

**Vitalhub Corp.**

**Interim Condensed Consolidated Financial Statements  
For the Three and Nine Months Ended September 30, 2020 and 2019**

# **Vitalhub Corp.**

For the Three and Nine Months Ended September 30, 2020 and 2019

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**Vitalhub Corp.**  
**Interim Condensed Consolidated Statement of Financial Position**  
**As at September 30, 2020 and December 31, 2019**

(Unaudited)

(in Canadian Dollars)

	September 30, 2020	December 31, 2019
	\$	\$
<b>Assets</b>		
Current assets		
Cash	8,119,494	1,995,691
Accounts receivable (Note 5)	4,741,697	1,773,595
Inventory	335,126	-
Income taxes recoverable	7,146	7,232
Lease receivable	12,918	29,335
Prepaid expenses	321,496	243,042
	<b>13,537,877</b>	<b>4,048,895</b>
Non-current assets		
Property and equipment (Note 6)	348,427	329,774
Intangible assets (Note 7)	15,572,920	7,699,601
Right-of-use assets (Note 14)	656,610	791,419
Lease receivable	-	5,225
Goodwill (Note 8)	20,310,399	11,269,807
	<b>50,426,233</b>	<b>24,144,721</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	4,452,463	2,264,909
Loans payable (Note 12)	402,676	418,155
Contingent consideration (Note 4)	1,962,897	502,830
Lease liabilities (Note 14)	168,966	207,435
Deferred revenue	7,010,387	2,217,414
	<b>13,997,389</b>	<b>5,610,743</b>
Long term liabilities		
Loans payable (Note 12)	893,652	1,196,159
Lease liabilities (Note 14)	559,048	654,989
	<b>15,450,089</b>	<b>7,461,891</b>
<b>Shareholders' equity</b>		
Share capital (Note 13 (b))	40,013,117	20,371,853
Share-based payment reserve (Note 13 (c))	1,021,787	933,616
Warrant reserve (Note 13 (d))	990,032	917,752
Accumulated other comprehensive income	(56,084)	1,813
Deficit	(6,992,708)	(5,542,204)
	<b>34,976,144</b>	<b>16,682,830</b>
	<b>50,426,233</b>	<b>24,144,721</b>

Approved by the Board

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

Director

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

Director

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

# Vitalhub Corp.

## Interim Condensed Consolidated Statements of Operations and Comprehensive Loss For the three and nine months ended September 30, 2020 and 2019

(Unaudited)

(in Canadian Dollars)

	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
	\$	\$	\$	\$
<b>Revenue</b>				
Term licences, maintenance and support	2,479,513	1,364,577	6,125,295	3,816,749
Perpetual licences	101,471	17,500	840,975	577,254
Services, hardware and other	611,182	1,013,585	1,744,790	3,273,261
Total revenue	3,192,166	2,395,662	8,711,060	7,667,264
Cost of sales	618,482	682,773	2,264,839	2,099,662
<b>Gross profit</b>	<b>2,573,684</b>	<b>1,712,889</b>	<b>6,446,221</b>	<b>5,567,602</b>
<b>Expenses</b>				
General and administrative	680,030	559,020	2,019,506	1,792,769
Sales and marketing	433,933	189,182	896,725	562,738
Research and development	859,192	622,503	1,992,248	1,672,244
Depreciation (Note 6)	29,598	21,832	82,961	62,508
Depreciation of right-of-use assets (Note 14)	55,495	48,677	162,341	146,308
Stock based compensation (Note 13 (c))	101,720	48,751	189,493	131,231
Foreign currency loss (gain)	97,934	(21,634)	(1,394)	(61,604)
	<b>2,257,902</b>	<b>1,468,331</b>	<b>5,341,880</b>	<b>4,306,194</b>
<b>Income before the undernoted items</b>	<b>315,782</b>	<b>244,558</b>	<b>1,104,341</b>	<b>1,261,408</b>
Amortization of intangible assets (Note 7)	541,129	390,166	1,427,604	1,118,001
Business acquisition, restructuring and integration costs (Note 4)	820,237	29,628	1,075,803	251,798
Interest expense and accretion (net of interest income)	(59)	528,753	9,210	756,686
Interest income from sublease	(404)	(583)	(1,703)	(1,740)
Interest expense from lease liabilities	18,509	13,634	58,790	42,502
Loss on right-of-use assets and lease liabilities (Note 14)	-	-	-	27,869
Loss on disposal of property and equipment (Note 6)	-	-	-	470
Loss on redemption of debentures	-	(159,851)	-	(159,851)
	<b>1,379,412</b>	<b>801,747</b>	<b>2,569,704</b>	<b>2,035,735</b>
<b>Loss before income taxes</b>	<b>(1,063,630)</b>	<b>(557,189)</b>	<b>(1,465,363)</b>	<b>(774,327)</b>
<b>Provision for income taxes</b>				
Current	1,875	(40,494)	(14,859)	(37,553)
Deferred	-	(41,400)	-	(111,000)
	<b>1,875</b>	<b>(81,894)</b>	<b>(14,859)</b>	<b>(148,553)</b>
<b>Net loss</b>	<b>(1,065,505)</b>	<b>(475,295)</b>	<b>(1,450,504)</b>	<b>(625,774)</b>
<b>Other comprehensive (loss)</b>				
Foreign currency translation (loss)	(62,110)	(19,527)	(57,897)	(25,821)
<b>Comprehensive loss</b>	<b>(1,127,615)</b>	<b>(494,822)</b>	<b>(1,508,401)</b>	<b>(651,595)</b>
<b>Loss per share</b>				
Basic	(0.04)	(0.03)	(0.06)	(0.04)
Diluted	(0.04)	(0.03)	(0.06)	(0.04)
<b>Weighted average number of shares outstanding</b>				
Basic	27,237,332	16,028,640	24,441,888	15,769,164
Diluted	27,237,332	16,028,640	24,441,888	15,769,164

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

# Vitalhub Corp.

## Interim Condensed Consolidated Statements of Shareholders' Equity

For the nine months ended September 30, 2020 and 2019

(Unaudited)

(in Canadian Dollars)

	Number of common shares	Share capital \$	Share-based payment reserve \$	Warrant reserve \$	Accumulated other comprehensive income (loss) \$	Deficit \$	Total shareholders' equity \$
Balance, December 31, 2018	13,427,498	13,549,980	727,270	937,548	54,848	(5,648,990)	9,620,656
Non-brokered private placement (Note 13 (b))	2,062,500	2,437,524	-	847,571	-	-	3,285,095
Acquisition of The Oak Group (UK) Limited (Note 4 (a))	403,268	728,014	-	-	-	-	728,014
Warrants exercised (Note 13 (d))	640,000	1,256,250	-	(104,250)	-	-	1,152,000
Warrants expired (Note 13 (d))	-	-	-	(434,651)	-	434,651	-
Stock options exercised (Note 13 (c))	3,000	4,936	(1,336)	-	-	-	3,600
Stock based compensation (Note 13 (c))	-	-	131,231	-	-	-	131,231
Redemption of debentures	-	(136,640)	-	-	-	-	(136,640)
Net loss and comprehensive loss for the period	-	-	-	-	(25,821)	(625,774)	(651,595)
Balance, September 30, 2019	16,536,266	17,840,064	857,165	1,246,218	29,027	(5,840,113)	14,132,361
<b>Balance, December 31, 2019</b>	<b>18,017,912</b>	<b>20,371,853</b>	<b>933,616</b>	<b>917,752</b>	<b>1,813</b>	<b>(5,542,204)</b>	<b>16,682,830</b>
Shares issued from financing (Note 13 (b))	8,506,300	14,077,511	-	72,280	-	-	14,149,791
Shares issued from non-brokered private placement - net (Note 13 (b))	1,000,000	2,188,250	-	-	-	-	2,188,250
Acquisition of Transforming Systems Ltd. (Note 4 (d))	1,566,827	3,112,306	-	-	-	-	3,112,306
Stock options exercised (Note 13 (c))	147,500	263,197	(101,322)	-	-	-	161,875
Stock based compensation (Note 13 (c))	-	-	189,493	-	-	-	189,493
Net loss and comprehensive loss for the period	-	-	-	-	(57,897)	(1,450,504)	(1,508,401)
<b>Balance, September 30, 2020</b>	<b>29,238,539</b>	<b>40,013,117</b>	<b>1,021,787</b>	<b>990,032</b>	<b>(56,084)</b>	<b>(6,992,708)</b>	<b>34,976,144</b>

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

# Vitalhub Corp.

## Interim Condensed Consolidated Statements of Cash Flows

For the nine months ended September 30, 2020 and 2019

(Unaudited)

(in Canadian Dollars)

	Nine months ended September 30, 2020	Nine months ended September 30, 2019
	\$	\$
<b>Operating activities</b>		
Net loss	(1,450,504)	(625,774)
Adjustments for:		
Depreciation of property and equipment (Note 6)	82,961	62,508
Amortization of intangible assets (Note 7)	1,427,604	1,118,001
Depreciation of right-of-use assets (Note 14)	162,341	146,308
Loss on right-of-use assets and lease liabilities	-	27,869
Unrealized foreign exchange gain (loss)	(18,856)	34,086
Loss on disposal of property and equipment (Note 6)	-	774
Gain on redemption debentures	-	(159,851)
Deferred tax recovery	-	(111,000)
Interest and accretion expense (net of interest income)	-	456,784
Interest expense from lease liabilities (Note 14)	58,790	-
Stock based compensation (Note 13 (c))	189,493	131,231
<b>Operating income before changes in working capital</b>	<b>451,829</b>	<b>1,080,936</b>
Changes in working capital		
Accounts receivable	(1,640,195)	444,093
Customer option receivable	-	1,274,918
Inventory	(133,078)	-
Lease receivable	21,642	-
Prepaid expenses	93,289	37,522
Accounts payable and accrued liabilities	(27,068)	(466,140)
Contingent consideration	(122,086)	(1,445,419)
Deferred revenue	967,000	(736,644)
Income taxes recoverable (payable)	86	(266,447)
	<b>(388,581)</b>	<b>(77,181)</b>
<b>Investing activities</b>		
Purchase of property and equipment (Note 6)	(35,230)	(54,172)
Acquisition of Intouch with Health Ltd. (net of cash acquired) (Note 4 (c))	(4,071,396)	-
Acquisition of Transforming Systems Ltd. (net of cash acquired) (Note 4 (d))	(5,300,076)	-
Acquisition of Oak Group (net of cash acquired) (Note 4 (a))	-	(606,690)
Principal portion of lease payments received	-	20,094
	<b>(9,406,702)</b>	<b>(640,768)</b>
<b>Financing activities</b>		
Proceeds from RBC non-revolving term facility (Note 12)	-	1,400,000
Principal payments on loans payable (Note 12)	(317,986)	(295,262)
Principal payments on related party loans (Note 4 (a))	-	(955,648)
Principal payments on lease liabilities (Note 14)	(220,732)	(155,009)
Redemption of debentures	-	(2,219,000)
Proceeds from issuance of shares - net of issuance costs (Note 13 (b))	14,149,791	-
Proceeds from non-brokered private placement - net (Note 13 (b))	2,188,250	3,285,095
Proceeds from exercise of options (Note 13 (c))	161,875	3,600
Proceeds from exercise of warrants (Note 13 (d))	-	1,152,000
	<b>15,961,198</b>	<b>2,215,776</b>
Effect of foreign exchange rate changes on cash	(42,112)	(59,907)
Increase in cash	6,123,803	1,437,920
Cash, beginning of the period	1,995,691	2,805,993
<b>Cash, end of the period</b>	<b>8,119,494</b>	<b>4,243,913</b>

# Vitalhub Corp.

## Interim Condensed Consolidated Statements of Cash Flows

For the nine months ended September 30, 2020 and 2019

(Unaudited)

(in Canadian Dollars)

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### 1. Description of business

VitalHub Corp. and its subsidiaries (the "Company") develop mission-critical technology solutions for Health and Human Services providers in the Mental Health (Child through Adult), Long Term Care, Community Health Service, Home Health, Social Service and Acute Care sectors. VitalHub technologies include Blockchain, Mobile, Patient Flow, Web-Based Assessment and Electronic Health Record solutions.

Vitalhub Corp. has six wholly owned subsidiaries: Vitalhub (PVT) Ltd., H.I.Next LLC, The Oak Group (UK) Limited., Oculys Health Informatics Inc., Intouch with Health Ltd., and Transforming Systems Ltd.

The Company's shares trade on the TSXV Venture Exchange under the symbol "VHI". The Company is incorporated and domiciled in Canada. The address of the Company's registered office is 480 University Avenue, Suite 1001, Toronto, Ontario, M5G 1V2.

### 2. Basis of presentation

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as set out in the Handbook of Chartered Professional Accountants Canada ("CPA Canada Handbook"). These interim condensed consolidated financial statements are presented in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The disclosures contained in these interim condensed consolidated financial statements do not contain all requirements of IFRS for annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2019. The financial statements were authorized for issue by the board of directors on November 24, 2020.

On January 3, 2020, the Company completed a 1:10 reverse stock split. The exercise price or conversion price of, and the number of common shares issuable under, any convertible securities of the Company were proportionately adjusted upon completion of the reverse stock split. References in these interim condensed consolidated financial statements to share amounts, per share data, share prices, exercise prices and conversion prices have been adjusted to reflect the 1:10 reverse stock split.

### 3. Summary of significant accounting policies

Except for the below changes, the accounting policies applied in these unaudited interim condensed consolidated financial statements are consistent with those disclosed in Note 3 to the annual consolidated financial statements for the year ended December 31, 2019.

#### *Amendment to IFRS 3 – Business Combinations*

On October 22, 2018, the IASB issued Definition of a Business (Amendments to IFRS 3: Business Combinations). The amendments to IFRS 3 are applicable for acquisitions occurring on or after January 1, 2020 and are adopted prospectively. These amendments to the implementation guidance of IFRS 3 clarify the definition of a business to assist entities to determine whether a transaction should be accounted for as a business combination or an asset acquisition. The amendments to IFRS 3 – Business Combinations may affect whether future acquisitions are accounted for as business combinations or asset acquisitions, along with the resulting allocation of the purchase price between the net identifiable assets acquired and goodwill.

#### *Inventory*

Inventory is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out method.

At each reporting date, inventory is assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

# Vitalhub Corp.

## Interim Condensed Consolidated Statements of Cash Flows

### For the nine months ended September 30, 2020 and 2019

(Unaudited)

(in Canadian Dollars)

#### 4. Business acquisitions

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

a) Acquisition of The Oak Group, Inc.

On March 20, 2019, the Company acquired certain assets of The Oak Group, Inc., and all of the issued and outstanding securities of The Oak Group (UK) Limited, collectively known as ("The Oak Group"). The Oak Group provides software that helps manage the utilization of healthcare beds more effectively.

In addition, the Company has a contingent consideration in the amount of \$377,020 payable over a five-year period after the closing, which has been discounted using a risk-free rate of 18.9% and is contingent upon meeting certain revenue targets. In the event that either party exercises its rights to termination, the Company shall not be relieved of its obligations for the minimum guaranteed compensation portion and 50% of the remaining consideration in the first 5 years shall be payable.

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

<b>Consideration</b>	
Cash consideration on closing	\$ 446,046
Cash held in escrow for 6 months	209,588
Issued shares (80,654 shares issued at \$2.00/share)	161,307
Issued shares held in escrow (322,614 shares issued at \$2.00/share) - discounted	566,707
Fair value of contingent consideration	377,020
	<b>\$ 1,760,668</b>

  

<b>Purchase price allocation</b>	
Cash	\$ 48,944
Accounts receivable	317,475
Prepays	12,257
Accounts payable and accrued liabilities	(376,168)
Deferred revenue	(536,802)
Due to related party	(955,648)
Acquired technology	240,000
Customer relationships	510,000
Brand	160,000
Goodwill	2,340,610
	<b>\$ 1,760,668</b>

During the three and nine months ended September 30, 2020, the Company incurred \$36,837 and \$92,096 (three and nine months ended September 30, 2019 - \$29,628 and \$251,798) in acquisition, restructuring and integration costs with this acquisition. These costs are included and separately disclosed in the interim condensed consolidated statements of operations and comprehensive loss.

The acquisition of The Oak Group resulted in revenue for the three and nine months ended September 30, 2020 of \$341,900 and \$1,493,332 (three and nine months ended September 30, 2019 - \$277,442 and \$534,694) and net income (loss) of \$22,447 and \$624,895 (three and nine months ended September 30, 2019 - (\$8,859) and (\$115,637)), which is included in the Company's results for three and nine months ended September 30, 2020 and 2019.

# Vitalhub Corp.

## Interim Condensed Consolidated Statements of Cash Flows

### For the nine months ended September 30, 2020 and 2019

(Unaudited)

(in Canadian Dollars)

#### 4. Business acquisitions (continued)

##### b) Acquisition of Oculys Health Informatics Inc.

On November 21, 2019, the Company acquired all of the issued and outstanding securities of Oculys Health Informatics Inc. ("Oculys"). Oculys provides a real-time and predictive operational management system for hospitals.

In addition, the Company has a contingent consideration payable over a three-year period after the closing and is contingent upon meeting certain revenue targets.

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

##### Consideration

Cash consideration on closing	\$	1,872,070
Cash held in escrow for 12 months		330,000
Issued shares (305,556 shares issued at \$1.75/share)		534,722
Issued shares held in escrow (916,666 shares issued at \$1.75/share) - discounted		1,395,824
Fair value of contingent consideration		15,676
	\$	<b>4,148,292</b>

##### Purchase price allocation

Cash	\$	22,618
Accounts receivable		206,069
Prepays		24,885
Property and equipment		8,446
Accounts payable and accrued liabilities		(251,672)
Deferred revenue		(1,040,077)
Loans payable		(32,420)
Acquired technology		330,000
Customer relationships		1,880,000
Brand		200,000
Goodwill		2,800,443
	\$	<b>4,148,292</b>

During the three and nine months ended September 30, 2020, the Company incurred (\$7,077) and \$193,230 (three and nine months ended September 30, 2019 - \$nil and \$nil) in acquisition, restructuring and integration costs with this acquisition. These costs are included and separately disclosed in the interim condensed consolidated statements of operations and comprehensive loss.

The acquisition of Oculys resulted in revenue for the three and nine months ended September 30, 2020 of \$587,629 and \$1,554,160 (three and nine months ended September 30, 2019 - \$nil and \$nil) and net income of \$317,144 and \$405,710 (three and nine months ended September 30, 2019 - \$nil and \$nil), which is included in the Company's results for the three and nine months ended September 30, 2020 and 2019.

##### c) Acquisition of Intouch with Health Ltd.

On August 20, 2020, the Company acquired all of the issued and outstanding securities of Intouch with Health Ltd. ("Intouch"). Intouch provides patient flow management solutions.

In addition, the Company has a contingent consideration payable over a three-year period after the closing and is contingent upon meeting certain revenue targets.

The following table summarizes the fair value of consideration paid on the acquisition date and the allocation of the purchase price to the assets and liabilities acquired. In accordance with the Company's accounting policy and IFRS, the Company has up to one year following the acquisition date to finalize the accounting for a business combination.

# Vitalhub Corp.

## Interim Condensed Consolidated Statements of Cash Flows

For the nine months ended September 30, 2020 and 2019

(Unaudited)

(in Canadian Dollars)

### 4. Business acquisitions (continued)

#### c) Acquisition of Intouch with Health Ltd. (continued)

Accordingly, the accounting for the Intouch acquisition has been completed using provisional amounts within these interim condensed consolidated financial statements.

#### Consideration

Cash consideration on closing	\$	6,856,438
Cash held in escrow for 4 months		1,143,016
Fair value of contingent consideration		754,882
	\$	<b>8,754,337</b>

#### Purchase price allocation

Cash	\$	3,928,058
Accounts receivable		769,880
Prepays		95,051
Inventory		202,048
Property and equipment		32,257
Intangible assets		41,288
Accounts payable and accrued liabilities		(1,121,316)
Deferred revenue		(2,295,121)
Acquired technology		779,309
Customer relationships		2,493,789
Brand		242,452
Goodwill		3,586,640
	\$	<b>8,754,337</b>

During the three and nine months ended September 30, 2020, the Company incurred \$599,258 in acquisition, restructuring and integration costs with this acquisition. These costs are included and separately disclosed in the interim condensed consolidated statements of operations and comprehensive loss.

The acquisition of Intouch resulted in revenue from the date of acquisition to September 30, 2020 of \$495,268 and a net loss of \$669,354, which is included in the Company's results for the three and nine months ended September 30, 2020 and 2019.

#### d) Acquisition of Transforming Systems Ltd.

On September 9, 2020, the Company acquired all of the issued and outstanding securities of Transforming Systems Ltd. ("Transform"). Transform provides patient flow management solutions.

In addition, the Company has a contingent consideration payable over a three-year period after the closing and is contingent upon meeting certain revenue targets.

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

# Vitalhub Corp.

## Interim Condensed Consolidated Statements of Cash Flows For the nine months ended September 30, 2020 and 2019

(Unaudited)

(in Canadian Dollars)

### 4. Business acquisitions (continued)

#### d) Acquisition of Transforming Systems Ltd. (continued)

##### Consideration

Cash consideration on closing	\$	6,462,061
Cash held in escrow for 5 months		515,936
Issued shares (391,707 shares issued at \$2.11/share)		909,490
Issued shares held in escrow (1,175,120 shares issued at \$2.11/share) - discounted		2,205,889
Fair value of contingent consideration		827,270
	<b>\$</b>	<b>10,920,646</b>

##### Purchase price allocation

Cash	\$	1,677,921
Accounts receivable		558,027
Prepays		76,692
Property and equipment		34,127
Accounts payable and accrued liabilities		(1,093,306)
Deferred revenue		(1,530,852)
Acquired technology		1,702,588
Customer relationships		3,594,353
Brand		447,144
Goodwill		5,453,952
	<b>\$</b>	<b>10,920,646</b>

During the three and nine months ended September 30, 2020, the Company incurred \$191,219 in acquisition, restructuring and integration costs with this acquisition. These costs are included and separately disclosed in the interim condensed consolidated statements of operations and comprehensive loss.

The acquisition of Transform resulted in revenue from the date of acquisition to September 30, 2020 of \$243,586 and a net loss of \$172,493, which is included in the Company's results for the three and nine months ended September 30, 2020 and 2019.

### 5. Accounts receivable

	September 30, 2020	December 31, 2019
	\$	\$
Trade accounts receivable	4,358,433	1,681,802
Other receivables	570,895	279,424
	4,929,328	1,961,226
Expected credit loss provision	(187,631)	(187,631)
Net carrying value	4,741,697	1,773,595

# Vitalhub Corp.

## Interim Condensed Consolidated Statements of Cash Flows

For the nine months ended September 30, 2020 and 2019

(Unaudited)

(in Canadian Dollars)

### 6. Property and equipment

	Computers	Furniture & fixtures	Leasehold improvements	Total
<b>Cost</b>	\$	\$	\$	\$
Balance, December 31, 2018	136,317	216,994	60,968	414,279
Acquisitions (Note 4)	6,781	995	670	8,446
Additions	65,928	10,224	2,704	78,856
Disposals	(18,879)	(47,343)	-	(66,222)
Balance, December 31, 2019	190,147	180,870	64,342	435,359
Acquisitions (Note 4)	51,573	14,811	-	66,384
Additions	34,268	962	-	35,230
<b>Balance, September 30, 2020</b>	<b>275,988</b>	<b>196,643</b>	<b>64,342</b>	<b>536,973</b>
<b>Accumulated depreciation</b>				
Balance, December 31, 2018	64,274	23,052	5,457	92,783
Depreciation expense	26,243	40,107	10,934	77,284
Disposals	(18,880)	(45,602)	-	(64,482)
Balance, December 31, 2019	71,637	17,557	16,391	105,585
Depreciation expense	37,661	34,734	10,567	82,961
<b>Balance, September 30, 2020</b>	<b>109,297</b>	<b>52,291</b>	<b>26,958</b>	<b>188,546</b>
<b>Net book value as at:</b>				
December 31, 2019	118,510	163,313	47,951	329,774
<b>September 30, 2020</b>	<b>166,691</b>	<b>144,352</b>	<b>37,384</b>	<b>348,427</b>

# Vitalhub Corp.

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### 7. Intangible assets

	Acquired technologies	Customer relationships	Brands	Training videos	Total
<b>Cost</b>	\$	\$	\$	\$	\$
Balance, December 31, 2018	1,013,000	6,247,000	-	-	7,260,000
Acquisitions (Note 4)	570,000	2,390,000	360,000	-	3,320,000
Balance, December 31, 2019	1,583,000	8,637,000	360,000	-	10,580,000
Acquisitions (Note 4)	2,481,897	6,088,142	689,596	41,288	9,300,923
<b>Balance, September 30, 2020</b>	<b>4,064,897</b>	<b>14,725,142</b>	<b>1,049,596</b>	<b>41,288</b>	<b>19,880,923</b>
<b>Accumulated amortization</b>					
Balance, December 31, 2018	153,560	1,209,638	-	-	1,363,198
Depreciation expense	192,965	1,295,236	29,000	-	1,517,201
Balance, December 31, 2019	346,525	2,504,874	29,000	-	2,880,399
Depreciation expense	233,197	1,129,612	61,743	3,052	1,427,604
<b>Balance, September 30, 2020</b>	<b>579,722</b>	<b>3,634,486</b>	<b>90,743</b>	<b>3,052</b>	<b>4,308,003</b>
<b>Net book value as at:</b>					
December 31, 2019	1,236,475	6,132,126	331,000	-	7,699,601
<b>September 30, 2020</b>	<b>3,485,176</b>	<b>11,090,656</b>	<b>958,853</b>	<b>38,236</b>	<b>15,572,920</b>

### 8. Goodwill

The carrying amount of goodwill related to each entity is as follows:

	September 30, 2020	December 31, 2019
	\$	\$
B Sharp Technologies Inc.	1,623,479	1,623,479
H.I. Next Inc. and LLC	3,883,882	3,883,882
Clarity HealthCare Solutions	163,480	163,480
Roxy Solutions Inc.	457,913	457,913
The Oak Group (UK) Limited.	2,340,610	2,340,610
Oculus Health Informatics Inc.	2,800,443	2,800,443
Intouch with Health Ltd.	3,586,640	-
Transforming Systems Ltd.	5,453,952	-
	<b>20,310,399</b>	<b>11,269,807</b>

### 9. Accounts payable and accrued liabilities

	September 30, 2020	December 31, 2019
	\$	\$
Trade accounts payable and accrued liabilities	1,904,758	1,199,321
Accrued payroll and related compensation	1,216,823	843,825
Government remittances	1,163,221	119,442
Royalties payable	167,661	102,321
	<b>4,452,463</b>	<b>2,264,909</b>

# Vitalhub Corp.

## Interim Condensed Consolidated Statements of Cash Flows

### For the nine months ended September 30, 2020 and 2019

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#### 10. Share purchase agreement

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

- a) 25% of the amount net of expenses to be paid to Vitalhub under a Scientific Research and Experimental Development ("SR&ED") tax incentive claim. The total SR&ED claim submitted to date was \$508,840 which includes claims for the fiscal years 2014 and 2015. After an audit from the Canada Revenue Agency, the 2014 SR&ED claim was disallowed, as a result the Company will subsequently recognize the claim when it is received in addition to the applicable amounts payable to the Creditors. Management is of the opinion that the claim in 2014 is valid and is appealing the audit decision.
- b) Royalty streams to be paid to the Creditors are as follows:
  - i) 0% of the net revenue received by Vitalhub pursuant to the agreement with Provincial Health Services Association ("BC Agreement") during the period commencing January 1, 2016 and ending March 31, 2016;
  - ii) 17.5% of the net revenue received by Vitalhub pursuant to the BC Agreement during the period commencing January 1, 2017 and ending March 31, 2019, with such amount being payable within ninety (90) days following March 31, 2019;
  - iii) 12.5% of the net revenue received by Vitalhub pursuant to the BC Agreement during the period commencing January 1, 2020 and ending March 31, 2021, with such amount being payable within ninety (90) days following March 31, 2021;
  - iv) 6.5% of the net revenue received by Vitalhub other than pursuant to the BC Agreement during the four-year period commencing on May 2, 2016, with such amounts being payable in four installments annually.

During the period January 1, 2020 to September 30, 2020, the Company earned \$nil of net revenues (January 1, 2019 – September 30, 2019 - \$192,950) pursuant to the BC agreement, accordingly the Company has accrued \$75,766 of royalties in accounts payable and accrued liabilities as at September 30, 2020 (December 31, 2019 - \$75,766).

#### 11. Royalties payable

On May 30, 2017, the Company entered into a revenue and cost sharing agreement with one of its customers on a co-designed solution. Under the terms of the agreement, 10% of license and maintenance revenue earned by the solution will be paid to the customer up to the point where the customer has received a total of \$1,000,000, after which revenue sharing will continue at 2% of ongoing revenues to the customer indefinitely.

In addition, the Company has a royalty agreement with the University of Birmingham Foundation Trust ("UHB"). The Company is required to pay an amount equal to 5% and 10% of the applicable annual license fees for the duration of the relevant contract. The rate shall reduce to 2.5% and 5% for the three-year period from August 1, 2023 to July 31, 2026, after which the rate shall be zero.

# Vitalhub Corp.

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### For the nine months ended September 30, 2020 and 2019

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#### 12. Loans payable

	Note	September 30, 2020	December 31, 2019
RBC business loan	(a)	\$ -	\$ -
Business Development Bank of Canada loan	(a)	77,760	106,920
The Health Technology Exchange loan	(c)	-	-
RBC sale and leaseback loan	(b)	94,221	151,546
RBC non-revolving term facility	(c)	1,120,000	1,330,000
Catalyst loan	(d)	4,347	6,659
Vault loan	(e)	-	19,189
		<b>1,296,328</b>	<b>1,614,314</b>
Current portion of loans payable		402,676	418,155
Long-term portion of loans payable		893,652	1,196,159
		<b>1,296,328</b>	<b>1,614,314</b>

Future principal repayments are as follows:

2020/2021	402,676	418,155
2021/2022	333,652	396,999
2022/2023	280,000	309,160
2023/2024	280,000	280,000
2024/2025 and thereafter	-	210,000
	<b>1,296,328</b>	<b>1,614,314</b>

- a) The Business Development Bank of Canada ("BDC") loan bears interest at BDC's floating base rate plus 3% and is due September 30, 2022. The loan is repayable in 1 monthly installment of principal of \$3,328 and 59 monthly installments of principal of \$3,240 plus interest, beginning October 31, 2017. The loan is secured by a general security agreement with a second ranking security interest over all property of the Company. During the three and nine months ended September 30, 2020, the Company paid \$9,720 and \$29,160 (three and nine months ended September 30, 2019 - \$9,720 and \$29,160) in principal and \$1,599 and \$5,641 (three and nine months ended September 30, 2019 - \$3,181 and \$8,987) of interest expense.
- b) The RBC sale and leaseback is secured by the assets sold which consist of leasehold improvements and furniture and fixtures to RBC and is repayable in monthly installments of principal and interest of \$6,974, commencing January 25, 2019, and matures December 27, 2021. The Company has the option to purchase the assets on the purchase date of December 26, 2021 for \$1. During the three and nine months ended September 30, 2020, the Company paid \$19,383 and \$57,325 (three and nine months ended September 30, 2019 - \$24,759 and \$61,103) in principal and \$1,540 and \$5,445 (three and nine months ended September 30, 2019 - \$3,139 and \$8,641) in interest expense.
- c) The RBC non-revolving term facility bears interest at RBC's prime rate plus 2% and is due September 25, 2024. The loan is repayable in monthly installments of principal of \$23,333 plus interest, beginning October 25, 2019. During the three and nine months ended September 30, 2020, the Company paid \$70,000 and \$210,000 (three and nine months ended September 30, 2019 - \$nil and \$nil) in principal and \$13,031 and \$45,524 (three and nine months ended September 30, 2019 - \$nil and \$nil) in interest expense.

The loan is secured by a general security agreement with a first ranking security interest over all property of the Company, guarantees and postponements of claim by the Company.

- d) The Catalyst loan is repayable in monthly installments of principal and interest of \$314, commencing January 1, 2019, with a maturity of December 1, 2021. The loan bears interest at 12.065%. During the three and nine months ended September 30, 2020, the Company paid \$794 and \$2,312 (three and nine months ended September 30, 2019 - \$nil and \$nil) in principal and \$145 and \$511 (three and nine months ended September 30, 2019 - \$nil and \$nil) in interest.

# Vitalhub Corp.

## Interim Condensed Consolidated Statements of Cash Flows

### For the nine months ended September 30, 2020 and 2019

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#### 12. Loans payable (continued)

- e) The Vault loan is repayable in monthly installments of principal and interest of \$6,720, commencing April 4, 2019, with a maturity of March 4, 2020. The loan bears interest at 30.10%. During the three and nine months ended September 30, 2020, the Company paid \$nil and \$19,189 (three and nine months ended September 30, 2019 - \$nil and \$nil) in principal and \$nil and \$1,265 (three and nine months ended September 30, 2019 - \$nil and \$nil) in interest.
- f) The Company has an agreement with the Royal Bank of Canada ("RBC") to provide a \$500,000, revolving demand facility, bearing interest at RBC's prime rate plus 1%. The facility is secured by a general security agreement with a first ranking security interest over all property of the Company and guarantees and postponements of claim from the subsidiaries of the Company. As at September 30, 2020 and December 31, 2019, no amounts have been drawn on this revolving demand facility.

#### 13. Share capital

- a) Authorized share capital

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

- b) Issued share capital

- i) *Non-brokered private placement*

On January 18, 2019, the Company completed a non-brokered private placement financing under which 2,062,500 units were issued at \$1.60 per unit for total gross proceeds of \$3,300,000. Each unit comprises one common share and one half of one common share warrant with each such two year warrant being exercisable for one common share of the Company at an exercise price of \$2.90, for a period of 24 months from the date of issuance, and one half of one common share warrant with each such three year warrant being exercisable for one common share of the Company at an exercise price of \$3.90, for a period of 36 months from the date of issuance.

The Company incurred costs of \$14,905 relating to professional and advisory services resulting in net proceeds of the non-brokered private placement of \$3,285,095 which was allocated proportionally between share capital and warrants based on their relative fair values within the unit with \$2,391,931 (73%) allocated to share capital and \$893,164 (27%) allocated to warrants.

The fair value of the warrants issued were determined using the Black-Scholes option pricing model with the following weighted average assumptions:

	<b>2019</b>
Share price	<b>\$ 1.75</b>
Exercise price	<b>\$2.90 - \$3.90</b>
Expected volatility	<b>88% - 91%</b>
Expected warrant life	<b>2-3 years</b>
Expected dividend yield	-
Expected forfeiture rate	-
Risk-free interest rate	<b>1.29% - 1.57%</b>

- ii) *Shares issued from financing*

On March 17, 2020, the Company completed a bought deal offering under which 8,506,300 common shares were issued at \$1.80 per common shares for total gross proceeds of \$15,311,340. The Company paid agents fees and cash commissions of \$839,363 and issued 228,750 broker warrants valued at \$72,280. Each broker warrant expires on March 17, 2022 and entitles the holder to purchase one common share at a price of \$2.10 per share.

The Company incurred additional costs of \$322,186 relating to professional and advisory services resulting in net proceeds of the bought deal of \$14,149,791.

# Vitalhub Corp.

## Interim Condensed Consolidated Statements of Cash Flows For the nine months ended September 30, 2020 and 2019

(Unaudited)

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### 13. Share capital (continued)

#### ii) *Shares issued from financing (continued)*

The fair value of the warrants issued were determined using the Black-Scholes option pricing model with the following weighted average assumptions:

		<b>2020</b>
Share price	\$	<b>1.40</b>
Exercise price	\$	<b>2.10</b>
Expected volatility		<b>63.00%</b>
Expected warrant life		<b>2 years</b>
Expected dividend yield		-
Expected forfeiture rate		-
Risk-free interest rate		<b>0.63%</b>

#### iii) *Non-brokered private placement*

On September 15, 2020, the Company completed a non-brokered private placement financing under which 1,000,000 common shares were issued at a price of \$2.20 per share for total gross proceeds of \$2,200,000. The total costs paid related to the placement were \$11,750.

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

A summary of changes in share-based compensation during the nine months ended September 30, 2020 and for the year ended December 31, 2019 is as follows:

Measurement date	Number of options	Weighted average exercise price
	#	\$
Balance, December 31, 2018	1,216,941	1.42
Granted	70,000	1.80
Exercised	(3,000)	1.20
Expired	(29,778)	1.49
Forfeited	(889)	1.20
Balance, December 31, 2019	1,253,274	1.42
Granted	542,500	2.03
Exercised	(147,500)	1.10
<b>Balance, September 30, 2020</b>	<b>1,648,274</b>	<b>1.66</b>

# Vitalhub Corp.

## Interim Condensed Consolidated Statements of Cash Flows For the nine months ended September 30, 2020 and 2019

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### 13. Share capital (continued)

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

The following tables summarize information about the Company's share options outstanding at September 30, 2020 and December 31, 2019:

Exercise price	September 30, 2020			December 31, 2019		
	Number of stock options outstanding	Number of stock options exercisable	Weighted average remaining contractual life	Number of stock options outstanding	Number of stock options exercisable	Weighted average remaining contractual life
\$1.000	95,774	95,774	0.59	185,774	185,774	0.93
\$1.200	116,500	116,500	1.28	116,500	116,500	2.03
\$1.250	75,000	75,000	2.13	132,500	132,500	1.85
\$1.300	150,000	150,000	2.01	150,000	150,000	2.76
\$1.450	20,000	11,671	3.24	20,000	6,667	3.99
\$1.500	225,000	175,034	2.58	225,000	118,750	3.33
\$1.650	201,000	194,116	2.16	201,000	162,805	2.91
\$1.800	125,000	71,275	3.28	125,000	24,445	4.03
\$1.950	97,500	89,430	2.26	97,500	64,999	3.01
\$2.030	542,500	-	4.88	-	-	-
	<b>1,648,274</b>	<b>978,800</b>	<b>3.05</b>	<b>1,253,274</b>	<b>962,440</b>	<b>2.62</b>

During the nine months ended September 30, 2020, 542,500 stock options were issued (December 31, 2019 – 70,000) with a weighted average aggregate fair value of \$779,083 (542,500 at \$2.03 per option) at the date of grant (2019 - \$64,994) to directors and employees.

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

	<b>2020</b>
Share price	<b>\$ 1.90</b>
Exercise price	<b>\$ 2.03</b>
Expected volatility	<b>105.00%</b>
Expected option life	<b>2 years</b>
Expected dividend yield	<b>-</b>
Expected forfeiture rate	<b>-</b>
Risk-free interest rate	<b>0.27%</b>

During the three and nine months ended September 30, 2020, the Company recognized stock-based compensation expense of \$101,720 and \$189,493 (for the three and nine months ended September 30, 2019 - \$48,751 and \$131,231).

# Vitalhub Corp.

## Interim Condensed Consolidated Statements of Cash Flows For the nine months ended September 30, 2020 and 2019

(Unaudited)

(in Canadian Dollars)

### 13. Share capital (continued)

#### d) Warrants

A summary of changes in warrants during the nine months ended September 30, 2020 and for the year ended December 31, 2019 is as follows:

Measurement date	Number of warrants #	Weighted average exercise price \$
Balance, December 31, 2018	4,311,130	1.80
Granted	2,062,500	3.40
Exercised	(899,424)	1.80
Expired	(3,411,706)	1.80
Balance, December 31, 2019	2,062,500	3.40
Granted	228,750	2.10
<b>Balance, September 30, 2020</b>	<b>2,291,250</b>	<b>3.27</b>

The following table summarizes information about the Company's warrants outstanding at September 30, 2020 and December 31, 2019:

Exercise price	September 30, 2020			December 31, 2019		
	Number of warrants outstanding	Number of warrants exercisable	Weighted average remaining contractual life	Number of warrants outstanding	Number of warrants exercisable	Weighted average remaining contractual life
\$2.100	228,750	228,750	1.65	-	-	-
\$2.900	1,031,250	1,031,250	0.50	1,031,250	1,031,250	1.05
\$3.900	1,031,250	1,031,250	1.50	1,031,250	1,031,250	2.05
	<b>2,291,250</b>	<b>2,291,250</b>	<b>1.06</b>	<b>2,062,500</b>	<b>2,062,500</b>	<b>1.55</b>

### 14. Leases

The Company adopted IFRS 16 effective January 1, 2019 and on initial application, the Company has elected to record right-of-use assets based on the corresponding lease liability. When measuring lease liabilities, the Company discounted lease payments using an incremental borrowing rate of 9% for all leases except for leases located in Sri Lanka where a 12% incremental borrowing rate was used. The Company applied the definition of a lease under IFRS 16 to contracts entered into or changed on or after January 1, 2019.

# Vitalhub Corp.

## Interim Condensed Consolidated Statements of Cash Flows

### For the nine months ended September 30, 2020 and 2019

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#### 14. Leases (continued)

The following table reconciles the Company's operating lease obligations to the lease obligations recognized on initial application of IFRS 16 at January 1, 2019:

<b>Right of use asset</b>	<b>Premise lease</b>
<b>Cost</b>	<b>\$</b>
Balance, January 1, 2019	-
Aggregate lease commitments	1,470,905
Less: Impact of present value	(463,585)
Opening IFRS 16 lease value as at January 1, 2019	1,007,320
Additions	48,889
Lease: Lease receivable related to finance sublease	(86,525)
Balance, December 31, 2019	969,684
Additions	27,532
<b>Balance, September 30, 2020</b>	<b>997,216</b>
<b>Accumulated amortization</b>	
Balance, December 31, 2019	178,265
Amortization	162,341
<b>Balance, September 30, 2020</b>	<b>340,606</b>
<b>Net book value as at:</b>	
December 31, 2019	791,419
<b>September 30, 2020</b>	<b>656,610</b>
<b>Lease liabilities</b>	<b>Premise lease</b>
	<b>\$</b>
Balance, January 1, 2019	1,007,320
Additions	48,889
Financing costs	90,664
Payments	(284,449)
Total lease liabilities at December 31, 2019	862,424
Additions	27,532
Financing costs	58,790
Payments	(220,732)
<b>Total lease liabilities at September 30, 2020</b>	<b>728,014</b>
Current portion of lease liabilities	168,966
Long-term portion of lease liabilities at September 30, 2020	559,048
<b>Total lease liabilities at September 30, 2020</b>	<b>728,014</b>

# Vitalhub Corp.

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#### 15. Expenses by nature

	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
	\$	\$	\$	\$
Salaries, wages and benefits	1,562,463	1,394,786	4,271,173	3,861,165
Depreciation and amortization	626,222	460,676	1,672,906	1,326,818
Acquisition related expenses	820,237	29,628	1,075,803	251,798
Hosting and software licenses	237,450	110,999	640,516	283,839
Consulting	235,562	168,962	605,680	467,010
Travel	6,901	59,697	132,331	215,397
Professional fees	61,321	66,885	275,513	250,153
Computer expenses	117,108	65,913	329,449	252,724
Royalties	42,908	37,097	152,577	119,131
Facilities	84,494	59,101	205,189	206,786
Other	295,064	(122,718)	450,346	184,589
Stock based compensation	101,720	48,751	189,493	131,231
Interest and accretion expense	18,046	541,803	66,297	797,447
Investor relations	46,300	31,272	109,150	93,503
	<b>4,255,796</b>	<b>2,952,851</b>	<b>10,176,423</b>	<b>8,441,591</b>

#### 16. Key management compensation

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

	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
	\$	\$	\$	\$
Salaries and short-term employee benefits	162,517	162,517	487,551	487,551
Stock-based compensation	17,562	18,842	35,124	53,100
	<b>180,079</b>	<b>181,359</b>	<b>522,675</b>	<b>540,651</b>

#### 17. Segmented information

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

# Vitalhub Corp.

## Interim Condensed Consolidated Statements of Cash Flows For the nine months ended September 30, 2020 and 2019

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### 17. Segmented information (continued)

The revenues in each of these geographic locations for the three and nine months ended September 30, 2020 and 2019 are as follows:

	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
	\$	\$	\$	\$
Canada	1,726,910	1,634,996	5,350,721	5,685,622
USA	401,249	508,966	1,212,950	1,481,908
United Kingdom	788,987	251,700	923,398	499,734
Australia	166,193	-	339,628	-
Western Asia	98,579	-	874,115	-
Rest of the world	10,248	-	10,248	-
Total revenues	3,192,166	2,395,662	8,711,060	7,667,264

The total non-current assets in each of these geographic locations as at September 30, 2020 and December 31, 2019 are as follows:

	September 30, 2020	December 31, 2019
	\$	\$
Canada	18,734,957	20,019,866
United Kingdom	18,093,766	-
USA	794	1,002
Sri Lanka	58,840	74,958
Total non-current assets	36,888,357	20,095,826

### 18. Wage Subsidy

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

The CEWS program provides government assistance in the form of wage subsidy for qualifying businesses faced with specified levels of revenue decline designed to either retain workforce on payroll or to re-hire furloughed employees. The CEWS program is applicable from March 15 to December 19, 2020 for eligible entities that have experienced a reduction in gross revenue for the period as determined by the program.

# Vitalhub Corp.

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### 18. Wage Subsidy (continued)

The Company has elected to compare the revenue during the availability period to the average of January and February 2020 revenues and calculated on an accrual basis and included on a gross basis. The Company qualified and received \$534,112 of subsidy during the eligibility period in the current period using remuneration during the eligibility periods noted below.

	Wage Subsidy
	\$
March 15, 2020 - April 11, 2020	137,953
April 12, 2020 - May 9, 2020	132,231
May 10, 2020 - June 6, 2020	131,261
June 7, 2020 - July 4, 2020	132,667
July 5, 2020 - August 1, 2020	136,518
August 2, 2020 - August 29, 2020	137,137
<b>Total</b>	<b>807,767</b>

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

The Company has recorded the subsidy received as an offset to payroll expenses across the various departments in the interim condensed consolidated statements of operations and comprehensive loss.

### 19. COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in the World Health Organization declaring this virus a global pandemic in March 2020. Governments around the world have enacted emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing and closure of businesses have caused material disruption to businesses resulting in an economic slowdown. Governments and central banks have responded with significant monetary and fiscal interventions designed to stabilize the financial markets. A critical estimate for the Company is to assess the impact of the pandemic on the recoverability of long-lived assets, accounts receivable, goodwill, intangible assets as well as the availability of future financing in assessing the going concern assumption. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time. The Company has taken advantage of government incentives as disclosed in Note 18.

### 20. Subsequent events

On November 17, 2020, the Company closed a bought deal offering with a syndicate of investment dealers led by Cormark Securities Inc. (collectively, the "underwriters") pursuant to which the underwriters have agreed to purchase 5,860,775 common shares (the "common shares") from the treasury of the Company, at a price of \$2.90 per common share for total gross proceeds of approximately \$16,996,248 (the "offering"). In addition, the Company has granted the underwriters an option (the "over-allotment option") to purchase up to an additional 15% of the common shares of the offering on the same terms exercisable at any time up to 30 days following the closing of the offering, for market stabilization purposes and to cover over-allotments, if any.

**Vitalhub Corp.**

**Interim Condensed Consolidated Statements of Cash Flows**  
**For the nine months ended September 30, 2020 and 2019**

(Unaudited)

(in Canadian Dollars)

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