

**Form 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

CloudMD Software & Services Inc. (“**CloudMD**” or the “**Company**”)  
810 – 789 West Pender Street  
Vancouver, British Columbia  
V6C 1H2

**Item 2 Date of Material Change**

November 14, 2021

**Item 3 News Release**

A news release was disseminated on November 15, 2021 through GlobeNewswire and subsequently filed on SEDAR.

**Item 4 Summary of Material Change**

On November 15, 2021, the Company and MindBeacon Holdings Inc. (“**MindBeacon**”) jointly announced that they had entered into a definitive arrangement agreement (the “**Arrangement Agreement**”) under which the Company will acquire all of MindBeacon’s issued and outstanding common shares pursuant to a court-approved plan of arrangement under the *Canada Business Corporations Act* (the “**Transaction**”). Under the terms of the Arrangement Agreement, each of the issued and outstanding common shares of MindBeacon will be exchanged for \$1.22 of cash and 2.285 common shares of the Company.

**Item 5 Full Description of Material Change**

**5.1 Full Description of Material Change**

On November 15, 2021, the Company and MindBeacon jointly announced that they had entered into the Arrangement Agreement whereby the Company will acquire all of the issued and outstanding common shares of MindBeacon pursuant to the Transaction.

Under the terms of the Transaction, each of the issued and outstanding common shares of MindBeacon will be exchanged for \$1.22 of cash and 2.285 common shares of the Company. The total Transaction consideration is comprised of approximately \$29.5 million in cash and 55.5 million common shares of the Company. Based on the 7-day volume weighted average price (“**VWAP**”) of the common shares of the Company as at November 12, 2021, the implied offer price is approximately \$116 million or \$4.78 per share.

The Transaction will be carried out by way of a court-approved plan of arrangement under the *Canada Business Corporations Act*. On completion of the Transaction, shareholders of MindBeacon will hold approximately 18.8% of pro forma CloudMD.

Completion of the Transaction is subject to a number of customary conditions, including approval by at least two-thirds of the votes cast at a special meeting of MindBeacon shareholders. In addition to shareholder and court approvals, the Transaction is also subject to the satisfaction of certain other closing conditions customary in transactions of this nature, including TSX Venture Exchange approval. The Transaction is not subject to any financing condition. The Arrangement Agreement contains customary provisions, including non-solicitation, “fiduciary out” and “right to match” provisions, as well as a \$4.1 million termination fee payable to CloudMD under certain circumstances.

TD Securities Inc. provided an opinion to the Board of Directors of MindBeacon to the effect that, as of the date thereof, and based upon and subject to the assumptions, limitations and qualifications set out in such opinion, the consideration to be received by MindBeacon shareholders under the Transaction is fair, from a financial point of view, to such shareholders.

The Transaction was unanimously approved by the Boards of Directors of both companies. MindBeacon’s Board of Directors unanimously recommends that MindBeacon shareholders vote in favour of the Transaction.

The directors, officers and certain shareholders of MindBeacon, collectively holding approximately 28% of its issued and outstanding common shares, entered into voting support agreements under which they have agreed to support and vote in favour of the Transaction.

The foregoing description of the Transaction and the Arrangement Agreement does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Arrangement Agreement. A copy of the Arrangement Agreement has been filed on SEDAR and made available for viewing under CloudMD’s issuer profile at [www.sedar.com](http://www.sedar.com).

**5.2 Disclosure for Restructuring Transactions**

Not applicable.

**Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

No information has been omitted on the basis that it is confidential information.

**Item 8 Executive Officer**

Essam Hamza, Chief Executive Officer  
Tel: (604) 687-2038

**Item 9 Date of Report**

November 17, 2021

## **FORWARD-LOOKING STATEMENTS**

*This material change report contains “forward-looking statements” and “forward-looking information” within the meaning of Canadian securities laws. Forward-looking statements in this material change report include, but are not limited to, statements with respect to the impact and benefits of the Transaction, anticipated timing for completion of the Transaction and receiving the required regulatory, court and shareholder approvals. These statements are based upon information currently available to the Company. All information that is not clearly historical in nature may constitute forward-looking statements. In some cases, forward-looking statements may be identified by the use of terms such as “forecast”, “assumption” and other similar expressions or future or conditional terms such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “will”, “would”, and “should”. Forward-looking statements contained in this material change report are based on certain factors and assumptions made by management of the Company based on their current expectations, estimates, projections, assumptions and beliefs regarding their business and the Company does not provide any assurance that actual results will meet management’s expectations. While they consider these assumptions to be reasonable based on information currently available to them, they may prove to be incorrect. Such forward-looking statements are not guarantees of future events or performance and by their nature involve known and unknown risks, uncertainties and other factors, including those risks described in the Management’s Discussion and Analysis and Annual Information Form of the Company (which has been filed under the Company’s issuer profile on SEDAR and can be accessed at [www.sedar.com](http://www.sedar.com)), that may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, other factors may cause actions, events or results to be different than anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could vary or differ materially from those anticipated in such forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, whether as a result of new information or future events or otherwise, except as may be required by applicable securities laws.*