



CloudMD to Acquire IDYA4, a North American Leader in Healthcare Data Integration and Cybersecurity

- **Innovative, health data integration and security technology solution leveraging various information sharing standards supported by the U.S. Department of Justice, the U.S. Department of Homeland Security, U.S Health and Human Services and currently in use by the various Government agencies at the Federal, State and Local level.**
- **Will expedite CloudMD's integration of healthcare solutions providing one, digitally connected, patient focused platform.**
- **Solution will be CloudMD's technology backbone for continued growth through implementing new technology applications, health-tech solutions and wearable devices.**
- **Provides immediate pathways for North American expansion and cross-selling opportunities to already established client network.**
- **Best in class cybersecurity features support U.S. and international security standards.**
- **Immediately synergistic and accretive, expecting approximately US\$ 4.1M revenue in calendar year 2020 with EBITDA margins of 36% with a strong revenue pipeline and growth opportunities.**

VANCOUVER, British Columbia, December 17, 2020 – CloudMD Software & Services Inc. (TSXV: DOC, OTCQB: DOCRF, Frankfurt: 6PH) (the “**Company**” or “**CloudMD**”), a healthcare technology company revolutionizing the delivery of care, is excited to announce that it has signed a binding term sheet (the “**Agreement**”) to acquire IDYA4, a leading data integration and cybersecurity company based in the United States.

Focused on the health and wellness sector, IDYA4 has built a proprietary technology platform that provides improvements in data access, management, security and integration, as well as proactively providing protection against today's ever-changing cyber threats. Built on over 20 years of experience, the IDYA4 team has been at the forefront of the development of information sharing and interoperability solutions across all 50 states for clients including, U.S. Department of Justice, the U.S. Department of Homeland Security, U.S Health and Human Services, and National Intelligence. Global legislations are evolving to ensure patients have access to their own healthcare data and are empowering them to take control of their healthcare journeys. IDYA4's health data platform already leverages critical national and international technology standards and allows providers and patients access to sensitive and private health data in an efficient and intuitive manner with adherence to privacy and security regulations.

The IDYA4 platform is designed to allow various health technology solutions like Electronic Medical Records (EMR), Apps, telehealth solutions and medical devices to connect and share data with all the relevant privacy and data security rules applied that can vary state to state or program to program. The IDYA4 software and team will also immediately help accelerate CloudMD's integration of its healthcare technology solutions to provide one, digitally connected platform to enable team-based, continuity of care and an ecosystem of healthcare providers focused on the overall health and wellness of the patient. The integrated technology will also be

valuable as CloudMD continues to emphasize patient engagement through connected technology, healthcare portals, telehealth applications, and wearable devices.

In addition to accelerated integration, CloudMD will be able to leverage IDYA4's already existing relationships and cross-sell its suite of healthcare solutions and enterprise healthcare platform to these clients. This includes offering solutions such as Livecare, Benchmark, Snapclarity and iMD Global Health to IDYA4's existing and prospective clients to provide an enhanced health and wellness offering.

Using their standard-based interoperable platform, IDYA4 has developed several applications which have been commercialised and continues to develop and add to their portfolio of solutions to address the evolving healthcare landscape and the unmet demand for innovative and secure healthcare solutions. The recently launched Health and Wellness Platform will be deployed to assist First Responders initially and will be rolled out to Public Health, Professional Sports and other communities. This program will address the issues of Behavioural Health including Mental Health and Substance Use Disorder heightened by the COVID-19 pandemic across North America, and will be the core component of CloudMD's enterprise health solutions.

CloudMD is committed to the privacy and security of patient data, and this integrated health data platform is Health Insurance Portability and Accountability Act (HIPAA) compliant and is enabled for continuous monitoring to ensure the protection and privacy of sensitive data. The platform has been architected to support U.S. and International security standards like the National Institute of Standards and Technology (NIST) Cybersecurity Framework to address internal and external cyber threats.

Amit Mathur, President of CloudMD commented, *"Earlier this year we entered into a vendor resale agreement with IDYA4, but after working closely together for a number of months, it's evident that the synergies between both companies will be instrumental in accelerating the integration of CloudMD's solutions, continuing the growth and expansion across North America and lastly, ensuring state of the art intelligence and cybersecurity across the platform."* He continued, *"The future of healthcare delivery is patient-focused, team-based and digitally connected. This is an exciting inflection point for our Company, as the acquisition of IDYA4 provides CloudMD with a backbone of innovative, proprietary data integration and security technology that will position us as leaders in the healthcare technology sector."*

"Healthcare data integration and security is a complex and critical problem that must be addressed on a global basis. IDYA4 has prioritized this issue to help government agencies and private health care entities to establish secure integration using a globally recognized standards-based integrated health data platform. Changes are occurring rapidly in current global healthcare legislation to empower patients and ensure their ability to access personal healthcare records and share what is needed with confidence and assurance of its safety. Our team's capabilities and depth of knowledge on standards for sharing information, combined with the expertise offered by CloudMD, will provide a holistic, patient-centric approach to care, based on one single and connected platform, transforming the way healthcare is being delivered. We look forward to working jointly with CloudMD, and through our combined knowledge, expand and grow the capabilities for the critical healthcare environment," commented, **Ashwini Jarral Co-Founder, Chief Operating Officer of IDYA4.**

IDYA4's current annualized revenue run rate, based on the 9-month period ending September 31, 2020, is approximately US\$ 4.1-million with EBITDA (earnings before interest, taxes, depreciation and amortization) margins of 36%. Upon closing, the acquisition of IDYA4 will be immediately accretive to CloudMD with synergies the Company believes will drive further revenue and increased EBITDA margin through cost savings achieved through the scaling of operations and by tapping into CloudMD's current health technology solutions that will be added to IDYA4's current product portfolio. From IDYA4's currently commercialised products, the Company expects to achieve an annual Revenue growth rate greater than 45%, calculated

based on expected revenue from currently committed and/or high probability contracts forecasted to generate annual gross revenue greater than US\$ 6M and US\$ 8.5M in calendar years 2021 and 2022, respectively. A total of 30% of the total consideration for the acquisition amounting to US\$ 4.44 million is based on two performance based earnouts, 15% each, that are contingent on meeting these forecasted revenue targets.

Terms of agreement

In consideration for the purchase of 100% of the issued and outstanding IDYA4 Securities, CloudMD has agreed to pay aggregate consideration of US\$14.8 million payable as follows: (i) US\$ 3.7 million in cash, subject to a working capital adjustment; (ii) US\$ 6.66 million in common shares of the Company; and (iii) a performance based earnout of US\$ 4.44 million, of which US\$ 0.44 million is payable in cash and US\$4 million is payable in common shares of the company in equal annual issuances over a period of two years. All common shares issued pursuant to the acquisition are issued at a deemed price of \$2.16 per share and are priced by calculating the 10-day volume-weighted average trading price of the Company's shares for the 10 trading days prior to the execution of the binding term sheet. The shares will be subject to certain contractual restrictions on trading for a period of 30 months from the date of issuance.

The acquisition is subject to customary closing conditions, including the execution of a definitive acquisition agreement and receipt of TSX Venture Exchange approval.

About CloudMD Software & Services

CloudMD is digitizing the delivery of healthcare by providing a patient centric approach, with an emphasis on continuity of care. The Company offers SAAS based health technology solutions to healthcare providers across North America and has developed proprietary technology that delivers quality healthcare through a holistic offering including hybrid primary care clinics, specialist care, telemedicine, mental health support, educational resources and artificial intelligence (AI). CloudMD currently services a combined ecosystem of over 500 clinics, almost 4000 licensed practitioners and 8 million patient charts across North America. For more information visit: www.cloudmd.ca.

ON BEHALF OF THE BOARD OF DIRECTORS

"Dr. Essam Hamza, MD"
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Forward Looking Statements

This news release contains forward-looking statements that are based on CloudMD's expectations, estimates and projections regarding its business and the economic environment in which it operates, including with respect to its business plans. Although CloudMD believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Therefore, actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements. These forward-looking statements speak only as of the date on which they are made, and CloudMD undertakes no obligation to update them

publicly to reflect new information or the occurrence of future events or circumstances, unless otherwise required to do so by law.

Non-GAAP and Non-IFRS Measures

This press release refers to “EBITDA” and “EBITDA margins” which are non-GAAP and non-IFRS financial measures that do not have a standardized meaning prescribed by GAAP or IFRS. The Company’s presentation of these financial measures may not be comparable to similarly titled measures used by other companies. These financial measures are intended to provide additional information to investors concerning the Company’s and IDYA4 performance. EBITDA is defined as earnings before interest, taxes, depreciation and amortization and EBITDA margins is defined as EBITDA as a percent of total revenue. EBITDA and EBITDA margins are Non-IFRS measures the Company uses as an indicator of financial health and excludes several items which may be useful in the consideration of the financial condition of the Company and IDYA4, as applicable, including interest expense, income taxes, depreciation, and amortization.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.