



Management's Discussion & Analysis

For the three and nine months ended
September 30, 2022 and 2021

Vitalhub Corp.
480 University Avenue, Suite 1001, Toronto, ON M5G 1V2

GENERAL INFORMATION

The following Management's Discussion and Analysis of Financial Conditions and Results of Operations ("MD&A") prepared as of November 10, 2022 supplements, but does not form part of the of the interim condensed consolidated financial statements and notes of Vitalhub Corp. ("Vitalhub", or the "Company") for the three and nine months ended September 30, 2022 and 2021.

The Company prepares its interim condensed consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as set out in the Chartered Professional Accountants Canada Handbook ("CPA Canada Handbook"). All financial information contained in this MD&A and in the interim condensed consolidated financial statements have been prepared in accordance with IFRS except for certain "Non-IFRS Measures" as indicated in this MD&A.

All currency amounts in this MD&A are expressed in Canadian dollars, unless specified otherwise.

COMPANY PROFILE

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

The Company has a robust two-pronged growth strategy, targeting organic growth opportunities within its product suite, and pursuing an aggressive M&A plan. Currently, Vitalhub serves approximately 500 clients across Canada, USA, UK, Australia, Qatar, and Latvia.

Vitalhub's original technology was built at Mount Sinai Hospital in Toronto, with the goal of providing clinicians easy access to data from multiple disparate electronic medical records and other patient information systems that the hospital had invested a substantial amount into implementing. Vitalhub was a private company incorporated in 2010, when it received investment funding from MaRS Innovation as well as an angel investor. They continued to fund the Company, primarily through debt, through to April 2016. In May 2016, the Company was restructured and sold to 2514987 Ontario Inc., an arm's length corporation owned by Dan Matlow (CEO and President of Vitalhub) and Brian Goffenberg (CFO and EVP of Vitalhub). In November 2016, the new management took the Company public by completing a reverse takeover transaction with Vitalhub acquiring the controlling interest in Quinsam Opportunities I Inc. ("QOP"). Upon completion of the transaction, QOP changed its name to Vitalhub Corp., and commenced trading on the TSX Venture Exchange under the symbol "VHI" on December 2, 2016. On September 23, 2021 the Company's shares began trading on the TSX.

COMPANY HIGHLIGHTS

- **Revenue** for Q3 2022 was \$9,780,553, as compared to \$6,619,047 in Q3 2021, an increase of \$3,161,506 or 48%. Revenue for the nine months ended September 30, 2022 was \$28,681,209 as compared to \$17,734,300 for the same period last year, an increase of \$10,946,909 or 62%.
- **Gross profit as a percentage of revenue** for Q3 2022 was 80% compared to 82% in Q3 2021. For the nine months ended September 30, 2022 gross profit as a percentage of revenue was 82% as compared to 79% for the same period last year. This continued improvement is the result of higher recurring revenue, combined with operating cost synergies from integrating acquisitions and management's ongoing effort to reduce cost of sales. Gross profit as a percentage of revenue changes are largely dependent upon the sales mix, with perpetual and term licences, and maintenance and support generating a higher margin than consulting services and hardware revenue.
- **The Company defines annual recurring revenue ("ARR") as the recurring revenue expected based on yearly subscriptions of the renewable software license fees and maintenance services.**
 - ARR at the end of Q3 2022 was \$30,967,215.
 - Organic growth of \$850,755 or 2.73% from Q2 2022,
 - Reduction of \$1,103,048 or 3.53% due to the decrease in the value of the GBP pound relative to the CAD dollar from the prior quarter.
 - In Q3 2021 ARR grew by \$1,811,726 or 9% from Q2 2021.
 - \$281,206 or 1.42% organic growth,
 - \$1,319,098 or 6.68% through acquisition and,
 - \$299,039 or 1.88% due to an unrealized foreign exchange loss.
 - ARR at September 30, 2022 was \$30,967,215 as compared to \$21,569,032 at September 30, 2021, an increase of 44%.
 - The continued increase in organic ARR growth is reflective of our strategy to grow the business both organically and through acquisition.

- **Cash on hand at September 30, 2022 was \$36,065,885** compared to \$16,389,982 as at December 31, 2021. The increase is primarily the result of the Scotiabank revolving facility loan and proceeds from a bought deal during the quarter.

Cashflows from operations before changes in working capital was \$5,280,072 for the period as compared to \$1,394,927 for the same period last year. This is primarily due to net income of \$1,552,970 for the period compared to the same period last year.

- **EBITDA (defined as earnings before interest, taxation, depreciation and amortization)** for Q3 2022 was \$1,389,065 as compared to Q3 2021 of \$189,088 an improvement of \$1,199,977 or 635%. For the nine months ended September 30, 2022 EBITDA was \$4,779,798 as compared to \$645,439 for the same period last year, an increase of \$4,134,359 or 641%. The increase is attributable to a number of factors, including an increase in revenues of 48% and continued synergies gained from acquisitions. EBITDA is a non-IFRS measure.
- **Adjusted EBITDA (defined as earnings before interest, taxation, depreciation, amortization, share based compensation, business, acquisition, restructuring and integration costs)** for Q3 2022 was \$2,151,753 as compared to Q3 2021 of \$1,277,573 an increase of \$874,180 or 68%. For the nine months ended September 30, 2022 Adjusted EBITDA was \$7,069,334 as compared to \$3,197,090 for the same period last year, an improvement of \$3,872,244 or 121%. The increase is attributable to a number of factors including increased recurring revenues, net income for the nine-month period, combined with improved margins and synergies gained from earlier acquisitions and management's efforts to reduce costs. Adjusted EBITDA is a non-IFRS measure.
- **Adjusted EBITDA as a percentage of revenue** for Q3 2022 was 22% as compared to 19% for Q3 2021. For the nine months ended September 30, 2022 and September 30, 2021 adjusted EBITDA as a percentage of revenue was 25% and 18%. The improvement in Q3 2022 is attributable to a number of factors including increased recurring revenues, combined with improved margins and synergies gained from earlier acquisitions and management's efforts to reduce costs. Due to the relatively high amortization of intangibles and periodic restructuring and integration costs from acquisitions management believes that Adjusted EBITDA as a percentage of revenue is a relevant KPI ("key performance indicator") to measure. Adjusted EBITDA as a percentage of revenue is a non-IFRS measure.
- **During the quarter, the Company secured additional financing from The Bank of Nova Scotia**, increasing its operating credit limit from \$1,000,000 to \$6,000,000 and its revolving term facility from \$10,000,000 to \$27,000,000.

Subsequent to the quarter, the Company acquired all of the issued and outstanding shares of QWAD Community Technologies Pty Ltd, doing business as "Community Data Solutions" ("CDS"), a company incorporated and conducting business in Australia. CDS offers an online case management system and supporting products serving 350+ agencies located in all states and internal territories of Australia. Total closing consideration for the acquisition was all-cash for a purchase price at closing of approximately AUD \$8,197,155 (CAD \$7,110,663), which was after customary closing and working capital adjustments.

COMPANY HIGHLIGHTS (continued)

- **Subsequent to the quarter, the Company acquired certain assets to maintain the business of Advanced Digital Innovation (UK) Limited (“ADI”)** with the product widely known as MyPathway. MyPathway is a digital health platform which is used to improve patient interactions during treatment. The consideration for the acquisition, which was paid in cash, was approximately GBP 250,000 (CAD \$382,740).
- **Subsequent to the quarter, the Company repaid the balance of its Scotia revolving facility** loan in the amount of \$8,999,982.
- **With the addition of the ARR of CDS and ADI to the quarter, the Company’s proforma ARR would be approximately \$34,000,000.** ARR is a non-IFRS measure.

SELECTED QUARTERLY INFORMATION

	Three months ended					Nine months ended				
	September 30, 2022	% Revenue	September 30, 2021	% Revenue	Change	September 30, 2022	% Revenue	September 30, 2021	% Revenue	Change
	\$		\$		%	\$		\$		%
Revenue	9,780,553	100%	6,619,047	100%	48%	28,681,209	100%	17,734,300	100%	62%
Cost of sales	1,952,398	20%	1,174,244	18%	66%	5,032,259	18%	3,773,770	21%	33%
Gross Profit	7,828,155	80%	5,444,803	82%	44%	23,648,950	82%	13,960,530	79%	69%
Operating Expenses										
General and administrative	2,086,415	21%	1,361,762	21%	53%	6,007,993	21%	3,638,214	21%	65%
Sales and marketing	1,076,673	11%	974,506	15%	10%	3,148,312	11%	2,646,543	15%	19%
Research and development	2,622,921	27%	1,875,775	28%	40%	7,365,681	26%	4,328,219	24%	70%
Depreciation	69,992	1%	42,625	1%	64%	173,865	1%	117,314	1%	48%
Depreciation of right-of-use assets	64,158	1%	71,006	1%	(10%)	179,640	1%	201,769	1%	(11%)
Stock based compensation	289,019	3%	484,226	7%	(40%)	872,803	3%	1,088,306	6%	(20%)
Foreign currency (gain) loss	(109,607)	(1%)	(44,469)	(1%)	146%	56,573	0%	148,311	1%	(62%)
Other Income and Expenses										
Amortization of intangible assets	847,818	9%	637,685	10%	33%	2,327,016	8%	1,618,502	9%	44%
Business acquisition, restructuring and integration costs	473,669	5%	604,259	9%	(22%)	1,416,733	5%	1,463,345	8%	(3%)
Interest expense and accretion (net of interest income)	(75,059)	(1%)	(7,292)	(0%)	929%	30,626	0%	(25,584)	(0%)	(220%)
Interest expense from lease liabilities	72,658	1%	20,856	0%	248%	105,594	0%	64,236	0%	64%
(Gain) loss on disposal of property and equipment	0	0%	(344)	(0%)	100%	1,057	0%	2,153	0%	(51%)
Current and deferred income taxes	368,721	4%	0	0%	(100%)	410,087	1%	10,071	0%	3972%
Net income (loss)	40,777	0%	(575,792)	(9%)	107%	1,552,970	5%	(1,340,869)	(8%)	(216%)
EBITDA (Non-IFRS measure)	1,389,065	14%	189,088	3%	635%	4,779,798	17%	645,439	4%	641%
Adjusted EBITDA (Non-IFRS measure)	2,151,753	22%	1,277,573	19%	68%	7,069,334	25%	3,197,090	18%	121%
Annual Recurring Revenue (Non-IFRS measure)	30,967,215		21,569,032		44%	30,967,215		21,569,032		44%
Recurring revenue (Non-IFRS Measure)	7,657,559	78%	5,462,774	83%	40%	20,623,096	72%	13,960,056	79%	48%
Deferred revenue	15,232,153		8,821,331			15,232,153		8,821,331		
Cash balance	36,065,885		16,389,982			36,065,885		16,389,982		

	As at	
	September 30, 2022	December 31, 2021
	\$	\$
Deferred revenue	15,232,153	8,821,331
Cash balance	36,065,885	16,389,982

REVENUE

The Company generates revenue from the sale of perpetual and annual renewable software licenses, maintenance and support, professional services, and hardware. Certain agreements provide for the delivery of application software and continuing post contract services, such as maintenance and support for the application software sold.

Revenue Composition

	Three months ended			Nine months ended		
	September 30, 2022	September 30, 2021	Change	September 30, 2022	September 30, 2021	Change
	\$	\$	%	\$	\$	%
Term licenses, maintenance and support	7,657,559	5,462,774	40%	20,623,096	13,960,056	48%
Perpetual licenses	204,233	328,228	(38%)	3,121,009	906,482	244%
Services	1,582,037	715,912	121%	4,056,591	2,181,515	86%
Hardware	302,032	45,281	567%	797,198	385,339	107%
Other	34,692	66,852	(48%)	83,315	300,908	(72%)
Total Revenues	9,780,553	6,619,047	48%	28,681,209	17,734,300	62%

- **Revenue** for Q3 2022 was \$9,780,553 as compared to \$6,619,047 in Q3 2021, an increase of \$3,161,506 or 48%.

The changes are explained by:

- The increase of \$2,194,785 or 40% quarter over quarter, in term licenses, maintenance and support revenue, is primarily attributable to new customer contracts won and revenues from acquisitions completed during the period. Term licenses, maintenance and support represent an important strategic source of revenue given its predictability and recurring nature and represented 78% of total revenues for Q3 2022 (Q3 2021 – 83%), with the decrease attributable to the sales mix in the quarter with the increased services and hardware revenue.
- Perpetual software licence revenues for Q3 2022 were \$204,233 as compared to \$328,228 for Q3 2021, a decrease of \$123,995 or 38%. The revenues from perpetual licenses are dependent on the type of products sold.
- Professional services, hardware and other revenue for Q3 2022 was \$1,918,761 as compared to \$828,045 for Q3 2021, an increase of \$1,090,716 or 132%. The increase over the period is the result of timing differences in the delivery of hardware and implementation of our software solutions.

Revenue for the nine months ended September 30, 2022 was \$28,681,209, as compared to \$17,734,300 for the same period last year, an increase of \$10,946,909 or 62%.

The changes are explained by:

- The increase of \$6,663,040 or 48% period over period, in term licenses, maintenance and support revenue, is primarily attributable to new customer contracts won and revenue from the acquisitions completed in the period. Term licenses, maintenance and support represented 72% of total revenues for the nine months ended September 30, 2022 (nine months ended September 30, 2021 – 79%), with the decrease attributable to the sales mix in the period with the increased perpetual, services and hardware revenue.
- Perpetual software licence revenues for the nine months ended September 30, 2022 were \$3,121,009 as compared to \$906,482 for the same period last year, an increase of \$2,214,527 or 244%. The increase during the period is due to continued deployment of our software solutions.
- Professional services, hardware and other revenue for the nine months ended September 30, 2022 was \$4,937,104 as compared to \$2,867,762 for the same period last year, an increase of \$2,069,342 or 72%. The increase during the period is due to hardware installation and implementation of our solutions.

EXPENSES AND GROSS PROFIT

Cost of sales

Cost of sales consists of commissions, hosting, royalties and employee salaries for development and support staff.

For Q3 2022 cost of sales was \$1,952,398 or 20% of revenue, as compared \$1,174,244 for Q3 2021 or 18% of revenue, an increase of 2%.

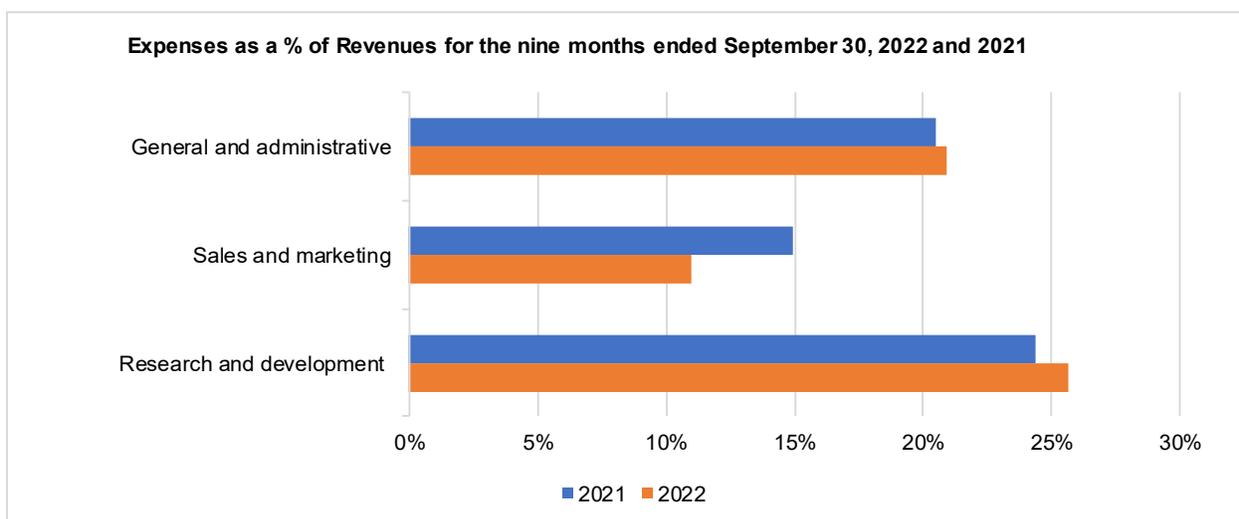
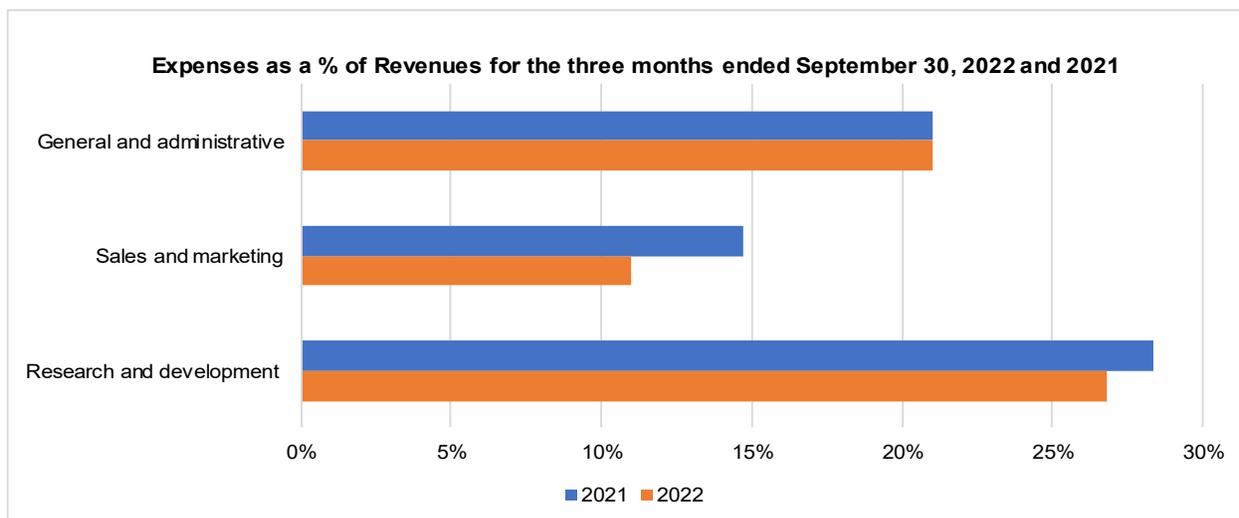
For the nine months ended September 30, 2022 cost of sales was \$5,032,259 or 18% of revenue as compared to \$3,773,770 or 21% of revenue, a decrease of 3%. This is primarily due to higher margins on perpetual licenses sold in the period.

We anticipate cost of sales to fluctuate with increased revenue and revenue mix, however management continuously works to improve margins through generating synergies and efficiencies.

Gross Profit

Gross profit for Q3 2022 was \$7,828,155 or 80% of revenue compared to \$5,444,803 or 82% of revenue in Q3 2021. For the nine months ended September 30, 2022 gross profit was \$23,648,950 or 82% of revenue as compared to \$13,960,530 or 79% of revenue for the same period last year.

Gross profit as a percentage of revenue changes are largely dependent upon the sales mix, with perpetual and term licences, and maintenance and support generating a higher margin than consulting services and hardware revenue. The positive increase reflects both higher recurring revenue, combined with operating cost synergies from integrating acquisitions and management’s ongoing effort to reduce cost of sales.



Management strives to ensure the appropriate levels of resources are maintained by the Company to ensure we are servicing our customers effectively and efficiently.

General and administrative expenses

General and administrative expenses include employee salaries related to finance and administration personnel, professional fees (legal, audit, tax and consultants), public company expenses, listing fees and related expenses, and overhead expenses associated with maintaining the Company’s office and premises.

General and administrative expenses for Q3 2022 were \$2,086,415 or 21% of revenue as compared to \$1,361,762 or 21% of revenue for Q3 2021.

For the nine months ended September 30, 2022 general and administrative expenses were \$6,007,993 or 21% of revenue as compared to \$3,638,214 or 21% of revenue.

The increase in dollars is driven by increased costs from acquisitions completed in the period and the time it takes for synergies and cost savings to be recognized.

Sales and marketing expenses

Sales and marketing expenses include the salaries, benefits, and travel costs of our direct sales team, and advertising and marketing costs.

Sales and marketing expenses for Q3 2022 were \$1,076,673 or 11% of revenue as compared to \$974,506 or 15% of revenue for Q3 2021, an increase of \$102,167 or 10%.

For the nine months ended September 30, 2022 sales and marketing expenses were \$3,148,312 or 11% of revenue as compared to \$2,646,543 or 15% of revenue, an increase of \$501,769 or 19% over the same period last year.

The increase is driven primarily by increased costs from acquisitions completed in the period, as we obtain more innovative products we continue to add to our sales and marketing team, in addition to increased travel as the economy begins to re-open. The Company continues to improve sales and marketing expenses as a percentage of revenues, with a reduction of 4% for the three and nine months ended September 30, 2022.

Research and development expenses

Research and development ("R&D") expenses consist of the salaries, benefits, travel and training costs of our R&D team.

R&D expenses for Q3 2022 were \$2,622,921 or 27% of revenue as compared to \$1,875,775 or 28% of revenue for Q3 2021, an increase of \$747,146 or 40%.

For the nine months ended September 30, 2022 R&D expenses were \$7,365,681 or 26% of revenue as compared to \$4,328,219 or 24% of revenue, an increase of \$3,037,462 or 70% over the same period last year.

The increase in dollars is driven by increased costs from acquisitions completed in the period and the time it takes for synergies and cost savings to be recognized.

Depreciation and amortization

Depreciation consists of depreciation and amortization of the Company's tangible and intangible assets and right of use assets which include computers, furniture and fixtures, leasehold improvements, acquired technologies, customer relationships, brands and premise leases.

Depreciation and amortization for Q3 2022 was \$981,968 as compared to \$751,316 for Q3 2021, an increase of \$230,652 or 31%.

For the nine months ended September 30, 2022 depreciation and amortization was \$2,680,521 as compared to \$1,937,585 for the same period last year, an increase of \$742,936 or 38%.

The increase is attributable to the charges from the current period's acquisition. With acquisitions, depreciation and amortization will continue to increase due to acquired intangible assets and the related amortization which is taken over their estimated useful lives which range from 5-13 years. While this is an income statement expense, it is a noncash item.

Stock based compensation

Stock based compensation expense for Q3 2022 was \$289,019 as compared to \$484,226 for Q3 2021, a decrease of \$195,207 or 40%.

For the nine months ended September 30, 2022 stock based compensation expense was \$872,803 as compared to \$1,088,306 for the same period last year, a decrease of \$215,503 or 20%.

Business acquisition, restructuring and integration costs

Acquisition, restructuring and integration expenses consist of costs incurred to acquire and integrate the businesses purchased as well as expenses incurred to align segments of the business.

Acquisition, restructuring and integration expenses for Q3 2022 were \$473,669 as compared to \$604,259 for Q3 2021, a decrease of \$130,590 or 22%.

For the nine months ended September 30, 2022 acquisition, restructuring and integration expenses were \$1,416,733 as compared to \$1,463,345 for the same period last year, a decrease of \$46,612 or 3%.

These expenses were recognized in connection with the acquisitions completed in the period, with the majority of the costs relating to professional fees to acquire the businesses and employee restructuring to gain synergies across the organization.

Interest and accretion expense (net of interest income)

Interest expense consists of bank charges, and interest related to loans payable and contingent consideration net of interest income.

Interest expense for Q3 2022 was \$2,401 as compared to \$13,564 for Q3 2021, a decrease of \$15,965 or 118%.

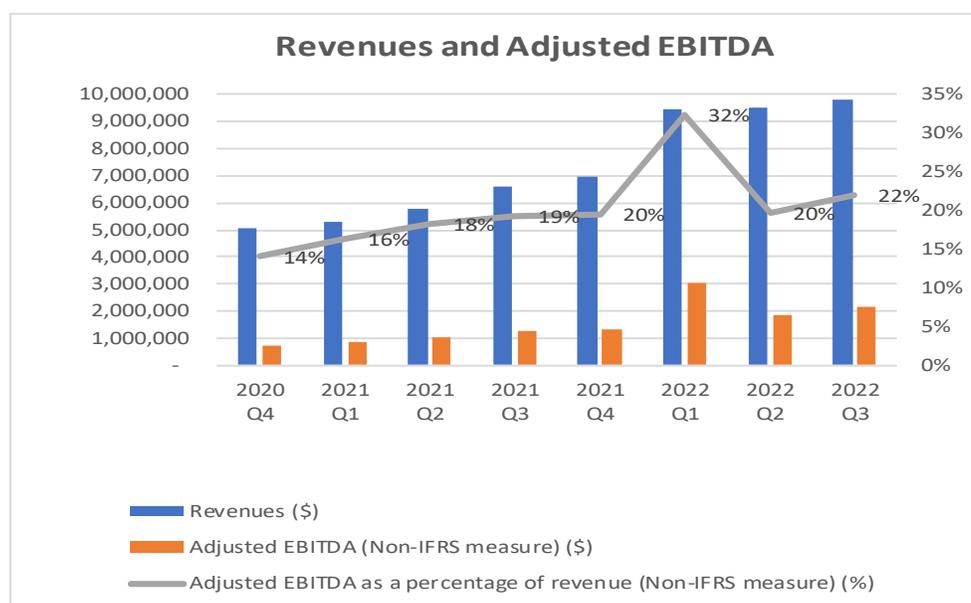
For the nine months ended September 30, 2022 interest expense was \$136,220 as compared to \$38,652 for the same period last year, an increase of \$97,568 or 252%.

The increase is attributable to additional funds received from the Scotia revolving term acquisition facility and the associated interest which has been accrued with repayment scheduled to begin in February 2023. Subsequent to the quarter, the Company repaid the balance of its Scotia revolving facility loan in the amount of \$8,999,982.

RESULTS OF OPERATIONS

The following table highlights selected financial information for the eight consecutive quarters ended September 30, 2022:

	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3
Revenues (\$)	5,083,132	5,323,074	5,792,182	6,619,047	6,930,290	9,423,191	9,477,464	9,780,553
Net income (loss) (\$)	(715,217)	(241,671)	(523,400)	(575,792)	(605,772)	1,437,611	74,579	40,777
EBITDA (Non-IFRS measure) (\$)	(125,716)	299,241	157,114	189,088	470,036	2,367,044	1,023,686	1,389,065
Adjusted EBITDA (Non-IFRS measure) (\$)	713,907	865,834	1,053,686	1,277,573	1,351,422	3,051,015	1,866,563	2,151,753
Net income (loss) per share - basic and diluted (\$)	(0.02)	(0.01)	(0.01)	(0.02)	(0.02)	0.04	0.00	0.00
Weighted average number of shares outstanding - basic	34,667,224	36,020,660	36,117,607	36,677,405	36,898,290	37,120,147	41,916,986	43,381,770
Weighted average number of shares outstanding - diluted	34,667,224	36,020,660	36,117,607	36,677,405	36,898,290	39,268,851	43,787,986	44,647,770



Due to the relatively high amortization of intangibles and periodic restructuring and integration costs from acquisitions management believes that Adjusted EBITDA as a percentage of revenue is a relevant KPI to measure. The improvement in Q3 2022 from Q3 2021 is attributable to a number of factors including increased recurring revenue, combined with improved margins and synergies gained from earlier acquisitions and management's efforts to reduce costs. Adjusted EBITDA as a percentage of revenue is a non-IFRS measure.

OUTSTANDING SHARE DATA

Share Capital

The authorized capital of the Company consists of an unlimited number of common shares. As at September 30, 2022 the Company had 43,333,748 (December 31, 2021 – 36,939,428) common shares issued and outstanding. As at September 30, 2022 there was no (December 31, 2021 – 1,077,000) warrants outstanding. Stock options outstanding as of September 30, 2022 were 2,688,703 (December 31, 2021 – 2,468,203) which entitle the holders to purchase one common share of the Company. Deferred share units outstanding as of September 30, 2022 were 87,414 (December 31, 2021 – 87,414). The number of exercisable stock options as at September 30, 2022 was 1,610,702 (December 31, 2021 – 1,445,127).

FINANCIAL CONDITION

Liquidity and Capital Resources

As the September 30, 2022 the Company had \$36,065,885 in cash on hand, compared to \$16,389,982 as at December 31, 2021.

The increase is primarily attributable to the Scotiabank revolving acquisition facility loan, accounts receivable collections and a bought deal completed in the period.

CASH USED IN OPERATING ACTIVITIES

	Nine months ended		Change
	September 30, 2022	September 30, 2021	
	\$	\$	
Net income (loss)	1,552,970	(1,340,869)	2,893,839
Items not affecting cash	3,727,102	2,735,796	991,306
Cash from operations before changes in working capital	5,280,072	1,394,927	3,885,145
Net change in non-cash working capital	2,138,909	(1,600,069)	3,738,978
Cash provided by (used in) operating activities	7,418,981	(205,142)	7,624,123

Changes in non-cash working capital increased to \$2,138,909 in comparison to the prior period. This is primarily due to an increase in deferred revenue, timing of accounts receivable billings and collections and additional contingent consideration from the acquisitions completed in the period.

Cash provided by operating activities was \$7,418,981 for the nine months ended September 30, 2022 as compared to (\$205,142) for the same period in the prior year. This increase is primarily due to an increase in cash generated from operations, as management continues to gain synergies from acquisitions and continues to reduce the costs of operations.

CASH USED IN INVESTING ACTIVITIES

	Nine months ended		Change
	September 30, 2022	September 30, 2021	
	\$	\$	
Cash used in investing activities	(13,362,115)	(10,272,966)	(3,089,149)

Cash used in investing activities of \$13,362,115 relates to investments in property and equipment of \$113,278 and the cash portion of the acquisition of Beautiful Information and Hicom in the amount of \$13,248,837.

CASH PROVIDED BY FINANCING ACTIVITIES

	Nine months ended		Change
	September 30, 2022	September 30, 2021	
	\$	\$	
Cash provided by financing activities	25,272,816	2,859,771	22,413,045

Cash provided by financing activities was \$25,272,814 for the nine months ended September 30, 2022 compared to \$2,859,771 in the same period in the prior year. In the period, proceeds from financing activities relate to the Scotiabank revolving acquisition facility loan amounting to \$9,999,982, and the net proceeds from a bought deal of \$16,297,935, exercise of options and warrants with proceeds of \$353,477, offset by principal payments on the company's loans, lease liabilities and repurchase of common shares of \$1,378,580.

CREDIT FACILITIES

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

The Company is subject to maintain the following covenants:

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

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

LOANS PAYABLE

The Company assumed a loan from the acquisition of BSharp with The Business Development Bank of Canada ("BDC") in the amount of \$184,680. The loan bears interest at BDC's floating base rate plus 3% and was due September 30, 2022. The loan is repayable in 1 monthly installment of principal of \$3,328 and 59 monthly installments of principal of \$3,240 plus interest, which began October 31, 2017. The loan is secured by a general security agreement with a second ranking security interest over all property of the Company except the property of Beautiful Information Limited which is pledged to Llyod's Bank. Subsequent to the quarter, the BDC loan was fully repaid.

CONTINGENT OFF-BALANCE SHEET AND OTHER ARRANGEMENTS

The Company has obligations with respect to licence, maintenance, and support arrangements for any 12-month period. This obligation is reflected on the Company's statement of financial position through its deferred revenue balance. Outside of deferred revenue, the Company has no material off-balance sheet obligations or contingencies.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

A description of the Company's accounting estimates that are critical to determining the Company's financial results and changes to accounting policies.

The Company's Financial Statements are prepared in accordance with IFRS, which require the Company to make estimates and assumptions that affect the amounts reporting in its Financial Statements. It has identified several policies as critical to the business operations and essential for an understanding of the results of operations. The application of these and other accounting policies are described in Note 3 of the Company's annual consolidated financial statements. There have been no significant changes in its critical accounting estimates from what was previously disclosed in its MD&A for the year ended December 31, 2021. These policies are incorporated herein by reference. Preparation of the Financial Statements requires the Company to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the Financial Statements, and the reporting amounts of revenues and expenses during the reporting period. Actual results could vary significantly from those estimates. Significant areas requiring the Company to makes estimates include: the useful life of and value and assets, the valuation allowance of income tax accounts, the recognition of revenue and accrued liabilities.

INTERNAL CONTROL OVER FINANCIAL REPORTING

During the quarter, there were no changes that are likely to materially affect the internal control over the Company's financial reporting.

RECONCILIATION AND DEFINITION OF NON-IFRS MEASURES

A description and calculation of certain measures used by management.

Annual recurring revenue

Annual recurring revenue is defined as annual renewable software licence fees and maintenance services. The Company defines ARR as the recurring revenue we can expect based on yearly subscriptions of the renewable software license fees and maintenance services. Annual Recurring revenues are a non-IFRS measure.

ARR at September 30, 2022 was \$30,967,215 as compared to \$21,569,032 at September 30, 2021, an increase of 44%.

Annual Recurring Revenue	Q4 21	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22
Opening balance (\$)	13,560,696	14,844,038	15,931,628	19,757,307	21,569,033	22,106,665	24,015,092	31,219,508
Organic net of churn (\$)	1,337,318	973,801	694,143	281,206	649,416	1,485,613	823,506	850,755
Organic net of churn (%)	9.86%	6.56%	4.36%	1.42%	3.01%	6.72%	3.43%	2.73%
Acquisition (\$)	0	0	3,430,575	1,319,098	0	1,032,000	6,748,747	0
Acquisition (%)	0.00%	0.00%	21.53%	6.68%	0.00%	4.67%	28.10%	0.00%
Effect of foreign exchange (loss) gain (\$)	(53,976)	113,789	(299,039)	211,422	(111,785)	(609,186)	(367,835)	(1,103,048)
Effect of foreign exchange (loss) gain (%)	(0.40%)	0.77%	(1.88%)	1.07%	(0.52%)	(2.76%)	(1.53%)	(3.53%)
Closing balance (\$)	14,844,038	15,931,628	19,757,307	21,569,033	22,106,665	24,015,092	31,219,508	30,967,215

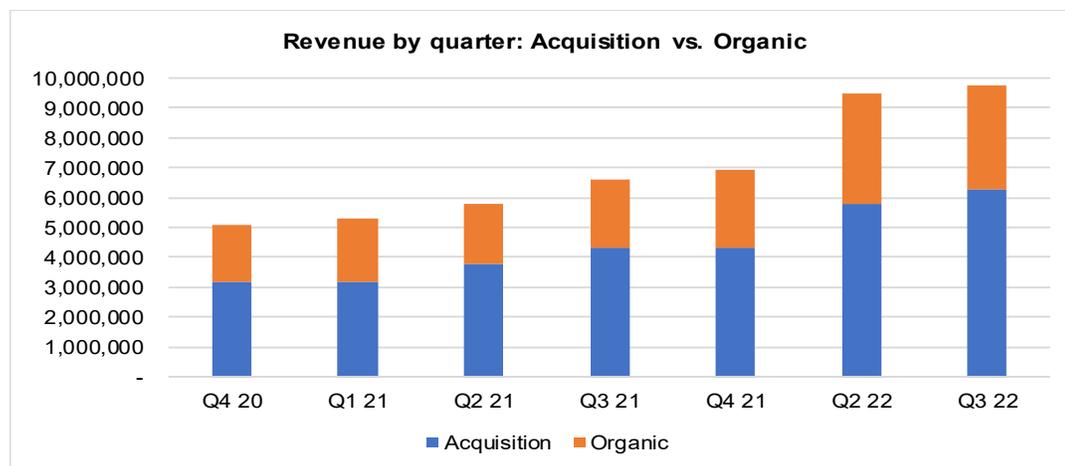
- ARR at the end of Q3 2022 was \$30,967,215.
 - Organic growth of \$850,755 or 2.73% from Q2 2022,
 - Reduction of \$1,103,048 or 3.53% due to the decrease in the value of the GBP pound relative to the CAD dollar from the prior quarter
- In Q3 2021 ARR grew by \$1,811,726 or 9% from Q2 2021.
 - \$281,206 or 1.42% organic growth,
 - \$1,319,098 or 6.68% through acquisition and,
 - \$299,039 or 1.88% due to an unrealized foreign exchange loss.

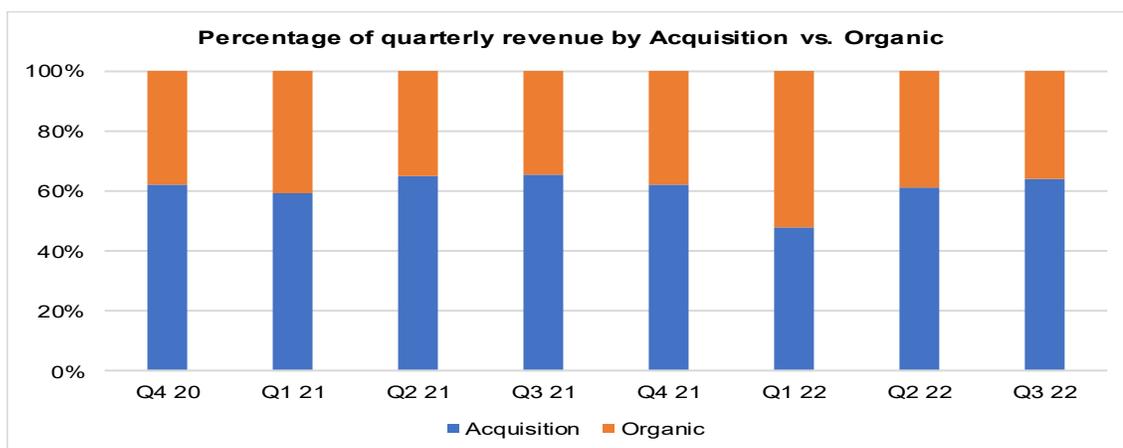
The continued increase in organic ARR growth is reflective of our strategy to grow the business both organically and through acquisition.

Acquisition and organic revenue

Acquisition revenue is defined as the annual contract value of revenues of the acquired companies at the time of acquisition. Organic revenue growth is defined as the revenue over and above the acquisition revenues. Acquisition revenue is a non-IFRS measure.

The Company has a robust two-pronged growth strategy, targeting organic growth opportunities within its product suite, and pursuing an aggressive M&A plan.





Organic growth as a percentage of total revenues for Q3 2022 and Q3 2021 represented 36%.

Earnings before interest, taxation, depreciation and amortization (“EBITDA”)

EBITDA is a measure used by management to evaluate operational performance. It is also a common measure that is reported on and used by investors in determining a company’s ability to incur and service debt as well as a valuation methodology. Management believes EBITDA enhances the information provided in the Financial Statements. EBITDA is a non-IFRS measure and should not be considered an alternative to operating income or net income (loss) in measuring the Company’s performance. EBITDA should not be used as an exclusive measure of cash flows because it does not consider the impact of working capital growth, capital expenditures, debt principal reductions and other sources and uses of cash which are disclosed in the interim condensed consolidated statements of cash flows.

The following chart reflects the Company’s calculation of EBITDA:

	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	\$	\$	\$	\$
Net income (loss)	40,777	(575,792)	1,552,970	(1,340,869)
Add: Interest	(2,401)	13,564	136,220	38,652
Add: Depreciation and amortization	981,968	751,316	2,680,521	1,937,585
Add: Current and deferred tax expense (recovery)	368,721	0	410,086	10,071
EBITDA	1,389,065	189,088	4,779,798	645,439

EBITDA for Q3 2022 increased by \$1,199,977 or 635%, as compared to the same period in the prior year. EBITDA for the nine months ended September 30, 2022 increased by \$4,134,359 or 641%, as compared to the same period in the prior year

The increase is the result of net income for the nine month period, an increase in revenues of 62% and continued synergies gained from acquisitions.

Adjusted EBITDA

Adjusted EBITDA, defined as Earnings before Interest, Taxation, Depreciation, Amortization, Share Based Compensation expense, business acquisition, restructuring and integrations costs is an additional measure used by management to evaluate cash flows and the Company’s ability to service debt. Adjusted EBITDA is a non-IFRS measure and should not be considered an alternative to operating income or net income (loss) in measuring the Company’s performance.

The following chart reflects the Company's calculation of Adjusted EBITDA:

	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	\$	\$	\$	\$
EBITDA	1,389,065	189,088	4,779,798	645,439
Add: Stock based compensation expense	289,019	484,226	872,803	1,088,306
Add: Business acquisition, restructuring and integration costs	473,669	604,259	1,416,733	1,463,345
Adjusted EBITDA	2,151,753	1,277,573	7,069,334	3,197,090

Adjusted EBITDA for Q3 2022 increased by \$874,180 or 68%, as compared to the same period in the prior year.

Adjusted EBITDA for the nine months ended September 30, 2022 increased by \$3,872,244 or 121%, as compared to the same period in the prior year.

The increase is attributable to a number of factors including increased recurring revenues, net income for the nine month period, combined with improved margins and synergies gained from earlier acquisitions and management's efforts to improve costs. Management believes adjusted EBITDA is a more appropriate KPI to measure as the two major items that flow through the income statement are people costs and amortization of intangibles (non-cash) and is a good reflection of the Company's performance.

Risks and Uncertainties

The Company operates in a dynamic environment that exposes it to a number of risks and uncertainties. The following section describes some, but not all, of the risks and uncertainties that may adversely impact Vitalhub business, financial condition, and/or results of operations. If any of these risks actually occur, the Company's business, financial condition and/or results of operations could be materially harmed.

The annual revenue and operating results of Vitalhub can be difficult to predict and can fluctuate substantially, which may harm or distort results of operations.

Vitalhub's revenue is difficult to forecast and is likely to fluctuate significantly from quarter to quarter. In addition, operating results may not follow any past trends. The factors affecting revenue and results, many of which are outside of Vitalhub's control, include:

- Competitive conditions in the industry, including new products, product announcements and special pricing offered by competitors
- Market acceptance of products
- Ability to hire, train and retain sufficient qualified sales and professional services staff
- Ability to complete service obligations related to product sales in a timely manner
- Varying size, timing and contractual terms of orders for products, which may delay the recognition of revenue
- Ability to maintain existing relationships and to create new relationships to assist with sales and marketing efforts
- The discretionary nature of hospital purchase and budget cycles and changes in their budgets for, and timing of, software and related purchases
- The length and variability of the sales cycles
- Strategic decisions by Vitalhub or competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy
- General weakening of the economy resulting in a decrease in the overall demand for computer software and services
- Changes in Vitalhub pricing policies and the pricing policies of Vitalhub's competitors
- Timing of product development and new product initiatives
- Changes in the mix of revenue attributable to substantially lower-margin service revenue as opposed to higher margin product license revenues
- Cancellation of recurring monthly software contracts
- Vitalhub's annual revenue is dependent upon a relatively small number of transactions, even minor variations in the rate and timing of conversion of sales prospects into revenue could cause the plan or budget to be inaccurate, and those variations could adversely affect financial results. Delays, reductions in the amount, or cancellations of customers' purchases would adversely affect Vitalhub revenues, results of operations and financial condition
- 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.

Vitalhub may need additional financing in order to support its operations, make further investments, or take advantage of unanticipated opportunities.

The ability of Vitalhub to arrange financing in the future will depend in part upon prevailing capital market conditions, as well as its business success. There can be no assurance that Vitalhub will be successful in its efforts to arrange additional financing on satisfactory terms.

If additional financing is raised by the issuance of shares or other forms of convertible securities from treasury, control of Vitalhub may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, then Vitalhub may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and remain in business.

Vitalhub may be unable to identify and complete acquisitions. Acquisitions could divert Management's attention and financial resources, may negatively affect operating results and could cause significant dilution to shareholders.

Vitalhub has, and in the future may continue to, engage in selective acquisitions of complementary products or businesses. There is a risk that Vitalhub will not be able to identify suitable acquisition candidates available for sale at reasonable prices, complete any acquisition, or successfully integrate any acquired product or business into its operations. Vitalhub is likely to face competition for acquisition candidates from other parties including those that have substantially greater available resources. Acquisitions may involve a number of other risks, including:

- Diversion of management's attention
- Disruption to ongoing business
- Failure to retain key acquired personnel
- Difficulties in integrating acquired operations, technologies, products or personnel
- Unanticipated expenses, events or circumstances
- Assumption of disclosed and undisclosed liabilities
- Inappropriate valuation of the acquired in-process research and development, or the entire acquired business

If Vitalhub does not successfully address these risks or any other problems encountered in connection with an acquisition, the acquisition could have a material adverse effect on the business, results of operations and financial condition. Problems with an acquired business could have a material adverse effect on the performance of the business as a whole. In addition, if Vitalhub proceeds with an acquisition, available cash may be used to complete the transaction, diminishing liquidity and capital resources, or shares may be issued which could cause significant dilution to existing shareholders.

The industry in which Vitalhub operates is highly competitive and competition could intensify, or any technological advantages held by Vitalhub may be reduced or lost, as a result of technological advances by its competitors. If Vitalhub does not compete effectively with these competitors, its revenue may not grow.

Vitalhub has experienced competition from a number of software companies and expects it to continue in the future. Vitalhub's competitors may announce new products, services or enhancements that better meet the needs of customers or changing industry standards. Increased competition may cause price reductions, reduced gross margins and reduced growth in sales, any of which could have a material adverse effect on the business, results of operations and financial condition of Vitalhub. Vitalhub faces substantial competition from established competitors, many of which may have greater financial, engineering, manufacturing and marketing resources than it does. Many of these companies also have a larger installed base of users, have longer operating histories or have greater name recognition than Vitalhub does. There can be no assurance that Vitalhub will successfully differentiate its current and proposed products from the products of its competitors, or that the marketplace will consider the products of Vitalhub, to be superior to competing products.

To maintain Vitalhub's competitive position, it is believed that Vitalhub will be required to continue a high level of investment in engineering, research and development, marketing and customer service and support. There can be no assurance that Vitalhub will have sufficient resources to continue to make these investments, that it will be able to make the technological advances necessary to maintain its competitive position, or that its products will receive market acceptance. Vitalhub's competitors may be able to respond more quickly to changes in customer requirements and devote greater resources to the enhancement, promotion and sale of their products. Vitalhub may not be able to compete successfully in the future, and increased competition may result in price reductions, reduced profit margins, loss of market share and an inability to generate cash flows that are sufficient to maintain or expand its development of new products.

The success of the business of Vitalhub is partially dependent upon its ability to develop new products and enhance existing products.

To keep pace with technological developments, satisfy increasingly sophisticated customer requirements and achieve market acceptance, Vitalhub must enhance and improve existing products and must also continue to introduce new products and services. If Vitalhub is unable to successfully develop new products or enhance and improve existing products or it fails to position and/or price its products to meet market demand, the business and operating results of Vitalhub will be adversely affected. Accelerated product introductions and short product life cycles require high levels of expenditures for research and development that could adversely affect operating results. Further, any new products could require long development and testing periods and may not be introduced in a timely manner or may not achieve the broad market acceptance necessary to generate significant revenue.

If Vitalhub is required to change its pricing models to compete successfully, margins and operating results may be adversely affected.

The intensely competitive market in which Vitalhub operates may require that prices be reduced. If competitors offer deep discounts on certain products or services in an effort to recapture or gain market share or to sell other software products, Vitalhub may be required to lower prices or offer other favourable terms to compete successfully. Any such changes would be likely to reduce margins and could adversely affect operating results. Some competitors may bundle software products that compete with Vitalhub products for promotional purposes or as a long-term pricing strategy or provide guarantees of prices and product implementations. These practices could, over time, limit the prices that Vitalhub can charge for its products. If Vitalhub cannot offset price reductions with a corresponding increase in the number of sales or with lower spending, then the reduced software license revenue resulting from lower prices would adversely affect margins and operating results.

Vitalhub may not be able to successfully develop and maintain strategic relationships to sell and implement its products.

Vitalhub has or is developing relationships with third-party systems integrators, software and hardware vendors. These third parties may provide Vitalhub with customer referrals, cooperate in marketing Vitalhub's products and provide its customers with systems implementation services or additional complementary products. However, Vitalhub does not have formal agreements governing ongoing relationships with certain of these third-party providers and the agreements in place generally do not include obligations with respect to generating sales opportunities or co-operating on future business. Should any of these third parties go out of business or choose not to work with Vitalhub, the company may be forced to increase the development of those capabilities internally, incurring significant expense and adversely affecting operating margins. These third-party providers may work with other companies which have products that compete with the Vitalhub products. Vitalhub could lose sales opportunities if it fails to work effectively with these parties or they choose not to work with Vitalhub.

The operations of Vitalhub could be negatively affected if it loses key executives or employees or is unable to attract and retain skilled executives and employees as needed.

The business and future operating results of Vitalhub depend in part upon its ability to attract and retain qualified management, technical, sales, marketing, and support personnel. This is crucial to the ability of Vitalhub to develop, market, and support its products and services. The loss of key personnel could negatively impact Vitalhub's business, results of operations, and financial condition. The success of Vitalhub is also highly dependent on its continuing ability to identify, hire, train, motivate and retain highly qualified management, technical, sales and marketing personnel. Competition for such personnel can be intense, and no assurance can be made that Vitalhub will be able to attract or retain highly qualified technical and managerial personnel in the future. The inability to attract and retain the necessary management, technical, sales and marketing personnel may adversely affect the future growth and profitability of Vitalhub. It may be necessary to increase the level of compensation paid to existing or new employees to a degree that operating expenses could be materially increased.

Errors in Vitalhub products could result in significant costs to Vitalhub and could impair its ability to sell its products.

Vitalhub products are complex and, accordingly, they may contain errors, or "bugs", that could be detected at any point in their product life cycle. The reputation of Vitalhub could be materially and adversely affected by errors in the products. These errors could result in significant costs to Vitalhub, delay planned release dates and impair the ability to sell products in the future. The costs incurred in correcting any product errors may be substantial and could adversely affect operating margins. While Vitalhub plans to continually test its products for errors and work with customers through maintenance support services to identify and correct bugs, errors in the products may be found in the future.

A successful product liability claim against Vitalhub could seriously harm the business.

The license agreements that Vitalhub enters into with its customers typically contain provisions designed to limit the exposure Vitalhub has to potential product liability claims. Despite this, it is possible that these limitations of liability provisions may not be effective as a result of existing or future laws or unfavourable judicial decisions. Vitalhub has not experienced any product liability claims to date. However, the sale and support of Vitalhub products may entail the risk of those claims, which are likely to be substantial in light of the use of the products in critical applications. A successful product liability claim could result in significant monetary liability and a serious disruption of the business.

Economic uncertainty and downturns in the software market may lead to decreases in the revenue and margins of Vitalhub.

The market for Vitalhub's products depends on economic conditions affecting the broader software market. Downturns in the economy may cause hospitals to delay or cancel software projects, reduce their overall information technology budgets or reduce or cancel orders for Vitalhub products. This may lead to longer sales cycles, delays or failures in payment and collection, and price pressures, causing Vitalhub to realize lower revenue and margins.

Vitalhub may lose sales or sales may be delayed due to the long sales cycles for its products.

Hospitals typically invest substantial time, money and other resources researching their needs and available competitive alternatives before deciding to license software products. Typically, the larger the sale, the more time, money and other resources will be invested. As a result, it may take many months after Vitalhub first has contact with a potential customer before a sale can actually be completed. Vitalhub may invest significant sales and other resources in a potential customer that may not generate revenue for a substantial

period of time, if at all. The time required for implementation of Vitalhub products varies among its customers and may last several months, depending on the customers' needs and the products deployed.

During these long sales and implementation cycles, events may occur that affect the size or timing of the order or even cause it to be cancelled. For example:

- Purchasing decisions may be cancelled, postponed, or large purchases reduced, during periods of economic uncertainty
- Vitalhub or its competitors may announce or introduce new products; or
- The customer's budget and purchasing priorities may change

If these events were to occur, sales of Vitalhub products or services may be cancelled or delayed, which would reduce future revenue.

Maintenance and service revenue produce substantially lower gross margins than license revenue, and an increase in service revenue relative to license revenue would harm Vitalhub's overall gross margins.

Maintenance and service revenue have substantially lower gross margins than license revenue. An increase in the percentage of net revenue represented by maintenance and service revenue could adversely affect overall gross margins percentage.

The volume and profitability of services can depend in large part upon:

- Competitive pricing pressure on the rates charged for professional services
- Billable utilization of services personnel
- The complexity of clients' IT environments; and
- The resources directed by customers to their implementation projects

Any erosion of margins for maintenance and service revenue, or any adverse changes in the mix of license versus maintenance and service revenue, could adversely affect operating results.

Vitalhub may license software from third parties. The loss of rights to use this software could increase operating expenses and could adversely affect the company's ability to compete.

Vitalhub may license certain technologies used in its products from third parties, generally on a non-exclusive basis. The termination of any of these licenses, or the failure of the licensors to adequately maintain or update their products, could delay Vitalhub's ability to ship its products, as Vitalhub may need to seek to implement alternative technology offered by other sources. This may require unplanned investments by Vitalhub. In addition, alternative technology may not be available on commercially reasonable terms. In the future, it may be necessary or desirable to obtain other third-party technology licenses relating to one or more products or relating to current or future technologies to enhance Vitalhub's product offerings. There is a risk that Vitalhub will not be able to obtain licensing rights to the needed technology on commercially reasonable terms, if at all.

Vitalhub is exposed to foreign currency risk by reason of collecting some of its revenues in US, GBP, AUD, and QAT dollars and plans to sell into other foreign geographies as well as subsidiaries in foreign countries, a change in the foreign currency exchange rate could adversely affect the company's earnings.

For Q3 2022 approximately 73% (Q3 2021 - 71%) of Vitalhub's sales revenue originated from clients in the United States, the United Kingdom, Australia, Western Asia and the rest of the world. It is possible that a greater percentage of Vitalhub's sales could emanate from other foreign countries. As such, a significant portion of Vitalhub's revenues are other foreign currencies which it then converts into Canadian dollars for reporting in its financial statements. Vitalhub's earnings could be adversely affected if the exchange rate between other foreign currencies and Canadian dollars fluctuates.

Security breaches, denial of service attacks, or other hacking and phishing attacks on our systems or other security breaches, including internal security failures and other privacy breaches including the unauthorized access to, use or disclosure of personal information, could harm our reputation or subject us to significant liability, and adversely affect our business and financial results.

In the current environment, the volume, velocity and creativity of security threats and cyber-attacks continue to grow, this includes criminal hackers, hacktivists, state-sponsored organizations, industrial espionage, employee misconduct, and human or technological errors.

The integrity, reliability and security of information in all forms are critical to the Company's daily and strategic operations. Despite the Company's efforts to create security barriers, the Company is susceptible to operational, financial and information security risks resulting from cyber-attacks and/or technological malfunctions. Successful cyber-attacks, security breaches and/or technological malfunctions affecting the Company or its products or services can result in, among other things, litigation, governmental audits or investigations, financial penalties or losses, unauthorized release of customer information or confidential information, loss of confidence in the Company's products and services and significant reputational risk, each of which could adversely affect its business, financial condition and results of operations.

Third parties to whom the Company outsources certain functions, or with whom their systems interface, are also subject to the risks outlined above and may not have or use appropriate controls to protect confidential information. A breach or attack affecting a third-party service provider or partner could harm the Company's business even if the Company does not control the service that is attacked.

FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budgets”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or “recurring”, or variations of such words and phrases or state certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. 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. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including but not limited to: the ability of the issuer to obtain financing if required; the economy generally; consumer interest in the services and products of the Company; competition; and anticipated and unanticipated costs. While the Company anticipates that subsequent events and developments may cause its views to change, the Company specifically disclaims any obligation to update these forward-looking statements except as may be required by applicable securities legislation. These forward-looking statements should not be relied upon as representing the Company’s views as of any date subsequent to the date of this MD&A. 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, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Company.