of the third quarter of 2019 ending on September 30, 2019 and $478 for the corresponding fourth quarter of 2018 . The 18% change for Q4 2019 relative to Q3 2019 reflects the stock issuance expense in Q4. The (10%) change for Q4 2019 relative to Q4 2018 reflects management's efforts to improve profitability in conjunction with the redesigned business focus over the three- year period.

Fourth quarter net loss for the three months ending December 31, 2019 was ($111) compared to the net gain of $28 for the third quarter of 2019 ending on September 30, 2019 and ($145) for the corresponding fourth quarter of 2018 and ($567) in 2017. The 125% change for Q4 2019 relative to Q3 2019 reflects the seasonality of the business and the year -end holiday lull. Also, in 2017, the Company had an impairment loss for the ARC acquisition for its goodwill and customer list values. The (29%) change relative to Q4 2018 reflects a reduction in G&A expenses year over year.



The Company highlights stable revenues for the last five quarters, while Adjusted EBITDA by quarter (excludes the ARC impairment and warrant expense) also as stable and rising. We believe these results are evidence of our successful execution of our strategy of stabilizing top and bottom line results.

LIQUIDITY AND CAPITAL RESOURCES

	For the year ended		
	December 31, 2019 $	December 31, 2018 $	December 31,2017 $
OPERATING ACTIVITIES			
Net income (loss) and comprehensive income (loss)	9	(199)	(526)
Adjustments for non-cash items:			
Depreciation and amortization	158	117	79
Impairment of customer lists	-	-	160
Impairment of goodwill	-	-	97
Increase (decrease) expense to lease liabilities	(7)	3	8
Net change in working capital:			
Accounts receivable	(9)	21	13
Accounts payable and accrued liabilities	(47)	52	138
Contract assets	(20)	-	-
Contract liabilities	51	(28)	16
Net cash provided by (used in) operating activities	**135**	**(34)**	**(15)**
INVESTING ACTIVITIES			
Additions to intangible assets	(128)	(116)	(123)
Shareholder distributions	-	-	(42)
Acquistion of Arc	-	-	(271)
Net cash used in investing activities	**(128)**	**(116)**	**(436)**
FINANCING ACTIVITIES			
Debt receipts	107	521	823
Debt principal repayments	(158)	(296)	(289)
Warrant issuance	114	-	-
Principal lease payments	(58)	(58)	(46)
Net cash (used in) provided by financing activities	**5**	**167**	**487**
Net increase in cash	12	17	36
Cash balance at beginning of the year	61	44	8
Cash balance at the end of the year	**73**	**61**	**44**

Cash

As at December 31, 2019, December 31, 2018 and December 31, 2017 the Company had $73 , $61 and $44 respectively, of cash.

Operating Activities

During the 12 months ended December 31, 2019 the Company gained $ 135 of cash on operating activities related to continuing operations versus in 2018 net cash used by operations of $34 and $15 in 2017.

Investing Activities

During the 12 months ended December 31, 2019, the Company used $128 of cash on investing activities related to continuing operations, relative to using $116 in fiscal 2018 and $ 436 used for the fiscal 2017. In 2017, the Company completed the ARC Acquisition for $120 in cash and assuming $151 in debt. The $271 transaction price was originally capitalized but subsequently written off in the same fiscal year. The Company capitalizes a portion of its expenses related to software developed for generating revenue. These expenditures are capitalized over a three year useful life.

Financing Activities

During 2017, the Company raised funds as part of the ARC acquisition addition to assuming debt while it stabilized the business. In 2018 the Company raised $521 and in 2019 it raised $107, while continuing to service debt of $289 in 2017, $296 in 2018 and $158 in 2019. The focus in 2019 was to service debts while generating positive cash flow from operations rather than financing sources, which reflects in the $249 generated from operations and payments of $109 in financing activities.

Use of Proceeds

Capital, all in the form of debt, was raised in 2017, 2018 and 2019 for general working capital purposes and is being paid down from cash flows.

Summary of Contractual Obligations

The Company has an operating lease for its Billings, Montana office. The Montana lease is a month-to-month basis. The Company had two other leases, for its data center in Colorado and a corporate vehicle. The vehicle lease expires in June 2020 and will not be renewed. The Data center lease expires in January 2021 and will not be renewed as the Company moves all its hosting services to digital cloud service providers.

Accounts Receivable

As of December 31, 2019 accounts receivable was $38, in 2018 it was $29 and in 2017 it was $50. The Company evaluates credit losses on a regular basis based on the aging and collectability

of its receivables. As of December 31, 2019 the Company recognized $0 for allowance for doubtful accounts as all amounts were collected subsequent to year end.

Right of Use Assets and Intangible Assets

See note 6 of the Company's consolidated financial statements for details of movement in the Company's right of use assets during the 12 months ended December 31, 2019. The Company early adopted IFRS 16 effective January 1, 2017 using the modified retrospective approach. See Note 12 of the Company's consolidated financial statements for further details. The two leases related to the ROU assets were the corporate vehicle lease and the datacenter site.

Intangible assets included the customer list valuation for the ARC acquisition and software capitalized over a 3-year useful life. The ARC acquisition customer list value was written off in 2017 when the carrying value was less than the discounted fair value of the business line.

Contract Liabilities

The contract liabilities represent the deferred revenue that the Company will realize upon completion of key milestones for software development and other projects greater than one fiscal year.

As of December 31, 2019 the Company had $110 of contract liabilities, in 2018 the balance was $59, and in 2017 the balance was $87. Contract liabilities consist mainly of fees invoiced or paid by our clients for which the associated services have not been performed and revenues have not been recognized by the Company of each calendar year end.

Key Management Compensation

Key management salaries including compensation, stock, bonuses and any other payments made to the executive team of the Company.

Annual Compensation	**2019**	**2018**	**2017**
Total Senior Management Salaries	$217	$215	$148

SUBSEQUENT EVENTS

Acquisition of Axon Veterinarian Care Technologies Inc. ("Axon") and Unit Offering

On February 21, 2020, MedWorxs completed the acquisition of the assets of Axon Veterinarian Care Technologies Inc. In consideration for the Axon assets, MedWorxs paid to Axon an amount equal to: (a) the value of liabilities of Axon assumed by MedWorxs; plus (b) CAD $2,000,000 (collectively, the "**Purchase Price**"). MedWorxs satisfied the Purchase Price through the issuance of 8,000,000 shares of common stock of MedWorxs to Axon, assumed CDN$250,000 of debt of Axon, and converted the principal amount of CDN$180,000 in promissory notes previously issued by Axon into 720,000 shares of common stock of MedWorxs and 720,000 common stock purchase warrants of MedWorxs. The shares issued by MedWorxs will subsequently convert into 8,000,000 shares of Kovo.

On February 21, 2020, MedWorxs completed the Unit Offering for gross proceeds of CDN$490,000, resulting in the issuance of 1,960,000 shares of common stock of MedWorxs and 1,960,000 common stock purchase warrants, with each warrants being exercisable until February 23, 2021 at an exercise price of CDN$0.25 per share.

Acquisition of RPM Holdings Inc.

On March 2, 2020, pursuant to the terms of the Agreement and Plan of Merger, MedWorxs completed the merger with RPM Billing LLC, the shareholders of RPM Holding Co. LLC, the sole owner of RPM Billing LLC, assigned 100% of the membership interests in RPM Billing LLC in exchange for the issuance of 2,732,070 shares of common stock of MedWorxs at a deemed price of USD$0.50 per share, and a note in favor of the RPM Holdings Co. LLC shareholders in the amount of $60,000 and assumption of $278,000 in debt and tax liabilities of RPM Billing LLC. The CEO of RPM Billing, Mr. Jon Marshall joined MedWorxs as Vice President Sale subsequent to the transaction.

Payroll Protection Plan Payment

On April 17, 2020 the Company received $401,972 in Payment Protection Plan funds from the US federal government. On June 30, 2020 the Company satisfied the government requirements for employee retention and the funds automatically converted to a grant. The grant was credited against payroll expenses incurred to date.

OUTLOOK

With the completion of the acquisition of Axon Vetcare Technologies Inc. on February 21, 2020 and RPM Billing Inc. on March 2, 2020, as reported in the December 31, 2019 consolidated financial statements, the Company has sought shareholder approval to merge the Company with Kovo Healthtech Corp ("Kovo"), a Canadian private company incorporated by MedWorxs. Kovo will be the parent company following the merger.

At the same time, Kovo has filed a Non-Offering Prospectus with the Toronto Venture Stock Exchange ("TSXV") to list its common shares for trading on the exchange. The intent is to complete the two transactions simultaneously, with approval to list on the TSXV and receipt of all necessary shareholder approvals. We are undertaking this two-step public listing to provide public equity for our RCM acquisition strategy.

Healthcare billing in the United States is federally mandated and the two key tenets of the billing infrastructure are the Quality Payment Program ("**QPP**") and the Merit-based Incentive Payment System ("**MIPS**"). The QPP was created by the *Medicare Access and CHIP Reauthorization Act of 2015* ("**MACRA**"). The QPP transforms the Medicare physician payment system from one focused on volume to one focused on value. MIPS establishes the value-based payment program for healthcare practitioners, under which billings will be made going forward. The federal government's Center for Medicare and Medicaid Services is the proponent of these two programs and has taken a strong stance with respect to these programs, requiring increased reporting obligations for participants in 2020 and 2021. Management believes this will establish the value-based payment program as the predominant revenue model for all payers and providers in the next few years. Hence, the focus on RCM software and service solutions that enable financial risk and quality management at an enterprise level will be intensified. We believe this will also lead to larger healthcare systems consolidating their overall spend on core RCM solutions to a fewer number of incumbent or prominent market participants fueling a market consolidation.

Patients' direct contribution to total provider revenue is increasing rapidly, allowing payers and providers to invest in self-service tools that improve patient's overall financial experience by helping them schedule appointments, verify benefit eligibility, estimate financial responsibility, and facilitate secured payment online, from anywhere.

More patients are also deferring payment on their healthcare bills resulting in cash flow issues and solvency concerns for providers. Hence, back-end RCM processes continue to be important. RCM service providers that specialize in medical billing, bad debt collection and complex contract management will be working more closely with both payers (to provide input on sustainable premiums) and providers (to manage accounts receivable).

Internal research by the Company pursuant to our roll-up business model identifies more than 30,000 RCM vendors in the US market. Of those, more than 14,000 have revenues of under $10 million. We believe this work confirms the presence of a large prospecting pool for acquisitions at a size suitable to our capital capabilities.

In addition to revenues generated by our existing software and proprietary business practices, with the acquisition of Axon Veterinarian Care Technologies Inc., the Company acquired an IP portfolio related to the delivery of eHealth technology direct to the patient, the ultimate consumer of healthcare services. Today we generate our revenues through interaction with corporate entities including hospitals, clinics and doctors, where we are in direct contact with the patients of our customers. The Axon technology, rebranded as part of the Kovo eHealth Technology Platform is designed to coordinate teams and delegate actions between the patient and each of the medical practitioners delivering service- the "Circle of Care". We believe the Kovo eHealth Technology platform is a valuable tool for our customers where we can earn additional per-patient recurring revenue, and as a result completing the commercialization of the platform will be a major focus in 2020-2021. Today, the original Axon technology is in use in more than 400 Chinese hospitals and has been tested in the equine veterinary market. Like our existing in-house software, we intend to partially fund development with financial contributions from partners.

RISKS AND UNCERTAINTIES

Failure to obtain all Regulatory Requirements for Completion of the Listing

Completion of the Listing is subject to, among other things, the acceptance of the Exchange and the receipt of all necessary regulatory approvals. There can be no certainty, nor can either party provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. The requirement to take certain actions or to agree to certain conditions to satisfy such requirements or obtain any such approvals may have a material adverse effect on the business and affairs of the Corporation or the trading price of Common Shares after completion of the Listing.

Following Completion of the Listing, the Corporation may Issue Additional Equity Securities

Following completion of the Listing, the Corporation may issue equity securities to finance its activities, including to finance acquisitions. If the Corporation were to issue Common Shares, existing holders of such shares may experience dilution in the Corporation. Moreover, if the Corporation's intention to issue additional equity securities becomes publicly known, the Corporation's share price may be materially adversely affected.

Limited Operating History

While the Corporation's wholly-owned subsidiary MedWorxs has a history of profitable operation, there can be no assurance given that future operating results will reflect historical results. The likelihood of success of the Corporation must be considered in light of the problems, expenses, difficulties, complication, and delays frequently encountered in connection with the establishment of any business. The Corporation will have limited financial resources and there is no assurance that additional funding will be available to it for further operations or to fulfill its obligations under applicable agreements. There is no assurance that the Corporation will be able to generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

Uncertainty of Additional Funding

The Corporation may be dependent on third party financing, whether through debt, equity, or other means. There is no assurance that it will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to the Corporation. Changes in the Corporation's primary United States healthcare market, a claim against the Corporation, a significant event disrupting the Corporation's business, or other factors may make it difficult or impossible to obtain financing through debt, equity, or other means on favorable terms, or at all. In addition, any future financing may also be dilutive to existing shareholders of the Corporation.

Competitive Conditions

The Corporation will actively compete for acquisition of RCM and other target businesses, and will compete for new customers within acquired businesses. Many of the Corporation's competitors may have significantly greater financial resources than the Corporation. The Corporation's competitors may include major healthcare industry corporations.

Reliance Upon Management

The Corporation will be dependent upon the continued support and involvement of its principles and management. Should the Corporation lose the services of one or more of the principals or management, the ability of the Corporation to achieve its objectives could be adversely affected.

Employees

Our success will depend on the combined skills and efforts of our management and employees. We currently have 62 US based employees, of which we have entered into executive employment contracts with Greg Noble (CEO), Jeana Noble (CCO), and Jon Marshall (CMO). We rely on fractional contractors for some key positions - Inder Saini (CFO) and Ken Ono (CTO), both have vendor contracts.

There can be no assurance that we will be able to recruit and retain the employees we will need in order to successfully execute our business plan. If we are unable to recruit and retain appropriate personnel, our ability to successfully execute our business plan will be severely constrained. In addition, the loss of any key employees, including any of the members of our management team, could have a material adverse effect on our business, financial condition and operating results. There can be no assurance that any persons who may be employed by us will remain with us.

Conflicts of Interest

Members of the Board of the Corporation may become directors of other reporting companies or have significant shareholdings in other healthcare industry companies and, to the extent that such other companies may participate in ventures in which the Corporation may participate, the Board may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The Corporation and its Board will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the Board, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases the Corporation will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. Conflicts, if any, will be subject to the procedures and remedies as provided under the BCBCA. The provisions of the BCBCA require a director or officer of a corporation who has a material interest in a contract or Listing of the corporation, or a director or officer of a corporation who is a director or officer of or has a material interest in a person who has a material interest in a contract or Listing with the corporation, to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless permitted under the BCBCA, as the case may be. Other than as indicated, the Corporation has no other procedures or mechanisms to deal with conflicts of interest.

Permits and Licenses

The operations of the Corporation will require licenses and permits from various governmental and nongovernmental authorities. The Corporation will obtain all necessary licenses and permits required to carry on with activities which it proposes to conduct under applicable laws and regulations. However, such licenses and permits are subject to changes in regulations and in various operating circumstances. There can be no assurance that the Corporation will be able to obtain all necessary licenses and permits required to carry out its business.

Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting the healthcare industry, RCM, PM or EHR technology, monetary policies, taxation, rates of exchange, environmental regulations, labour relations, and return of capital. This may affect both the Corporation's ability to undertake its business. The possibility that future governments may

adopt substantially different policies, which might extend to expropriation of technology utilized in the Corporation's business, cannot be ruled out.

Registration with the SEC

We believe that upon completion of the Listing we will qualify as a Foreign Private Issuer. If, however, as of the last business day of our second fiscal quarter for any year, more than 50% of our outstanding voting securities (as defined in the U.S. Securities Act) are directly or indirectly held of record by residents of the United States, we will no longer meet the definition of a Foreign Private Issuer under the rules of the SEC. Losing Foreign Private Issuer status would require us to file annual, quarterly and current reports and make other filings under the 1934 Act and the U.S. Securities Act in accordance with SEC requirements at the beginning of the fiscal year following the loss of Foreign Private Issuer status. If we fail to qualify for Foreign Private Issuer status, we will remain unqualified unless we meet the test as of the last business day of our second fiscal quarter in the applicable fiscal year. This change in status could have a significant effect on us as it would significantly complicate the raising of capital through the offer and sales of securities and reporting requirements, resulting in increased audit, legal and administration costs, which could significantly affect our profitability.

Volatility of Share Price

In recent years, the securities markets in the United States and Canada, and the Exchange in particular, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values, or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Corporation's shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Corporation in creating revenues, cash flows, or earnings.

Liquidity

The Corporation cannot predict at what prices Common Shares will trade upon completion of the Listing, and there can be no assurance that an active trading market in Common Shares will develop or be sustained. Acceptance of the Exchange has not yet been obtained. There is a significant liquidity risk associated with an investment in Common Shares.

Dividends

At the present time, it is unlikely the Corporation's shareholders will receive a dividend on Common Shares.

Software Development

The Axon Technology is available commercially today, however technology adoption is difficult to assess and the Corporation cannot predict whether the technology will reach commercial levels of adoption resulting in material revenues to the business.

Coronavirus Pandemic

The Coronavirus pandemic has impacted all parts of the US economy, our principal market. Anecdotal evidence from customers suggests some health care providers, particularly those generating revenues from elective surgeries or other elective procedures, may see a lower billing rate due to the pandemic. There can be no assurance that negative pandemic impacts on our customers will not have a corresponding negative impact on our business.

Intellectual Property Risk

The Company owns its Intellectual Property ("IP"). There remains a risk that our IP could be in conflict with another IP owned by a third party. We have acquired some of our IP from third parties, and that ownership of IP could be challenged in the future if it is very similar to another third party's IP. In addition, other companies could file for patents that would limit our business strategy for expanding our software revenues.

FORWARD-LOOKING STATEMENTS

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

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. For a complete list of the factors that could affect the Company, please make reference to those risk factors referenced in ***Risks and Uncertainties***. Readers are cautioned that such risk factors, uncertainties and other factors are not exhaustive. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the Company's ability to meet its working capital needs at the current level for the next twelve-month period; management's outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; and general business and economic conditions.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly, or otherwise revise, any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

APPENDIX D
INTERIM MANAGEMENT'S DISCUSSION & ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

OF

MEDWORXS INC

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020

DATED NOVEMBER 19, 2020

BACKGROUND

MedWorxs Inc ("MedWorxs" or the "Company" or the "Corporation") was incorporated on January 7, 2002 as a Colorado Sub Chapter S Limited Liability Corporation. On June 1, 2017, MedWorxs was converted to a Colorado C Corporation. MedWorxs is the primary operating entity of the Corporation and its head office is located at 6857 Timbers Drive, Evergreen Colorado.

This Management's Discussion & Analysis ("MD&A") Corporation for the three and nine months ended September 30, 2020 is dated November 19, 2020 and constitutes management's review of the factors that affected the Corporation's financial and operating performance for the three and nine months ended September 30, 2020. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the consolidated financial statements of the Corporation for the three and nine months ended September 30, 2020, together with the notes thereto.

Results are reported in thousands of US dollars, unless otherwise noted. The Corporation's consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee.

Going Concern

The consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of operations. These consolidated financial statements do not reflect the adjustments to carrying values of assets and liabilities that would be necessary should the going concern assumption prove to be inappropriate, and these adjustments could be material.

During the nine months ended September 30, 2020, the Company generated a loss from operations of $600 (September 30, 2019 – profit of $228), and a net loss of $730 (September 30, 2019 – net income of $123). As at September 30, 2020, the Company had a working capital deficit of $1,417 (December 31, 2019 - $1,119) and long term debts of $1,989 (December 31, 2019 - $1,156). Note that of the working capital, $787 in loans is not required to be paid in the next 12 months due to the royalty agreement in place with the underwriter which has an open ended payment term with no principal payment requirements, therefore the adjusted working capital calculation is a deficit of approximately $630. These factors may form a material uncertainty that may raise significant doubt regarding the Company's ability to continue as a going concern. Management intends on financing its future development activities and operations from the sale of equity and debt securities. The Company's ability to continue as a going concern is dependent upon the Company's ability to raise sufficient financing or generate sufficient future cash flows from profitable business activities. Refer to note 5 in the condensed interim consolidated financial statements for acquisitions closed during 2020, which are expected to provide accretive working capital, additional revenue and positive operating income.

CORPORATE OVERVIEW

Our mission is to maximize revenue for medical practices and facilities. We do this through: (a) coding and filing of claims to insurance companies and governmental agencies; (b) managing the collection of funds and minimizing the time-to-money; and (c) contributing to increased visit volume through efficient booking, scheduling and patient facing services.

From inception, we have generated revenues by selling services and software to medical clinics and medical facilities. We have acquired key product designs and intellectual property from certain of our founders and through certain acquisitions. We have further completed product research and development on the product designs, secured premises to conduct our business and train employees, undertaken the filing of patent applications, and conducted initial marketing and distribution development.

We are skilled in technology development and certain of our founders have many years of experience in software development and product commercialization. Despite our expertise, we do not maintain a large research and development team. Rather, when we engage in new inventions or technology refresh, we leverage contractors as required. In order to fund the engineering when we engage in new inventions or technology refresh, we leverage customers as our partners.

In the United States healthcare industry, there exists an inherent tension between the health care providers (including physicians and health care facilities) and the health care payers (such as insurance companies and government agencies). Providers perform as much work as they deem necessary to treat patients while payers resist payment for any work they deem unnecessary. We manage this tension and maximize payment for the right work, thereby optimizing the results for the stakeholders. The key to managing this tension is "**coding**" – a complex process of correlating work done to eligible reimbursement, generally referred to as Revenue Cycle Management ("RCM"). Our technology platform, comprised of proprietary software, trade secret business processes and software-as-a service ("**SaaS**") delivery platform, enables us to remove business impediments related to administrative tasks for our customers therefore allowing them to focus on their primary core competence: the delivery of medical services.

We believe that the healthcare industry has been fundamentally and irreversibly changed by the coronavirus pandemic (also known as "**Covid-19**"). Prior to 2020, many health care systems were evaluating the benefits of moving toward more remote forms of service delivery, including the use of Electronic Health Records ("") and the delivery of remote medical services using telecommunications technology, known as "**virtual care**" (and previously known as "**telehealth**"). Due to the Covid-19 virus, virtual care has become a necessity as a means of providing continued care while limiting the potential spread of the virus by maintaining physical distancing. The rapid adoption of virtual care has led to health care providers recognizing that virtual care is more productive for the delivery of medical services than the traditional physical visit model. In addition, the industry is recognizing that virtual care requires changes in workflow that are not supported by most EHRs and virtual care solutions that are currently available in the market.

We believe all of our customers and the broader industry at large need new and improved patient-facing services to support effective virtual care. At the same time, we believe our customers seek practice management services that continue to add efficiency to their practices in terms of online booking, scheduling, chat, video chat, and enhanced coding and collection capabilities. Our services offer a unique combination that empowers our customers to shift to the emerging requirements following the Covid-19 pandemic.

History of Our Business

MedWorxs was founded in January 2002 by the husband and wife team of Greg and Jeana Noble in Denver, Colorado, USA. Having extensive experience with software development and medical practice billing systems, the pair decided to put their combined knowledge to work and MedWorxs was born. The business plan was to generate revenues by selling services and software to medical clinics and medical facilities. In the same month that MedWorxs was incorporated, we completed the first sale to a local allergy and asthma specialist. The Company grew organically for several years thereafter. In 2007, we completed our first business acquisition through the acquisition of Healthcare Software Systems, Inc. In 2009 MedWorxs began work on its EHRsystem and in 2010 successfully received certification from the United States Office of National Coordinator.

In 2018, MedWorxs refocused its business to concentrate on vertical growth of RCM as the principal revenue stream, with various software products offered to augment our services for additional fees where appropriate. Revenue growth is generated by a combination of organic growth through the addition of new customers, and the acquisition of RCM businesses where our technology platform and efficient operating practice enable accretive financial metrics from the acquisition. Our acquisition strategy has been refined through a total of seven acquisitions to date by a staff of 62 in two physical locations. By virtue of our operating systems, most of our staff are able to work remotely due to the distributed nature of our business in 20 states.

Products

MedWorxs has developed four revenue streams through a combination of software development and acquisition of existing businesses and assets:

- Recurring SaaS revenue for Ambulatory software and eHealth software
- Recurring licensing revenue from Inpatient systems
- Recurring revenue from associated services for our products (such as, electronic claim process, eligibility for reimbursement verifications, and electronic remittance advice)
- Recurring revenue from Revenue Cycle Management Services (RCM revenue)

We are currently engaged with approximately 1,184 health care providers representing approximately 2,300,000 active patients. We have regular contact with each of these patients in our customer universe. These patients represent an opportunity for additional future revenue from patient facing services related to our intellectual property.

ACQUISITIONS DURING 2020

Acquisition of Axon Veterinarian Care Technologies Corp. assets

On February 21, 2020, MedWorxs completed the acquisition of Axon Veterinarian Care Technologies Corp. ("Axon"). In consideration for the acquisition of Axon, MedWorxs paid to Axon an amount equal to: (a) the value of liabilities of Axon assumed by MedWorxs; plus (b) CAD $2,000 (collectively, the "Purchase Price").

MedWorxs satisfied the Purchase Price through the issuance of 8,000,000 shares of common stock of MedWorxs to Axon, assumed CDN$250 of Axon debt , and converted the principal amount of CDN$180 in promissory notes previously issued by Axon VCT into 720,000 shares of common stock of MedWorxs and 720,000 common stock purchase warrants of MedWorxs at a price of $0.204 per share and exercise price of $0.204, respectively.

On February 21, 2020, MedWorxs completed a financing ("the Unit Offering") for gross proceeds of CDN$490, resulting in the issuance of 1,960,000 shares of common stock of MedWorxs and 1,960,000 common stock purchase warrants, with each warrant being exercisable until February 23, 2021 at an exercise price of $0.204 per share.

Axon also has a contingent consideration up to CDN$2.4 million paid as a percentage of gross and net profits. derived directly from the Axon assets purchased. The Corporation determined the payments should be considered part of the acquisition cost of the transaction and a component in calculating goodwill. The balance is non-interest bearing and secured against the Axon assets that were purchased by the Corporation. The contingent consideration was fair valued at a discount rate of 15% and expected to be paid over a 10-year period and is non-interest bearing. The provisional carrying value for the long-term liability is approximately $445 upon acquisition. This value may be adjusted as part of the year end annual financials.

In accordance with the measurement period permitted under IFRS 3 - Business Combinations, the fair value of the assets acquired, and liabilities assumed have been determined on a provisional basis. The Corporation is in the process of determining the fair values of assets and liabilities acquired and identifying any other intangible assets that exist at the date of acquisition. Goodwill is attributable to the workforce, expected synergies, and other intangible assets that the Corporation is in the process of identifying.

Acquisition of RPM Billing Inc.

On March 2, 2020, MedWorxs completed the acquisition of RPM Billing LLC ("RPM Billing" or "RPM") through the issuance of 2,732,070 shares of common stock and 81,000 employee stock options of MedWorxs and the assumption of certain debts of RPM's parent company, RPM Holding Co, LLC. The Corporation hired the principal of RPM Billing to be the Chief Marketing Officer after the acquisition. As of the issuance date of these financials, the Corporation has completed this acquisition.

In accordance with the measurement period permitted under IFRS 3 - Business Combinations, the fair value of the assets acquired, and liabilities assumed have been determined on a provisional basis. The Corporation is in the process of determining the fair values of assets and liabilities acquired and identifying any other intangible assets that exist at the date of acquisition. Goodwill is attributable to the workforce, expected synergies, and other intangible assets that the Corporation is in the process of identifying.

Summary by Acquisition	Axon	RPM	Total
Shares issued at closing	$ 2,179	$ 1,366	$ 3,545
Warrants issued at closing, at FV	277	-	277
Fair value of purchase consideration	**$ 2,456**	**$ 1,366**	**$ 3,822**
Allocation of purchase price;			
Cash	$ 170	$ -	$ 170
Notes receivable	200	-	200
Accounts receivable	-	1	1
Other current assets	326	-	326
Right-of-use asset	-	170	170
Lease liability	-	(170)	(170)
Accounts payable	-	(9)	(9)
Other current liabilities	-	(91)	(91)
Short term debt	(189)	(264)	(453)
Long term debt	(449)	-	(449)
Goodwill	2,398	1,729	4,127
	$ 2,456	**$ 1,366**	**$ 3,822**

The following revenue and net income (loss) attributable to each acquisition are included in the Corporation's consolidated financial statements for the nine months ended September 30, 2020:

	Axon	RPM	Total
Revenue	$ -	$ 1,145	$ 1,145
Net income (loss)	-	(47)	(47)

Had the acquisitions occurred on January 1, 2020, the Corporation estimates that it would have reported the following consolidated revenue and net loss for the nine months ended September 30, 2020:

	Axon	RPM	Total
Revenue	$ -	$ 1,473	$ 1,473
Net income (loss)	-	(82)	(82)

OVERALL PERFORMANCE SUMMARY

Revenue for the three and nine months ended September 30, 2020 increased by 197% and 165%, respectively, from the comparative periods in the prior year and was mainly related to RCM revenue generated from the recent RPM acquisition.

Operating expenses increased during the three and nine months ended September 30, 2020 by 313% and 255%, respectively, from the comparative periods in the prior year as a result of increased expenses subsequent to the two acquisitions and issuance of warrants and stock options vesting during the period.

OPERATIONS - SELECTED QUARTERLY INFORMATION

	2018	2019				2020		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Revenue	$ 447	$ 471	$ 420	$ 432	$ 446	$ 558	$ 772	$ 851
Income/(Loss) from Ops	$ (32)	$ 62	$ 52	$ 90	$ 12	$ (101)	$ (289)	$ (210)
Shares	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	28,412,070	28,412,070	28,412,070
Diluted Shares	15,000,000	15,000,000	15,000,000	15,000,000	16,100,000	35,278,070	35,278,070	35,278,070
Per Share Basis	$ (0.00)	$ 0.00	$ 0.00	$ 0.01	$ 0.00	$ (0.00)	$ (0.01)	$ (0.00)
Per Diluted Share Basis	$ (0.00)	$ 0.00	$ 0.00	$ 0.01	$ 0.00	$ (0.00)	$ (0.01)	$ (0.00)
Total Income/(Loss)	$ (145)	$ 65	$ 27	$ 29	$ (111)	$ (353)	$ (35)	$ (342)
Shares	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	28,412,070	28,412,070	28,412,070
Diluted Shares	15,000,000	15,000,000	15,000,000	15,000,000	16,100,000	35,278,070	35,278,070	35,278,070
Per Share Basis	$ (0.010)	$ 0.004	$ 0.002	$ 0.002	$ (0.007)	$ (0.012)	$ (0.001)	$ (0.000)
Per Diluted Share Basis	$ (0.000)	$ 0.000	$ 0.000	$ 0.000	$ (0.000)	$ (0.010)	$ (0.001)	$ (0.000)
EBITDA	$ 57	$ 91	$ 104	$ 137	$ 60	$ (201)	$ 115	$ (225)
ADJUSTED EBITDA	$ 57	$ 91	$ 104	$ 137	$ 224	$ 37	$ 113	$ 108

As discussed above, during the first quarter of 2020, the Corporation was able to acquire two additional businesses, Axon and RPM, with its equity based on its reputation as a proven profitable operator, while absorbing minimal debt compared to the enterprise value. Those businesses will drive additional value for 2020 and going forward as they are both accretive to the top and bottom line of the organization. The acquisitions have recapitalized the balance sheet as the Corporation seeks further opportunities for growth using debt and equity in 2020 and moving forward.

The Corporation maintains sufficient liquidity to meet its short and long term liabilities. The accounts receivable of the business are typically collected in a 30 day period, therefore having limited collectability risk. The Corporation leverages short and long term debt to fund its long term operations.

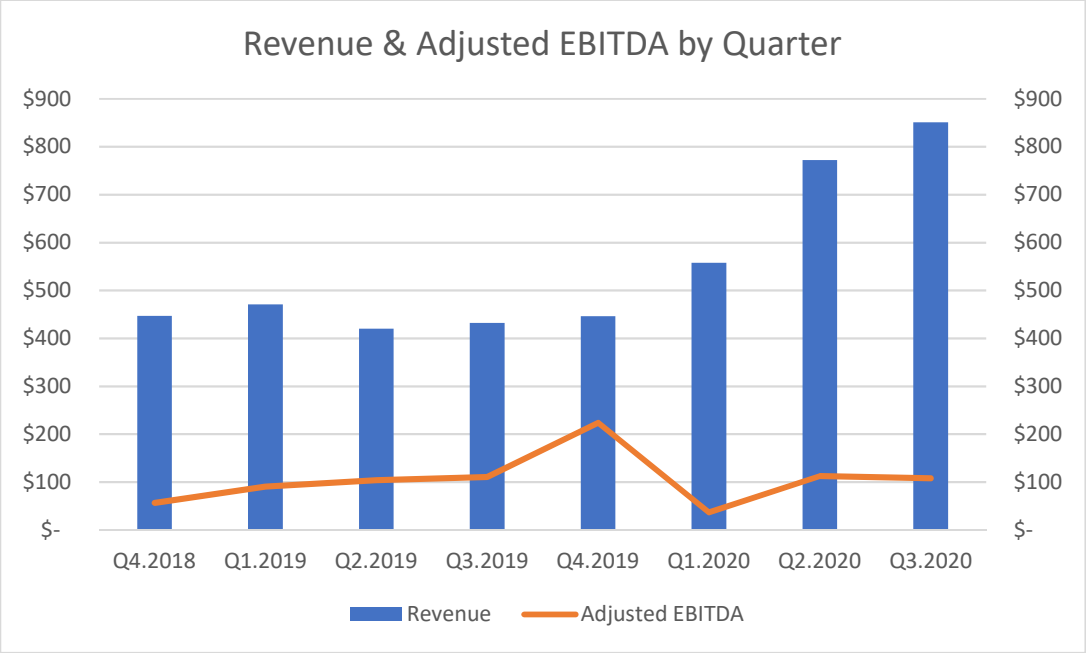
As a result of the acquisitions, revenues have increased quarter over quarter during 2020 with the new acquisitions, and Q3 2020 revenue was 97% higher than Q3 2019. To coincide with the increase in revenues, operating costs have increased partly due to a higher overall headcount in personnel. Also the Company had higher professional fees due to the acquisitions and as part of preparation for the public market filing in 2020. The increase in operating costs also include non-cash equity issuance expenses of $37 and $152, and depreciation of $53 and $161, during the three and nine months ended September 30, 2020, respectively. Depreciated assets during 2020 relate to capitalized software development and right of use assets.

Interest expense during the three and nine months ended September 30, 2020 was $64 and $258, respectively, reflecting interest paid and/or accrued on debt.

The fluctuation in foreign exchange gain or loss recorded during the three and nine months ended September 30, 2020 is a result of the Axon assets acquired (as discussed above), which are denominated in Canadian dollars and are revalued at each period-end based on the foreign exchange rate between US and Canadian dollars.

EBITDA and Adjusted EBITDA

EBITDA and Adjusted EBITDA are non-GAAP Measures.[1]



The Corporation highlights stable revenues for the last eight quarters. In Q1 2020, the Company completed two acquisitions, Axon and RPM Billing. The RPM Billing acquisition closed on March 2, 2020 and has added over $1 million in revenue year to date. This has been the biggest driver of sales in 2020 to almost double in the same period in the prior year. The Company incurred additional operational and transitional expenses from Q1 to Q3 to complete the two acquisitions in 2020. The Company will be accretive EBITDA margin in subsequent periods as we continue to grow revenue and better synergies of the merged operations, which we will start seeing in 2021.

The Company notes Adjusted EBITDA for a more normalized context of the Company's operations (excludes non-cash bearing warrant/stock option expenses, unrealized foreign exchange losses and recognition of other income for our Paycheck Protection Plan (PPP) loan since it was eligible to be 100% forgiven in Q3 2020.) We believe these results demonstrate prudent cost management and effective customer acquisition through both organic and accretive efforts, demonstrating successful execution of our growth strategy.

[1] 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. The Corporation defines Adjusted EBITDA as EBITDA (i) before goodwill or customer list impairment costs, special warrants related expenses and stock-based compensation expense, unrealized foreign exchange loss, recognition of loans which are approved to be 100% forgivable as per government mandate. The Corporation believes that Adjusted EBITDA is a meaningful financial metric as it measures cash generated from operations which the Corporation can use to fund working capital requirements, service future interest and principal debt repayments and fund future growth initiatives on a normalized earnings basis

EBITDA	**Nine Months Ended September 30, 2020**
Net Loss	$ (730)
Add back:	
Interest	258
Depreciation	161
Total	419
EBITDA	**$ (311)**
EBITDA %	*(14%)*
Adjusted EBITDA	
Add back:	
PPP loan forgiveness	402
Non-cash equity issuances	151
Unrealized foreign exchange loss	16
Total	569
Adjusted EBITDA	**$ 258**
Adjusted EBITDA %	*12%*

Sales increased during the first nine months of 2020, the Corporation also experienced an increase in operating expenses relating to increased expenses related to its two acquisitions, non-cash equity issuance expenses, and unrealized foreign exchange translation losses resulting in the lower EBITDA growth. Additional expenses were incurred as part of the integration, in addition to transactions related to the go-public listing (see subsequent events note).

Adjusted EBITDA, which excludes non-cash equity issuances, unrealized foreign exchange losses, and recognizing the 100% forgivable PPP loan that the Company is eligible as of Q3 2020 to receive, was $258 or 12% approximately of revenues during the nine months ended September 30, 2020. This trend of growing Adjusted EBITDA reflects positively on the Corporation's ability to operate efficiently after integrating new acquisitions on a normalized basis. As the Company integrates the new operations of RPM Billing and Axon, there will be greater synergies which will continue to drive earnings growth. In addition, significant professional fees incurred as part of the preparation of the direct listing on the TSX-V are non-recurring (see subsequent events note).

LIQUIDITY AND CAPITAL RESOURCES

	Nine Months Ended	
	September 30, 2020	September 30, 2019
	$	$
OPERATING ACTIVITIES		
Net (loss) income and comprehensive (loss) income	(730)	123
Adjustments for non-cash items:		
Depreciation and amortization	161	114
Accretion expense on lease liabilities	17	11
Warrants issued to consultant	65	-
Stock based compensation	87	-
Foreign exchange loss	16	-
Interest expense	42	-
Other income	(45)	-
Net change in working capital:		
Accounts receivable	(4)	18
Due from related party	(136)	-
Other receivables	24	-
Contract assets	20	-
Accounts payable and accrued liabilities	102	(90)
Taxes payable	(30)	-
Contract liabilities	(70)	(4)
Net cash (used in) provided by operating activities	**(481)**	**172**
INVESTING ACTIVITIES		
Additions to capitalized software costs	(123)	(98)
Receipts on notes receivable	169	-
Cash received in Axon acqusition	170	-
Net cash provided by (used in) investing activities	**216**	**(98)**
FINANCING ACTIVITIES		
Net receipts on debentures	667	-
Net payments on debentures	(282)	(39)
Lease payments	(87)	(58)
Net cash provided by (used in) financing activities	**298**	**(97)**
Net increase (decrease) in cash	33	(23)
Cash balance at beginning of the period	73	61
Cash balance at the end of the period	**106**	**38**

Operating Activities

During the nine months ended September 30, 2020 the Corporation used a total of $481 cash on operating activities (September 30, 2019 – provided cash of $172) related to continuing operations, payments on behalf of related parties and increased payments of contract liabilities. Cash used by operating activities was partly offset by decreased payments of accounts payable and accrued liabilities.

Investing Activities

During the nine months ended September 30, 2020 and 2019, the Corporation generated $216 and used $98 of cash on investing activities, respectively, from cash receipts on notes receivable of $169 (September 30, 2019 - $nil), cash received of $170 upon the acquisition of Axon's assets (September 30, 2019 - $nil), partly offset by cash used on purchases related to software development of $123 (September 30, 2019 - $98). The Corporation capitalizes a portion of its expenses related to software developed for generating revenue. These expenditures are capitalized over a three-year useful life.

Financing Activities
During the nine months ended September 30, 2020, net cash generated of $298 related to receipts on debentures of $667, partly offset by payments on debentures of $282 and on leases of $87. During the nine months ended September 30, 2019, net cash used of $97 was related to payments on debentures and leases.

Use of Proceeds
The Company raised debt and equity to complete its two acquisitions in 2020 and for general working capital purposes.

Summary of Contractual Obligations
The Corporation has an operating lease for its Billings, Montana office. The Montana lease is a month-to-month contract. The Corporation had two other leases, for its data center in Colorado and a corporate vehicle. The vehicle lease expired in June 2020 and was not renewed. The Data center lease expires in January 2021 and will not be renewed as the Corporation moves all its hosting services to digital cloud service providers.

Accounts Receivable
As at September 30, 2020, accounts receivable was $43 (December 31, 2019 - $38). The Corporation evaluates credit losses on a regular basis based on the aging and collectability of its receivables. As at September 30, 2020, the Corporation recognized $nil (December 31, 2019 - $nil) for allowance for doubtful accounts as all amounts were collected subsequent to the quarter end.

Right of Use Assets and Intangible Assets
See note 7 of the Corporation's consolidated financial statements for details of movement in the Corporation's right of use assets during the nine months ended September 30, 2020. Also see note 10 of the Corporation's consolidated financial statements for further details. The two leases remaining related to the ROU assets includes the office lease and the datacenter site.

Intangible assets include software development costs capitalized over a three-year useful life.

Contract Liabilities
The contract liabilities represent the deferred revenue that the Corporation will realize upon completion of key milestones for software development and other projects greater than one fiscal year.

As at September 30, 2020 the Corporation had $40 of contract liabilities (December 31, 2019 - $110). Contract liabilities consist mainly of fees invoiced or paid by our clients for which the associated services have not been performed and revenues have not been recognized by the Corporation of each calendar year end.

Key Management Compensation
Short-term employee benefits provided by the Corporation to key management personnel include salaries, directors' fees, statutory benefit contributions, paid annual vacation and paid sick leave as well as non-monetary benefits such as medical care. In addition to short-term employee benefits, the Corporation may also issue RSUs or options as part of the stock option plan. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling activities of the Corporation, directly or indirectly. For the three and nine months ended September 30, 2020, key management personnel compensation comprising of salaries and equity totaled $78 and $250 respectively (Three months and nine months ended September 30, 2019 - $23 and $104).

SUBSEQUENT EVENTS

The Company is currently in the process of a corporate restructuring to become a Canadian-domiciled company as part of the process of considering a public listing on a Canadian public stock exchange. Kovo Healthtech Corporation ("Kovo") was incorporated on February 20, 2020 and will be part of a three-cornered merger that will take place (the "Reorganization"). Following the completion of the Reorganization, Kovo will become the sole stockholder of MedWorxs and MedWorxs will become a wholly-owned subsidiary of Kovo.

Kovo, its wholly-owned subsidiary, MW Acquisition Corp., and MedWorxs have entered into the merger agreement which sets forth the terms and conditions pursuant to which Kovo will acquire all of the issued and outstanding shares of capital stock of MedWorxs in exchange for the issuance to the existing shareholders of an aggregate of 28,412,070 Common Shares of which 5,000,000 are restricted voting shares. The exact number of Common Shares and restricted voting shares to be issued to the existing shareholders will be determined in accordance with the terms of the merger agreement. Pursuant to the merger agreement, MedWorxs and MW Acquisition Corp. will merge under the laws of the State of Colorado, with MedWorxs being the surviving entity. The Reorganization will close prior to the filing of the final prospectus. The existing shareholders have approved the merger agreement and the terms of the Reorganization.

In connection with the Reorganization, all outstanding warrants to purchase shares of common stock of MedWorxs will be exchanged for warrants to purchase an equal number of Common Shares and all outstanding options to purchase shares of common stock of MedWorxs will be exchanged for options to purchase an equal number of Common Shares.

Immediately following the Reorganization, it is expected that 28,412,070 Common Shares of which 5,000,000 are restricted voting shares, will be issued and outstanding.

OUTLOOK

With the completion of the acquisition of Axon Veterinarian Care Technologies Corp. on February 21, 2020 and RPM Billing Inc. on March 2, 2020, as discussed above, the Corporation has sought shareholder approval to merge the Corporation with Kovo.

At the same time, Kovo has filed a Non-Offering Prospectus with the Toronto Venture Stock Exchange ("TSXV") to list its common shares for trading on the exchange (the "Listing"). The intent is to complete the two transactions simultaneously, with approval to list on the TSXV and receipt of all necessary shareholder approvals. We are undertaking this two-step public listing to provide public equity for our accretive growth strategy. Collectively, these transactions position the Corporation to drive revenue and EBITDA growth through a combination of organic sales growth and a strategy to roll up through acquisition additional RCM businesses.

The dynamics of the US healthcare market are critical to understanding the value of the roll up strategy. Healthcare billing in the United States is federally mandated and the two key tenets of the billing infrastructure are the Quality Payment Program ("**QPP**") and the Merit-based Incentive Payment System ("**MIPS**"). The QPP was created by the *Medicare Access and CHIP Reauthorization Act of 2015* ("**MACRA**"). The QPP transforms the Medicare physician payment system from one focused on volume to one focused on value. MIPS establishes the value-based payment program for healthcare practitioners, under which billings will be made going forward. The federal government's Center for Medicare and Medicaid Services is the proponent of these two programs and has taken a strong stance with respect to these programs, requiring increased reporting obligations for participants in 2020 and 2021. Management believes this will establish the value-based payment program as the predominant revenue model for all payers and providers in the next few years. Hence, the focus on RCM software and service solutions that enable financial risk and quality management at an enterprise level will be intensified. We believe this will also lead to larger healthcare systems consolidating their overall spend on core RCM solutions to a fewer number of incumbent or prominent market participants fueling a market consolidation.

Patients' direct contribution to total provider revenue is increasing rapidly, allowing payers and providers to invest in self-service tools that improve patient's overall financial experience by helping them schedule appointments, verify benefit eligibility, estimate financial responsibility, and facilitate secured payment online, from anywhere.

More patients are also deferring payment on their healthcare bills resulting in cash flow issues and solvency concerns for providers. Hence, back-end RCM processes continue to be important. RCM service providers that specialize in medical billing, bad debt collection and complex contract management will be working more closely with both payers (to provide input on sustainable premiums) and providers (to manage accounts receivable).

Internal research by the Corporation pursuant to our roll-up business model identifies more than 30,000 RCM vendors in the US market. Of those, more than 14,000 have revenues of under $10 million. We believe this work confirms the presence of a large prospecting pool for acquisitions at a size suitable to our capital capabilities.

In addition to revenues generated by our existing software and proprietary business practices, with the acquisition of Axon Veterinarian Care Technologies Corp., the Corporation acquired an IP portfolio related to the delivery of eHealth technology direct to the patient, the ultimate consumer of healthcare services. Today we generate our revenues through interaction with corporate entities including hospitals, clinics and doctors, where we are in direct contact with the patients of our customers. The Axon technology is designed to coordinate teams and delegate actions between the patient and each of the medical practitioners delivering service- the "Circle of Care". We believe these additional technology resources will generate valuable tools for our customers where we can earn additional per-patient recurring revenue, and as a result completing the commercialization of the platform will be a major focus in 2020-2021. Today, the original Axon technology is in use in more than 400 Chinese hospitals and has been tested in the equine veterinary market. Like our existing in-house software, we intend to partially fund development with financial contributions from partners.

RISKS AND UNCERTAINTIES

Failure to obtain all Regulatory Requirements for Completion of the Listing
Completion of the Listing is subject to, among other things, the acceptance of the TSXVand the receipt of all necessary regulatory approvals. There can be no certainty, nor can either party provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. The requirement to take certain actions or to agree to certain conditions to satisfy such requirements or obtain any such approvals may have a material adverse effect on the business and affairs of the Corporation or the trading price of Common Shares after completion of the Listing.

Following Completion of the Listing, the Corporation may Issue Additional Equity Securities
Following completion of the Listing, the Corporation may issue equity securities to finance its activities, including to finance acquisitions. If the Corporation were to issue Common Shares, existing holders of such shares may experience dilution in the Corporation. Moreover, if the Corporation's intention to issue additional equity securities becomes publicly known, the Corporation's share price may be materially adversely affected.

Limited Operating History
While the Corporation's wholly-owned subsidiary MedWorxs has a history of profitable operation, there can be no assurance given that future operating results will reflect historical results. The likelihood of success of the Corporation must be considered in light of the problems, expenses, difficulties, complication, and delays frequently encountered in connection with the establishment of any business. The Corporation will have limited financial resources and there is no assurance that additional funding will be available to it for further operations or to fulfill its obligations under applicable agreements. There is no assurance that the Corporation will be able to generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

Uncertainty of Additional Funding
The Corporation may be dependent on third party financing, whether through debt, equity, or other means. There is no assurance that it will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to the Corporation. Changes in the Corporation's primary United States healthcare market, a claim against the Corporation, a significant event disrupting the Corporation's business, or other factors may make it difficult or impossible to obtain financing through debt, equity, or other means on favorable terms, or at all. In addition, any future financing may also be dilutive to existing shareholders of the Corporation.

Competitive Conditions
The Corporation will actively compete for acquisition of RCM and other target businesses, and will compete for new customers within acquired businesses. Many of the Corporation's competitors may have significantly greater

financial resources than the Corporation. The Corporation's competitors may include major healthcare industry Corporations.

Reliance Upon Management
The Corporation will be dependent upon the continued support and involvement of its principles and management. Should the Corporation lose the services of one or more of the principals or management, the ability of the Corporation to achieve its objectives could be adversely affected.

Employees
Our success will depend on the combined skills and efforts of our management and employees. We currently have 62 US based employees, of which we have entered into executive employment contracts with Greg Noble (CEO), Jeana Noble (CCO), and Jon Marshall (CMO). We rely on fractional contractors for some key positions - Inder Saini (CFO) and Ken Ono (CTO), both have vendor contracts.

There can be no assurance that we will be able to recruit and retain the employees we will need in order to successfully execute our business plan. If we are unable to recruit and retain appropriate personnel, our ability to successfully execute our business plan will be severely constrained. In addition, the loss of any key employees, including any of the members of our management team, could have a material adverse effect on our business, financial condition and operating results. There can be no assurance that any persons who may be employed by us will remain with us.

Conflicts of Interest
Members of the Board of the Corporation may become directors of other reporting companies or have significant shareholdings in other healthcare industry companies and, to the extent that such other companies may participate in ventures in which the Corporation may participate, the Board may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The Corporation and its Board will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the Board, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases the Corporation will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. Conflicts, if any, will be subject to the procedures and remedies as provided under the BCBCA. The provisions of the BCBCA require a director or officer of a Corporation who has a material interest in a contract or Listing of the Corporation, or a director or officer of a Corporation who is a director or officer of or has a material interest in a person who has a material interest in a contract or Listing with the Corporation, to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless permitted under the BCBCA, as the case may be. Other than as indicated, the Corporation has no other procedures or mechanisms to deal with conflicts of interest.

Permits and Licenses
The operations of the Corporation will require licenses and permits from various governmental and nongovernmental authorities. The Corporation will obtain all necessary licenses and permits required to carry on with activities which it proposes to conduct under applicable laws and regulations. However, such licenses and permits are subject to changes in regulations and in various operating circumstances. There can be no assurance that the Corporation will be able to obtain all necessary licenses and permits required to carry out its business.

Political Regulatory Risks
Any changes in government policy may result in changes to laws affecting the healthcare industry, RCM, PM or EHR technology, monetary policies, taxation, rates of exchange, environmental regulations, labour relations, and return of capital. This may affect both the Corporation's ability to undertake its business. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of technology utilized in the Corporation's business, cannot be ruled out.

Registration with the SEC
We believe that upon completion of the Listing we will qualify as a Foreign Private Issuer. If, however, as of the last business day of our second fiscal quarter for any year, more than 50% of our outstanding voting securities (as

defined in the U.S. Securities Act) are directly or indirectly held of record by residents of the United States, we will no longer meet the definition of a Foreign Private Issuer under the rules of the SEC. Losing Foreign Private Issuer status would require us to file annual, quarterly and current reports and make other filings under the 1934 Act and the U.S. Securities Act in accordance with SEC requirements at the beginning of the fiscal year following the loss of Foreign Private Issuer status. If we fail to qualify for Foreign Private Issuer status, we will remain unqualified unless we meet the test as of the last business day of our second fiscal quarter in the applicable fiscal year. This change in status could have a significant effect on us as it would significantly complicate the raising of capital through the offer and sales of securities and reporting requirements, resulting in increased audit, legal and administration costs, which could significantly affect our profitability.

Volatility of Share Price
In recent years, the securities markets in the United States and Canada, and the Exchange in particular, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values, or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Corporation's shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Corporation in creating revenues, cash flows, or earnings.

Liquidity
The Corporation cannot predict at what prices Common Shares will trade upon completion of the Listing, and there can be no assurance that an active trading market in Common Shares will develop or be sustained. Acceptance of the Exchange has not yet been obtained. There is a significant liquidity risk associated with an investment in Common Shares.

Dividends
At the present time, it is unlikely the Corporation's shareholders will receive a dividend on Common Shares.

Software Development
The Axon Technology is available commercially today, however technology adoption is difficult to assess and the Corporation cannot predict whether the technology will reach commercial levels of adoption resulting in material revenues to the business.

Coronavirus Pandemic
The Coronavirus pandemic has impacted all parts of the US economy, our principal market. Anecdotal evidence from customers suggests some health care providers, particularly those generating revenues from elective surgeries or other elective procedures, may see a lower billing rate due to the pandemic. There can be no assurance that negative pandemic impacts on our customers will not have a corresponding negative impact on our business.

Intellectual Property Risk
The Corporation owns its Intellectual Property ("IP"). There remains a risk that our IP could be in conflict with another IP owned by a third party. We have acquired some of our IP from third parties, and that ownership of IP could be challenged in the future if it is very similar to another third party's IP. In addition, other companies could file for patents that would limit our business strategy for expanding our software revenues.

Covid-19 and its Impact On The Business Environment
Beginning in March 2020, the Governments of Canada and the United States, as well as other foreign governments instituted emergency measures as a result of the COVID-19 virus outbreak. The virus has had a major impact on North America and international securities, currency markets and consumer activity which may impact the Company's financial position, its results of future operations and its future cash flows significantly. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of future operations, financial position, and liquidity in fiscal year 2020.

FORWARD-LOOKING STATEMENTS

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

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Corporation's ability to predict or control. For a complete list of the factors that could affect the Corporation, please make reference to those risk factors referenced in ***Risks and Uncertainties***. Readers are cautioned that such risk factors, uncertainties and other factors are not exhaustive. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the Corporation's ability to meet its working capital needs at the current level for the next twelve-month period; management's outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; and general business and economic conditions.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Corporation undertakes no obligation to update publicly, or otherwise revise, any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Corporation does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

APPENDIX E
FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

OF

KOVO HEALTHTECH CORPORATION

FOR THE PERIOD FROM FEBRUARY 20, 2020 (DATE OF INCORPORATION)
TO SEPTEMBER 30, 2020
(Expressed in Canadian dollars)

Management's Comments on Financial Statements

The accompanying financial statements of Kovo HealthTech Corporation are the responsibility of management. The financial statements have been prepared by management in accordance with international financial reporting standards ("IFRS"). Where necessary, management has made judgements and estimates in preparing the financial statements and such statements have been prepared within acceptable limits of materiality.

Management maintains appropriate systems of internal control to give reasonable assurance that its assets are safeguarded, and the financial records are properly maintained.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility principally through the Audit Committee. The Audit Committee, which is comprised of Directors, none of whom are employees or officers of the Company, meets with management and the external auditors to review the independent auditor's report and the financial statements to satisfy itself that management is properly discharging its responsibilities to the Directors, who approve the financial statements.

A firm of independent Chartered Professional Accountants, SRCO Professional Corporation, appointed by the shareholders, audited the financial statements in accordance with IFRS and provided an independent professional opinion thereon in accordance with Canadian generally accepted auditing standards.

Greg Noble
Director
November 2, 2020

SRCO Professional Corporation
Chartered Professional Accountants
Licensed Public Accountants
Park Place Corporate Centre
15 Wertheim Court, Suite 409
Richmond Hill, ON L4B 3H7

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Kovo HealthTech Corporation

Opinion

We have audited the financial statements of Kovo HealthTech Corporation (the "Company"), which comprise the statement of financial position as at September 30, 2020, the statements of operations and comprehensive loss, changes in shareholder's deficiency, and cash flows for the period from February 20, 2020 (date of incorporation) to September 30, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2020, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has experienced a loss for the period from February 20, 2020 (date of incorporation) to September 30, 2020 and a negative working capital as at September 30, 2020. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

(continues)

Independent Auditor's Report to the Shareholder of Kovo HealthTech Corporation *(continued)*

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(continues)

Independent Auditor's Report to the Shareholder of Kovo HealthTech Corporation *(continued)*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ SRCO Professional Corporation

CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

Richmond Hill, Canada
November 2, 2020

Statement of Financial Position

	Note	As at September 30, 2020 $
Assets		
Current		
Cash		150,023
Harmonized sales tax recoverable		1,729
Total assets		**151,752**
Liabilities and shareholder's deficiency		
Current		
Accounts payable and accrued liabilities		15,029
Due to related party	8	180,872
Total liabilities		**195,901**
Shareholder's deficiency		
Share capital	5	100
Deficiency		(44,249)
Total shareholder's deficiency		**(44,149)**
Total liabilities and shareholder's deficiency		**151,752**

Subsequent event (Note 9)

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board

_____
Director

Statement of Operations and Comprehensive Loss

	For the period from February 20, 2020 (date of incorporation) to September 30, 2020 $
Operating expenses	
General and administrative	737
Professional fees	43,512
Total operating expenses	**44,249**
Net loss and comprehensive loss	**(44,249)**
Loss per share	
Basic	**(442)**
Diluted	**(442)**
Weighted average number of common shares outstanding	
Basic	**100**
Diluted	**100**

The accompanying notes are an integral part of these financial statements

Statement of Changes in Shareholder's Deficiency

	Number of common shares outstanding	Share capital $	Deficiency $	Total shareholder's deficiency $
Issuance of shares to founder on inception, February 20, 2020	100	100	-	100
Net loss and comprehensive loss	-	-	(44,249)	(44,249)
Balances as at September 30, 2020	**100**	**100**	**(44,249)**	**(44,149)**

The accompanying notes are an integral part of these financial statements

Statement of Cash Flows

	For the period from February 20, 2020 (date of incorporation) to September 30, 2020 $
OPERATING ACTIVITIES	
Net loss and comprehensive loss	(44,249)
Net change in working capital:	
Harmonized sales tax recoverable	(1,729)
Accounts payable and accrued liabilities	15,029
Net cash used in operating activities	**(30,949)**
FINANCING ACTIVITIES	
Due to related party	180,872
Share capital issuance	100
Net cash provided by financing activities	**180,972**
Net increase in cash	150,023
Cash balance at beginning of the period	-
Cash balance at the end of the period	**150,023**

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Kovo HealthTech Corporation ("Kovo" or the "Company") was incorporated in British Columbia, Canada on February 20, 2020. The Company's head office is1600 – 925 West Georgia Street, Vancouver, BC, V6C 3L2, Canada.

The Company is a holding corporation for the purpose of acquiring assets or businesses (Note 9).

Going Concern

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of operations. These financial statements do not reflect the adjustments to carrying values of assets and liabilities that would be necessary should the going concern assumption prove to be inappropriate, and these adjustments could be material.

As at September 30, 2020, the Company had a working capital deficit of $44,149 and for the period from February 20, 2020 to September 30, 2020 a net loss of $44,249. These factors may form a material uncertainty that may raise significant doubt regarding the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon the Company's ability to raise sufficient financing or generate sufficient future cash flows from profitable business activities. The Company plans to become a publicly traded entity. Refer to subsequent event note for more details.

2. BASIS OF PRESENTATION AND MEASUREMENT

(a) Statement of Compliance

The financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). The management of the Company prepares the financial statements, which are then reviewed by the Board of Directors. The financial statements were authorized for issue by the Board of Directors on November 2, 2020.

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis as explained in the accounting policies set out below.

(c) Functional and Presentation Currency

These financial statements are presented in Canadian dollars ("CAD"), which is also the functional currency of the Company.

The functional currency of the Company has been determined to be the CAD dollar by management based on consideration of the currency and economic factors that primarily influence the Company's revenues and the costs of its business operation.

(d) Use of Estimates and Judgements

The preparation of the financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period. Actual results could differ from these estimates.

2. BASIS OF PRESENTATION AND MEASUREMENT (continued)

Significant assumptions about the future and other sources of estimation and judgment uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to:

(i) Estimates

Going concern

The assumption that the Company will be able to continue as a going concern is subject to estimates and judgement by management including the Company's short and long-term operating budget, expected profitability, investing and financing activities, and management's strategic planning.

Covid-19 Pandemic

On March 11, 2020, the World Health Organization declared the ongoing COVID-19 outbreak as a global health emergency. This resulted in governments worldwide enacting emergency measures to combat the spread of the virus, including the closure of certain non-essential businesses.

During the period ended September 30, 2020, the pandemic did not have a material impact on the Company's operations. The Company has taken steps to minimize the potential impact of the pandemic including safety measures with respect to personal protective equipment, the reduction in travel and the implementation of a virtual office including regular video conference meetings.

Due to the rapid developments and uncertainty surrounding COVID-19, it is not possible to predict the impact that COVID-19 will have on the Company's business, financial position and operating results in the future. In addition, it is possible that estimates in the Company's financial statements will change in the near term as a result of COVID-19 and the effect of any such changes could be material. The Company is closely monitoring the impact of the pandemic on all aspects of its business.

(ii) Accounting judgements

Income taxes

The Company recognizes the tax benefit from an uncertain tax position only if it is probable that the tax position will be sustained based on its technical merits. The Company measures and records the tax benefits from such a position based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Company's estimated liabilities related to these matters are adjusted in the period in which the uncertain tax position is effectively settled, the statute limitations for examination expires, or when additional information becomes available. The Company's liability for unrecognized tax benefits requires the use of assumptions and significant judgment to estimate the exposures associated with our various filing positions. Although the Company believes that the judgments and estimates made are reasonable, actual results could differ and resulting adjustments could materially affect our effective income tax rate and income tax provision.

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially such differences will affect the tax provisions in the period in which such determination is made.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements are described below:

(a) Cash

Cash in the statements of financial position are comprised of cash held in bank accounts.

(b) Financial Instruments

IFRS 9 – Financial Instruments

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition.

The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company's financial assets and liabilities are classified as follows:

Asset or Liability	**Classification**
Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to related party	Amortized cost

Classification

Financial assets are classified and measured based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. IFRS 9 contains three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit and loss. Financial assets are recognized in the statements of financial position if the Company has a contractual right to receive cash or other financial assets from another entity. Financial assets are derecognized when the rights to receive cash flows from the asset have expired or were transferred and the Company has transferred substantially all risks and rewards of ownership.

All financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instruments. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Amortized cost - This category includes financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the solely principal and interest ("SPPI") criterion. Financial asset classified in this category are measured at amortized cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value through profit or loss - This category includes derivative instruments as well as quoted equity instruments which the Company has not irrevocably elected, at initial recognition or transition, to classify at FVOCI. This category would also include debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Financial assets in this category are recorded at fair value with changes recognized in profit or loss.

Financial assets at fair value through other comprehensive income - Equity instruments that are not held-for-trading can be irrevocably designated to have their change in fair value recognized through other comprehensive income instead of through profit or loss. This election can be made on individual instruments and is not required to be made for the entire class of instruments. Attributable transaction costs are included in the carrying value of the instruments. Financial assets at fair value through other comprehensive income are initially measured at fair value and changes therein are recognized in other comprehensive income.

Financial instruments are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. The Company has classified its cash at fair value through profit and loss.

Financial assets and liabilities measured at amortized cost are recognized initially at fair value inclusive of any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. The carrying value of the Company's financial assets held at amortized costs approximates fair value. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value

Fair value estimates are made at the statements of financial position date based on relevant market information and other information about financial instruments. Financial assets and financial liabilities measured at fair value in the statements of financial position are grouped into a fair value evaluation hierarchy. This hierarchy combines financial assets and financial liabilities into three levels according to the significance of the inputs used in the fair value evaluation of the financial assets and financial liabilities. The fair value levels of the hierarchy are as follows:

Level 1	Quoted prices (unadjusted) in active markets for identical assets and liabilities at the financial reporting date;
Level 2	Inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
Level 3	Inputs for the assets or liabilities that are not based on observable market data.

The level within which the financial asset or financial liability is classified is determined based on the lowest level of significant input to the fair value measurement. The Company fair valued non-interest bearing contractual obligations based on the average rate of comparable liabilities with similar financial terms and measured based on Level 2 inputs.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. Loss allowances for accounts receivables are always measured at an amount equal to lifetime expected credit losses if the amount is not considered fully recoverable. A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Losses are recognized in the statements of comprehensive loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of operations and comprehensive loss.

(c) Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Provisions

Provisions are recorded when a present legal, statutory or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statements of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, if the effect is material, its carrying amount is the present value of those cash flows.

(e) Share Capital

The Company's common shares are classified as equity instruments.

(f) Income Taxes

Income tax expense comprises current and deferred taxes.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of operations and comprehensive loss.

(h) Loss Per Share

Basic income (loss) per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive.

(i) Standards, amendments, and interpretations issued but not yet adopted

The IASB has issued several new standards and amendments that will be effective on various dates. The listing below is of standards, interpretation and amendments issued which the Company reasonably expects to be applicable at a future date. The Company intended to adopt those standards when they become effective. The impact on the Company is currently being assessed.

Amendment to IAS 1, Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current: In January 2020, the IASB issued amendments to paragraphs 69-76 of IAS 1 to clarify the requirements for classifying liabilities as current or non-current. The amendments specify that the conditions which exist at the end of a reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective January 1, 2022, with early adoption permitted. The amendments are to be applied retrospectively. Management is currently assessing the impact of this amendment.

4. CAPITAL MANAGEMENT, FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to various financial instrument risks and continuously assesses the impact and likelihood of this exposure. These risks include credit risk, liquidity risk, capital management and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

Capital management

The Company's objectives when managing its capital are:

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

The Company manages its capital structure and makes adjustments to it in accordance with the objectives stated above, and in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company is not subject to externally imposed capital requirements.

4. CAPITAL MANAGEMENT, FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial Risks

a) Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due and remain solvent. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. To date, the Company has relied on advances from related party to fund its operations. Although the Company has been successful in the past in obtaining financing from a related party, there is no assurance that it will be able to obtain adequate financing in the future or that financing will be on terms advantageous to the Company.

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

d) Foreign currency risk

Currency risk is the risk that the future cash flows or fair value of the Company's financial instruments that are denominated in a currency that is not the Company's functional currency will fluctuate due to the change in foreign exchange rate. The functional currency of the Company is the Canadian dollar. The Company is exposed to the currency exchange rate risk on its accounts payable and accrued liabilities held in US dollar.

As at the period ended, the Company had $15,029 of accounts payable and accrued liabilities held in US dollar. The Company does not use derivative financial instruments to mitigate its exposure to currency risk. Management, however, mitigates currency risk by regular monitoring and transacting in stable currencies. A 10% change in the value of the US dollar will result in $1,130 increase/decrease in the Company's net loss.

5. SHARE CAPITAL

Common Shares

The Company has authorized share capital of an unlimited number of common shares.

On February 20, 2020, the Company issued 100 common shares to its founder for $100, there is no par value.

There were no additional shares issued during the period.

6. LOSS PER SHARE

The weighted average number of shares includes common shares.

7. TAXES

The combined Canadian tax rate reflects the federal and provincial tax rates for each applicable year. A reconciliation of the combined Canadian tax rate to the Company's effective rate of income tax is as follows:

	As at September 30, 2020
Loss before taxes	$ (44,249)
Combined Canadian tax rate	27%
Income tax recovery at combined rate	$ (11,947)
Change in deferred tax assets unrecognized	11,947
Income Tax Recovery	$ -

Deferred income tax assets and liabilities are recognized for temporary differences between the carrying value of the balance sheet items and their corresponding tax values. The differences as presented below:

	As at September 30, 2020
Temporary Differences	
Non-capital losses carried forward	$ 11,947
Deferred Tax Assets Unrecognized	$ 11,947

Deferred tax assets have not been recognized because it is not probable that future taxable income will be available to allow the deferred tax asset to be recovered. As at September 30, 2020, non-capital losses of $44,249 will expire in 2040.

8. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties.

Related party balances as at September 30, 2020 amounts to $180,872, payable to MedWorxs Inc. and is unsecured, non interest bearing with no terms of repayment.

There were no payments made to key management personnel during the period ended September 30, 2020.

9. SUBSEQUENT EVENT

Public Listing and pending acquisition of MedWorxs Inc. ("MedWorxs")

Subsequent to the period end but prior to the issuance of these financial statements the Company has filed a preliminary long-form non-offering prospectus with the British Columbia Securities Commission for the purposes of becoming a reporting issuer in the provinces of British Columbia and Ontario, together with an application list the common shares of the Company on the TSX Venture Exchange. Prior to the filing of a final long-form non-offering prospectus., the Company expects to complete a three-cornered merger with MedWorxs Inc. ("MedWorxs"), pursuant to which the Company will acquire all of the outstanding stock, and will carry on the business of MedWorxs.

APPENDIX F
AUDIT COMMITTEE CHARTER

1. Objectives

The Audit Committee (the "Committee") is appointed by the board of directors (the "Board") of Kovo Healthtech Corp. (the "Corporation") to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting issues and issues relating to the appointment and review of the auditor for the Corporation.

The Committee acknowledges the corporate governance guidelines issued by the Canadian Securities Administrators in National Instrument 58-101 Disclosure of Corporate Governance Practices ("NI 58-101") and National Policy 58-201 Corporate Governance Guidelines ("NP 58-201"), and other regulatory provisions as they pertain to financial reporting and accounting matters. The objective of the Committee is to review, monitor and promote appropriate accounting practices of the Corporation.

The Audit Committee (the "Committee") is responsible for assisting the board of directors of the Corporation (the "Board") in general oversight and monitoring of:

I. the integrity of the Corporation's consolidated financial statements;
II. the Corporation's compliance with applicable legal and regulatory requirements related to financial reporting;
III. the qualifications, independence and performance of the Corporation's auditor;
IV. the design and implementation of accounting systems, internal controls and disclosure controls, including the Corporation's written disclosure policy, if any;
V. the review and identification of the principal risks facing the Corporation and development of appropriate procedures to monitor and mitigate such risks; and
VI. any additional matters delegated to the Committee by the Board.

The Committee's oversight role regarding compliance systems shall not include responsibility for the Corporation's actual compliance with applicable laws and regulations.

The Committee will continuously review and modify this Charter with regards to, and to reflect changes in, the business environment, industry standards on matters of financial reporting and accounting, additional standards which the Committee believes may be applicable to the Corporation's business, the location of the Corporation's business and its shareholders and the application of laws and policies.

2. Composition

The Committee will be comprised of not less than three directors, selected by the Board on the recommendation of the Compensation and Corporate Governance Committee. Unless otherwise permitted by applicable law, each member of the Committee will be both "independent" and "financially literate" within the meaning of applicable securities laws including, without limitation, Multilateral Instrument 52-110 - Audit Committees ("MI 52-110").

The members of the Committee shall be appointed or re-appointed by the Board on an annual basis and shall continue as members of the Committee until their successors are appointed or until they cease to be directors of the Corporation. Any member may be removed and replaced at any time by the Board, and will automatically cease to be a member as soon as the member ceases to meet the qualifications set out above. The Board will fill vacancies on the Committee by appointment from among qualified members of the Board. If a vacancy exists on the Committee, the remaining members will exercise all of its powers so long as a quorum remains in office.

Each year, the Board will appoint one member who is qualified for such purpose to be Chairman of the Committee. If, in any year, the Board does not appoint a Chairman of the Committee, the incumbent Chairman of the Committee will continue in office until a successor is appointed.

3. Meetings and Minutes

a) Scheduling

The Committee will meet as often as it determines is necessary to fulfill its responsibilities, which in any event will be not less than quarterly. A meeting of the Committee may be called by the auditor, the Chairman of the Committee, the Chairman, the Chief Executive Officer, the Chief Financial Officer or any Committee member.

Meetings will be held at a location in Canada determined by the Chairman of the Committee and notice shall be given in accordance with the provisions of the Corporation's bylaws.

b) Notice to Auditor

The auditor is entitled to receive notice of every meeting of the Committee and, at the expense of the Corporation, to attend and be heard thereat and, if so requested by a member of the Committee, shall attend any meeting of the Committee held during the term of office of the auditor.

c) Agenda

The Chairman of the Committee will establish the agenda for each meeting. Any member may propose the inclusion of items on the agenda, request the presence of or a report by any member of senior management, or at any meeting raise subjects that are not on the agenda for the meeting.

d) Distribution of Information

The Chairman of the Committee will distribute, or cause the officers of the Corporation to distribute, an agenda and meeting materials in advance of each meeting to allow members sufficient time to review and consider the matters to be discussed.

e) Attendance and Participation

Each member is expected to attend all meetings. A member who is unable to attend a meeting in person may participate by telephone or teleconference.

A portion of each meeting will be held without management (including management directors) being present.

f) Quorum

Two members will constitute a quorum for any meeting of the Committee.

g) Voting and Approval

At meetings of the Committee, each member will be entitled to one vote and questions will be decided by a majority of votes. In case of an equality of votes, the Chairman of the Committee will not have a second or casting vote in addition to his or her original vote.

h) Procedures

Procedures for Committee meetings will be determined by the Chairman of the Committee or a resolution of the Committee or the Board.

i) Transaction of Business

The powers of the Committee may be exercised at a meeting where a quorum is present in person or by telephone or other electronic means, or by resolution in writing signed by all members entitled to vote on that resolution at a meeting of the Committee.

j) Absence of Chairman of the Committee

In the absence of the Chairman of the Committee at a meeting of the Committee, the members in attendance must select one of them to act as chairman of that meeting.

k) Secretary

The Committee may appoint one of its members or any other person to act as secretary.

l) Minutes of Meetings

A person designated by the Chairman of the Committee at each meeting will keep minutes of the proceedings of the Committee and the Chairman will cause an officer of the Corporation to circulate copies of the minutes to each member on a timely basis.

4. Scope, Duties and Responsibilities

The Committee is responsible for performing the duties set out below as well as any other duties at any time required by law to be performed by the Committee or otherwise delegated to the Committee by the Board:

a) Appointment and Review of the Auditor

The auditor is ultimately accountable to the Committee and reports directly to the Committee. Accordingly, the Committee will evaluate and be responsible for the Corporation's relationship with the auditor. Specifically, the Committee will:

I. select, evaluate and recommend an auditor to the Board for appointment or reappointment, as the case may be, by the Corporation's shareholders and make recommendations with respect to the auditor's compensation;
II. review and approve the auditor's engagement letter;
III. resolve any disagreements between senior management and the auditor regarding financial reporting;
IV. at least annually, obtain and review a report by the auditor describing:
V. the auditor's internal quality-control procedures, including the safeguarding of confidential information;
VI. any material issues raised by such procedures, or the review of the auditor by an independent oversight body, such as the Canadian Public Accountability Board, respecting independent audits carried out by the auditor, and the steps taken to deal with any issues raised in any such review;
VII. meet with senior management not less than quarterly without the auditor present for the purpose of discussing, among other things, the performance of the auditor and any issues that may have arisen during the quarter; and
VIII. where appropriate, recommend to the Board that the auditor be terminated.

b) Confirmation of the Auditor's Independence

At least annually, and in any event before the auditor issues its report on the annual financial statements, the Committee will:

I. review a formal written statement from the auditor describing all of its relationships with the Corporation;
II. discuss the auditor any relationships or services that may affect its objectivity and independence (including considering whether the auditor's provision of any permitted non-audit services is compatible with maintaining its independence);
III. obtain written confirmation from the auditor that it is objective within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of Chartered Accountants to which it belongs and is an independent public accountant within the meaning of the Independence Standards of the Canadian Institute of Chartered Accountants; and
IV. confirm that the auditor has complied with applicable rules, if any, with respect to the rotation of certain members of the audit engagement team.

c) Pre-Approval of Non-Audit Services

The approval of the appointment of the auditor for any non-audit service to be provided

to the Corporation must be obtained from the Committee in advance; provided that it will not approve any service that is prohibited under the rules of the Canadian Public Accountability Board or the Independence Standards of the Canadian Institute of Chartered Accountants. Before the appointment of the auditor for any non-audit service, the Committee will consider the compatibility of the service with the auditor's independence. The Committee may pre-approve the appointment of the auditor for any non-audit services by adopting specific policies and procedures, from time to time, for the engagement of the auditor for non-audit services.

d) Communications with the Auditor

The Committee has the authority to communicate directly with the auditor and will meet privately with the auditor periodically to discuss any items of concern to the Committee or the auditor.

e) Review of the Audit Plan

The Committee will discuss with the auditor the nature of an audit and the responsibility assumed by the auditor when conducting an audit under generally accepted auditing standards. The Committee will review a summary of the auditor's audit plan for each audit and approve the audit plan with such amendments as it may agree with the auditor.

f) Review of Audit Fees

The Committee will review and determine the auditor's fee and the terms of the auditor's engagement and inform the Board thereof. In determining the auditor's fee, the Committee will consider, among other things, the number and nature of reports to be issued by the auditor, the quality of the internal controls of the Corporation, the size, complexity and financial condition of the Corporation and its subsidiaries and the extent of support to be provided to the auditor by the Corporation.

g) Review of Consolidated Financial Statements

The Committee will review and discuss with senior management and the auditor the annual audited consolidated financial statements, together with the auditor's report thereon and the interim financial statements, before recommending them for approval by the Board. The Committee will also review and discuss with senior management and the auditor management's discussion and analysis relating to the annual audited financial statements and interim financial statements, where applicable. The Committee may also, if it so elects, engage the auditor to review the interim financial statements prior to the Committee's review of such financial statements.

h) Review of Other Financial Information

The Committee will review:

I. all earnings press releases and other press releases disclosing financial information, as well as all financial information and written earnings guidance

provided to analysts and rating agencies;

II. all other financial statements of the Corporation that require approval by the Board before they are released to the public, including, without limitation, financial statements for use in prospectuses or other offering or public disclosure documents and financial statements required by regulatory authorities; and

III. disclosures made to the Committee by the Chief Executive Officer and Chief Financial Officer during their certification process for applicable securities law filings by the Corporation (where applicable) about any significant deficiencies and material weaknesses in the design or operation of the Corporation's internal controls over financial reporting which are reasonably likely to adversely affect the Corporation's ability to record, process, summarize and report financial information, and any fraud involving senior management or other employees who have a significant role in the Corporation's internal control over financial reporting.

i) Oversight of Internal Controls and Disclosure Controls

The Committee will review periodically with senior management of the Corporation the adequacy of the internal controls and procedures that have been adopted by the Corporation and its subsidiaries to safeguard assets from loss and unauthorized use and to verify the accuracy of the financial records. The Committee will review any special audit steps adopted in light of material control deficiencies or identified weaknesses.

The Committee will review with senior management of the Corporation the controls and procedures that have been adopted by the Corporation to confirm that material information about the Corporation and its subsidiaries that is required to be disclosed under applicable law or stock exchange rules is disclosed.

j) Legal Compliance

The Committee will review any legal matters that could have a significant effect on the Corporation's financial statements.

k) Risk Management

The Committee will oversee the Corporation's risk management function and, on a quarterly basis, will review a report from senior management describing the major financial, legal, operational and reputational risk exposures of the Corporation and the steps senior management has taken to monitor and control such exposures.

l) Taxation Matters

The Committee will review with senior management the status of taxation matters of the Corporation.

m) Employees of the Auditor

The Committee will review and approve policies for the hiring by the Corporation of any partners and employees and former partners and former employees of the present or former auditor.

n) Evaluation of Financial and Accounting Personnel

The Committee will have direct responsibility to:

I. develop a position description for the Chief Financial Officer, setting out the Chief Financial Officer's authority and responsibilities, and present it to the Corporate Governance Committee and Board for approval;
II. review and approve the goals and objectives that are relevant to the Chief Financial Officer's compensation and present the same to the Corporate Governance Committee and Board for approval;
III. evaluate the Chief Financial Officer's performance in meeting his or her goals and objectives;
IV. review and assess the performance of the Corporation's financial and accounting personnel; and
V. recommend to the Corporate Governance and Compensation Committee and Board remedial action where necessary.

o) Signing Authority and Approval of Expenses

The Committee will determine the signing authority of officers and directors in connection with the expenditure and release of funds. The Committee will also review the Chief Executive Officer's and Chief Financial Officer's expense statements. Director expense statements will be reviewed by the Chief Executive Officer. Where the Chief Executive Officer thinks it advisable, he or she may request that the Committee review director expense statements.

5. Complaints Procedure

The Committee will administer the Corporation's Whistleblower Policy for the receipt, retention and follow-up of complaints received by the Corporation regarding accounting, internal controls, disclosure controls or auditing matters and the confidential, anonymous submission of concerns by employees of the Corporation regarding such matters.

6. Reporting

The Committee will regularly report to the Board on:

(i) the auditor's independence, engagement and fees;
(ii) the performance of the auditor and the Committee's recommendations regarding its reappointment or termination;
(iii) the adequacy of the Corporation's internal controls and disclosure controls;
(iv) the Corporation's risk management procedures;
(v) its recommendations regarding the annual and interim financial statements of the

Corporation, including any issues with respect to the quality or integrity of the financial statements;

(vi) its review of any applicable annual and interim management's discussion and analysis;

(vii) any complaints made under, and the effectiveness of, the Corporation's Whistleblower Policy;

(viii) the Corporation's compliance with applicable legal and regulatory requirements related to financial reporting; and

(ix) all other significant matters it has addressed or reviewed and with respect to such other matters that are within its responsibilities, together with any associated recommendations.

7. Assessment

At least annually, the Corporate Governance Committee will review the effectiveness of the Committee in fulfilling its responsibilities and duties as set out in this Charter and in a manner consistent with the mandate adopted by the Board.

8. Review and Disclosure

The Committee will review this Charter at least annually and submit it to the Corporate Governance Committee together with any proposed amendments. The Corporate Governance Committee will review the Charter and submit it to the Board for approval with such further proposed amendments as it deems necessary and appropriate.

9. Access to Outside Advisors and Records

The Committee may retain independent counsel and any outside advisor at any time and has the authority to determine any such advisors' fees and other retention terms. The Committee, and any outside advisors retained by it, will have access to all records and information, relating to the Corporation and all their respective officers, employees and agents which it deems relevant to the performance of its duties.

[END OF SCHEDULE]

APPENDIX G
KOVO HEALTHTECH CORPORATION OMNIBUS EQUITY INCENTIVE PLAN

2020 OMNIBUS EQUITY INCENTIVE COMPENSATION PLAN

ARTICLE 1

ESTABLISHMENT, PURPOSE AND DURATION

1.1 Establishment of the Plan. The following is the omnibus equity incentive compensation plan of Kovo Healthtech Corporation (the "Company") pursuant to which stock-based compensation Awards (as defined below) may be granted to eligible Participants (as defined below). The name of the plan is the Kovo 2020 Omnibus Equity Incentive Compensation Plan (the "Plan"). The Plan permits the grant of Options, Share Appreciation Rights, Restricted Share Units, Deferred Share Units and Performance Share Units (as such terms are defined below).

The Plan was approved by the Board (as defined below) on ●, 2020, and will be deemed to become effective upon receipt of the preliminary long form prospectus of the Company (the "**Effective Date**"), which is expected to be completed on or about ●, 2020, until the earlier of: (i) the date it is terminated by the Board in accordance with the Plan; and (ii) 10 years after the date of the Plan.

1.2 Purpose of the Plan. The purposes of the Plan are to: (i) provide the Company with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants, (ii) align the interests of Participants with that of other shareholders of the Company generally, and (iii) enable and encourage Participants to participate in the long-term growth of the Company through the acquisition of Shares (as defined below) as long-term investments.

ARTICLE 2
DEFINITIONS

Whenever used in the Plan, the following terms shall have the respective meanings set forth below, unless the context clearly requires otherwise, and when such meaning is intended, such term shall be capitalized.

"**Affiliate**" means any corporation, partnership or other entity: (i) in which the Company, directly or indirectly, has majority ownership interest; or (ii) which the Company controls. For the purposes of this definition, the Company is deemed to "control" such corporation, partnership or other entity if the Company possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation, partnership or other entity, whether through the ownership of voting securities, by contract or otherwise, and includes a corporation which is considered to be a subsidiary for purposes of consolidation under International Financial Reporting Standards.

"**Award**" means, individually or collectively, a grant under the Plan of Options, SARs, Deferred Share Units, Restricted Share Units or Performance Share Units, in each case subject to the terms of the Plan.

"**Award Agreement**" means either: (i) a written agreement entered into by the Company or an Affiliate of the Company and a Participant setting forth the terms and provisions applicable to Awards granted under the Plan; or (ii) a written statement issued by the Company or an Affiliate of the Company to a Participant describing the terms and provisions of such Award. All Award Agreements shall be deemed to incorporate the provisions of the Plan. An Award Agreement need not be identical to other Award Agreements either in form or substance.

"**BCSA**" means the *Securities Act* (British Columbia), as may be amended from time to time.

"**Blackout Period**" means a period of time during which the Participant cannot sell Shares, due to applicable law or policies of the Company in respect of insider trading.

"**Board**" means the board of directors of the Company as constituted from time to time.

"**Cause**" means either: (i) if the Participant has a written agreement pursuant to which he or she offers his or her services to the Company and the term "cause" is defined in such agreement, "cause" as defined in such agreement; or (ii) (A) the inability of the Participant to perform his or her duties due to a legal impediment such as an injunction, restraining order or other type of judicial judgment, decree or order entered against the Participant, (B) the failure of the Participant to follow the Company's reasonable instructions with respect to the performance of his or her duties, (C) any material breach by the Participant of his or her obligations under any code of ethics, any other code of business conduct or any lawful policies or procedures of the Company, (D) excessive absenteeism, flagrant neglect of duties, serious misconduct, or conviction of crime or fraud, or (E) any other act or omission of the Participant which would at law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee.

"**Change of Control**" means the occurrence of any one or more of the following events:

(a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company as a result of which the holders of Shares and Restricted Voting Shares prior to the completion of the transaction hold or beneficially own, directly or indirectly, less than 50% of the outstanding Voting Securities of the successor corporation after completion of the transaction;

(b) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets of the Company and/or any of its subsidiaries to any other Person, other than disposition to a wholly-owned subsidiary in the course of a reorganization of the assets of the Company and its subsidiaries;

(c) a resolution is adopted to windup, dissolve or liquidate the Company;

(d) an acquisition by any Person or group of Persons acting jointly or in concert of beneficial ownership of more than 50% of the Shares and Restricted Voting Shares in the aggregate; or

(e) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended from time to time, or any successor thereto.

"**Committee**" means the Board or, if so delegated in whole or in part by the Board, any duly authorized committee of the Board appointed by the Board to administer the Plan.

"**Company**" means Kovo Healthtech Corporation.

"**Consultant**" has the meaning set out in Policy 4.4 of the TSXV Corporate Finance Manual or such replacement definition for so long as the Shares are listed on the TSXV, and if the Shares are not so listed, shall have the meaning, if any, that applies to a listing of the Shares on such other exchange as the Shares are then listed on.

"**Deferred Share Unit**" means an Award denominated in units that provides the holder thereof with a right to receive Shares or cash or a combination thereof upon settlement of the Award, granted under and subject to the terms of the Plan.

"**Director**" means any individual who is a member of the Board.

"**Disability**" means the disability of the Participant which would entitle the Participant to receive disability benefits pursuant to the long-term disability plan of the Company (if one exists) then covering the Participant, provided that the Board may, in its sole discretion, determine that, notwithstanding the provisions of any such long-term disability plan, the Participant is permanently disabled for the purposes of the Plan.

"**Dividend Equivalent**" means a right with respect to an Award to receive cash, Shares or other property equal in value and form to dividends declared by the Board and paid with respect to outstanding Shares. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement, and if specifically provided for in the Award Agreement shall be subject to such terms and conditions set forth in the Award Agreement as the Committee shall determine.

"**Employee**" means any employee or officer of the Company or an Affiliate of the Company; provided, however, that Directors who are not otherwise employed by the Company or an Affiliate of the Company shall not be considered Employees under the Plan.

"**Existing Awards**" means options to purchase Shares granted by the Company under the any applicable predecessor plan (the "**Predecessor Plan**") prior to, but which remain outstanding as of, the Effective Date.

"**FMV**" means, unless otherwise required by any applicable provision of the Code or any regulations thereunder or by any applicable accounting standard for the Company's desired accounting for Awards or by the rules of the TSXV, a price that is determined by the Committee, provided that such price cannot be less than the last closing price of the Shares on the TSXV less any discount permitted by the rules or policies of the TSXV.

"**Freestanding SAR**" means a SAR that is not a Tandem SAR, as described herein.

"**Grant Price**" means the price against which the amount payable is determined upon exercise of a SAR.

"**Insider**" has the meaning ascribed thereto in Section 1(1) of the BCSA.

"**ITA**" means the *Income Tax Act* (Canada).

"**Non-Employee Director**" means a Director who is not an Employee.

"**Notice Period**" means any period of contractual notice or reasonable notice that the Company or an Affiliate of the Company may be required at law, by contract or otherwise agrees to provide to a Participant upon termination of employment, whether or not the Company or Affiliate elects to pay severance in lieu of providing notice to the Participant, provided that where a Participant's employment contract provides for an increased severance or termination payment in the event of termination following a Change of Control, the Notice Period for the purposes of the Plan shall be the Notice Period under such contract applicable to a termination which does not follow a Change of Control.

"**Option**" means the conditional right to purchase Shares at a stated Option Price for a specified period of time, subject to the terms of the Plan.

"**Option Pric**e" means the price at which a Share may be purchased by a Participant pursuant to an Option, as determined by the Committee.

"**Participant**" means an Employee, Non-Employee Director or Consultant who has been selected to receive an Award, or who has an outstanding Award granted under the Plan or the Predecessor Plan.

"**Performance Period**" means the period of time during which the assigned performance criteria must be met in order to determine the degree of payout and/or vesting with respect to an Award.

"**Performance Share Unit**" means an Award granted under Article 10 herein and subject to the terms of the Plan, denominated in units, the value of which at the time it is payable is determined as a function of the extent to which corresponding performance criteria have been achieved.

"**Period of Restriction**" means the period when an Award of Restricted Share Units is subject to forfeiture based on the passage of time, the achievement of performance criteria, and/or upon the occurrence of other events as determined by the Committee, in its discretion.

"**Person**" has the meaning ascribed to such term in Section 1(1) of the BCSA.

"**Restricted Share Unit**" means an Award denominated in units subject to a Period of Restriction, with a right to receive Shares or cash or a combination thereof upon settlement of the Award, granted under Article 8 herein and subject to the terms of the Plan.

"**Restricted Voting Shares**" means the restricted voting shares of the Company.

"**Retirement**" or "**Retire**" means a Participant's permanent withdrawal from employment or office with the Company or an Affiliate of the Company on terms and conditions accepted by the Board.

"**Share Appreciation Right**" or "**SAR**" means the conditional right to receive the difference between the FMV of a Share on the date of exercise over the Grant Price, pursuant to the terms of Article 7 herein and subject to the terms of the Plan.

"**Shares**" means common shares of the Company.

"**Tandem SAR**" means a SAR that the Committee specifies is granted in connection with a related Option pursuant to Article 7 herein and subject to the terms of the Plan, the exercise of which shall require forfeiture of the right to purchase a Share under the related Option (and when a Share is purchased under the Option, the Tandem SAR shall similarly be cancelled) or a SAR that is granted in tandem with an Option but the exercise of such Option does not cancel the SAR, but rather results in the exercise of the related SAR. Regardless of whether an Option is granted coincident

with a SAR: (a) a SAR is not a Tandem SAR unless so specified by the Committee at the time of grant; and (b) a Tandem SAR shall be considered two separate Awards under the Plan.

"**Termination Date**" means the date on which a Participant ceases to be eligible to participate under the Plan as a result of a termination of employment, officer position, board service or consulting arrangement with the Company or any Affiliate of the Company for any reason, including death, Retirement, resignation or termination with or without Cause. For the purposes of the Plan, a Participant's employment, officer position, board service or consulting arrangement with the Company or an Affiliate of the Company shall be considered to have terminated effective on the last day of the Participant's actual and active employment, officer position or board or consulting service with the Company or the Affiliate whether such day is selected by agreement with the individual, unilaterally by the Company or the Affiliate and whether with or without advance notice to the Participant. For the avoidance of doubt, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of such termination of employment that follows or is in respect of a period after the Participant's last day of actual and active employment shall be considered as extending the Participant's period of employment for the purposes of determining his or her entitlement under the Plan.

"**TSXV**" means the TSX Venture Exchange and at any time the Shares are not listed and posted for trading on the TSXV, shall be deemed to mean such other stock exchange or trading platform upon which the Shares trade and which has been designated by the Committee.

"**U.S. Participants**" means those Participants that are United States taxpayers.

"**Voting Securities**" shall mean any securities of the Company ordinarily carrying the right to vote at elections of directors and any securities immediately convertible into or exchangeable for such securities.

ARTICLE 3
ADMINISTRATION

3.1 General. The Committee shall be responsible for administering the Plan. The Committee may employ attorneys, consultants, accountants, agents and other individuals, any of whom may be an Employee, and the Committee, the Company, and its officers and Directors shall be entitled to rely upon the advice, opinions or valuations of any such Persons. All actions taken and all interpretations and determinations made by the Committee shall be final, conclusive and binding upon the Participants, the Company, and all other interested parties. No member of the Committee will be liable for any action or determination taken or made in good faith with respect to the Plan or Awards granted hereunder. Each member of the Committee shall be entitled to indemnification by the Company with respect to any such determination or action in the manner provided for by the Company and its subsidiaries.

3.2 Authority of the Committee. The Committee shall have full and exclusive discretionary power to interpret the terms and the intent of the Plan and any Award Agreement or other agreement ancillary to or in connection with the Plan, to determine eligibility for Awards, and to adopt such rules, regulations and guidelines for administering the Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions, including grant, exercise price, issue price and vesting terms, whether Awards payout in cash or Shares where applicable, determining any performance

goals applicable to Awards and whether such performance goals have been achieved, and, subject to Article 14, adopting modifications and amendments to the Plan or any Award Agreement, including, without limitation, any that are necessary or appropriate to comply with the laws or compensation practices of the jurisdictions in which the Company and its Affiliates operate.

3.3 Delegation. The Committee may delegate to one or more of its members any of the Committee's administrative duties or powers as it may deem advisable; provided, however, that any such delegation must be permitted under applicable corporate law.

ARTICLE 4
SHARES SUBJECT TO THE PLAN AND MAXIMUM AWARDS

4.1 Maximum Number of Shares Available for Awards.

(a) The maximum number of Shares issuable pursuant to Options issued under the Plan shall be equal to 10% of the then aggregate number of Shares and Restricted Voting Shares outstanding on a rolling basis (inclusive of all stock options forming part of the Existing Awards and all Shares issued as Dividend Equivalents in connection with an Option). To the extent that an Option lapses or the rights of its Participant terminate or are paid out in cash (except in the case of Options which cannot be paid out in cash), any Shares subject to such Option shall again be available for the grant of an Option.

(b) In addition (and inclusive of), the maximum number of Shares issuable pursuant to Options issued under the Plan as specified in Section 4.1(a), the Corporation may issue up to an additional ● Shares, in the aggregate, pursuant to the exercise of SARs, RSUs, DSUs and PSUs issued under the Plan (inclusive of all Shares issued as Dividend Equivalents in connection with a SAR, RSU, DSU or PSU).

4.2 Award Grants to Individuals. The maximum number of Shares for which Awards may be issued to any one Participant in any 12-month period shall not exceed 5% of the aggregate number of Shares and Restricted Voting Shares outstanding, calculated on the date an Award is granted to the Participant, unless the Company obtains disinterested shareholder approval as required by the policies of the TSXV. The maximum number of Shares for which Awards may be issued to any Consultant or Persons (in the aggregate) retained to provide Investor Relations Activities (as defined by the TSXV) shall not exceed 2% of the aggregate number of Shares and Restricted Voting Shares outstanding, calculated on the date an Award is granted to the Consultant or any such Person, as applicable. For greater certainty, no Awards other than Options may be issued to any Consultants or Persons retained to provide Investor Relations Activities.

4.3 Award Grants to Insiders. Unless disinterested shareholder approval as required by the policies of the TSXV is obtained: (i) the maximum number of Shares for which Awards may be issued to Insiders (as a group) at any point in time shall not exceed 10% of the aggregate number of Shares and Restricted Voting Shares outstanding; and (ii) the aggregate number of Awards granted to Insiders (as a group), within any 12-month period, shall not exceed 10% of the aggregate

number of Shares and Restricted Voting Shares outstanding, calculated at the date an Award is granted to any Insider.

4.4 Adjustments in Authorized Shares. In the event of any corporate event or transaction (collectively, a "**Corporate Reorganization**") (including, but not limited to, a change in the Shares of the Company or the capitalization of the Company) such as a merger, arrangement, amalgamation, consolidation, reorganization, recapitalization, separation, stock dividend, extraordinary dividend, stock split, reverse stock split, split up, spinoff or other distribution of stock or property of the Company, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to shareholders of the Company, or any similar corporate event or transaction, the Committee shall make or provide for such adjustments or substitutions, as applicable, in the number and kind of Shares that may be issued under the Plan, the number and kind of Shares subject to outstanding Awards, the Option Price or Grant Price applicable to outstanding Awards, the limit on issuing Awards other than Options granted with an Option Price equal to at least the FMV of a Share on the date of grant or Share Appreciation Rights with a Grant Price equal to at least the FMV of a Share on the date of grant, and any other value determinations applicable to outstanding Awards or to the Plan, as are equitably necessary to prevent dilution or enlargement of Participants' rights under the Plan that otherwise would result from such corporate event or transaction. In connection with a Corporate Reorganization, the Committee shall have the discretion to permit a holder of Options to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan and the applicable Award Agreement) and the holder will then accept on the exercise of such Option, in lieu of the Shares that such holder would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that such holder would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, that holder had owned all Shares that were subject to the Option. Such adjustments shall be made automatically, without the necessity of Committee action, on the customary arithmetical basis in the case of any stock split, including a stock split effected by means of a stock dividend, and in the case of any other dividend paid in Shares.

The Committee shall also make appropriate adjustments in the terms of any Awards under the Plan as are equitably necessary to reflect such Corporate Reorganization and may modify any other terms of outstanding Awards, including modifications of performance criteria and changes in the length of Performance Periods. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan, provided that any such adjustments must comply with Section 409A of the Code with respect to any U.S. Participants.

Subject to the provisions of Article 12 and any applicable law or regulatory requirement, without affecting the number of Shares reserved or available hereunder, the Committee may authorize the issuance, assumption, substitution or conversion of Awards under the Plan in connection with any Corporate Reorganization, upon such terms and conditions as it may deem appropriate. Additionally, the Committee may amend the Plan, or adopt supplements to the Plan, in such manner as it deems appropriate to provide for such issuance, assumption, substitution or conversion as provided in the previous sentence.

4.5 Existing Awards. Subject to any required approvals of the TSXV and compliance with applicable securities laws, all Existing Awards granted under the Predecessor Plan shall, from and after the Effective Date, be subject to and governed by the terms of the Plan.

ARTICLE 5
ELIGIBILITY AND PARTICIPATION

5.1 Eligibility. Awards under the Plan shall be granted only to bona fide Employees, Non-Employee Directors and Consultants.

5.2 Actual Participation. Subject to the provisions of the Plan, the Committee may, from time to time, in its sole discretion select from among eligible Employees, Non-Employee Directors and Consultants those to whom Awards shall be granted under the Plan, and shall determine in its discretion the nature, terms, conditions and amount of each Award.

ARTICLE 6
STOCK OPTIONS

6.1 Grant of Options. Subject to the terms and provisions of the Plan, Options may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee in its discretion.

6.2 Award Agreement. Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the duration of the Option, the number of Shares to which the Option pertains, the conditions, if any, upon which an Option shall become vested and exercisable, and any such other provisions as the Committee shall determine.

6.3 Option Price. The Option Price for each grant of an Option under the Plan shall be determined by the Committee and shall be specified in the Award Agreement. The Option Price for an Option shall be not less than the FMV of the Shares on the date of grant.

6.4 Vesting of Options. Unless otherwise specified in an Award Agreement, and subject to any provisions of the Plan or the applicable Award Agreement relating to acceleration of vesting of Options, Options shall vest equally over a four-year period such that 1/4 of the Options shall vest on the first, second, third and fourth anniversary dates of the date that the Options were granted.

6.5 Duration of Options. Each Option granted to a Participant shall expire at such time as the Committee shall determine at the time of grant; provided, however, that, subject to Section 6.6, no Option shall be exercisable later than the tenth (10^{th}) anniversary date of its grant.

6.6 Blackout Periods. If the date on which an Option is scheduled to expire occurs during, or within 10 business days after the last day of a Black Out Period applicable to such Participant, then the expiry date for such Option shall be extended to the last day of such 10-business day period.

6.7 Exercise of Options. Options granted under this Article 6 shall be exercisable at such times and on the occurrence of such events, and be subject to such restrictions and conditions, as the Committee shall in each instance approve, which need not be the same for each grant or for each Participant.

6.8 Payment. Options granted under this Article 6 shall be exercised by the delivery of a notice of exercise to the Company or an agent designated by the Company in a form specified or accepted by the Committee, or by complying with any alternative procedures which may be authorized by the Committee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment of the Option Price.

The Option Price upon exercise of any Option shall be payable to the Company in full by direct deposit or wire transfer.

As soon as practicable after receipt of a notification of exercise and full payment of the Option Price, the Shares in respect of which the Option has been exercised shall be issued as fully-paid and non-assessable common shares of the Company. As of the business day the Company receives such notice and such payment, the Participant (or the Person claiming through a Participant, as the case may be) shall be entitled to be entered on the share register of the Company as the holder of the number of Shares in respect of which the Option was exercised and to receive as promptly as possible thereafter, but in any event, on or before the 15th day of the third month of the year following the year in which the Option was exercised, a certificate or evidence of book entry representing the said number of Shares. The Company shall cause to be delivered to or to the direction of the Participant Share certificates or evidence of book entry Shares in an appropriate amount based upon the number of Shares purchased under the Option(s).

6.9 Death, Disability, Retirement and Termination or Resignation of Employment. If the Award Agreement does not specify the effect of a termination or resignation of employment then the following default rules will apply:

(a) Death: If a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate of the Company:

(i) all unvested Options as at the Termination Date shall automatically and immediately vest; and

(ii) all vested Options (including those that vested pursuant to (i) above) shall continue to be subject to the Plan and exercisable for a period of 90 days after the Termination Date, provided that any Options that have not been exercised within 90 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.

(b) Disability: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their Disability then all Options remain and continue to vest (and are exercisable) in accordance with the terms of the Plan for a period of 12 months after the Termination Date, provided that any Options that have not been exercised (whether vested or not) within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date.

(c) Retirement: If a Participant Retires then the Board shall have the discretion, with respect to such Participant's Options, to determine: (i) whether to accelerate vesting of any or all of such Options, (ii) whether any of such Options shall be cancelled, with or without payment, and (iii) how long, if at all, such Options may remain outstanding following the Termination Date; provided, however, that in no event shall such Options be exercisable for more than 12 months after the Termination Date.

(d) Termination for Cause: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their termination for Cause, then all Options, whether vested or not, as at the Termination Date shall automatically and immediately expire and be forfeited.

(e) Termination without Cause or Voluntary Resignation: Subject to Section 6.9(f), if a Participant ceases to be eligible to be a Participant under the Plan for any reason, other than as set out in Sections 6.9(a)-6.9(d), then, unless otherwise determined by the Board in its sole discretion, as of the Termination Date:

(i) all unvested Options shall automatically and immediately expire and be forfeited, and

(ii) all vested Options shall continue to be subject to the Plan and exercisable for a period of 90 days after the Termination Date, provided that any Options that have not been exercised within 90 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.

6.10 Non Transferability of Options. An Option granted under this Article 6 may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, all Options granted to a Participant under this Article 6 shall be exercisable during such Participant's lifetime only by such Participant.

ARTICLE 7
SHARE APPRECIATION RIGHTS

7.1 Grant of SARs. Subject to the terms and conditions of the Plan, SARs may be granted to Participants at any time and from time to time and upon such terms as shall be determined by the Committee in its discretion. The Committee may grant Freestanding SARs, Tandem SARs, or any combination of these forms of SARs.

The Grant Price for each grant of a Freestanding SAR shall be determined by the Committee and shall be specified in the Award Agreement. The Grant Price may be based on one hundred percent (100%) of the FMV of the Shares on the date of grant, or set at a premium to the FMV of the Shares on the date of grant, or be indexed to the FMV of the Shares on the date of grant, with the index determined by the Committee, in its discretion, provided that the Grant Price may never be less than the FMV of the Shares on the date of Grant. The Grant Price of Tandem SARs shall be equal to the Option Price of the related Option.

7.2 SAR Agreement. Each SAR Award shall be evidenced by an Award Agreement that shall specify the Grant Price, the term of the SAR, and any such other provisions as the Committee shall determine.

7.3 Term of SAR. The term of a SAR granted under the Plan shall be determined by the Committee, in its sole discretion, and subject to Section 7.4, no SAR shall be exercisable later than the tenth (10^{th}) anniversary date of its grant.

7.4 Blackout Periods. If the date on which a SAR is scheduled to expire occurs during, or within 10 business days after the last day of a Black Out Period applicable to such Participant, then the expiry date for such SAR shall be extended to the last day of such 10-business day period.

7.5 Exercise of Freestanding SARs. Freestanding SARs may be exercised upon whatever terms and conditions the Committee, in its sole discretion, imposes.

7.6 Exercise of Tandem SARs. With respect to Participants who are not subject to taxation under the ITA, Tandem SARs may be exercised for all or part of the Shares subject to the related Option upon the surrender of the right to exercise the equivalent portion of the related Option, if applicable. With respect to Participants subject to taxation under the ITA, prior to exercising a Tandem SAR the Participant must elect to receive the Tandem SAR in consideration for the disposition of that Participant's right to receive Shares under the Option. A Tandem SAR may be exercised only with respect to the Shares for which its related Option is then exercisable.

7.7 Payment of SAR Amount. Upon the exercise of a SAR, a Participant shall be entitled to receive payment from the Company in an amount representing the difference between the FMV of the underlying Shares on the date of exercise over the Grant Price. At the discretion of the Committee, the payment upon SAR exercise may be in cash, Shares of equivalent value (based on the FMV of the Shares on the date of exercise of the SAR, as defined in the Award Agreement or otherwise defined by the Committee thereafter), in some combination thereof, or in any other form approved by the Committee at its sole discretion (subject to compliance with the rules of the TSXV). Payment shall be made no earlier than the date of exercise nor later than 2&1/2 months after the close of the year in which the SAR is exercised. The Committee's determination regarding the form of SAR payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the SAR (subject to compliance with the terms of the TSXV).

7.8 Termination of Employment. Each Award Agreement shall set forth the extent to which the Participant shall have the right to exercise the SAR following termination of the Participant's employment or other relationship with the Company or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all SARs issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination, provided that such provisions shall comply with the rules of the TSXV; and (b) in no event shall any SAR be exercisable for more than 12 months after the Termination Date.

7.9 Non Transferability of SARs. A SAR granted under the Plan may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution (provided that in such case the SAR shall continue to be subject to the

terms of the Plan). Further, all SARs granted to a Participant under the Plan shall be exercisable during such Participant's lifetime only by such Participant.

ARTICLE 8
RESTRICTED SHARE UNITS

8.1 Grant of Restricted Share Units. Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Restricted Share Units to Participants in such amounts and upon such terms as the Committee shall determine.

8.2 Restricted Share Unit Agreement. Each Restricted Share Unit grant shall be evidenced by an Award Agreement that shall specify the Period(s) of Restriction, the number of Restricted Share Units granted, the settlement date for Restricted Share Units, whether such Restricted Share Unit is settled in cash, Shares or a combination thereof or if the form of payment is reserved for later determination by the Committee (provided that such other form of payment complies with the rules of the TSXV), and any such other provisions as the Committee shall determine, provided that unless otherwise determined by the Committee or as set out in any Award Agreement, no Restricted Share Unit shall vest later than three years after the date of grant. The Committee shall impose, in the Award Agreement at the time of grant, such other conditions and/or restrictions on any Restricted Share Units granted pursuant to the Plan as it may deem advisable, including, without limitation, restrictions based upon the achievement of specific performance criteria, time based restrictions on vesting following the attainment of the performance criteria, time based restrictions, restrictions under applicable laws or under the requirements of the TSXV.

8.3 Vesting of Restricted Share Units. Unless otherwise specified in an Award Agreement, and subject to any provisions of the Plan or the applicable Award Agreement relating to acceleration of vesting of Restricted Share Units, Restricted Share Units shall vest equally over a three year period such that 1/3 of the Restricted Share Units granted in an Award shall vest on the first, second and third anniversary dates of the date that the Award was granted, and provided that no Restricted Share Unit granted shall vest and be payable after December 31st of the third calendar year following the year of service for which the Restricted Share Unit was granted.

8.4 Black Out Periods. If the date on which a Restricted Share Unit is scheduled to expire occurs during, or within 10 business days after the last day of a Black Out Period applicable to such Participant, then the expiry date for such Award shall be extended to the last day of such 10-business day period.

8.5 Non Transferability of Restricted Share Units. The Restricted Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated. All rights with respect to the Restricted Share Units granted to a Participant under the Plan shall be available during such Participant's lifetime only to such Participant.

8.6 Dividends and Other Distributions. During the Period of Restriction, Participants holding Restricted Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall

not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares or Restricted Share Units.

8.7 Death, Disability, Retirement and Termination or Resignation of Employment. If the Award Agreement does not specify the effect of a termination or resignation of employment then the following default rules will apply:

(f) Death: If a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate:

(i) all unvested Restricted Share Units as at the Termination Date shall automatically and immediately vest; and

(ii) all vested Restricted Share Units (including those that vested pursuant to (i) above) shall be paid to the Participant's estate in accordance with the terms of the Plan and the Award Agreement.

(g) Disability: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their Disability, then all Restricted Share Units remain and continue to vest in accordance with the terms of the Plan for a period of 12 months after the Termination Date, provided that any Restricted Share Units that have not vested within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date.

(h) Retirement: If a Participant Retires then the Board shall have the discretion, with respect to such Participant's Restricted Share Units, to determine: (i) whether to accelerate vesting of any or all of such Restricted Share Units, (ii) whether any of such Restricted Share Units shall be cancelled, with or without payment, and (iii) how long, if at all, such Restricted Share Units may remain outstanding following the Termination Date; provided, however, that in no event shall such Restricted Share Units remain outstanding for more than 12 months after the Termination Date. Notwithstanding the above, for U.S. Participants, the treatment of Restricted Share Units upon retirement shall be provided for in the Award Agreement.

(i) Termination for Cause: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their termination for Cause, then all Restricted Share Units, whether vested or not, as at the Termination Date shall automatically and immediately be forfeited.

(j) Termination without Cause or Voluntary Resignation: If a Participant ceases to be eligible to be a Participant under the Plan for any reason, other than as set out in Sections 8.7(a)-8.7(d), then, unless otherwise determined by the Board in its sole discretion, as of the Termination Date:

(i) all unvested Restricted Share Units shall automatically and immediately be forfeited, and

(ii) all vested Restricted Share Units shall be paid to the Participants in accordance with the terms of the Plan and the Award Agreement.

(k) Payment in Settlement of Restricted Share Units. When and if Restricted Share Units become payable, the Participant issued such Restricted Share Units shall be entitled to receive payment from the Company in settlement of such Restricted Share Units: (i) in cash, in an amount equal to the product of the FMV of a Share on the applicable settlement date multiplied by the number of Restricted Share Units being settled, (ii) in a number of Shares (issued from treasury) equal to the number of Restricted Share Units being settled, (iii) in some combination thereof, or (iv) in any other form, all as determined by the Committee at its sole discretion (provided that such other form of payment complies with the rules of the TSXV). The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the Restricted Share Units. In the event settlement is made by payment in cash, such payment shall be made by the earlier of (i) 2&1/2 months after the close of the year in which such conditions or restrictions were satisfied or lapsed and (ii) December 31st of the third year following the year of the grant date.

ARTICLE 9
DEFERRED SHARES UNITS

9.1 Grant of Deferred Share Units. Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Deferred Share Units to Participants in such amounts and upon such terms as the Committee shall determine.

9.2 Deferred Share Unit Agreement. Each Deferred Share Unit grant shall be evidenced by an Award Agreement that shall specify the number of Deferred Share Units granted, the settlement date for Deferred Share Units, and any other provisions as the Committee shall determine, including, but not limited to a requirement that Participants pay a stipulated purchase price for each Deferred Share Unit, restrictions based upon the achievement of specific performance criteria, time based restrictions, restrictions under applicable laws or under the requirements of the TSXV, or holding requirements or sale restrictions placed on the Shares by the Company upon vesting of such Deferred Share Units.

9.3 Non Transferability of Deferred Share Units. The Deferred Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated. All rights with respect to the Deferred Share Units granted to a Participant under the Plan shall be available during such Participant's lifetime only to such Participant.

9.4 Black Out Periods. If the date on which a Deferred Share Unit is scheduled to expire occurs during, or within 10 business days after the last day of a Black Out Period applicable to such Participant, then the expiry date for such Award shall be extended to the last day of such 10-business day period.

9.5 Dividends and Other Distributions. Participants holding Deferred Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares or Deferred Share Units.

9.6 Termination of Employment, Consultancy or Directorship. Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Deferred Share Units following termination of the Participant's employment or other relationship with the Company or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Deferred Share Units issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination, provided that: (a) such provisions shall comply with the rules of the TSXV; and (b) in no event shall any Deferred Share Unit be retained for more than 12 months after the Termination Date.

9.7 Payment in Settlement of Deferred Share Units. When and if Deferred Share Units become payable, the Participant issued such Deferred Share Units shall be entitled to receive payment from the Company in settlement of such Deferred Share Units: (i) in cash, in an amount equal to the product of the FMV of a Share on the applicable settlement date less the stipulated purchase price for the Deferred Share Units being settled, if any, multiplied by the number of Deferred Share Units being settled, (ii) in a number of Shares (issued from treasury) equal to the number of Deferred Share Units being settled, (iii) in some combination thereof, or (iv) in any other form, all as determined by the Committee at its sole discretion (provided that such other form of payment complies with the rules of the TSXV). The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the Deferred Share Units.

ARTICLE 10
PERFORMANCE SHARE UNITS

10.1 Grant of Performance Share Units. Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Performance Share Units to Participants in such amounts and upon such terms as the Committee shall determine.

10.2 Value of Performance Share Units. Each Performance Share Unit shall have an initial value equal to the FMV of a Share on the date of grant. The Committee shall set performance criteria for a Performance Period in its discretion, which, depending on the extent to which they are met, will determine, in the manner determined by the Committee and set forth in the Award Agreement, the value and/or number of each Performance Share Unit that will be paid to the Participant.

10.3 Earning of Performance Share Units. Subject to the terms of the Plan and the applicable Award Agreement, after the applicable Performance Period has ended, the holder of Performance

Share Units shall be entitled to receive payout on the value and number of Performance Share Units, determined as a function of the extent to which the corresponding performance criteria have been achieved. Notwithstanding the foregoing, the Company shall have the ability to require the Participant to hold any Shares received pursuant to such Award for a specified period of time.

10.4 Form and Timing of Payment of Performance Share Units. Payment of earned Performance Share Units shall be as determined by the Committee and as set forth in the Award Agreement. Subject to the terms of the Plan, the Committee, in its sole discretion, may pay earned Performance Share Units in the form of: (i) cash equal to the value of the earned Performance Share Units at the end of the applicable Performance Period, (ii) a number of Shares issued from treasury equal to the number of earned Performance Share Units at the end of the applicable Performance Period, or (iii) in a combination thereof (subject to compliance with the rules of the TSXV). Any Shares may be granted subject to any restrictions deemed appropriate by the Committee. The determination of the Committee with respect to the form of payout of such Awards shall be set forth in the Award Agreement for the grant of the Award or reserved for later determination. In no event will delivery of such Shares or payment of any cash amounts be made later than the earlier of (i) two and a half months after the close of the year in which such conditions or restrictions were satisfied or lapsed and (ii) December 31st of the third year following the year of the grant date.

10.5 Dividends and Other Distributions. Participants holding Performance Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares or Performance Share Units.

10.6 Termination of Employment, Consultancy or Directorship. Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Performance Share Units following termination of the Participant's employment or other relationship with the Company or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Performance Share Units issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination, provided that: (a) such provisions shall comply with the rules of the TSXV; and (b) in no event shall any Performance Share Unit be retained for more than 12 months after the Termination Date.

10.7 Non Transferability of Performance Share Units. Performance Share Units may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution (provided that in such case the Performance Share Units shall continue to be subject to terms of the Plan). Further, a Participant's rights under the Plan shall inure during such Participant's lifetime only to such Participant.

ARTICLE 11
BENEFICIARY DESIGNATION

11.1 Beneficiary. A Participant's "beneficiary" is the Person or Persons entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of the Participant's death. A Participant may designate a beneficiary or change a previous beneficiary designation at such times as prescribed by the Committee and by using such forms and following such procedures approved or accepted by the Committee for that purpose. If no beneficiary designated by the Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at the Participant's death, the beneficiary shall be the Participant's estate.

11.2 Discretion of the Committee. Notwithstanding the provisions above, the Committee may, in its discretion, after notifying the affected Participants, modify the foregoing requirements, institute additional requirements for beneficiary designations, or suspend the existing beneficiary designations of living Participants or the process of determining beneficiaries under this Article 11, or both, in favor of another method of determining beneficiaries.

ARTICLE 12
RIGHTS OF PERSONS ELIGIBLE TO PARTICIPATE

12.1 Employment. Nothing in the Plan or an Award Agreement shall interfere with or limit in any way the right of the Company or an Affiliate of the Company to terminate any Participant's employment, consulting or other service relationship with the Company or the Affiliate at any time, nor confer upon any Participant any right to continue in the capacity in which he or she is employed or otherwise serves the Company or the Affiliate.

Neither an Award nor any benefits arising under the Plan shall constitute part of an employment or service contract with the Company or an Affiliate of the Company, and, accordingly, subject to the terms of the Plan, the Plan may be terminated or modified at any time in the sole and exclusive discretion of the Committee or the Board without giving rise to liability on the part of the Company or its Affiliates for severance payments or otherwise, except as provided in the Plan.

For purposes of the Plan, unless otherwise provided by the Committee, a transfer of employment of a Participant between the Company and an Affiliate or among Affiliates of the Company, shall not be deemed a termination of employment. The Committee may provide, in a Participant's Award Agreement or otherwise, the conditions under which a transfer of employment to an entity that is spun off from the Company or an Affiliate of the Company shall not be deemed a termination of employment for purposes of an Award.

12.2 Participation. No Employee or other Person eligible to participate in the Plan shall have the right to be selected to receive an Award. No Person selected to receive an Award shall have the right to be selected to receive a future Award, or, if selected to receive a future Award, the right to receive such future Award on terms and conditions identical or in proportion in any way to any prior Award.

12.3 Rights as a Shareholder. A Participant shall have none of the rights of a shareholder with respect to Shares covered by any Award until the Participant becomes the holder of such Shares.

ARTICLE 13
CHANGE OF CONTROL

13.1 Discretion of Board. Notwithstanding any other provision of the Plan, in the event of an actual or potential Change of Control, the Board may, in its sole discretion, without the necessity or requirement for the agreement of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit (including, but not limited to those set out in (iii) and (iv) below), the vesting date of any Awards (provided, however, that no acceleration of Awards shall occur in the case of a Participant that was retained to provide Investor Relations Activities unless the approval of the Exchange is either obtained or not required); (ii) permit the conditional redemption or exercise of any Awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any Awards, including for greater certainty by (1) permitting Participants to exercise or redeem any Awards to assist the Participants to participate in the actual or potential Change of Control, or (2) providing that any Awards exercised or exercised shall be exercisable or redeemed for, in lieu of Shares, such property (including shares of another entity or cash) that shareholders of the Company will receive in the Change of Control; and/or (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised or redeemed prior to the successful completion of such Change of Control. With respect to U.S. Participant, the treatment of Awards upon a Change of Control shall be provided for in the Award Agreement.

13.2 Non-Occurrence of Change of Control. In the event that any Awards are conditionally exercised pursuant to Section 13.1 and the Change of Control does not occur, the Board may, in its sole discretion, determine that any (i) Awards so exercised shall be reinstated as the type of Award prior to such exercise, and (ii) Shares issued be cancelled and any exercise or similar price received by the Company shall be returned to the Participant.

13.3 Agreement with Purchaser in a Change of Control. In connection with a Change of Control, the Board may be permitted to condition any acceleration of vesting on the Participant entering into an employment, confidentiality or other agreement with the purchaser as the Board deems appropriate.

ARTICLE 14
AMENDMENT AND TERMINATION

14.1 Amendment and Termination. The Board may, at any time, suspend or terminate the Plan. Subject to compliance with any applicable law, including the rules of the TSXV, the Board may also, at any time, amend or revise the terms of the Plan and any Award Agreement. No such amendment of the Plan or Award Agreement may be made if such amendment would materially and adversely impair any rights arising from any Awards previously granted to a Participant under the Plan without the consent of the Participant or the representatives of his or her estate, as applicable. Any amendment that would cause an Award held by a Participant that is a U.S. taxpayer

to fail to comply with Section 409A of the Code shall be null and void with respect to such Participant.

14.2 Reduction of Option Price or Grant Price. Disinterested shareholder approval as required by the policies of the TSXV shall be obtained for any reduction in the Option Price of an Option or the Grant Price of a SAR if the Participant is an Insider of the Company at the time of the proposed amendment.

ARTICLE 15
WITHHOLDING

15.1 Withholding. The Company or any of its Affiliates shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company or the Affiliate, an amount sufficient to satisfy federal, provincial and local taxes or domestic or foreign taxes required by law or regulation to be withheld with respect to any taxable event arising from or as a result of the Plan or any Award hereunder. The Committee may provide for Participants to satisfy withholding requirements by having the Company withhold and sell Shares or the Participant making such other arrangements, including the sale of Shares, in either case on such conditions as the Committee specifies.

15.2 Acknowledgement. Participant acknowledges and agrees that the ultimate liability for all taxes legally payable by Participant is and remains Participant's responsibility and may exceed the amount actually withheld by the Company. Participant further acknowledges that the Company: (a) makes no representations or undertakings regarding the treatment of any taxes in connection with any aspect of the Plan; and (b) does not commit to and is under no obligation to structure the terms of the Plan to reduce or eliminate Participant's liability for taxes or achieve any particular tax result. Further, if Participant has become subject to tax in more than one jurisdiction, Participant acknowledges that the Company may be required to withhold or account for taxes in more than one jurisdiction.

ARTICLE 16
SUCCESSORS

Any obligations of the Company or its Affiliates under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company or its Affiliates, respectively, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or otherwise, of all or substantially all of the businesses and/or assets of the Company or the Affiliate, as applicable.

ARTICLE 17
GENERAL PROVISIONS

17.1 Delivery of Title. The Company shall have no obligation to issue or deliver evidence of title for Shares issued under the Plan prior to:

(l) Obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and

(m) Completion of any registration or other qualification of the Shares under any applicable law or ruling of any governmental body that the Company determines to be necessary or advisable.

17.2 Investment Representations. The Committee may require each Participant receiving Shares pursuant to an Award under the Plan to represent and warrant in writing that the Participant is acquiring the Shares for investment and without any present intention to sell or distribute such Shares.

17.3 Uncertificated Shares. To the extent that the Plan provides for issuance of certificates to reflect the transfer of Shares, the transfer of such Shares may be effected on a non certificated basis to the extent not prohibited by applicable law or the rules of the TSXV.

17.4 No Fractional Shares. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award Agreement. In such an instance, unless the Committee determines otherwise, fractional Shares and any rights thereto shall be forfeited or otherwise eliminated.

17.5 Other Compensation and Benefit Plans. Nothing in the Plan shall be construed to limit the right of the Company or an Affiliate of the Company to establish other compensation or benefit plans, programs, policies or arrangements. Except as may be otherwise specifically stated in any other benefit plan, policy, program or arrangement, no Award shall be treated as compensation for purposes of calculating a Participant's rights under any such other plan, policy, program or arrangement.

17.6 No Constraint on Corporate Action. Nothing in the Plan shall be construed (i) to limit, impair or otherwise affect the Company's or its Affiliates' right or power to make adjustments, reclassifications, reorganizations or changes in its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell or transfer all or any part of its business or assets, or (ii) to limit the right or power of the Company or its Affiliates to take any action which such entity deems to be necessary or appropriate.

17.7 Compliance with Canadian Securities Laws. All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to an exemption from the prospectus requirements of Canadian securities laws where applicable.

17.8 Compliance with U.S. Securities Laws. All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to the registration requirements of the U.S. Securities Act of 1933, as amended or an exemption from such registration

requirements. If the Awards or Shares are not so registered and no such registration exemption is available, the Company shall not be required to issue any Shares otherwise issuable hereunder.

ARTICLE 18
LEGAL CONSTRUCTION

18.1 Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.

18.2 Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

18.3 Requirements of Law. The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or securities exchanges as may be required. The Company or an Affiliate of the Company shall receive the consideration required by law for the issuance of Awards under the Plan. The inability of the Company or an Affiliate of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company or the Affiliate to be necessary for the lawful issuance and sale of any Shares hereunder, shall relieve the Company or the Affiliate of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

18.4 Governing Law. The Plan and each Award Agreement shall be governed by the laws of the Province of British Columbia excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

18.5 Compliance with Section 409A of the Code.

(n) To the extent the Plan is applicable to a particular Participant subject to the Code, it is intended that the Plan and any Awards made hereunder shall not provide for the payment of "deferred compensation" within the meaning of Section 409A of the Code or shall be structured in a manner and have such terms and conditions that would not cause such a Participant to be subject to taxes and interest pursuant to Section 409A of the Code. The Plan and any Awards made hereunder shall be administrated and interpreted in a manner consistent with this intent.

(o) To the extent that any amount or benefit in favour of a Participant who is subject to the Code would constitute "deferred compensation" for purposes of Section 409A of the Code would otherwise be payable or distributable under the Plan or any Award Agreement by reason of the occurrence of a Change of Control or the Participant's disability or separation from service, such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless: (i) the circumstances giving rise to such Change of Control, disability or separation from service meet the description or definition of "change in control event",

"disability", or "separation from service", as the case may be, in Section 409A of the Code and applicable proposed or final Treasury regulations thereunder, and (ii) the payment or distribution of such amount or benefit would otherwise comply with Section 409A of the Code and not subject the Participant to taxes and interest pursuant to Section 409A of the Code. This provision does not prohibit the vesting of any Award or the vesting of any right to eventual payment or distribution of any amount or benefit under the Plan or any Award Agreement.

The Committee shall use its reasonable discretion to determine the extent to which the provisions of this Section 18.5 will apply to a Participant who is subject to taxation under the ITA.

CERTIFICATE OF THE CORPORATION

Dated: December 2, 2020

This Prospectus constitutes full, true, and plain disclosure of all material facts relating to the securities previously issued by the Corporation as required by the securities legislation of the Province of Ontario.

(Signed) "Gregory L Noble"
Gregory L Noble
President and Chief Executive Officer

(Signed) "Inder Saini"
Inder Saini
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(Signed) "Steven Parry"
Steven Parry
Director

(Signed) "Peter Bak"
Peter Bak
Director

CERTIFICATE OF PROMOTERS

Dated: December 2, 2020

This Prospectus constitutes full, true, and plain disclosure of all material facts relating to the securities previously issued by the Corporation as required by the securities legislation of the Province of Ontario.

(Signed) "Gregory L Noble"
Gregory L Noble

(Signed) "Jeane Noble"
Jeana Noble

(Signed) "Peter Bak"
Peter Bak

CERTIFICATE OF THE MEDWORXS INC.

Dated: December 2, 2020

This Prospectus constitutes full, true, and plain disclosure of all material facts relating to the securities previously issued by MedWorxs Inc. as required by the securities legislation of the Province of Ontario.

(Signed) "Gregory L Noble"
Gregory L Noble
President and Chief Executive Officer

(Signed) "Inder Saini"
Inder Saini
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(Signed) "Jeane Noble"
Jeane Noble
Director